

Southern California Gas Company



Appendix B.2: Section A

Program Implementation Plans (Clean Versions) Statewide Programs

Appendix B.2:

Section A

Program Implementation Plans

(Clean Versions)

Statewide Programs

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Program Code	Program Name	Page Number
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- 1. Program Name:** CalSPREE¹ Program
Program ID: SCG3701 SW-CALS-Energy Advisor
 SCG3702 SW-CALS-Plug Load and Appliances
 SCG3704 SW-CALS-MFEER
 SCG3705 SW-CALS-EUC
 SCG3706 SW-CALS-Residential HVAC
 SCG3707 SW-CALS-RNC
Program Type: Statewide Core Program

2. Projected Program Budget Table

Table 1

Program #	Main/Sub Program Name	Administrative Amount	Marketing Amount	Direct Install Amount	Incentive Amount	Total Budget Amount
	SW CALSPREE					
3701	SW-CALS-Energy Advisor	\$95,381	\$81,040	\$1,334,570	\$0	\$1,510,991
3702	SW-CALS-Plug Load and Appliances	\$502,531	\$1,367,639	\$3,936,373	\$5,462,826	\$11,269,369
3703	SW-CALS-Plug Load and Appliances - POS	\$28,955	\$0	\$339,574	\$3,850,000	\$4,218,529
3704	SW-CALS-MFEER	\$134,543	\$67,884	\$713,664	\$1,851,819	\$2,767,910
3705	SW-CALS-EUC	\$884,518	\$1,308,684	\$6,146,624	\$5,004,800	\$13,344,626
3706	SW-CALS-Residential HVAC	\$14,608	\$0	\$141,826	\$250,000	\$406,434
3707	SW-CALS-RNC	\$481,053	\$180,768	\$1,968,651	\$2,982,910	\$5,613,382
	TOTAL:	\$2,141,589	\$3,006,015	\$14,581,282	\$19,402,355	\$39,131,240

3. Projected Program Gross Impacts Table

The IOUs funding request for the proposed 2013-2014 CalSPREE Program as detailed in Table 1 above. The IOUs believe this amount is reasonable, results in a cost-effective portfolio that meets the Commission’s energy savings targets for 2013-2014, and supports market transformation and the Strategic Plan.

Table 2

Program #	Main/Sub Program Name	2012-2013 Gross kW Savings	2012-2013 Gross kWh Savings	2012-2013 Gross Therm Savings
	SW CALSPREE			
3701	SW-CALS-Energy Advisor	-	-	-
3702	SW-CALS-Plug Load and Appliances	300	595,034	2,179,444
3703	SW-CALS-Plug Load and Appliances - POS	4,725	11,330,000	1,729,201
3704	SW-CALS-MFEER	7	12,562	1,277,092
3705	SW-CALS-EUC	-	-	386,144
3706	SW-CALS-Residential HVAC	-	-	-
3707	SW-CALS-RNC	2,287	1,619,704	383,064
	TOTAL:	7,319	13,557,301	5,954,945

¹ D.09-09-047, p. 7, refers to the statewide residential energy efficiency subprograms as the California Statewide Subprograms for Residential Energy Efficiency (“CalSPREE”)

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4. Program Description

The 2013-2014 Residential Sector program, part of the overall Energy Upgrade California (EUC) program, is designated as the California Statewide Program for Residential Energy Efficiency (CalSPREE).

CalSPREE will offer and promote both specific and comprehensive energy solutions for residential customers. By encouraging adoption of economically viable energy efficiency technologies, practices, and services, CalSPREE will employ strategies and tactics to overcome market barriers while delivering services that support the CPUC's Long Term Energy Efficiency Strategic Plan.

The ultimate focus of CalSPREE is to:

- Facilitate, sustain, and transform the long-term delivery and adoption of energy-efficient products and services for single and multi-family dwellings;
- Cultivate, promote and sustain lasting energy-efficient behaviors by residential customers through a collaborative statewide education and outreach mechanism; and
- Meet customers' energy efficiency adoption preferences through a range of offerings including single-measure incentives and more comprehensive approaches.

To date, the California IOUs have employed a number of different residential energy efficiency subprograms that are in various stages of maturity and availability across the state. For 2013-2014 and beyond, the IOUs will integrate all of these subprograms to coordinate efforts and increase comprehensiveness of measure delivery.

CalSPREE will conduct a combination of integrated DSM and program specific marketing and outreach to drive ongoing customer participation and behavior change. Both integrated and program-specific marketing activities will work in coordination with the SW ME&O and will serve to complement those efforts.

Integrated marketing and outreach will gather, create, and deliver information to customers in a way that (1) bundles programs, products, and information and (2) customizes delivery for individual or groups of targeted customers based on market intelligence, segmentation analyses, self-selection activities, and event-based knowledge of customer's actions. To drive ongoing customer engagement, marketing and outreach will target customers with the right message, through the right channel, at the right time. Integrated marketing will cross-sell

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relevant DSM programs and services that emphasize the benefits of participation in multiple programs.

Additionally, program specific marketing and outreach will be conducted in order to increase participation and reach specific program goals. Program specific marketing and outreach will target customers with a high potential to participate in a specific programs or service. For example, through the Plug Load and Appliances program, customers identified as having a pool may receive a targeted direct mailer prior to summer encouraging them to take advantage of the pool pump and motor rebate. By motivating customers to take an initial action, it will enable the utilities to engage customers in an ongoing conversation about the next steps they can take towards becoming better energy managers. Additionally, program specific marketing and outreach enables the utilities to conduct activities necessary to support the measure, such as developing Point of Sale rebate stickers that are placed on select appliances to drive program participation. These efforts drive enrollments that enable the utilities to meet specific program goals.

A mix of communication channels and languages will be used to reach a diverse audience. Communication channels may include: web, call center, bill messaging, email, social media, direct mail, retail partnerships, community- and faith-based partnerships, outreach, events, local government partnerships, general and ethnic media.

CalSPREE is comprised of the Energy Advisor, Plug Load and Appliances (PLA), Multi-Family Energy Efficiency Rebates (MFEER), Energy Upgrade California (EUC), Residential Heating, Ventilation, and Air Conditioning (HVAC), and Residential New Construction (RNC) subprograms. These subprograms are described in more detail below.

Short description of each sub-program

The 2013-2014 CalSPREE includes the following six subprograms:

a) Energy Advisor (EA). The Energy Advisor subprogram will utilize interactive tools designed to engage customers and encourage participation in innovative initiatives. These initiatives are designed to help customers understand and empower them to manage their energy use, and will guide them, where appropriate, towards advancing whole-house energy solutions. Although the IOUs share similar Energy Advisor subprogram theory, design, and goals, they may implement subprogram logistics differently because of their different service territories.

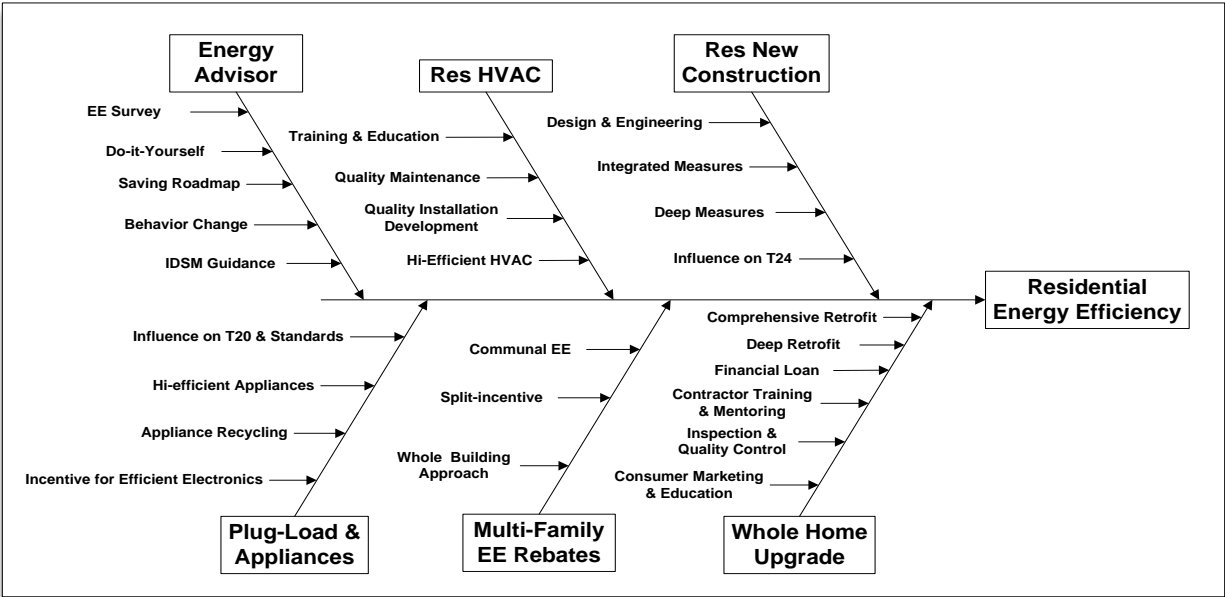
b) Plug Load and Appliances (PLA). The Plug Load and Appliances subprogram merges the previous Home Energy Efficiency Rebate (HEER), Business Consumer Electronics (BCE) and Appliance Recycling subprograms. This subprogram will develop and build upon existing retailer relationships and will include recycling strategies and whole house solutions, plug load efficiency, performance standards, and opportunities for integration with local government, water agencies, Publically Owned Utilities (POUs), and the Demand Side Management (DSM) subprogram.

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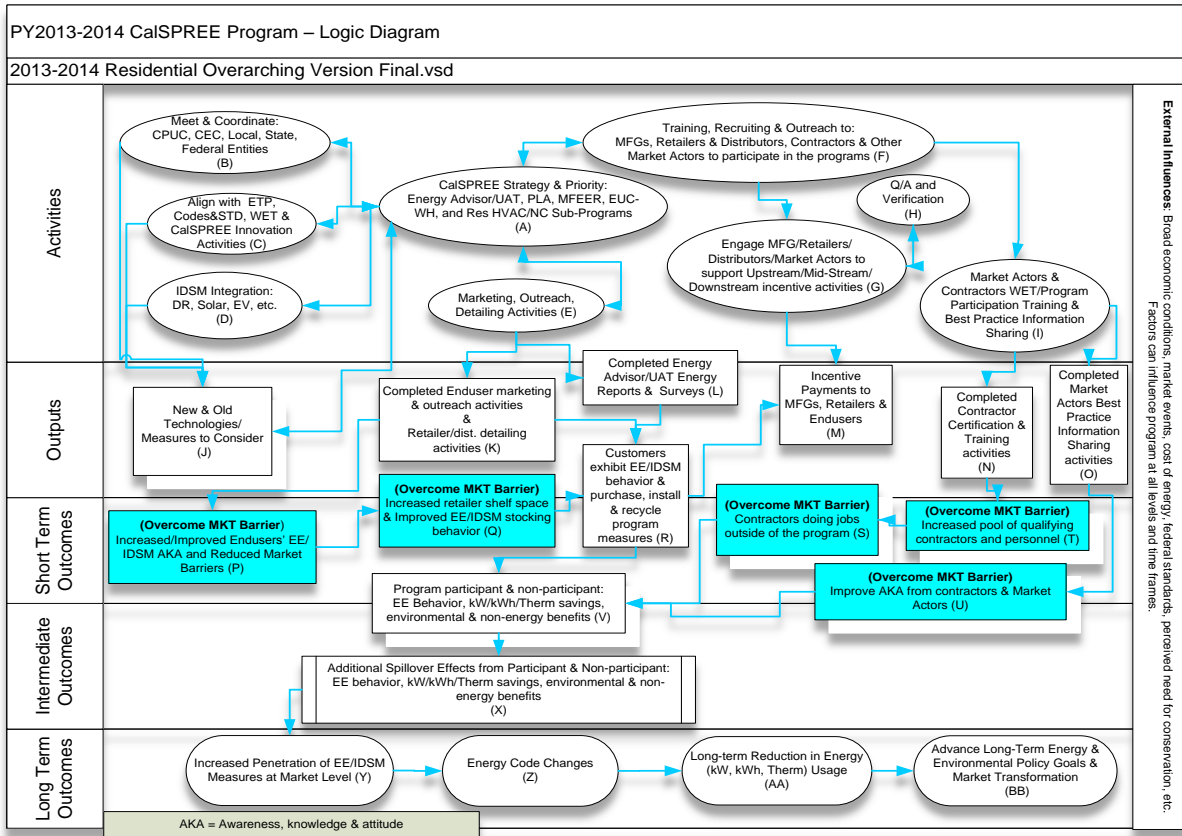
- c) Multi-Family Energy Efficiency Rebates (MFEER).** The MFEER subprogram is a continuing subprogram. This subprogram will promote energy efficiency by providing equipment rebates to owners and tenants of multifamily properties, including residential apartment buildings, condominium complexes, and mobile home parks. It will be coordinated with the Energy Savings Assistance (ESA) and the EUC Programs.
- d) Energy Upgrade California (EUC).** The EUC subprogram is a continuing program which began as Energy Upgrade California in the 2010-2012 residential energy efficiency portfolio of the four California Investor Owned Utilities (IOUs) – Pacific Gas & Electric Company (PG&E), Southern California Edison (SCE), San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas). For 2013-2014, the EUC will consolidate the previously separate Prescriptive Whole House Retrofit (PWHRP) and Local Whole House Retrofit (WHRP) and the introduction of a Multifamily component. The EUC sub-program is designed to build customer and contractor awareness of the house-as-a-system approach to residential retrofits and the many benefits of improving the comfort, safety, and energy savings potential of the house. The EUC approach promotes both Basic and Advanced Paths to retrofiting; these complementary paths will be presented to customers as one comprehensive offering.
- e) Residential Heating, Ventilation, and Air Conditioning (HVAC).** The Residential HVAC subprogram is a continuing program with the primary objective of driving high quality levels in California's HVAC market for technology, equipment, installation, and maintenance. An additional objective is to increase customer awareness of the value of HVAC installation and maintenance practices toward driving energy efficiency and peak load reduction. The Residential HVAC subprogram will incorporate revised measures and incentives, policies and procedures, quality assurance, marketing materials, website, and contractor training in performing HVAC installation services for residential customers.
- f) Residential New Construction (RNC).** The RNC subprogram is a continuing statewide program that consists of the California Advanced Homes Program (CAHP) and, in Southern California, the Energy Star Manufactured Homes (ESMH) Program. The Program is designed to help guide builders to produce the most efficient homes in the most cost-effective manner, and will examine methodologies for supporting the Strategic Plan target of zero net energy (ZNE) by 2020.

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5. CalSPREE Program Diagrams



6. Program Logic Model



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- 1. Program Name:** Energy Advisor Program
Program ID: 3701
Program Type: Statewide Core Program

2. Projected Program Budget Table

Table 1 - reference the CalSPREE for budget details

3. Projected Program Gross Impacts Table

Table 2 - reference the CalSPREE for projected savings details

4. Program Description

a) Describe program

This program is a continuation of the existing statewide Energy Advisor Program (formerly known as the Home Energy Efficiency Survey-HEES program) within the residential energy efficiency portfolio. Although SDG&E, SCE, PG&E and SoCalGas share similar program theory, design and goals, each IOU may implement its program logistics differently.

In 2013-2014, the Energy Advisor program will continue to help customers understand and empower them to manage their energy use, and will guide them, where appropriate, towards advancing whole-house energy solutions. The subprogram utilizes behavioral outreach initiatives and interactive tools designed to engage customers and to encourage participation in innovative initiatives to reduce their energy consumption through behavioral solutions, program recommendations and, as warranted, IDSM opportunities.

b) List Offerings

Offerings vary by IOU, as outlined below:

Offerings	SCE	SoCalGas	PG&E	SDG&E
Online Survey	Yes	Yes	Yes	Yes
Mail-in Survey	Yes	Yes	No	Yes
Telephone Survey	Yes	No	Yes	No
Multifamily Survey	Yes	Yes	Yes	Yes
In-home Survey	Yes	No	Yes	No
Home Energy Reports	Yes	Yes	Yes	Yes
Online Buyer's Guide	Yes	Yes	Yes	Yes

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Energy Kits	No	Yes	No	Yes
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c) List Non-incentive Customer Services

The Energy Advisor Program offers customers with interactive engagement and detailed outputs on their actual energy usage, including:

- Rate and usage analysis, and
- Household usage data and comparison.

In addition, the program provides information and literature on energy efficiency and IDSM Programs:

- Residential Energy Efficiency
- California Solar Initiative (CSI)
- Peak Demand Initiatives (DR)

The information provided through the Energy Advisor program will be coordinated on a statewide level. This information provided will include historical usage data for customers. The program options provide a platform to measure sustainable reductions in energy usage for the customer and the IOU's. In addition, data collected from the survey questionnaire will be utilized to provide targeted marketing and strategic planning opportunities for all Residential energy efficiency and demand response programs. The Energy Advisor program will be the primary mechanism to drive customers to save energy by educating the customer on their household usage, while comparing household usage with similar households. Statewide coordination efforts may also afford the program to provide information promoting the whole-house approach with information leading customers to whole-house products and services, including energy efficiency product and service providers, rebate program applications and customer service touch points.

5. Program Rationale and Expected Outcome

• **Quantitative Baseline and Market Transformation Indicators (MTIs)**

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

Program Performance Metrics (PPMs)

The IOUs have evaluated 2010-2012 PPMs in Resolution E-4385 for applicability to the 2013-2014 program cycle and propose to work collaboratively with Energy Division to develop revised program targets and PPMs as appropriate for the 2013-2014 program cycle. The IOUs' will propose revisions in an advice letter, per additional guidance from Energy Division.

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Table 3: Short-Term PPMs

On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. The Commission gave each PPM a metric type which indicated the reporting frequency: Metric type 2a indicates that the IOUs should report on the metric on an annual basis (unless indicated otherwise). Metric type 2b indicates the IOUs should report on the metric at the end of the program cycle.

Below are the approved PPMs and metric types for the Energy Advisor Program (Resolution E-4385, Appendix A, p 34).

SW PROGRAM/ Sub Program	PROGRAM PERFORMANCE METRIC (PPM)	Metric Type
Energy Advisor (EA)	Percentage of Energy Advisor participants that enroll in (a) whole house or (b) other resource programs	2b

- **Market Transformation Indicators (MTI)**

Per Resolution E-4385, a subset of market transformation indicators (MTIs) for statewide energy efficiency programs and subprograms were presented at a public workshop on November 7, 2011, to allow for public comments and discussion before being finalized. Per guidance from Energy Division received in December 2012, the approved Market Transformation Indicators for 2013-2014 are filed as a Joint IOU matrix, included as Appendix F.

- **Program Design to Overcome Barriers**

Promoting energy and water efficiency to the residential customer provides opportunities to foster market transformation. The main barriers include:

- Lack of current energy performance;
- Lack of energy efficiency information;
- Lack of awareness of specific measures and practices

To overcome these barriers, the Energy Advisor Program will provide accurate and comprehensive information about energy and water saving strategies, customized recommendations and suggestions for energy and water conservation and installation of energy-saving measures, and detailed analysis of energy billing, energy usage, and energy costs, based on actual household consumption. This information encourages permanent changes in customers' attitudes and actions toward energy conservation by helping them understand their usage, as well as providing information on a wide variety of possible measures, practices, and actions. The program will also continue to provide information in multiple languages to overcome language barriers for non-English-speaking customers.

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Marketing is a key component in the success of the Energy Advisor Program, first to generate awareness of the program, and second - and more important - to encourage completion of a survey. Marketing plans will be discussed statewide to ensure consistency and sharing of best practices.

Statewide delivery mechanisms continue to include online tools. The individual utilities may also provide other survey and engagement offerings if they feel these types are warranted. Online tools will be coordinated with a statewide emphasis to share best practices. Each IOU will have a delivery method capable of serving customers in multiple languages to bridge language barriers among California’s diverse population.

It is necessary to persuade Californians to commit to energy conservation. For many, this will be a gradual process facilitated by readily available, well placed educational materials that help the customer understand their energy usage and encourage the customer to make the greater commitment to participate in behavior and equipment based IDSM improvements. In accordance with the driving behavior change elements of energy improvement, each utility will seek to reach at least 5% of their customers through a variety of behavior change inclusive offerings.

SoCalGas Behavioral:

Behavioral savings are funded through SoCalGas Advanced Meter project, Decision 10-04-027, which found conservation estimates as reasonable and required SoCalGas to ensure that the estimated conservation savings are attained. SoCalGas will establish a system to track and attribute the conservation impacts of its AMI rollout. Every six months, SoCalGas shall file a report of measured savings. If the project is falling short of SoCalGas’ projections the company will submit revisions to its outreach plan to increase awareness, participation, and durability of conservation actions among customers.

Upon completion of the Advanced Meter project, SoCalGas will incorporate successful behavioral programs and techniques into the energy efficiency portfolio.

While the interactive survey and/or reports and action plans should result in changes in customer utilization, it cannot be considered a conclusion of the process. Rather, once customers have been engaged through the Energy Advisor program, utilities may motivate them to achieve even greater conservation savings through additional education on-line, by e-mail, by mail, by telephone, or through any other appropriate mechanism.

- **Quantitative Program Targets**

The proposed targets may be modified due to funding restrictions, especially for the 2013-2014 transition period (transition years).

IOU	Program Target by 2013	Program Target by 2014

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SDG&E	4,000	4,000
SCE	26,000	26,000
SoCalGas²	10,000	10,000
PG&E	5,000	5,000

* Program targets presented above do not include the Home Energy Reports. Targets for the Home Energy Reports can be found in Section 6 below.

- **Advancing Strategic Plan goals and objectives**

The Energy Advisor program will advance the strategic plan goals and objectives of the Strategic Plan as outlined:

- Goal 2.2: Residential Sector including Low-Income - Transform home improvement markets to apply whole-house energy solutions to existing homes - The Energy Advisor Program will continue to drive customers towards whole-home energy solutions through the Residential Universal Energy Audit Tool Suite (UAT / ICEAT / PEAT). This suite of tools educates the customer on the breadth of integrated solutions available for improvement, including the Energy Upgrade CA program when applicable.
- Goal 8.3: DSM Coordination and Integration - Deliver integrated DSM options that include efficiency, demand response, energy management and self generation measures, through coordinated marketing and regulatory integration - The Energy Advisor Program will seek opportunities to partner with municipalities, governmental and water agencies and other stakeholders if applicable to promote water and energy conservation. Further integration strategies may also include IDSM, Energy Savings Assistance (ESA) program and other energy efficiency programs.
- Goal 9.2 - Workforce, Education and Training - Ensure that minority, low-income and disadvantaged communities fully participate in training and education programs at all levels of the DSM and energy efficiency industry - This strategy falls in line with a goal of the WE&T Strategic Plan intended to ensure that minority, low-income and disadvantaged individuals fully participate in training and education programs at all levels of demand-side management and energy efficiency.

6. Program Implementation

a) Statewide IOU coordination

i. Program delivery mechanisms

² Includes program targets for mail-in, online, and in-home surveys only.

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The Energy Advisor Program is delivered to customers through multiple offerings. See section 4) b) above for program offerings by utility.

ii. Incentive levels

This program does not offer monetary incentives.

iii. Marketing and outreach plans, e.g. research, target audience, collateral, delivery mechanisms

Marketing efforts will be coordinated statewide to develop a portfolio of communication methods. The utilities can use these methods, including but not necessarily limited to, blast e-mails, flyers, on-line marketing, direct mail, trigger marketing, and/or lifestyle packages as suits the target audience, the message, and the resources.

iv. IOU program interactions with CEC, ARB, Air Quality Management Districts, local government programs, other government programs as applicable

The Energy Advisor program does not interact, as such, with other programs or organizations. However, the program will maintain the flexibility to coordinate program services to support initiatives generated by agencies.

v. Similar IOU and POU programs

The Energy Advisor program provides a consistent and recognizable presence throughout the state and offers a menu of similar services and processes implemented statewide by PG&E, SDG&E, SCE and SoCalGas. The program will work with municipalities, when applicable to offer this service and/or partner in the information provided. Efforts will be made to provide consistent reporting of program results across the state where applicable.

The program also will be implemented in close association with other residential energy efficiency programs. The Energy Advisor program will be the starting point for residential customers to tap into the IOU's residential energy efficiency services. Through marketing, education and outreach, each program will encourage end-users to adopt multiple measures to gain the benefits associated with an integrated whole-house approach to energy efficiency.

The Energy Advisor program will leverage its survey information to provide information and referrals to other energy efficiency programs. Aggregated data from on-line surveys and other program efforts will be examined to provide direct marketing opportunities as applicable.

The Energy Advisor program collaborates with the ESA program by making the service available to them and by providing customers with residential program information. Energy Advisor will coordinate with local and other outreach efforts, as appropriate.

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b) Program delivery and coordination

i. Emerging Technologies (ET) Program

The Energy Advisor program will collaborate statewide with emerging technologies initiatives and incorporate other measures into the customer energy report, as warranted, to support the Strategic Plan.

ii. Codes & Standards program

Continuous improvements and enhancements will be coordinated statewide to ensure the Energy Advisor Program maintains consistency with updates to codes and standards. Additionally, whenever analysis of the Energy Advisor program related data suggests an area that may be of interest to codes and standards, the program will proactively provide appropriate direction.

iii. WE&T efforts

The Energy Advisor program will collaborate with WE&T efforts where appropriate to share information and best practices.

iv. Program-specific marketing and outreach efforts

In addition to the statewide marketing efforts outlined above in Section 6.a.iv, the program may be utilized as an outreach mechanism in conjunction with CBOs, faith-based organizations, local community events, fairs, etc.

v. Non-energy activities of program

The Energy Advisor program is a successful effort to reach consumers through self, and in some cases direct, contact in ways that consumers prefer. The Energy Advisor Program will serve customers in multiple languages and through different delivery channels. Utilities will improve the Energy Advisor program prominence through creative initiatives such as: analyzing websites to insure high visibility of the Energy Advisor offerings; utilizing telephone representatives to explain and suggest Energy Advisor offerings to callers; describing Energy Advisor offerings in conservation literature; promoting Energy Advisor offerings in conjunction with community outreach efforts, etc., when applicable.

vi. Non-IOU programs

The program will promote non-utility programs (e.g. financing options, tax credits, and recycling) to further encourage customers to adopt energy efficiency measures when applicable.

vii. CEC work on EPIC

The Energy Advisor program will work with the statewide Emerging Technology Program, CEC and EPIC to take advantage of all new emerging technologies activities. The information may be shared in the customer energy report.

viii. CEC work on C&S

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The Energy Advisor program will work with the statewide codes and standards to take advantage of new emerging technologies activities. The information may be shared in the customer energy report.

ix. Non-utility market initiatives

The Energy Advisor program will coordinate with non-utility energy resources (i.e. DOE's ENERGY STAR®, CEE, etc., if applicable) to provide customers with information on energy efficient lighting, appliances, and equipment.

c) Best Practices

Statewide best practices are outlined below:

- Customer Usage History: Because the program includes comprehensive usage and billing information, Energy Advisor will continue to promote the survey program as a way to educate customers on their potential energy savings opportunities;
- Targeted marketing: On a statewide level, the Energy Advisor program will continue to focus its marketing campaigns toward residential and multifamily households with higher usage. As mentioned, the program may also be utilized as an outreach mechanism in a variety of community organizations. This approach reduces overall marketing costs by maximizing the response rates generated from marketing efforts.

d) Innovation

In 2012, the current survey was replaced by standardized Universal Audit Tools (UAT) developed by each IOU and coordinated at a statewide level to share best practices. The tools incorporate electricity/gas, energy efficiency, water conservation, demand response and self-generation analysis and will provide tailored set of recommendations for each type of survey, as appropriate. The UAT incorporates applicable rate and bill analysis functionality, similar home comparison as well as IOUs' adopted and recommended emerging technologies, as appropriate.

The utilities will continue to meet to share best practices for future UAT developments and enhancements where appropriate.

e) Integrated/coordinated Demand Side Management

Through the Residential Universal Energy Audit tool suite (UAT / ICEAT / PEAT), customers will be provided recommendations for demand response and distributed generation opportunities for their residence in addition to Energy Efficiency and Behavior change opportunities. Customers will also be referred to information for these programs, when appropriate. Outcomes from these surveys will be shared with demand response and distributed generation programs for additional action if needed.

- **Integration Across Resource Types** (energy, water, air quality, etc)

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The Energy Advisor Program will continue to include recommendations across resource types, as applicable.

• **Pilots/Initiatives:**

Statewide Pilot – ESA Program Initiative: Statewide, the Energy Advisor program will begin to encourage eligible customers to participate in the ESA Programs and other programs that will help them lower their energy consumption.

Statewide Initiative – Online Buyers Guide: The Online Buyer’s Guide (released in 2012) web capability will assist consumers and program participants in making the best energy efficiency purchase decisions. The statewide IOUs will continue to collaborate and share best practices on the online buyers guide in 2013-2014.

PG&E/SCE/SDG&E Initiative – Home Energy Reports: PG&E, SCE, and SDG&E will continue to evaluate the benefits of a behavior-based energy efficiency outreach utilizing a neighbor comparison approach as authorized by the CPUC in Decision D.09-09-047 (p. 304) for the 2013-2014 transition period. Known as the “home energy reports” initiative, it involves mailing selected residential customers customized reports at scheduled intervals that compare the energy use of a specific report recipient household to a similar set of households. The home energy report concept is aligned with the IOU’s energy efficiency education and outreach goals under the Energy Advisor (EA) program. The program is designed to increase customer awareness and understanding of their energy usage, and to provide beneficial information on how customers can reduce their energy usage. The demonstrated benefits associated with this behavioral paradigm may serve as an appropriate resource to influence customers to reduce their energy consumption and to increase participation in existing and future energy efficiency programs. In 2013-2014, the Home Energy Report Initiative will be part of the strategy to reach at least 5% of the utility customer base. SCG also will be pursuing Home Energy Report pilots, however they will be implemented through their advanced meter initiative. A description of the SoCalGas initiative is provided below:

In accordance with the driving behavior change elements of energy improvement, each utility will seek to reach at least 5% of their households through a variety of behavior change inclusive offerings. Behavioral savings are funded through SoCalGas Advanced Meter Initiative (AMI) project, Decision 10-04-027, which found conservation estimates as reasonable and required SoCalGas to ensure that the estimated conservation savings are attained. SoCalGas will establish a system to track and attribute the conservation impacts of its AMI rollout. Every six months, SoCalGas shall file a report of measured savings. If the project is falling short of SoCalGas’ projections, the Company will submit revisions to its outreach plan to increase awareness, participation, and durability of conservation actions among customers.

Upon completion of the AMI project, SoCalGas will incorporate successful behavioral programs and techniques into the energy efficiency portfolio.

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- **Objective:** reach at least 5% of residential households through a variety of behavior change inclusive offerings.
- **Targeted participation level:** 5% of SCG's residential households = 285,000 residences.
- **Implementation timelines:** Energy Advisor plans to mass market to all residential customers to promote the use and benefits of the integrated audit tool through direct mail, online/email, social media, and community outreach throughout 2013-2014. AMI plans to coordinate and work in conjunction with Energy Advisor as advanced meters are installed to educate customers on how to understand their gas usage data, with the goal of influencing customer behavior as it pertains to energy use, which will tie directly to the integrated audit tool under the Energy Advisor program.
- **2013-2014 Budget:** \$1.8 million.
- **Energy Savings:** Not included in portfolio savings estimate.³

SCE/SoCalGas/SDG&E Pilot - Multi-Family Program: SCE, SoCalGas, and SDG&E intend to offer the Energy Advisor Program to the multifamily sector as a pilot program in 2012-2014. This will involve surveys targeted at the facility owners. The resulting recommendations for the owner will focus closely and specifically on overall property efficiency.

SCE/SoCalGas Pilot: SCE and SoCalGas will provide a quarterly, post-survey feedback mechanism (opt-in) for customers. The pilot initiative will provide customers with a comprehensive energy usage report and will contain historical usage data to reinforce positive trends towards sustainable energy conservation. The mechanism should also increase customer actions in response to the survey, so that the Energy Advisor program continues to monitor its effectiveness in creating energy savings by behavioral change, as well as rebate program participation.

SCE/SoCalGas Pilot – Smart Meter/Web analytics – SCE and SoCalGas will track the customer's My Account energy savings benefits from behavior based energy efficiency content through the Energy Advisor program.

- **EM&V**

The program is meant to encourage action - to inform participants of opportunities to save money and provide resources to execute the recommendations. It will be important to know if the design of the survey is successfully imparting useful knowledge, referring participants to helpful resources, and if this coordinated effort is motivating participants to adopt more energy- and water-efficient behaviors.

³ AMI 1% conservation goal is separate from the 5% behavior goal, therefore no savings are claimed from the behavior portion of the initiative. SCG estimates 1,857 MDth in conservation savings for 2013 – 2014.

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The utilities plan to work together and with the Energy Division to develop a complete plan for 2013-2014 studies and budgets after the program plans are finalized and filed. This plan will be submitted to the CPUC in time for approval, together with the PIPs.

Detailed plans for process evaluations and other evaluation efforts specific to this program will be developed after the final program design is approved by the CPUC and program implementation has begun, since final plans will be based on identified program design and implementation issues and questions. However, a brief description of the current, preliminary plans is provided here.

The Statewide Energy Advisor program has been continued from past program cycles but has a few new program elements. The Energy Advisor program has planned a preliminary process evaluation near the end of the first program year to address specifically how well the new program elements are operating, and to obtain recommendations on how to improve program operations. After the beginning of the last program year, a full process evaluation will address researchable issues based on the program theory and logic model. These issues will include the following as appropriate:

- How well the Energy Advisor program participants learned about advancing whole-house energy solutions;
- How well the Energy Advisor program participants learned behavioral solutions to plug-load energy consumption;
- Whether integration of water-related measures and information was useful to the customer; and
- Whether the individual IOU pilot programs were successful.

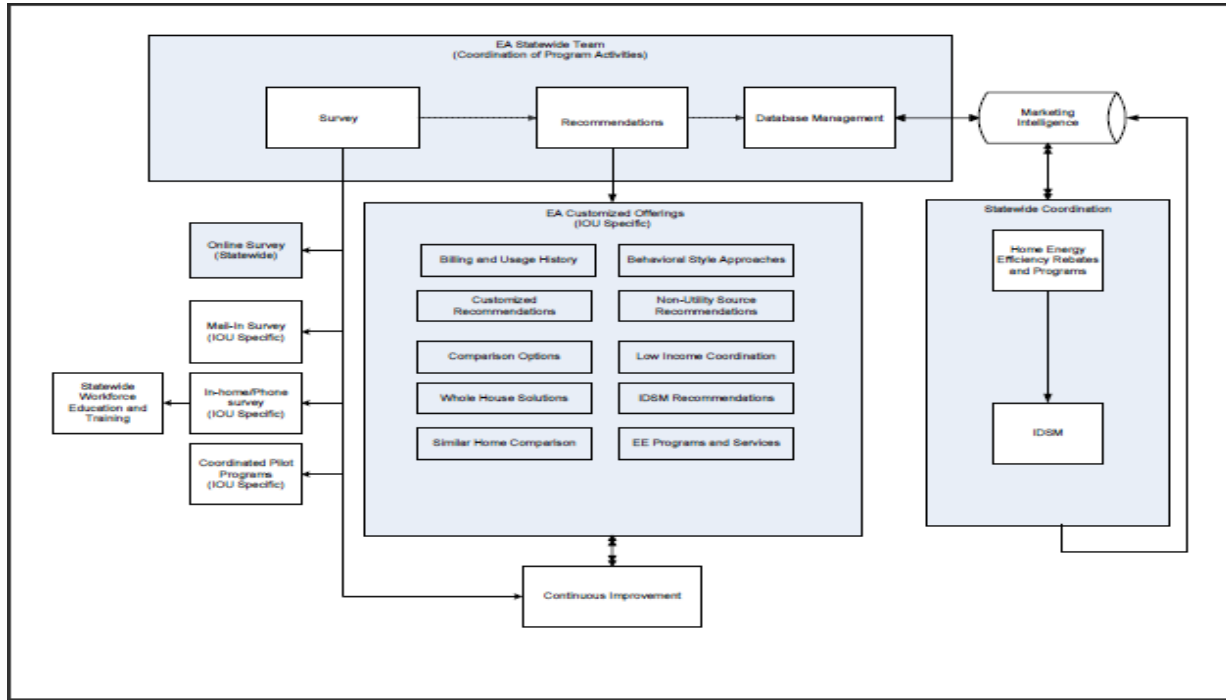
To address these issues, the following major evaluation tasks will be completed:

- *Logic model and program theory.* The logic model and program theory will establish a starting point for all evaluation activities. The structure of the logic model, which links program activities and expected outcomes, will be a useful instrument for identifying specific program assumptions that can be tested using a survey or other primary data collection activities;
- *In-depth interviews.* In-depth interviews will be conducted with program managers and other key staff members. Program staff members will clarify program goals and gauge program progress, provide valuable insight into daily operations, and propose research topics to be addressed during the evaluation;
- *Participant survey.* The primary data collection instrument will be a customer post-participation survey, fielded over the phone and via mail. The survey will explore the participant's experience with the program's services and address the research issues identified by the logic model. When appropriate, results will be examined by offering to investigate how the various offerings compare with regard to the most effective marketing strategies, recommendation implementation rates, and measures of satisfaction; and
- *Program-specific data collection and review.* Another key evaluation activity will

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involve a comprehensive review of all program documents. In particular, this evaluation will identify which specific recommendations have been implemented.

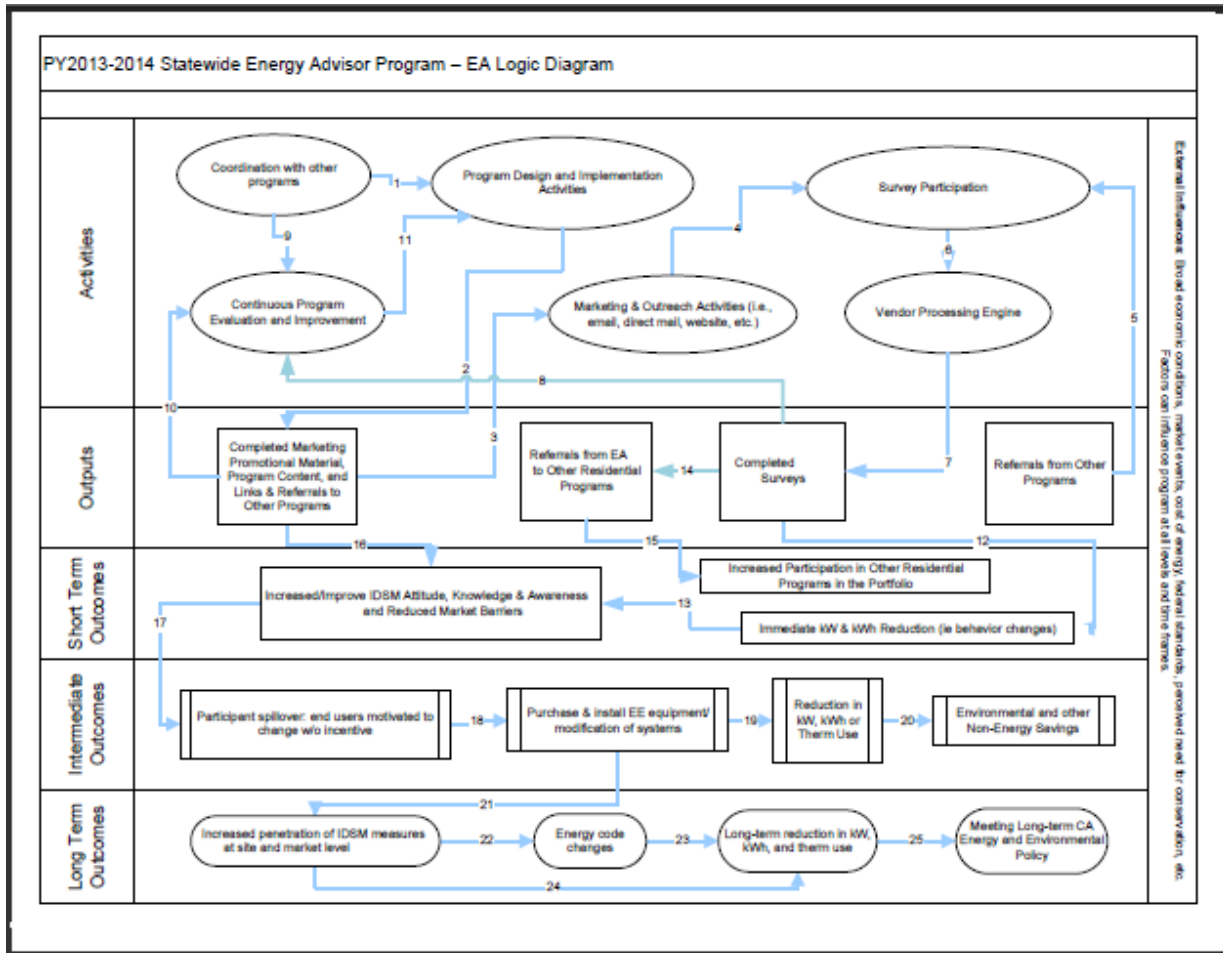
7. Diagram of Program



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8. Program Logic Model

Note: On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas & Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. In addition, this Resolution approved updated logic models for the statewide programs. Below is the approved logic model for Energy Advisor (EA) program.



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- 1) **Program Name:** Statewide Plug Load and Appliances
Program ID: SCG3702
Program Type: Statewide Core Program
- 2) **Program Description:** Refer to CalSPREE for description details
- 3) **Total Projected Program Budget and Savings**
 - a) **Table 1:** Refer to CalSPREE for budget details
 - b) **Table 2:** Refer to CalSPREE for projected gross impacts details

4) **Description of subprogram:**

In response to market trends, energy consumption data, customer needs and behaviors, and per the Final Decision’s guidance, the California IOUs jointly file this Statewide Plug-Load Appliance (PLA) Program Implementation Plan (PIP). With the aim of serving customers where they shop and reducing the complexity in IOUs’ portfolios while increasing customer participation, this PIP combines the 2010-12 Home Energy Efficiency Rebates (HEER), Business and Consumer Electronics (BCE) and Appliance Recycling (ARP) Program under a single program umbrella. This sub-program builds the foundation for a sustainable resource acquisition and market transformation that engages critical market actors: manufacturers, retailers, contractors, service providers and others. Additionally, the PLA sub-program will work with the Energy Upgrade California (EUC) Energy Saving Assistance (ESA) program and other programs to maximize its reach and effectiveness. This will be accomplished through coordinated cross-program initiatives to deliver a comprehensive package of cost-effective and energy efficiency measures to all customers. This PIP addresses appliances, plug loads, and appliance recycling for the residential and business sectors.

Home appliances, consumer electronics, and other miscellaneous plug loads, hereafter called “Plug-Load & Appliance” or “PLA”, consume about 66% of current California home electricity usage, with plug loads (televisions, personal computers and office equipment) accounting for about 20% of home electricity usage alone⁴. These PLA products comprise one of the largest and fastest growing end-uses of the residential sectors, significantly contributing to the growth in greenhouse gas emission. Clearly, the PLA markets cannot be left alone. The Big Bold Energy Efficiency Strategy (BBEES) efforts to achieve Zero Net Energy (ZNE) in new residential construction and the State’s Integrated Demand Side Management’s (IDSMS) goal of 40% energy purchase reduction from 2008 levels by 2020 will only be possible if the markets are influenced to increase the availability, awareness and adoption high efficient PLA products through strategic energy efficient program interventions.

⁴ Final Decision for the 2013-14 Transition Period at page 202

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- 1) **Sub-Program Name:** Statewide Plug Load and Appliance (SW PLA)
- 2) **Sub-Program ID number:** 3702
- 3) **Type of Sub-Program:** Core Third Party Partnership
- 4) **Market sector or segment that this sub-program is designed to serve⁵:**
 - a. Residential
 - i. Including Low Income? Yes No;
 - ii. Including Moderate Income? Yes No.
 - iii. Including or specifically Multifamily buildings Yes No.
 - iv. Including or specifically Rental units? Yes No.
 - b. Commercial (List applicable NAIC codes: _____)
 - c. Industrial (List applicable NAIC codes: _____)
 - d. Agricultural (List applicable NAIC codes: _____)
- 5) **Is this sub-program primarily a:**
 - a. Non-resource program Yes No
 - b. Resource acquisition program Yes No
 - c. Market Transformation Program Yes No
- 6) **Indicate the primary intervention strategies:**
 - a. Upstream Yes No
 - b. Midstream Yes No
 - c. Downstream Yes No
 - d. Direct Install Yes No
 - e. Non Resource Yes No
- 7) **Projected Sub-program Total Resource Cost (TRC) and Program Administrator Cost (PAC)** TRC _____ PAC _____
- 8) **Projected Sub-Program Budget**

Table-3: Projected Sub-Program Budget, by Calendar Year⁶
[Table-3 to be provided as part of Attachment 1 to this PIP]
- 9) **Sub-Program Description, Objectives and Theory**

⁵ Check all that apply

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- a) **Sub-Program Description and Theory:** Clearly describe the goals of the sub-program and the sub-program theory. As part of this, describe the market barriers, specific areas of concern and/or gaps that the sub-program is designed to address. Then describe the way the sub-program will seek to address each barrier, area of concern or gap⁷.

1) Sub-program Goals

- (i) The PLA sub-program aims to transform the market to achieve sustainable adoption of energy efficient PLA products where ongoing intervention would no longer be required. For the short to mid-term time frame where energy efficiency PLA products are still not the market's default choices, the program uses incentive mechanisms, Marketing Education & Outreach (ME&O), Worker Education & Training (WE&T), and strategic industry collaboration to increase availability, awareness, and adoption of energy efficient products. For the longer-term time frame, the PLA sub-program leverages Integrated Demand Side Management (IDSM) programs to influence the development of codes and standards in order to ensure the minimum required energy efficiency levels, promote "Energy Efficiency" as the preferred choice in life-style and new product purchases. The program's long-term strategy seeks to create ongoing demands for "Energy Efficiency" products and thus motivate the industry to produce and sell high efficient PLA products as the market standard offering.

2) Sub-program Theory

(i) **Key Program Drivers**

Some of the key market drivers that exert significant impacts to the PLA sub-program in the 2013-14 Transition Period:

1. PLA products comprise one of the largest and fastest growing end-uses, dwarfing electrical loads from traditional categories such as lighting and HVAC⁸ – See Figure-1.
2. Customers tend to rank PLA's energy efficiency as low priority and some perceive that energy efficiency design compromises product performance and convenience.

⁷ Through marketing, delivery mechanisms, information, incentives, etc. If barriers vary by market sub-sector, provide this information. As part of this, succinctly describe the role of any market actors upstream from the customer such as installers, vendors, architects, etc.; indicate if and why the program approach constitutes "best practice," is "innovative" or reflects "lessons learned" in market strategies, program design and/or implementation techniques.

⁸ PIER's report "Tapping Into Plug-Load Savings Report", July 20, 2009, page 1

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3. National market trends are the dominant drivers influencing manufacturers and retailers' offering of PLA products. Regional utility programs face challenges in attracting manufacturer and retailer participation due to the national scope of products⁹.
4. Online has a growing importance in the customer's product purchasing process. The customer toggles back and forth between the traditional brick-and-mortar retailers and e-commerce sites for product research, price shopping, purchases, and post-sales support.
5. The incremental energy savings from miscellaneous electronics are too small to motivate customer's behavior changes, and too costly for IOUs' current product-base program framework¹⁰.
6. The rapid product life cycle for consumer electronics of 6-12 months poses significant challenges in establishing saving baselines and work-paper development for individual measures¹¹.
7. Growing trends of networking home electronics cause energy saving for products to be highly dependent on consumer behavior or usage settings. This isolation of energy savings and consumption on a product-by-product basis becomes challenging.
8. Codes and standards exert powerful pulls on the PLA markets toward higher energy efficiency baselines.

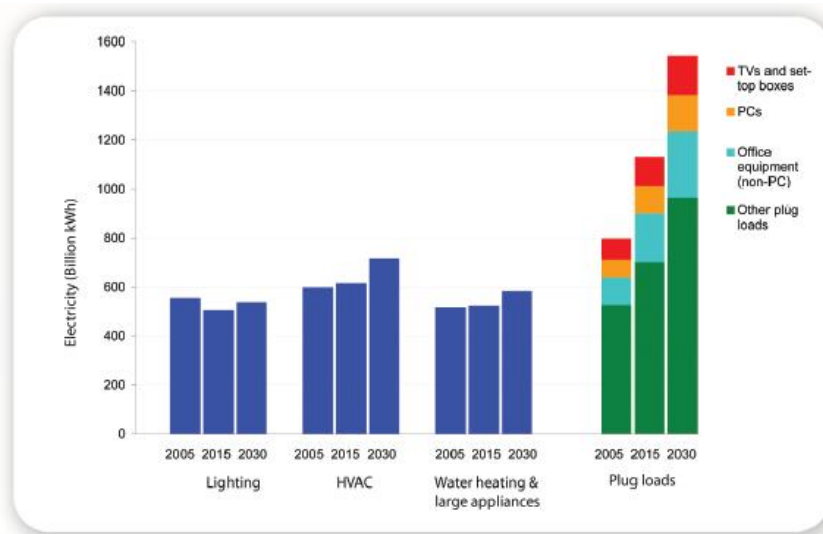
⁹ PG&E and SCE's Report "Program & Technology Review of Two Residential Product Programs: Home Energy Efficiency Rebate (HEER) / Business & Consumer Electronics (BCE)", Study # SCE0306, April 30, 2012, pages 12, 206.

¹⁰ PG&E and SCE's Report "Program & Technology Review of Two Residential Product Programs: Home Energy Efficiency Rebate (HEER) / Business & Consumer Electronics (BCE)", Study # SCE0306, April 30, 2012, page 230.

¹¹ PG&E and SCE's Report "Program & Technology Review of Two Residential Product Programs: Home Energy Efficiency Rebate (HEER) / Business & Consumer Electronics (BCE)", Study # SCE0306, April 30, 2012, page 205.

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Figure-1: US Commercial & Residential Electricity Growth¹²



Energy Information Administration's 2008 Annual Energy Outlook forecasts plug loads to grow 94% from 2005 to 2030, dwarfing the contribution and growth of traditional categories, such as lighting and HVAC.

Key regulatory drivers that impact the 2013-2014 Transition Period are requirements found in the Final Decision¹³. These requirements and IOUs' responses are summarized in Table-D and Table-E of this PIP.

PLA Sub-program Framework

The PLA sub-program is designed to support BBEES in advancing market transformation (MT) toward Title 20 codes and standards changes for realizing ZNE's vision and IDSM goals of reducing the energy purchase by 40% from 2008 levels for the residential sector by 2020. This will be achieved by working with manufacturers, sales channel partners, contractors, service providers, and other market actors in pushing the market toward the 2020 vision through accelerating market adoption of successive waves of advanced PLA technologies. In parallel, the utilities will work concurrently with Code & Standard bodies, ENERGY STAR®, local and federal government agencies, and other market actors to influence the development of codes and standards to support the 2020 goals.

This PIP concurs with the Final Decision that the PLA sub-program should institute a framework that provides a pathway of support for market transformation. Viewing the Final Decision's guidance for the Statewide Lighting Program as a fresh approach to program implementation for greater market transformation and deeper energy savings, the PLA sub-program adopts the Final Decision's approach for the Statewide Lighting Program as the template for the PLA sub-program design in the 2013-14 Transition Period.

¹² PIER's report "Tapping Into Plug-Load Savings Report", July 20, 2009, page 1

¹³ Final Decision for the 2013-14 Transition Period, pages 206-207, 357-358 and 411-412

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Specifically, the 2013-2014 PLA sub-program is designed to promote energy efficient plug load and appliance measures. The 2012 BCE-HEER Process Evaluation identified a number of recommendations including creating a "holistic, flexible program with the goal of market transformation" and to "target incentives to address specific barriers" while "maintain(ing) retailers relationships." The PLA sub-program is working towards both objectives in assessing opportunities to expand its portfolio of cost-effective plug load measures that are meaningful from both a program and retailer perspective while also identifying specific program barriers to address such as plug load energy savings from increased consumer awareness of plug loads, accelerated adoption of energy efficiency products, and increased adoption of appliance recycling programs. As such, the 2013-2014 PLA sub-program will focus on refining present strategies and tactics that integrate, leverage and build upon existing delivery channels and customer relationships, while developing and testing market transformation strategies for commercially viable, advanced plug load technologies.

The 2013-2014 PLA sub-program will facilitate market transformation for advanced plug load products through a number of activities including: 1) assessment of pre-commercialized plug load technologies, and 2) incentives for cost-effective plug load measures that have reached a greater level of commercialization. Additionally, the 2013-2014 PLA sub-program will include trial studies to identify promising program design and delivery approaches. PLA will also work with Emerging Technology and Codes and Standards programs to oversee the progression of plug load measures from emerging technologies to mass market adoption and to eventual code and standards adoption.

The following paragraphs discuss the incorporation of the Final Decision's program framework with the industry's Product Life Cycle concept to develop maximum synergies between the manufacturers, sales channel partners and the PLA sub-program.

Figure-2 shows the combined "Bass Diffusion Theory"¹⁴, "Technology Adoption Life-Cycle model"¹⁵ and "Concept of Marketing Mixes"¹⁶ as a conceptual model, the Product Life Cycle (PLC) for commercializing new technologies and products. This model provides a high-level macro view of how the industry maximizes the sales of new technology through deploying appropriate marketing mix 4Ps (pricing, promotion, placement and product features) based on user's needs/wants as the new technology progresses through various market adoption stages (introductory, growth, majority, and sun-setting stages). The PLC model proposes that a certain type of customer tends to cluster within a certain PLC phase, and tends to purchase certain type of products from a certain type of retailers. The industry recognizes this market characteristic and responds by formulating appropriate marketing mixes (product features, pricing, placement and promotion) to maximize sales to different customer groups. Figure-2 provides insights on how the PLC conceptual model might be adapted to guide the IOUs' collaborations with manufacturers and sales channel efforts to deliver energy efficiency products to the markets.

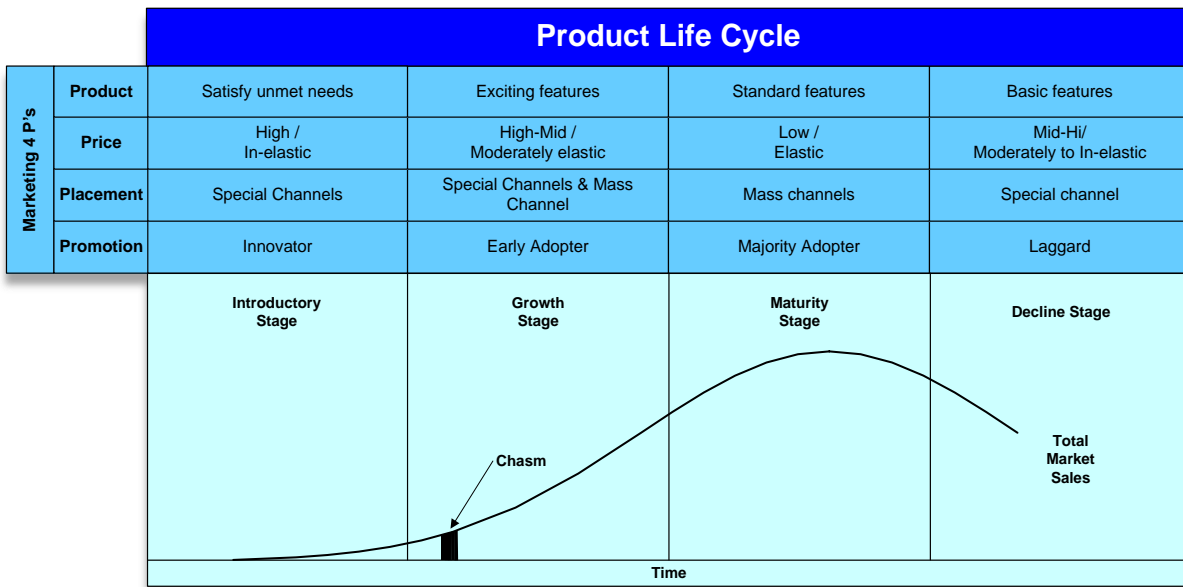
¹⁴ Bass, Frank. "A New Product Growth Model for Consumer Durables", 1969, *Management Science* 15(5): pages 215-227

¹⁵ Bohlen, Joe M.; Beal, George M. (May 1957), "The Diffusion Process", Special Report No. 18 (Agriculture Extension Service, Iowa State College) 1:56-77

¹⁶ Borden Neil H. "The Concept of the Marketing Mix". 1964, *Science in Marketing* (Harvard Business School), pages 8-9.

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Figure-2: Industry’s Product Life Cycle Concept

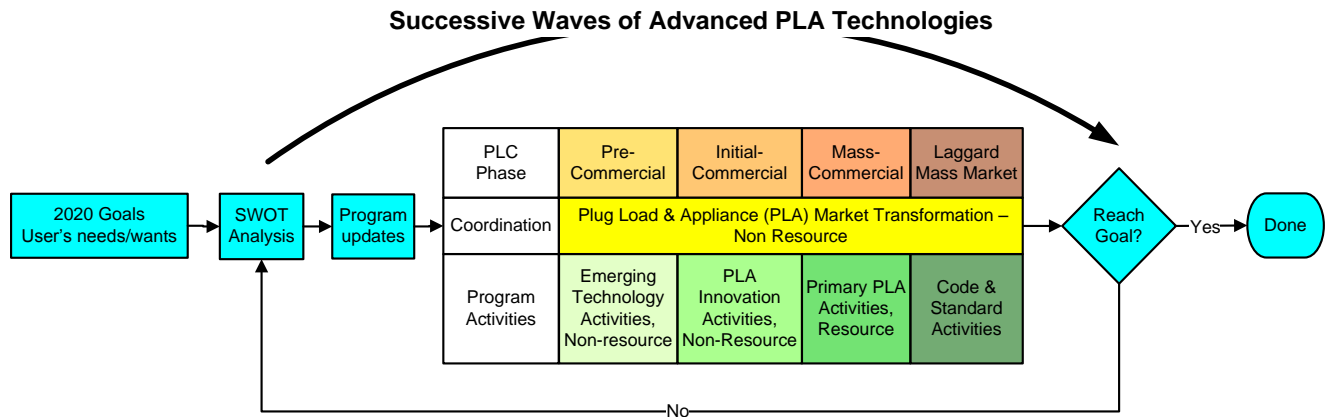


The IOUs could leverage the industry’s commercialization efforts to maximize the adoption of high energy efficient technologies by combining appropriate intervention mechanisms (incentive channels, ME&O, WE&T and Codes & Standards) to influence the industry’s marketing mix 4Ps. The diagram in Figure-3 shows the adaptation of the PLC conceptual model into the program framework for supporting the IOUs’ efforts in transforming California’s PLA markets.

The PLA sub-program framework envisions activities dedicated to support the PLA measures at various commercialization stages, including market transformation activities to provide the overall market transformation strategy and coordination of measures flowing through the PLA sub-program.

Figure-3: PLA sub-program Framework

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In embracing the Final Decision’s guidance for the Statewide Lighting Program¹⁷, the PLA sub-program supports technology assessments of pre-commercialized PLA measures through Emerging Technology activities. The proposed PLA Innovation activities support advanced PLA technologies aimed at early adopters. The PLA Innovation activities should be heavily weighted and influenced by the user’s needs/wants and should focus on helping the innovative PLA technologies bridge the “chasm” between the early adopters and the early majority markets. From the early stages of product development, promising measures that exit the Emerging Technologies activities should transition to the PLA Innovation activities for further market development in accordance to the overall IDSM strategy and goals. The PLA Innovation activities would support demonstration and pilot projects of measures in the very early stages of commercialization, not pre-commercialization. Moreover, the scale of the demonstration and pilot projects in the PLA Innovation activities should be of a greater scale than those in the Emerging Technologies activities. This will help determine which measures should be eventually supported on a larger scale within the Primary PLA activities. Finally, the IOUs propose the Primary PLA activities in the Statewide PLA sub-program for the purpose of supporting PLA measures that have reached a greater level of commercialization. These activities should receive a majority of the PLA incentive funds and would facilitate rapid market adoption through cost-effective incentive delivery channels. The goal is to complete the pathway for market transformation, as measures transfer from the Emerging Technology activities to the PLA Innovation activities to the Primary PLA activities and then eventually exit from the program.

The PLA sub-program framework proposes Market Transformation activities within the Statewide PLA sub-program for developing and testing market transformation strategies. The objectives of the Market Transformation activities are to develop market transformation strategies and to oversee the progression of PLA measures from the Emerging Technology activities to PLA Innovation activities to Primary PLA activities and to the eventual transition to Codes & Standards. Additionally, the Market Transformation activities are to focus on ensuring PLA has adequate representation in the Emerging Technology activities to

¹⁷ Final Decision for the 2013-14 Transition Period at pages 227-243

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ensure technologies are being evaluated for potential inclusion in the PLA Innovation activities.

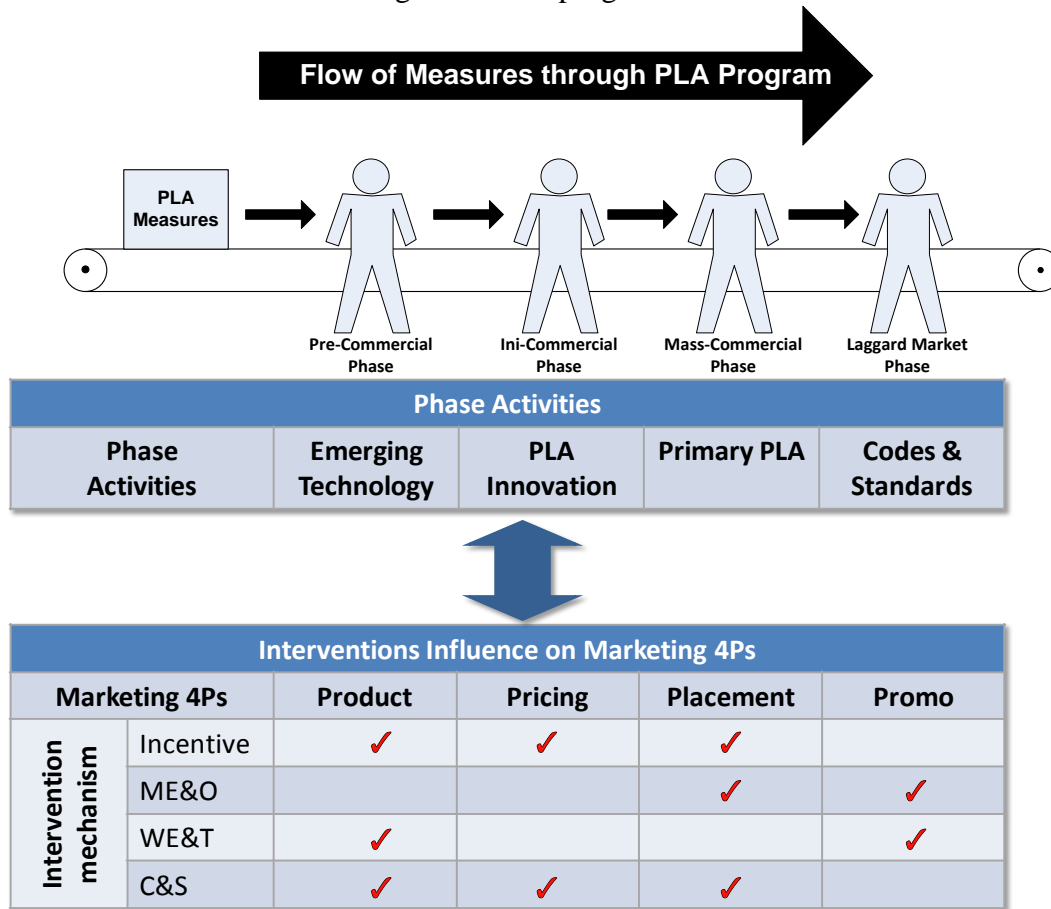
Process for Managing Flow of Measures through Program

Decision 09-09-047 updated the definition of market transformation to include “*promoting one set of efficient technologies, processes or building design approaches until they are adopted into codes and standards (or otherwise substantially adopted by the market), while also moving forward to bring the next generation of even more efficient technologies, processes or design solutions to the market.*”¹⁸ This definition depicts the flow of new measures through the energy efficiency programs as IOUs collaborate with the industry to launch successive waves of advanced and high efficiency technology into the markets. The PLA sub-program framework in Figure-3 supports the Commission’s position by continually assessing the overall environmental analysis and adjusting the intervention strategy to push new technologies through the program. Figure-4 conceptualizes how the flow of new PLA measures through the program would be influenced by program activities and intervention mechanisms.

¹⁸ Decision 09-09-047 at pages 88-89

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Figure-4: Flow of Measures through PLA sub-program



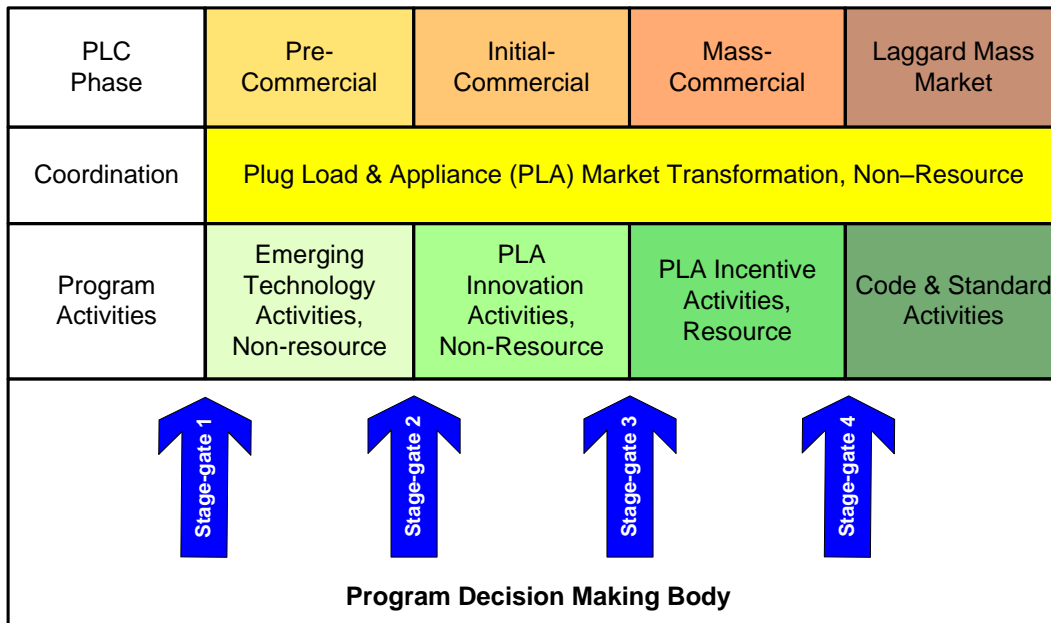
The PLA’s process for evaluating the measure’s commercialization stage and, formulating the right combination of intervention elements to exert the desired market influence, could be enhanced through a formal decision process for managing the flow of measures through the PLA sub-program. This enhancement could be satisfied by a stage-gate process as shown in Figure-5. In this diagram, the stage-gate design takes into account the unique requirements of each commercialization phase and provides criteria for the PLA measure entry into or exit from a subprogram. The explicit evaluation checkpoints would allow measures to move onto the next subprogram, reject measures from the portfolio at any point along the market transformation life cycle or return the measure back through the loop for further development based on to be established stage-gate criteria. Key criteria to be considered as part of this stage-gate process are as follows:

1. Saving potentials (technical, economic, market)
2. Cost effectiveness
3. User’s needs/wants
4. Market opportunities / risks
5. Technology’s maturity stages
6. Industry’s supports

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7. Compliance to industry’s standards
8. Cradle-to-grave total environmental impacts
9. Code’s saving baseline
10. Saving verifications

Figure-5: Stage-Gate Process for Managing Measure Flows



i. Market Actors

Refer to Section 12(ii), Table-18 for details on relevant market actors and the relationship among them.

ii. Market Barriers & Proposed Interventions

Refer to Section 12(iv), Table-19 for details on Market Barriers & Proposed Interventions.

A. Sub-Program Energy and Demand Objectives - If this sub-program has energy and demand objective, please complete Table 2.

- i. **Table-4.** Projected Net Energy & Demand Impacts by Calendar Year¹⁹
- ii. *[Table-4 to be provided as part of Attachment 1 to this PIP]*

B. Program Non-Energy Objectives:

- i. **Table-3:** PLA sub-program Performance Matrix (PPM)

¹⁹ Individual utility specific information to be provided in this table

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The IOUs have evaluated 2010-2012 PPMs in Resolution E-4385 for applicability to the 2013-2014 program cycle and propose to work collaboratively with Energy Division to develop revised program targets and PPMs as appropriate for the 2013-2014 program cycle. The IOUs' will propose revisions in an advice letter, per additional guidance from Energy Division.

Table 3.1: Short-Term PPMs

On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. The Commission gave each PPM a metric type which indicated the reporting frequency: Metric type 2a indicates that the IOUs should report on the metric on an annual basis (unless indicated otherwise). Metric type 2b indicates the IOUs should report on the metric at the end of the program cycle.

Table 3.2 Long Term Program Performance Metrics (LTPPMs)

SoCalGas includes long term PPMs²⁰ per Energy Division guidance received in December 2012. As stated in the Joint Utilities' comments to the Commission in R. 09-11-014 dated November 21, 2011, and discussed between IOUs and ED on January 9, 2013, IOUs plan to finalize long term PPMs in further discussions with involved stakeholders and propose updates to Energy Division at a later date.

ii. *[Tables-3.1 and 3.2 are provided as part of Attachment 1 to this PIP]*

C. Cost Effectiveness/Market Need: What methods will be or have been used to determine whether this program is cost-effective?²¹ If this is a non-resource program, describe the literature, market assessments or other sources that indicate a need for this program.

i. The PLA Sub-program has energy and demand objectives, thus the Cost Effective methods contained in the Standard Practice Manual will be used.

D. Measure Savings/ Work Papers:

²⁰ From the Energy Division's file "Revised MTIs_10 27 11-formal-release-ED-May-2012.xlsx"

²¹ If the program has energy and demand objectives, simply state that the methods contained in the Standard Practice Manual will be used. If the program does not have energy and demand objective, propose an approach to assess cost-effectiveness.

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- a. Indicate data source for savings estimates for program measures (DEER, custom measures, etc) & work paper status for program measures.
 - i. **Table-4a:** Measure Savings / Work Paper
 - ii. *[Table-4a to be provided as part of Attachment 1 to this PIP]*
 - iii. **Table-4b:** IOUs' Exploratory Measures Considered for 2013-14
 - iv. *[Table-4b to be provided as part of Attachment 1 to this PIP]*

10) Program Implementation Details

- a) **Timelines:** List the key program milestones and dates.
Table 5: Sub-Program Milestones and Timeline
[Table-5 to be provided as part of Attachment 1 to this PIP]
- b) **Geographic Scope:** List the geographic regions (e.g., CEC weather zones) where the program will operate.
Table 6: Geographic Regions Where the Program Will Operate
[Table-6 to be provided as part of Attachment 1 to this PIP]
- c) **Program Administration**
Table 7: Program Administration of Program Components
[Table-7 to be provided as part of Attachment 1 to this PIP]
- d) **Program Eligibility Requirements:**
 - i. **Customers:** List any customer eligibility requirements (e.g., annual energy use, peak kW demand):
Table 8: Customer Eligibility Requirements (Joint Utility Table)
[Table-8 to be provided as part of Attachment 1 to this PIP]
 - ii. **Contractors/Participants:** List any contractor (and/or developer, manufacturer, retailer or other "participant") eligibility requirements (e.g. specific IOU required trainings; specific contractor accreditations; and/or, specific technician certifications required).
Table 9: Contractor/Participant Eligibility Requirements (Joint IOU Table)
[Table-9 to be provided as part of Attachment 1 to this PIP]
- e) **Program Partners:**
 - i. **Manufacturer/Retailer/Distributor partners:** For upstream or midstream incentive and/or buy down programs indicate²²:

²² Provide in a consistent format for all IOUs. Indicate program partners across all IOU territories in one table or spreadsheet. Append to end of PIP.

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Table 10: Manufacturer/Retailer/Distributor Partners
[Table-10 to be provided as part of Attachment 1 to this PIP]

ii. Other key program partners: Indicate any research or other key program partners.

- California Energy Commission
- EPA ENERGY STAR®
- Consortium for Energy Efficiency (CEE)
- American Council for an Energy-Efficient Economy (ACEEE)
- National Electrical Manufacturers Association (NEMA)
- Natural Resources Defense Council (NRDC)
- Energy Solution
- Ecova
- Navitas Partners

f) **Measures and incentive levels:** E3 calculators will provide the list of measures and incentive levels to be provided via the program. In this section the utilities should provide a summary table of measures and incentive levels.

i. Use a single excel spreadsheet to indicate the eligible measures for the program across all IOUs. Indicate the expected incentive level by measure or measure grouping for each IOU, making clear where these vary.

ii. For each incented or rebated measure, indicate the market actor to whom this will be provided.

Table 11: Summary Table of Measures, Incentive Levels and Verification Rates

[Table-11 to be provided as part of Attachment 1 to this PIP]

g) **Additional Services:** List additional services that the sub-program will provide, to which market actors. For each service provided, indicate any expected charges to market actors of the services, and/or the level at which any such services will be incented or funded.

Table 12: Additional Services

[Table-12 to be provided as part of Attachment 1 to this PIP]

i. Sub-Program Specific Marketing and Outreach:
Refer to Section 10(v) for details on Marketing Education & Outreach.

ii. Sub-Program Specific Training:
Refer to Section 10(v) for details on Worker Education & Training.

iii. Sub-Program Software and/or Additional Tools:
a. List all eligible software or similar tools required for sub-program participation.

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None

- b. Indicate if pre and/or post implementation audits will be required for the sub-program.

Pre-implementation audit required ___ Yes No

Post-implementation audit required ___ Yes No

- c. As applicable, indicate levels at which such audits shall be rebated or funded, and to whom such rebates/funding will be provided (i.e. to customer or contractor).

Table 13: Post-implementation Audits

N/A

- h) **Sub-Program Quality Assurance Provisions:**

Table 14: Quality Assurance Provisions

[Table-14 to be provided as part of Attachment I to this PIP]

- i) **Sub-program Delivery Method and Measure Installation /Marketing or Training:** Briefly describe any additional sub-program delivery and measure installation and/or marketing & outreach, training and/or other services provided, if not yet described above.

(i) Upstream Incentive Delivery Channel

The PLA program uses “different incentive designs” to influence market actor behaviors. The upstream incentive is paid directly to the manufacturers for the purpose of influencing the manufacturer’s product offering in the distribution chain. The upstream incentive can potentially influence the retailer’s product assortments and impact the customer’s purchasing behaviors. This delivery channel can be a cost effective means for supporting measures that have high sales volumes, produced by relatively few manufacturers that sell through a large number of independent retailer chains.

(ii) Midstream Incentive Delivery Channel

The midstream incentive is paid to the retailers, e-retailers, distributors, contractors or service providers and is typically used to influence the sales channels’ decision on which products to stock and sell. The midstream incentive offers IOUs the advantage of applying the incentives across all brand offerings for a particular product category that a retailer carries without the additional effort of managing multiple manufacturer relationships. This enhances the customer’s shopping experiences and allows retailers to offer wider product choices.

Continuing to cultivate strategic alliances to maximize the synergies with retailer partners is an effective strategy for increasing the program cost-effectiveness and efficiency. California IOUs will continue to develop strategic partnerships with

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the industry to be more effective in promoting energy efficient products and services, showcasing our energy expertise, branding our successes, and maintaining high levels of customer satisfaction. These strategic alliances include the contractors for roofs, pumps, and evaporative coolers in previous program cycles, as well as HVAC contractors from other residential programs.

The continued use of retailers as a go-to-market channel provides an excellent conduit for developing a “one-stop approach” for customers, as noted in the long-term Strategic Plan. By increasing the program participation with national chain mass market and regional vertical retailers, the program will provide the following benefits:

- Expanding network that increase customer convenience;
- Enhancing retail management support for energy efficiency;
- Establishing more opportunities for co-marketing and branding with retailers;
- Expanding cooperation between utilities, retailers and manufacturers to promote and stock high efficiency PLA products; and
- Providing market information for energy efficiency products.

As noted previously, the national trend by nation chain mass market retailers toward promoting “energy efficient” products within their stores provides IOUs the opportunity to reach end-users through a preferred method of communication— directly from the retailer. Beyond leveraging the ENERGY STAR brand, PLA will use its retail management support to develop bundled promotions, host events, train staff, and conduct promotional campaigns with retailers to directly influence consumers’ choice for energy efficiency products.

(iii) Downstream Incentive Delivery Channel

The downstream incentive is paid directly to the end-customer and is typically used to directly influence the customer’s purchasing decision. While the downstream incentive model has the advantage of capturing more customer information, the more lengthy incentive administrative process of rebates applications is disadvantageous. Additionally, the administrative efforts supporting downstream rebate applications are typically not cost effective for small rebate amounts.

A major implementation strategy for the program is to expand the downstream incentive delivery channel to include the point-of-sale (POS) “instant rebate”. This implementation would allow retailers to instantly provide the customer the IOU rebate at the register, streamlining the rebate application payment process and integrating appliance incentives with appliance purchasing opportunities. This POS strategy seeks to include more retailers that sell high efficient refrigerators, whole house fans, pool pumps, home appliances and other gas appliances as applicable with each IOU. Retailers are key market actors in moving the energy-

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efficient PLA markets, thus the PLA sub-program design will be optimized to maximize the retailers' participation. The final implementation will be depending on the retailers' IT structure and capabilities in certain areas.

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Table-A: Incentive Delivery Channel Summary

Incentive Delivery Channel	Primary Market Actors Affected	Criteria used to determine the best delivery channel for any PLA measure
Upstream	Manufacturer	<ol style="list-style-type: none"> 1. High volume product 2. More retailers selling product than number of manufacturers producing product 3. Lower value product 4. Low-mid incentive level 5. Lower sales effort required 6. Low promotion requirement 7. Long product life cycle
Midstream	Sales Channel Partners (retailers, contractors, etc.)	<ol style="list-style-type: none"> 1. Mid - High volume product 2. More manufacturers producing product than number of retailers selling product 3. High value products 4. Mid-high incentive levels 5. High sales efforts 6. High promotion requirement 7. Short product life cycle
Downstream	End-customer	<ol style="list-style-type: none"> 1. Low volume product 2. Targeted customer group 3. Strong relationship with customer 4. High value product 5. High incentive level

(iv) Retailer based Appliance Recycling

The PLA sub-program will work with Retailers to support responsible environmental stewardship by providing more comprehensive cradle-to-grave product life cycle management. The program supports the US EPA Responsible Appliance Disposal (RAD) program, which promotes the highest quality recycling, reducing greenhouse gas emissions and landfill waste. The IOUs appliance recycling activities support eliminating the current market practice of reselling old appliances removed from customer homes during the delivery of new ones. The IOUs recognize that customer-facing retail staff has effective point-of-influence to educate customers on the total environmental impacts

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resulting from adoption of higher efficiency products and permanent removal of older and less efficient PLA products from the grid.

The benefits of reduced implementation costs and increased program simplicity that POS instant rebates provide, as discussed above, make it impractical for the IOU's to implement a Cash-4-Appliance rebate program design for refrigerators as suggested in the Final Decision's guidance for the appliance recycling activities. The IOUS will instead focus on implementing existing refrigerator rebates in combination with the new appliance recycling retailer strategy that has been piloted by SCE. This new strategy effectively promotes the purchase of a new efficient refrigerator and combines it with the convenience of allowing customers to recycle their own refrigerators in the new Refrigerator Deliver-N-Haul away process. This approach does not require customer to surrender their refrigerator as part of the rebate process but still allows IOU's to reduce implementation cost for both programs while providing options that improve the customer experience. By working with retailers to integrate appliance recycling to be an integral parts of the product ownership, from new product purchase to retiring old devices from the grid, would provide a simplified and cost-effective long-term solution for cradle-to-grave product life cycle management. And the retailer based appliance recycling solution, which the IOUs plan to expand in 2013-14, would be an ideal solution for realizing this vision. This does not apply to SoCalGas.

(v) Statewide Appliance Recycling Channel

The appliance recycling markets could be segmented into three primary customer groups; Group one would be the customers that retired their old appliances when the new ones are delivered; group two would be the customers that retired their secondary appliances (such as the secondary refrigerator or freezer); group three would be those customers and retailers that sell/buy the old working appliances to/from the second-hand appliance markets.

We believe the above retailer-based appliance recycling channel would be an effective intervention for group one. The current Statewide Appliance Recycling channel, which will be discussed in more detail in this section, could be an effective intervention for group two. The intervention for group three would require a long-term strategy through codes and standards, as well as collaborations with EPA RAD and other market actors to deplete old working appliance stocks that do not meet the 2020's energy efficiency requirements. The intervention for group three would need support from new codes and standards that eliminate the market practices of re-selling old appliances back to the second-hand appliance markets.

The estimated schedule to deplete the old working appliance stocks from the grid would primarily depend on the implementation date of the code and standards that

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will mandate the 2020's energy efficiency levels and the average product life for that particular PLA product group. Thus, the Final Decision's request to transition the current appliance recycling program to market players by a specific date²³ cannot be answered with certainty at this point. The IOUs will continue to engage the Commission and appropriate market actors on this.

Currently, the Statewide Appliance Recycling picks up older but working appliances from single residential dwellings, multi-family complexes and businesses, and permanently disposes them in accordance to EPA's Responsible Appliance Disposal (RAD) guidance. The Statewide Appliance Recycling channel is designed to incentivize customers to permanently remove and recycle inefficient refrigerators and freezers from the electrical grid by:

- (1) Offering customers an incentive along with free pick-up as a convenient option to recycle their inefficient appliance.
- (2) Requiring Recycling Service partners to be in compliance with EPA RAD practice so all appliances could be decomposed and recycled in the most environmentally friendly manner possible.
- (3) Allowing commercial and multifamily owners/property managers to coordinate bulk pick-ups that simplify the participation process and allows IOU's to reduce program implementation costs.

During the 2013-2014 Transition Period, the PLA sub-program will focus on secondary refrigerators and stand-alone freezers. This initiative aims to stem the tide of the growing number of second refrigerators and freezers in California home. Additionally, the PLA sub-program looks into saving opportunities for both claimable and non-core, non-claimable to avoid lost opportunities for refrigerator and freezer recycling. Lastly, the program is evaluating additional cost-effectiveness and more comprehensive recycling solutions through inclusion of additional recycling of other types of household plug-loads, gas appliances, small business appliances and electronics devices. The team will leverage EPA RAD compliance Recycling Service Provider to provide environmentally safe and responsible recycling solutions.

(vi) Marketing Education & Outreach (ME&O)

IOUs will continue to develop targeted and highly relevant energy efficiency and IDSM marketing messages to encourage behavioral change/action. PLA intends to develop strategic collaboration with industry to motivate consumers to take action in embracing energy efficiency.

²³ Final Decision for the 2013-14 Transition Period at page 207

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To facilitate retail relationships, IOUs will explore co-marketing opportunities with manufacturers and sales channel partners to implement website enhancements that facilitate ease of access to energy efficiency information; enabling customers to readily find information about energy efficient products and services, identify participating retailers in their neighborhoods, and complete on-line sign-ups to receive notification about special efficiency offerings, rebates, or incentives.

The IOUs focus on delivering products, services, and information through the most efficient delivery channel for every customer segment we serve. For PLA, the IOUs will continue to focus on the customer experience at retail, ensuring visibility of rebates and offers and streamlining the transaction and processing of rebates.

There is also opportunity for enhanced engagement with customers with respect to appliances and appliance recycling. With many appliances, customers wait until the appliance fails before considering replacement. Through impactful in-store marketing and clear communication of offers, the IOUs intend to increase customer awareness of rebates and incentives and focus customers on the benefits of upgrades as well as replacement of outdated technologies. In-store marketing will be augmented by promotion of PLA through other channels, such as online tools that create customer awareness of rebate offers and availability prior to the customer stepping into the store. With more online transactions happening each day, it is important that customers be educated about the potential energy savings and rebates for products they are considering should they choose to purchase through an online retailer.

The IOUs will look for opportunities to provide alternative strategies for marketing the programs in constrained areas. One example would be a neighborhood-based marketing campaign that targets older, master-planned communities in order to promote energy efficiency. Through this effort, local contractors will independently market and install cost-effective measures such as duct testing and sealing and other measures to help reduce energy loss in the home and increase overall efficiency. By working with the industry partners to cover energy efficiency measures in high volume, the effort will help to lower measures costs that are adopted by a large number of program participants. In addition to delivering energy savings, this approach will support the advancement of local community and city goals related to energy efficiency, as well as benefiting many neighborhoods and socio-economic groups.

Customers are often not aware of the true savings potential associated with energy efficient measures nor are they familiar with the many energy efficient products available that are not associated with appliances. Some IOUs may offer an "energy saving starter kit" to customers in order to introduce them to energy efficiency tips that can produce significant savings. This kit will provide

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information about simple but comprehensive methods to reduce water, gas, and electricity use. By supplying the tools necessary to begin saving gas and water and thereby educating these customers on energy efficiency, the PLA sub-program should see an increase in participation and could include other customer segments that may have been excluded due to high product cost. This will help the PLA to grow as a comprehensive, inclusive residential program and thus maximize potential savings. As applicable, PLA participants will also be educated about additional opportunities for energy efficiency beyond the measures they are adopting.

The IOUs have developed the integrated energy audit tool for residential and small business customers that will assist customers with their energy management decisions. These information platforms are easily accessible to customer to provide immediate feedback, enable a more accurate assessment of program impacts, and empowered the customer to quickly and easily make energy efficiency decisions. In addition, the deployment of AMI provides additional opportunities to educate customers about their energy usage. The IOUs will explore opportunities to maximize energy efficiency and demand side management opportunities as the technology is developed and deployed to residential customers.

After the program is approved, each IOU will develop a market implementation plan that targets owners and renters of single family residences as well as apartments, townhouses, condominiums, and mobile homes and operates in parallel to the operation of the Multifamily Energy Efficiency Rebate (MFEER). This ME&O strategy aims to include coordinated statewide elements as well as elements specially targeted to the customers in each utility's service area. The program seeks to leverage relationships with local government partnerships, water agencies, air quality districts, trade allies, manufacturers, retailers, and distributors to deliver information, measures, and incentives.

Program campaign elements include:

- Statewide rebate promotions;
- Online/mail-in application processing;
- Integration of rebate offers and related content with online tools
- In-store POS instant rebate option where applicable through retailer POS capabilities;
- Whole house approach offering products that address all types of energy use;
- Home energy surveys;
- Energy efficiency customer education and outreach; and
- Other residential EE programs such as upstream lighting.

(vii) Worker Education & Training (WE&T)

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PLA sub-program will work with Energy Centers to design and develop training curriculums appropriate for retailers and contractors to develop skills and knowledge on energy efficiency products, codes and standards and IOU EE programs. Additionally, PLA will work with WE&T to identify training opportunities for: (1) the retail store, (2) the retailer corporate/headquarters decision makers, and (3) Original Equipment Manufacturers (OEMs).

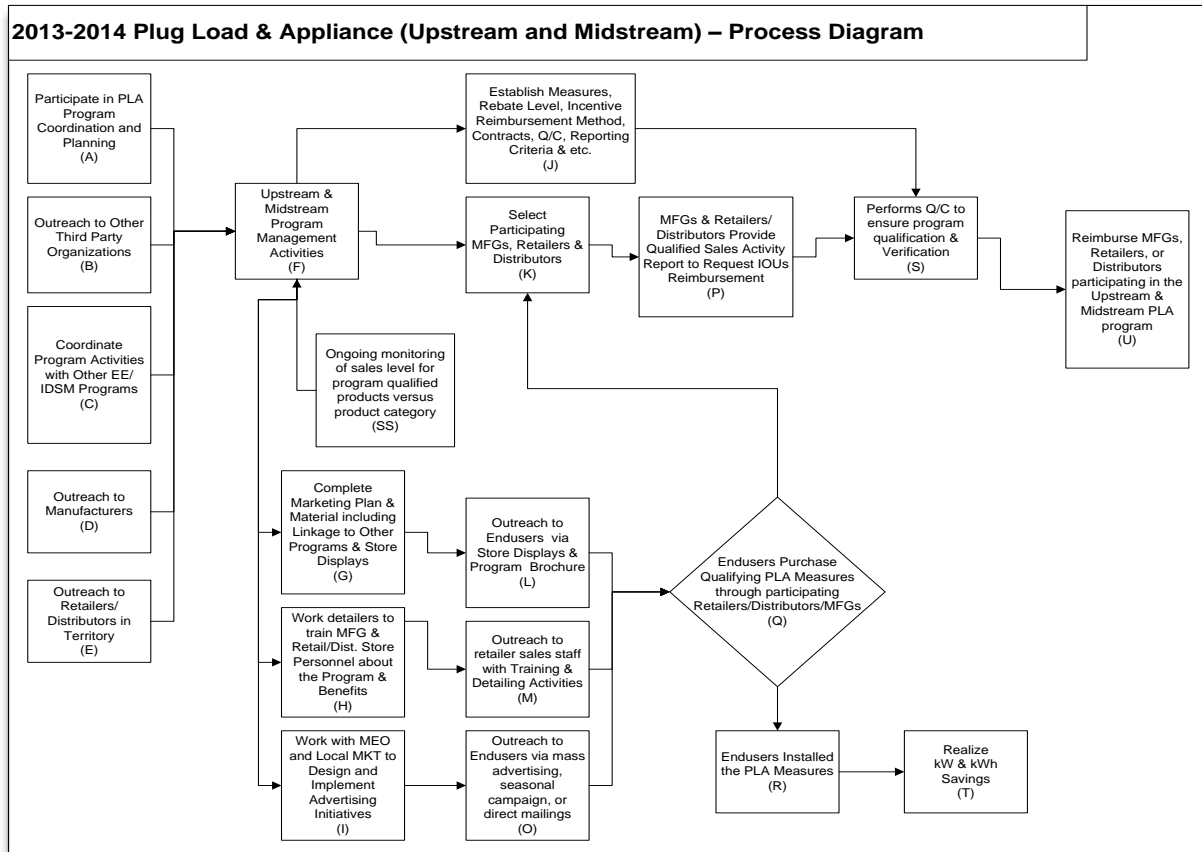
- For retail stores - Opportunities to provide training to store-level personnel at participating retailers. These training activities will be supported by regular surveys to determine the effectiveness of the training.
- For retailer headquarters decision makers - Opportunities to provide training to buyers and merchandisers at the headquarters of participating retailers to educate them about the availability, desirability, and benefits of PLA qualifying electronics.
- For OEMs - Opportunities to provide training to with OEM manufacturers to educate their product managers and marketing groups about the importance of designing ENERGY STAR qualified and beyond features into their products.

Finally, the IOUs seek to develop marketing programs to educate consumers and increase awareness about the benefits of PLA qualifying products. Various efforts to educate sales associates of user and environmental benefits of high efficient PLA products will be explore during the program cycle. PLA's WE&T initiatives may include activities such as site visits by program representatives, program participation agreements, and / or literature, as appropriate.

- j) **Sub-program Process Flow Chart:** Provide a sub-program process flow chart that describes the administrative and procedural components of the sub-program. For example, the flow chart might describe a customer's submittal of an application, the screening of the application, the approval/disapproval of an application, verification of purchase or installation, the processing and payment of incentives, and any quality control activities.

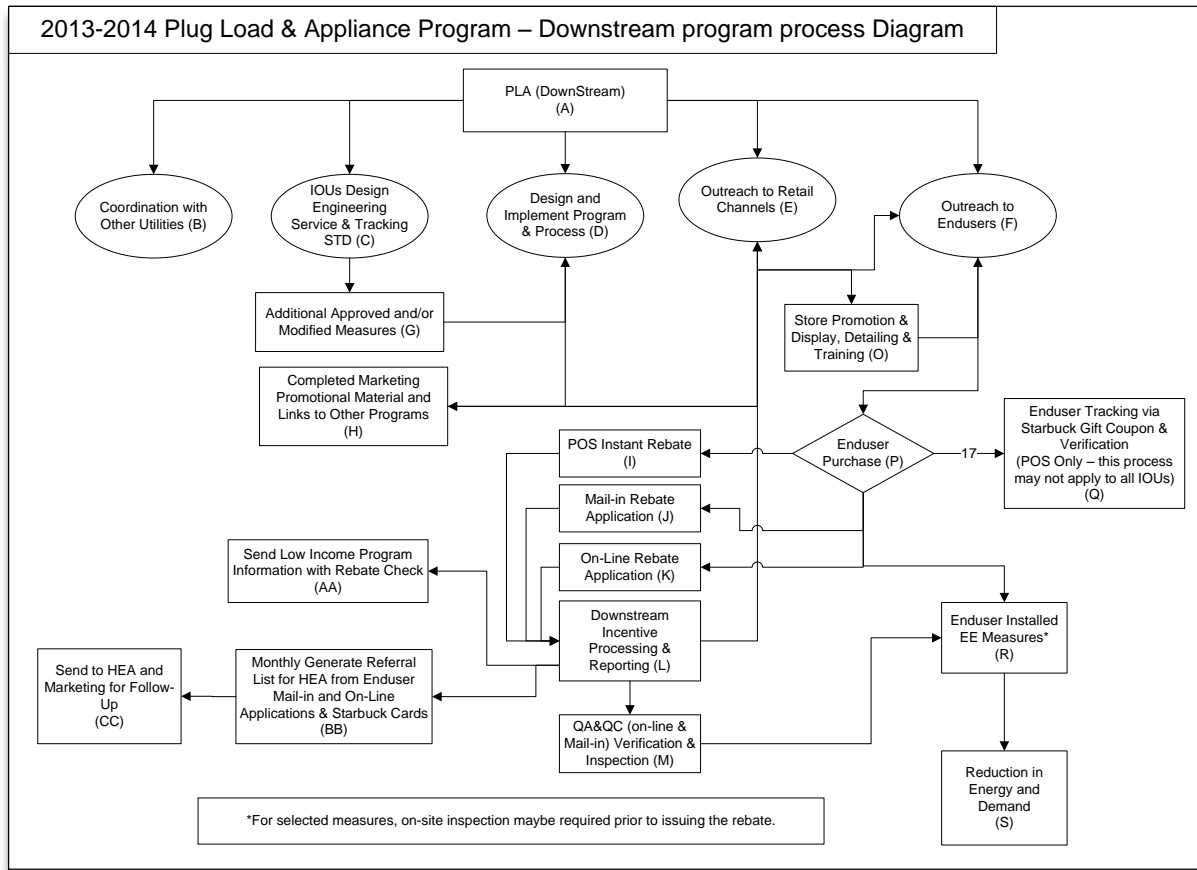
Figure-5: PLA Upstream & Midstream Incentive Process Diagram

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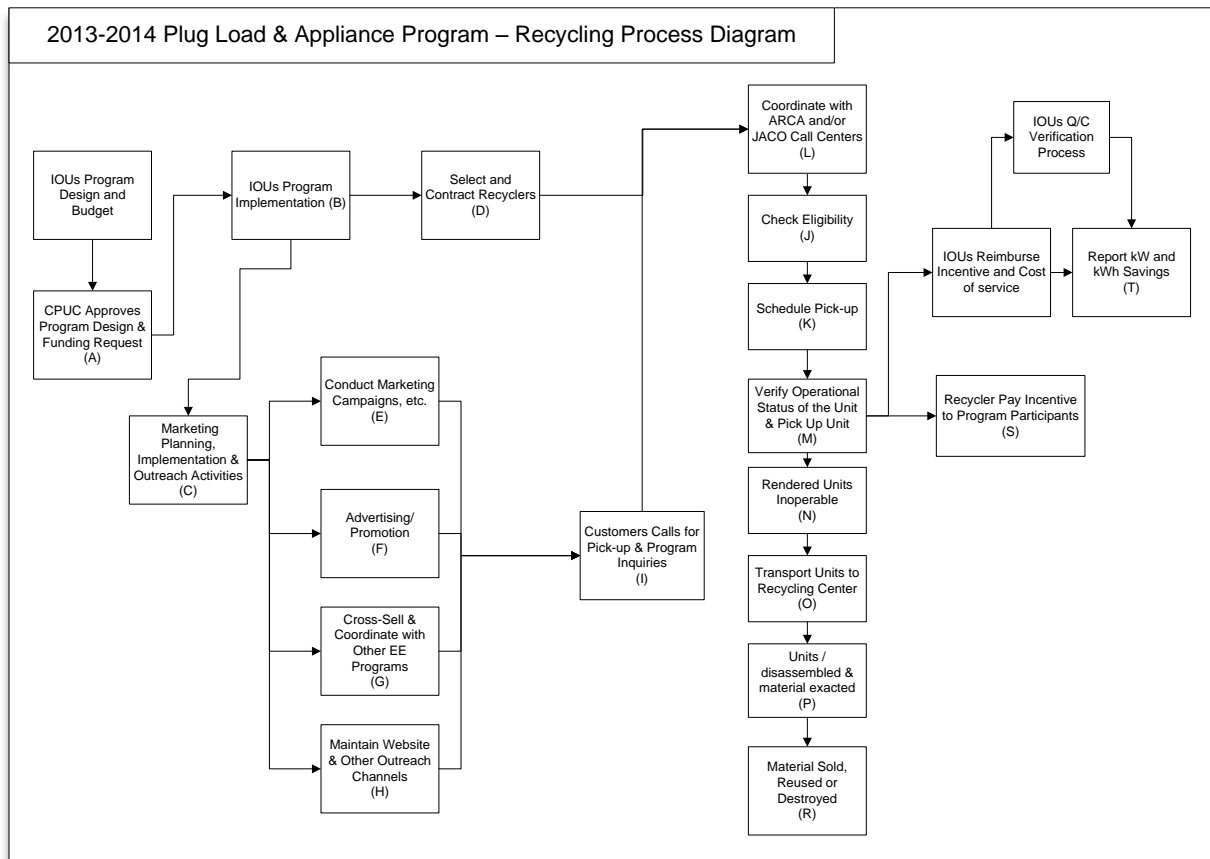
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Figure-6: PLA Downstream Incentive Process Diagram



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Figure-7: Statewide Appliance Recycling Process Flow Chart



- k) **Cross-cutting Sub-program and Non-IOU Partner Coordination:** Indicate other IOU EE, DR or DG sub-programs with which this sub-program will regularly coordinate. Indicate also key non-IOU coordination partners. Indicate expected coordination mechanisms²⁴ and frequency²⁵:

With respect to low-income customers, each IOU seeks to integrate its ESA program into PLA by providing customers with information and marketing material on the ESA program, California Alternate Rates for Energy (CARE), and Family Electric Rate Assistance (FERA) discount programs. The strategy to integrate ESA, CARE and FERA activities into the PLA sub-program aims to ensure eligible low-income residential customers are aware of the availability of low-cost energy-efficient services through ESA, CARE or FERA. Additionally, IOUs seek to ensure that low-income customers are aware of rebates available for

²⁴ “Mechanisms” refers to communication methods (i.e. quarterly meetings; internal list serves; monthly calls, etc.) and/or any cross-program review methods (i.e., feedback on program plans; sign off on policies, etc.) or harmonization techniques (i.e. consistent certification requirements across programs, program participant required cross trainings, etc.).

²⁵ This does not mean there would be mutual understanding of the on the mechanism or a known frequency of coordination; rather, just provide enough information to give a general sense of the coordinate efforts.

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appliances through the PLA sub-program, which are not offered through any of the above mentioned programs.

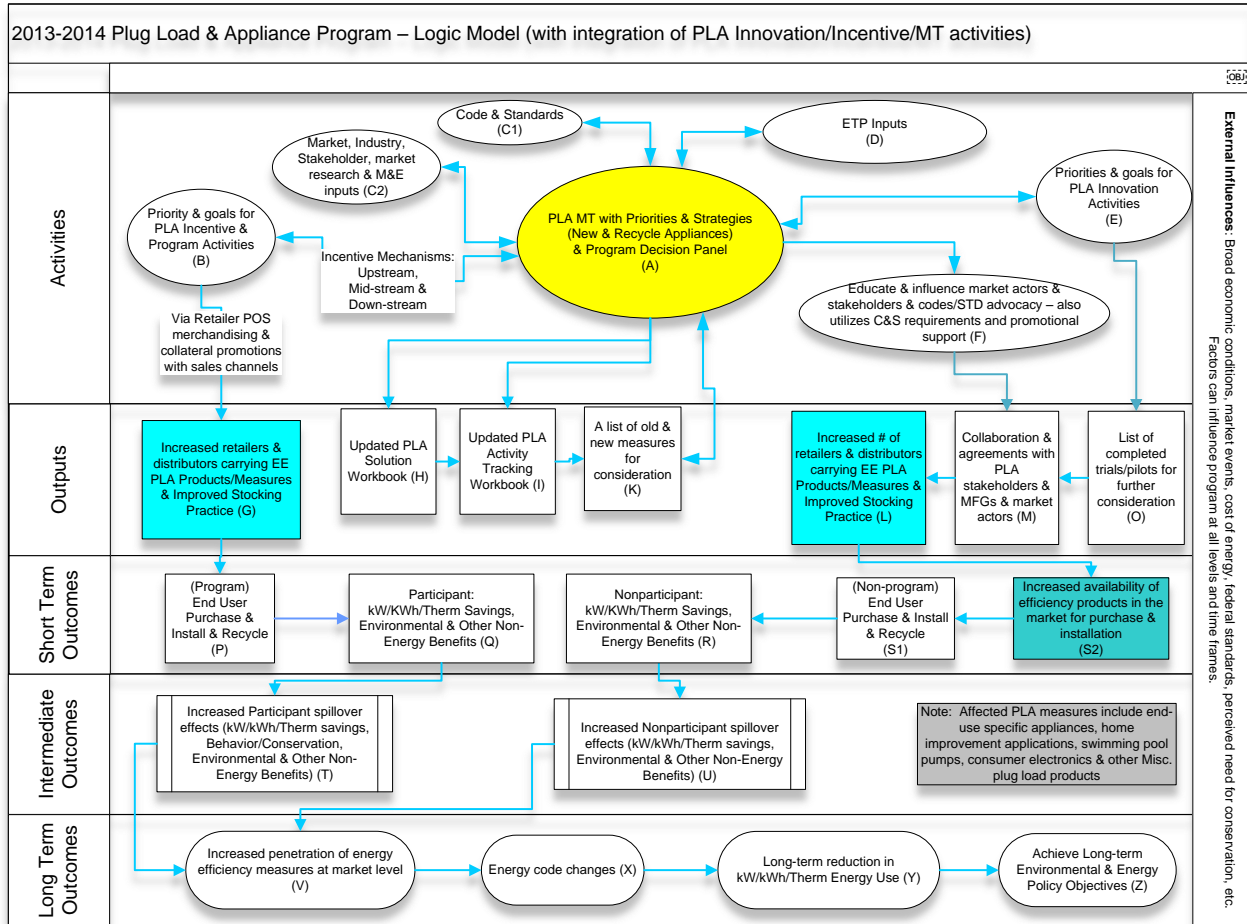
Regarding products that address all types of energy use, each IOU seeks to coordinate the delivery of its PLA sub-program, as well as the Lighting and EUC programs, to maximize the energy saving potentials in every home. Whether customers simply look for an energy efficient light bulb to replace their burnt-out incandescent bulb, or the ENERGY STAR's most efficient refrigerator to replace their old unit, or a comprehensive energy saving audit and installation service to support a deep retrofitting project of their home, the customer-facing staff must be able to guide the customer seamlessly to the appropriate programs. All of PLA's channel outreach and WE&T would be conducting coordinated initiatives to equip the customer-facing staff with the necessary knowledge to assist customers in maximizing their comfort, security and saving by helping them make the right choice in energy efficient solutions.

Table 15: Cross-cutting Sub-program and Non-IOU Partner Coordination
[Table-15 to be provided as part of Attachment 1 to this PIP]

- 1) **Logic Model:** Please append the logic model for this sub-program to the end of this PIP. Describe here any additional underlying theory supporting the sub-program intervention approach, referring as needed to the relevant literature (e.g., past evaluations, best practices documents, journal articles, books, etc.).

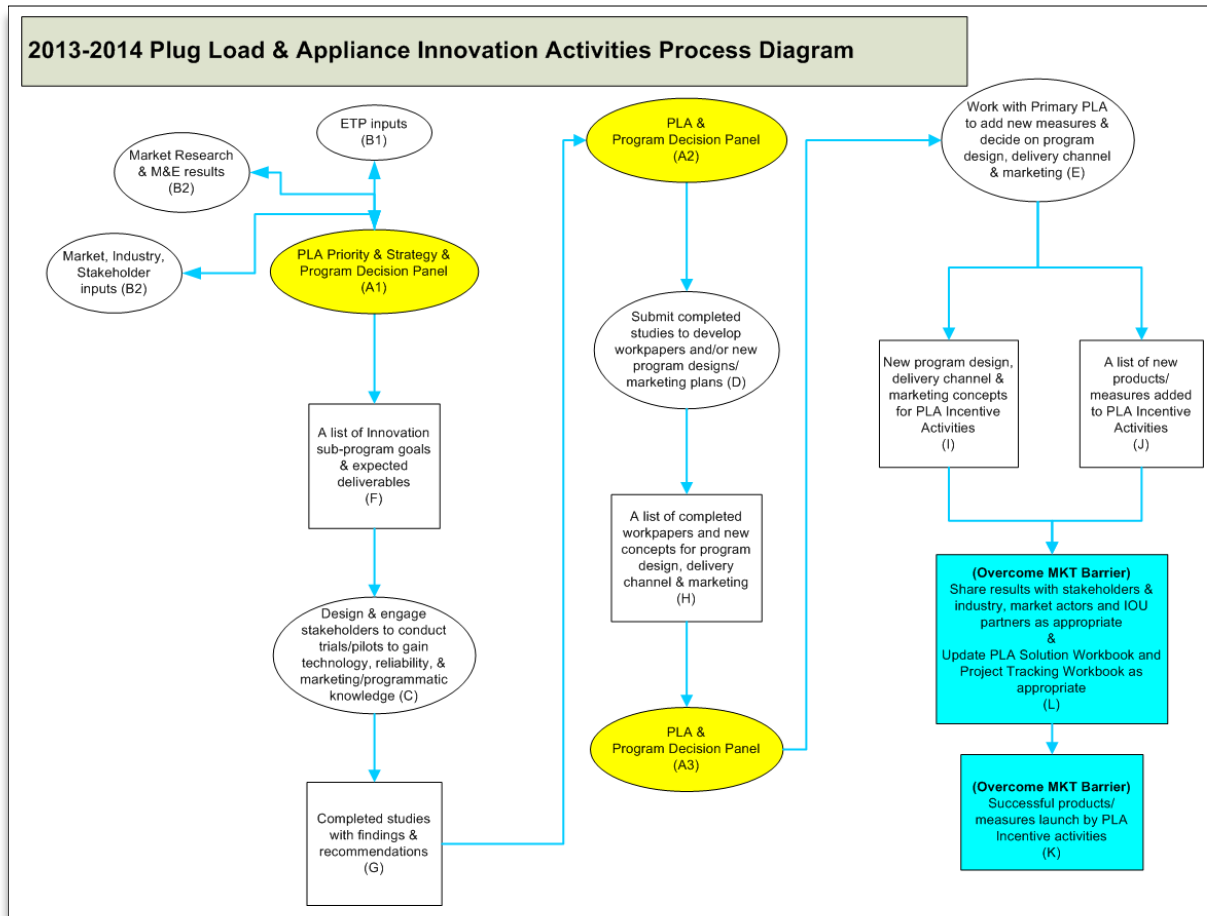
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Figure-8: PLA sub-program Logic Model



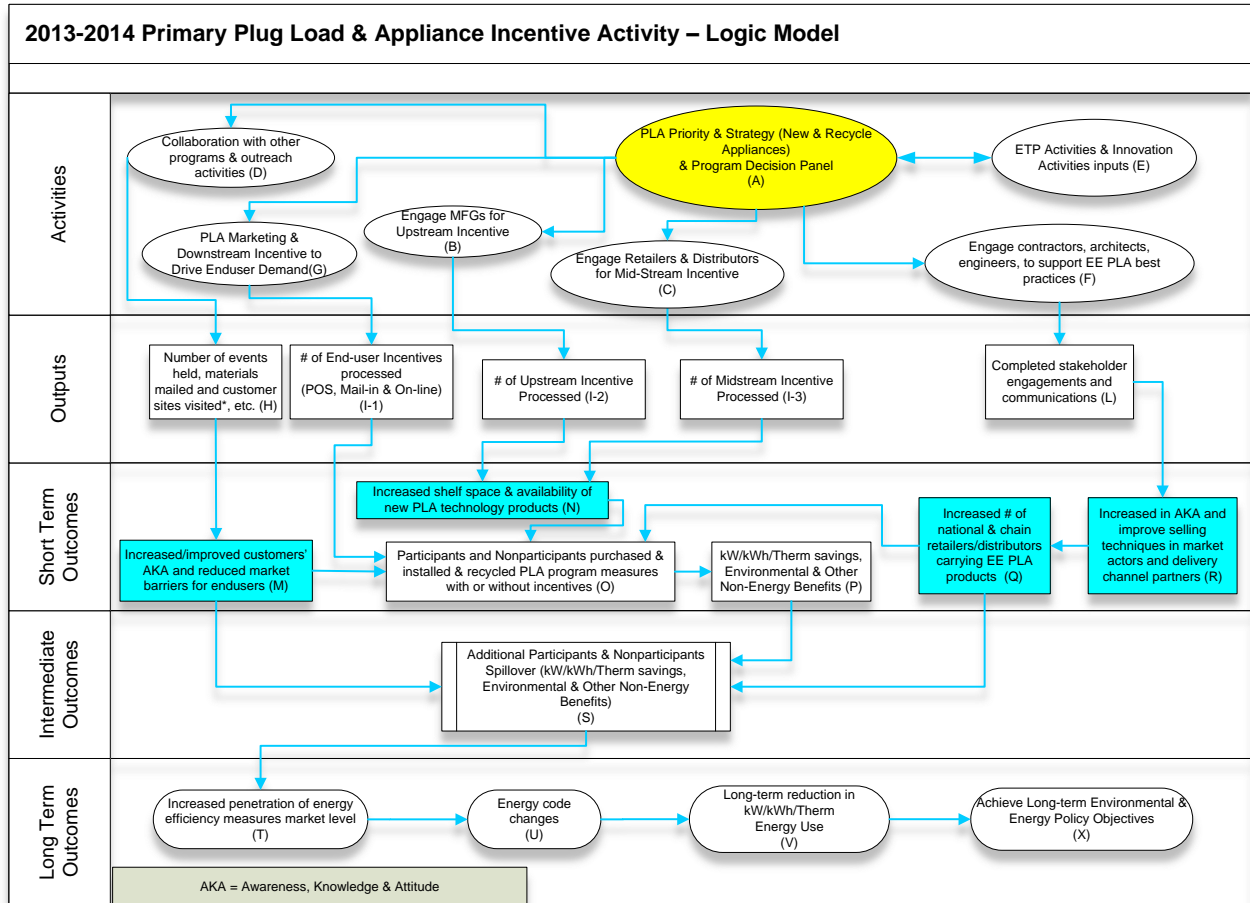
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Figure-9: PLA innovation Process Diagram



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Figure-10: Primary PLA Incentive Activities Logic Model



11) Additional Sub-Program Information

- a) **Advancing Strategic Plan Goals and Objectives:** Describe how sub-program advances the goals, strategies and objectives of the California Long Term Energy Efficiency Strategic Plan

The PLA sub-program will help to achieve the goals identified in Chapter 2 of the Strategic Plan:

2-2: Promote effective decision-making to create wide-spread demand for energy efficiency measures. California IOUs will aggressively incorporate results from studies that determine homeowner “decision triggers” for improving home energy efficiency; and

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2-3: Manage research into new and advanced cost-effective innovations to reduce energy use in existing homes. California IOUs will work collaboratively to promote the commercialization of home energy management tools, including Advance Metering Infrastructure (AMI)-based monitoring and display tools.

The “Smart Meter” deployment provides the customer the opportunity to access near-real time monitoring of their energy usage patterns at home. The feedback on how a customer is consuming energy through access to hourly billing data will support long-term behavioral strategies to reduce consumption. Moreover, when combined with automated enabling system (e.g., more integrated home management system through In-Home devices/displays and systems, programmable controllable thermostats, load control devices, smart appliances, etc.), the Smart Meter technology will provide customers the energy management tools that report increased savings as energy-efficient measures are installed. At the same time, the Smart Meter will offer residential customers the unique opportunities to participate in demand response and AMI-enabled technologies services. These information feedback systems enable more accurate assessment of IDSM program impacts and guide the future energy management strategies for customers.

b) Integration

- i. **Integrated/coordinated Demand Side Management:** As applicable, describe how sub-program will promote customer education and sub-program participation across all DSM options. Provide budget information of non-EE sub-programs where applicable.

The IOUs will coordinate program efforts with the local utility integration teams and the Statewide Integration Task Force to identify successful integration approaches and offerings, potential pilot programs and metrics.

Table 16: Non-EE Sub-Program Information
[Table-16 to be provided as part of Attachment1 to this PIP]

- ii. **Integration across resource types** (energy, water, air quality, etc.): If sub-program aims to integrate across resources types, please provide rationale and general approach.

There are integration opportunities that work across resource types that can be further explored such as combining rebates with water utilities which have provided customers a more simplified process for submitting and receiving their energy and water rebates. The residual benefits of this process was the ability to leverage the larger combined rebate amount to significantly drive sales of qualifying models as well as providing a precedent for disparate water utilities to collaborate around a combined product specification and rebate

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methodology. IOUs will take these key findings and use them with water agencies and air quality districts when there is alignment around customer offerings. Additionally, the retail channel offers significant integration opportunities for marketing DSM solutions. Through effective and engaging point of sale displays and interactive kiosks, the IOUs will co-market a variety of programs and services through a single point of customer engagement.

For example, PG&E begins its fifth year of a Cooperative High-Efficiency Clothes Washer rebate program with a number of water agencies in the Greater San Francisco Bay Area. 12 agencies together with their sub-agencies, constitute a total of 33 water agencies (wholesalers and retailers) participating on PG&E's program. PG&E processes the rebate applications (submitted via paper application or online), sends customer data to the respective water agencies through a secure swap drive, and then issues one check to the customer that combines PG&E's rebate of \$50 and the water agency rebate (either \$50 or \$75, depending on efficiency rating) for a check total of either \$100 or \$125.

SoCalGas will seek opportunities to partner with municipalities, governmental agencies, water agencies and other stakeholders if applicable to promote water and energy conservation via the Energy Advisor Program. Further integration strategies may also include IDSM, ESAP and other energy efficiency programs where pertinent to water and energy conservation.

- c) **Leveraging of Resources:** Please describe if the subprogram will leverage additional investments by market actors or other state, local or federal agencies.

N/A

- d) **Trials/ Pilots:** Please describe any trials or pilot projects planned for this sub-program

SoCalGas' PLA sub-program does not have any trials or pilot projects planned for 2013-14.

- e) **Knowledge Transfer:** Describe the strategy that will be used to identify and disseminate best practices and lessons learned from this sub-program

One-Stop-Shop Information Repository

The PLA sub-program supports the Energy Upgrade California web portal to serve as a one-stop-shop for PLA sub-program information, as well as generalized energy education information for residential and small business consumers on efficient PLA products, while still continuing to prompt home and small business owners to immediately take action to participate in available PLA sub-program

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activities. It should also serve as a repository of information for the utilities, practitioners, the California Energy Commission, local government programs, and third-party programs participating in PLA sub-program.

Conference, Seminars and Workshops

Participation in conferences, seminars, and workshops are essential for the PLA market transformation efforts to remain up-to-date on key industry players, new technologies, and best practices to properly support PLA sub-program strategy planning. These events allow the PLA sub-program to expand the network of partners for future collaboration efforts within the energy efficiency and PLA industry. Below are few of the key conferences, seminars, workshops and meetings that PLA sub-program may participate:

- (1) CEE Program Meetings
- (2) EPA ENERGY STAR Products Partner Meeting
- (3) Consumer Electronics Show (CES)
- (4) ACEEE's National Symposium on Market Transformation
- (5) Western Regional Utilities Collaborative Quarterly Meetings

12) Market Transformation Information: For programs identified as market transformation programs, include the following:

i. A summary of the market transformation objectives of the program.

The PLA sub-program aims to transform the market to achieve sustainable adoption of energy efficient PLA products where ongoing intervention would no longer be required. For the short to mid-term time frame where energy efficiency PLA products are still not the market's default choices, the program uses incentive mechanisms, ME&O, WE&T, and strategic industry collaboration to increase availability, awareness, and adoptions of energy efficient products. For the longer-term time frame, the PLA sub-program leverages Integrated Demand Side Management (IDSM) programs to influence the development codes and standards in order to ensure the minimum required energy efficiency levels, promote "Energy Efficiency" as the preferred choice in life-style and new product purchases. The PLA's long-term strategy seeks to create ongoing demands for "Energy Efficiency" products and thus motivate the industry to produce and sell high energy efficient PLA products as the market standard offering.

Highlights on some of the mechanisms the PLA sub-program may use to encourage adoption of energy efficient PLA products:

- Incentives: Upstream / midstream / downstream rebates to:
 - Address the incremental costs for the adoption of energy efficient measures

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- Engage customers at the point of sale to engage in energy efficiency conversations,
- Offer point-of-sale rebates to simplify the customer experience while also reducing leakage and breakage

- Channel Outreach: Point-of-Sale (POS) promotion and training such as:
 - In-store material which promotes program awareness
 - Retail associate training on energy efficiency and PLA measures
 - Create customer engagement opportunities to promote energy efficiency

- Codes & Standards - Promotion of national product specifications through ENERGY STAR and industry partners, e.g.
 - Coordinate with energy efficient industry-wide stakeholders at local and national events, i.e., ENERGY STAR Product Partner Meeting, CEE Program Meetings
 - Statewide and national program coordination with other utilities, when feasible

Through the aforementioned mechanisms, in conjunction with retailer and industry partners, the PLA sub-program acts as a powerful vehicle to reach end-customers and coordinate plug load measure strategies with retailers, manufacturers and other utilities by:

- Increasing consumer awareness about energy efficient measures
- Influencing manufacturers and retailers to create and stock more efficient measures
- Creating awareness about lifecycle energy savings benefits

Program interventions are selected based on a number of criteria such as:

- Customer needs and wants
- Savings potential-
- Product availability
- Incremental cost
- Cost effectiveness

Long-term market transformation is achieved by:

- Driving wide-spread availability of energy efficient PLA products
- Facilitating wide-spread adoption for energy efficient PLA products
- Influencing the development and implementation of codes & standards that support BBEES' goals of reducing 40% energy purchase from the 2008 baseline by 2020

ii. A description of the market, including identification of the relevant market actors and the relationships among them;

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PLA markets comprise of traditional “white” goods or durable appliances such as refrigerators and washing machines, plus miscellaneous plug-load products such as consumer electronic, home office equipment and other small electronics devices requiring external power supply.

The PLA products consumes about 66% and miscellaneous plug loads (televisions, personal computers and office equipment) accounting for about 20%²⁶. The PLA products comprise one of the largest and fastest growing end-uses of the residential sectors, dwarfing electrical loads from traditional categories such as lighting and HVAC. Clearly, these markets call for strategic interventions if we are to achieve BBEES’s 2020 vision of ZNE for new residential construction and reduction of 40% of residential purchase energy from the 2008 level.

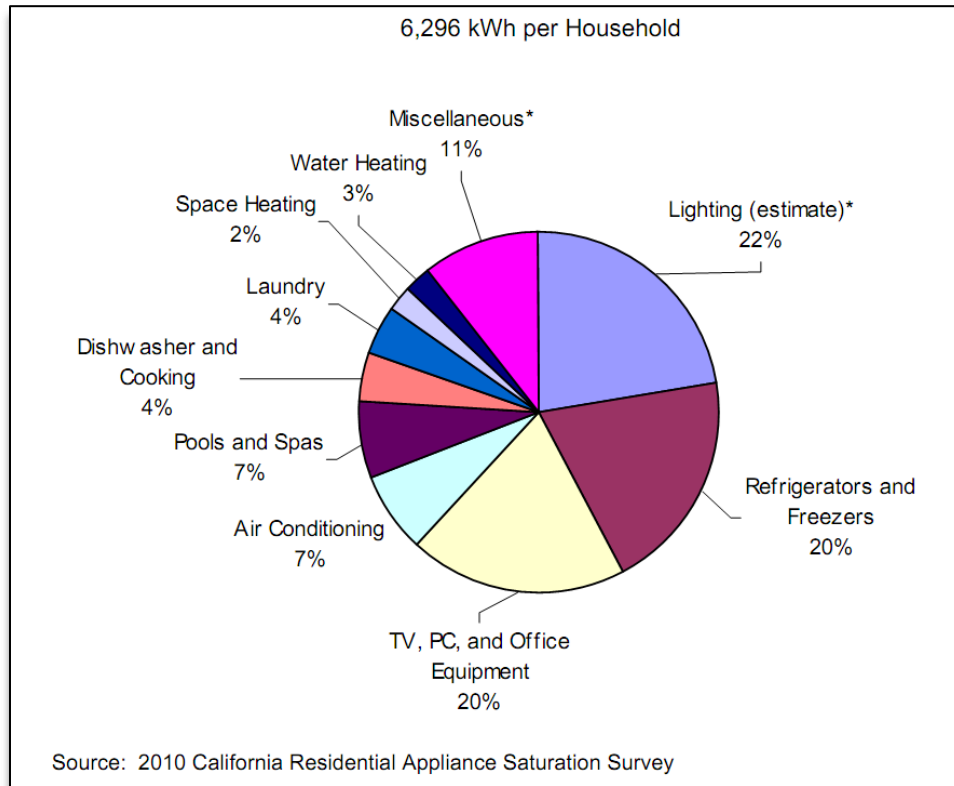
The average annual electricity consumption in California was 6,296 kWh per household. This was an increase of approximately 6 percent compared to the 5,914 kWh per household reported in the 2003 RASS. Televisions, personal computers, and office equipment consume a 5 percent higher proportion of the total consumption compared with the results from the 2003 RASS²⁷. Figure-3 details the breakdown of the 2009 annual household electricity consumption by end use.

Figure-11: 2009 annual household electricity consumption by end use

²⁶ Final Decision for the 2013-14 Transition Period at page 202

²⁷ 2009 California Residential Appliance Saturation Study at page 3

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The average annual natural gas consumption in California households was 354 therms per household based on billing data from PG&E, SDG&E, and SoCalGas. The household natural gas UEC decreased by approximately 18 percent from the 431 therms per household reported in the 2003 RASS. Figure 3 details the breakdown of the 2009 annual household natural gas consumption by end-use. Compared to the 2003 RASS, consumption for water heating increased by 5 percent to 49 percent, whereas space heating decreased by 7 percent to 37 percent²⁸.

Figure-12: 2009 Annual Household Natural Gas Consumption by End-use

²⁸ KEMA, 2009 California Residential Appliance Saturation Study at page 9

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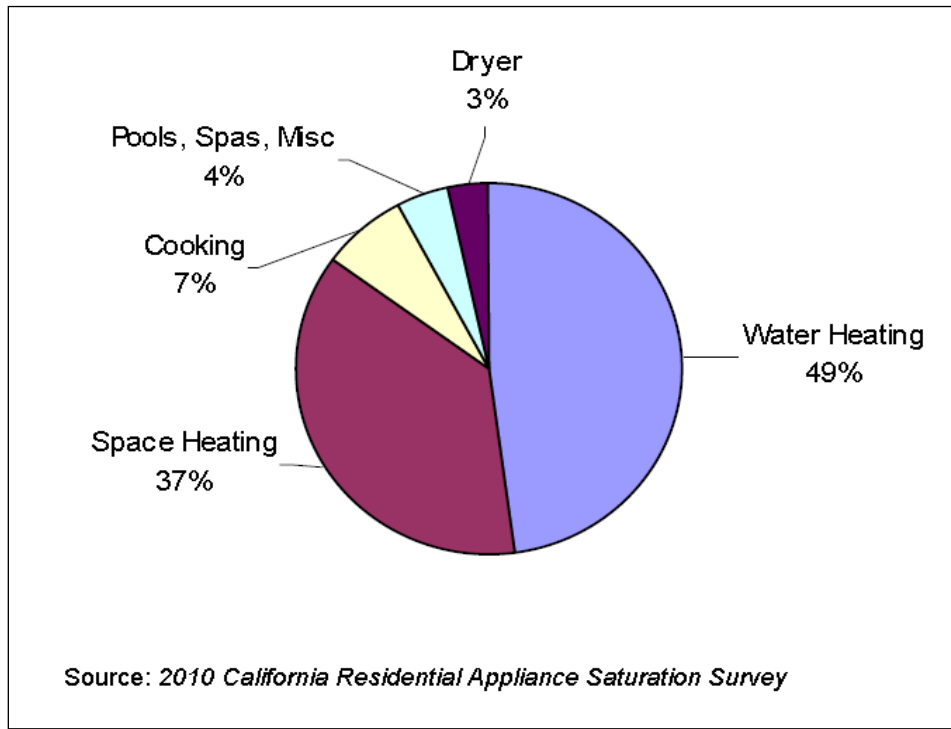


Table-B: PLA Market Actors & Relationships

Relevant Actors	Relationships & Dynamics Among Market Actors
Product Manufacturers	<p>Develop and commercialize a family of technologies based on long-term roadmap planning. The products derived from the manufacturer’s technology roadmap are released to the markets on an annual basis with incremental new features for consumer electronics categories.</p> <p>The effective point-to-influence of manufacturers would be their technology development roadmap whereby IOUs have the opportunities to influence the manufacturers on a longer-term strategic basis.</p>
Distributors	<p>Most of the appliance and electronic products reach the market through two distribution layers – manufacturers to regional distributor, and then regional distributor to local retailers. The distributor layer is an important layer that must be taken into account in the IOU’s program design.</p> <p>The distributor’s key value is to provide product inventory and logistics management on the behalf of the manufacturers and retailers. The</p>

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Relevant Actors	Relationships & Dynamics Among Market Actors
	<p>manufacturer ideally benefits from working with a distributor as the manufacturer has fewer ship-to locations and fewer retailers to sell their product to. The distributor would break out bulk product packaging and do all the individual shipping and selling to retailers for the manufacturers.</p> <p>Similarly, the retailer ideally benefits from working with a distributor as the retailer has fewer manufacturers to work with in purchasing their products. The retailer would be able to purchase a wide range of products from different manufacturers which the distributor represents. Sometimes the distributor may even own the product inventory thus allowing the manufacturers and retailers to mitigate the financial risk of holding their own product inventories.</p> <p>The distributor has significant influences on the manufacturers and retailers. The distributor would be very selective in which manufacturers to represent, which products to carry in their inventories, and which retailers they would sell to. They look for assurance that the represented products would have high sales volume based on the evaluation of the brand's marketing strength, brand advertising and other market data.</p> <p>The IOUs, representing large regional markets, could work together to exert coordinated influence on the distributor. This in turn would make it easier to the IOUs to convince the retailers to sell and manufacturers to produce products carried by their distributors.</p>
Retailer – National	<p>Retailers serve their target customer bases with store outlets across the country. The national retailers make product purchasing decisions based on maximum sales potential to their target customer base and bulk discounts for those products.</p> <p>One of the retailer's key objectives is to maximize the sales of their most profitable products. Therefore, the IOUs could influence the retailer's ability to reach their key objectives through inventive program and joint promotions to generate sales uplifts.</p>
Retailer – Regional	<p>Similar to national retailer chain but operates on smaller geographical market foot print. The regional retailers sell products to their targeted</p>

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Relevant Actors	Relationships & Dynamics Among Market Actors
	<p>customer base through store outlets located within the regional market. The regional retailers generally have less clout in influencing the manufacturers and distributors due to their lower sales volume.</p> <p>The regional retailers have similar business objectives as any other retailers, maximizing the sales by focusing on highly popular products in the markets. Therefore, the IOUs could influence the retailer’s ability to reach their key objectives through inventive program and join promotion to generate sales uplifts.</p>
Retailer – Small	<p>Most of the small retailers are privately owned and operate with one or two store outlets in local markets. Their small purchasing power does not allow them to purchase products from big distributors. As a result, the majority of small retailers join large buying groups so that they can leverage their collective buying power to compete with the larger retailers.</p> <p>Small retailers could be an effective channel for reaching small hard-to-reach markets for IOUs programs.</p>
E-commerce Retailer/Resellers	<p>E-commerce has a growing importance in the customer’s product purchasing process. The customer toggles back and forth between the traditional brick-and-mortar retailers and e-commerce sites for product research, price shopping, purchases, and post sales support.</p> <p>IOUs will explore new sales channel strategies that include the integration of traditional brick-and-mortar and e-commerce channels to facilitate ease of access to energy efficiency information; enabling customers to readily find information about energy efficient products and services, identify participating retailers in their neighborhoods, and complete on-line sign-ups to receive notification about special efficiency offerings, rebates, or incentives.</p>
Recycle Service Provider	<p>At least 18 states have enacted landfill bans for appliances since 2000 to extend the life of the nation’s landfills, requiring private industry and public sector to implement recycling of these goods. The recycling service providers enable the customer to dispose unwanted appliances and turn recycled appliances into valuable resources manufacturing raw materials. Recycling appliances has positive impact on the environment,</p>

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Relevant Actors	Relationships & Dynamics Among Market Actors
	<p>since some material takes four times as much energy to manufacture material from their virgin state as it does to make the same steel from recycled scraps.</p> <p>The typical services provided range from logistic arrangements to pick up of old appliances; tracking recycled items' serial number, manufacturer, model; dismantling the appliances into various materials; glass recycling by removing all glass and create cullet to be used in remanufacturing; shredding the separated materials to reduce their size; sorting shredded material into non-ferrous metals, plastics and other distinct categories which are then bulk packed for transport; commodity sales of the recycled materials in a wide range of new products and keeping building block materials out of landfills.</p> <p>The recycle service provider works with the retailers for bulk pickup of collected turn-in old appliances from the retailers' new appliance customers, collaborate with organization such as Utilities to pick up individual old appliances from the Utility's customers. The bulk pickup from the retailer's collection point is more cost effective as compare to individual pickup from multiple customer homes.</p>
Pay TV Service Providers	<p>There are nearly 22 million set-top boxes (STB) delivering paid television content to California residential markets. Nearly all of these STBs are owned and installed by approximately nine large Pay TV service providers. In 2009, set-top boxes in California homes consumed approximately 4.4 billion kilowatt-hours of electricity, which is a significant consumption load demanding a strategic approach to improving the efficiency and reducing the cost of operating these electronics relied upon by so many customers.</p> <p>These service providers have relatively strong marketing power with their customers. They have the opportunity to access a customer's home, track STB inventory, device configuration and possibly power states of the installed devices. They would be in a unique position to provide home energy management systems through these ubiquitous set-top boxes.</p>
Contractors	Contractors have significant influence on home owner's purchase of

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Relevant Actors	Relationships & Dynamics Among Market Actors
	<p>low-touch appliances such as pool-pump/motor and water-heaters. IOUs could use midstream incentive to influence the products that the contractors carry and recommend to their customers.</p> <p>The IOUs have the opportunity to influence the contractors by providing:</p> <ol style="list-style-type: none"> 1. Incentives for projects installed by certified or qualified contractors would be an effective solution to ensure pool pump and motor retrofit projects be in compliance to code T20. 2. Training either at the IOU’s Energy Centers or in conjunction within store retailer trainings on installing energy efficiency products and control system, IOUs energy efficiency programs and codes and standard relating to energy efficiency.
ACEEE	<p>The American Council for an Energy-Efficient Economy (ACEEE) is a nonprofit organization founded in 1980 by researchers in the energy field that aims to advance energy efficiency policies, programs, technologies, investments, and behaviors. ACEEE carries out its mission by collaborating with government, private sectors, research institutions and other nonprofit organizations to cover energy efficiency policy and technology issues.</p>
CEE	<p>The Consortium for Energy Efficiency (CEE) is a consortium of efficiency whereby program administrators from across the U.S. and Canada who work together on common approaches to advancing efficiency. Through joining forces, the individual efficiency programs of CEE are able to partner not only with each other, but with other industries, trade associations, and government agencies. By working together with CEE, administrators leverage the effect of their funding dollars, exchange information on effective practices and, by doing so, and achieve greater energy efficiency for the public good.</p>
Advocate Organizations	<p>Non-profit organizations dedicated to advocates for various stake holder groups (end-customer, environment, manufacturers, etc.) and at time exert influences on California’s energy policies making process and California IOUs activities. Examples of such organizations in California would be Natural Resources Defense Council (NRDC) and Division of Ratepayer Advocates (DRA).</p>

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	<p>NRDC is an effective environmental action group, combining the grassroots power of 1.3 million members and online activists with the courtroom clout and expertise of more than 350 lawyers, scientists and other professionals. NRDC staffs work with businesses, elected leaders, and community groups on the biggest issues we face today such as “Curbing Global Warming and Creating the Clean Energy Future”.</p> <p>The DRA is an independent consumer advocate within the California Public Utilities Commission (CPUC) that advocates solely on behalf of investor owned utility ratepayers. DRA plays a critical role in ensuring that the customers of California’s energy, water, and telecommunications utilities are represented at the CPUC and in other forums that affect how much consumers will pay for utility services and the reliability and safety of those services. Additionally, DRA supports environmental protections and seeks to ensure that utility actions comport with CPUC rules and California environmental laws. DRA actively participates in CPUC proceedings to aid the Commission in developing the record from which it will formulate its final decisions. DRA also actively lobbies decision-makers on behalf of ratepayers to ensure that the consumer perspective is heard.</p> <p>Both NRDC and DRC are active key players in California’s energy industry. They provide inputs into CPUC’s policy and rule making processes.</p>
EPA ENERGY STAR	<p>ENERGY STAR is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy helping the market to adopt energy efficient products and practices. ENERGY STAR helps customers make energy efficient choices by providing a market accepted energy performance rating system that is being used across the country on hundreds of thousands of PLA products.</p> <p>ENERGY STAR works with the manufacturers, trade associations, government agencies and utilities to set energy performance rating system.</p>
EPA RAD	EPA Responsible Appliance Disposal (RAD) is a voluntary partnership program that began in October 2006 by the U.S. Environmental

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	<p>Protection Agency to help protect the ozone layer and reduce emissions of greenhouse gases using best practices. As part of the RAD program, partners recover ozone-depleting chemicals from old refrigerators, freezers, window air conditioners, and dehumidifiers.</p> <p>EPA RAD serves as a technical clearinghouse on responsible appliance disposal program development and implementation; calculates annual and cumulative program benefits in terms of ozone-depleted savings and greenhouse gas emission savings and equivalents and, as available, potential cost savings; and provides partner recognition for achievement, such as through press releases, brochures, articles, and awards.</p> <p>EPA RAD partners include utilities, retailers, local governments, manufacturers, universities, and other interested organizations.</p>
CEC	<p>The California Energy Commission (CEC) is the state's primary energy policy and planning agency. It is responsible for promoting energy efficiency by setting the state's appliance and building efficiency standards Title-20 and Title-24 respectively. The CEC works with local government to enforce those standards. The IOUs work very closely with the CEC to develop energy efficient codes for appliances and plug-loads.</p>
Local Government	<p>In D.05-01-055, the Commission also directed the IOUs to initiate energy efficiency partnerships with local governments. Having continued this practice in the 2010-2012 portfolios, the IOUs now have two portfolio cycles and almost seven years of experience with increasing levels of local government. The IOUs continue to partner with local governments to increase the delivery of energy efficiency and enhance code compliance programs.</p>
Regional Utilities / IOUs	<p>The IOUs collaborate with each other and other regional Municipality-Run-Utilities to share resources, information, and joint research projects. By working closely with each other, the IOUs seek to increase the collective negotiating power when working with PLA retailers.</p>
Customers	<p>End-user of residential energy efficient products and services that are provided by sales channels through IOUs' EE program intervention.</p>

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	The IOUs may reference to the PLC framework to segment the customer bases for targeted intervention initiatives.

iii. A market characterization and assessment of the relationships/dynamics among market actors, including identification of the key barriers and opportunities to advance demand side management technologies and strategies;

Utilities face uphill battles in influencing the PLA markets due to powerful national market trends that dominate manufacturers and national retailers’ choice of product offering. Other market characteristics that pose great challenges to the current product-by-product program design include: small incremental energy savings from many plug load devices resulting in product-based programs that are not cost effective for IOUs; the consumer electronics’ rapid product life cycle of 6-12 months pose significant difficulties in establishing saving baselines and timely work-paper approval for individual measures; and growing trends of networked home electronics making energy savings attribution on a product-by-product basis problematic.

There are still specific product-based saving opportunities that address specific market barriers or conditions. However, the big market trends suggest a holistic market transformation approach that targets an overall reduction in plug loads and using Unit Energy Consumption (UEC) as a market transformation indicator (MTI) could be more effective in addressing the market long term barriers. In this approach, the program could rely on California Residential Appliance Saturation Survey or equivalent reports which provide forecast of plug load use in California as a basis for the measurement of program impacts. Once a forecast of plug load energy usage is established, the targets could be set for changing the UEC curve to slow its growth or even lower its intensity over time. This approach could improve flexibility in measure implementation by moving away from the work paper process and short-term cost-effectiveness requirements that hamper effective product based program design in fast-moving markets.

The PLA sub-programs could evaluate current pilots, such as the PG&E Home Energy Centers that provide consumers with energy usage information from smart meters or SCE’s proposed Power Management that provide an umbrella approach to influence the overall reduction in miscellaneous plug loads in California homes. By 2015, we expect smart chip-enabled and networked appliances to be available, and thus fueling the proliferation of more comprehensive home automation and energy management systems (i.e., Intelligent Home Network, comprehensive Home Automatic Network and etc.). These systems will help customers lower their overall

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energy consumption at home instead of focusing on savings per product basis. The Emerging Technology activities in the 2013-14 period will assess the enabling smart and connected PLA technologies that have the potentials to deliver not only hardware based energy savings, but also information feedback to enable broad customer's behavior savings opportunities.

On the state of recycling, the saturation level of second refrigerators and freezers has been slowly creeping up over the last decade. From the 2009 CEC Residential Appliance Saturation Study²⁹, the second refrigerator and freezer saturation levels are up to 33% for second refrigerator and 23% for additional freezer for the statewide single family home. This is a marked increase of secondary refrigerators from the 2003 RASS results, which may have resulted from the popularity of large super-stores such as Costco and Super Wal-Mart stores in the past ten years. The large discount stores encourage large bulk food purchases, which in turn, generates the need for increased food cooling storage. The current Statewide Appliance Recycling channel offers customers the convenience of free-pickup plus small cash incentives for old working refrigerators to help minimize the return of units back to the used-appliance market as secondary refrigerators. Similarly, the IOUs work with the retailer based appliance recycling channel to offer customers the convenience of "deliver-and-haul" by hauling away the old appliance when the new one is delivered. Furthermore, the PLA sub-program supports the US EPA RAD, which eliminates the current market practice of reselling old appliances removed from customer homes during the delivery of new ones.

Market Actors and Their Relationship in the Markets

Depending on the application and appliances, market actors within the supply chain may be involved in the delivery of products and services to the customers. The list of key market actors and the dynamic relationship among them is discussed in Table-B.

iv. A description of the proposed intervention(s) and its/their intended results, and specify which barriers the intervention is intended to address;

The PLA sub-program is designed with the overarching objectives of influencing the market to produce and sell high energy efficient products, customers to adopt energy efficient products and employ energy conservation usage behavior, and codes and standards to support minimum energy efficiency levels across all PLA product categories. The PPMs (Section 9, iv, (c)) are goal posts guiding the program's efforts and MTIs (Section 12, vi) provide feedback on how the program progresses against the overarching objective stated above. Table-C below identifies key market barriers, and the intended market effects from the proposed intervention.

Table-C: Market Barriers and Market Affects from Proposed Intervention

²⁹ KEMA, 2009 California Residential Appliance Saturation Study

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#	Barrier	Interventions & Intended Results
1	High first cost	<p>Applying appropriate incentive to influence the market or the customer through the appropriate stream (upstream, midstream or downstream)</p> <p>The intended results of this intervention are to help customers overcome the high first-cost barrier and encourage adoption of higher energy efficient products over standard offerings.</p>
2	Lack of retailer sales staff knowledge on how to sell energy efficiency products	<p>Providing in-store training for sales staff or associates on program guidelines and energy efficiency.</p> <p>The intended results of this intervention are to increase sales staff's or associates' knowledge and increase accessibility to energy efficiency information thus enabling more effective sales efforts.</p>
3	Lack of contractor's awareness of energy efficiency products and code requirements	<p>a) Providing training for contractors either at IOU's Energy Centers or in conjunction with the in-store retailer trainings.</p> <p>b) Providing incentives to projects installed by certified or qualified contractors</p> <p>The intended result of this intervention is to increase the contractor's knowledge on energy efficiency. Thus enable more effective sales efforts and higher efficient installed projects.</p>
4	Lack of customer's knowledge on benefits of energy efficiency	<p>a) Providing in-store demo to customers</p> <p>b) Enhancing in-store marketing and education materials</p> <p>c) Providing product information on websites and other communication channels</p> <p>d) Providing customer education at community outreach events</p> <p>The intended result of this intervention is to increase the customer's knowledge on how energy efficiency benefits their lives and to impart "energy efficiency" as the preferred life style and choice in new product purchases.</p>
5	Incremental savings too small to motivate customer's	Create a holistic and flexible program to address residential plug loads as a category and develop

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#	Barrier	Interventions & Intended Results
	behavior changes and not cost effective for IOU's program	<p>intervention that targets an overall reduction in plug loads. It would also require an evaluation framework that assesses the overall reduction in plug loads due to multiple measures, instead of focusing on a per-product/per-measure evaluation framework.</p> <p>The intended results of this intervention is to move away from the short-term cost-effectiveness requirements and work paper process that hampers effective product based program design in fast-moving markets.</p>
6	Short product life cycle for miscellaneous electronics make the establishment of baseline difficult and timely work-paper development and approval impractical	<p>Same solution as above – moving toward comprehensive approach rather than focusing on per-product/per measure program.</p> <p>Targeting the same intended results as above.</p>
7	Proliferation of interconnected electronics and small devices making intervention per products less efficient.	<p>Same solution as above – moving toward comprehensive approach rather than focusing on per-product/per measure program.</p> <p>Targeting the same intended results as above.</p>
8	National market trends dominate the PLA markets	<p>Develop longer-term market transformation initiatives that seek to influence key market actors' long-term technology development roadmap.</p> <p>This also calls for the program design and evaluation framework that address the residential plug loads as a category and develop programs that target an overall reduction in plug loads versus saving per-product/per-measure.</p> <p>Targeting the same intended results as above.</p>
9	The market is able to make more money by selling older but still working appliances to the second-hand markets as compared to permanently dispose them.	<p>Data suggests that around 11% of the customers prefer to sell their old appliances into the used appliance markets. Additionally, about 10% - 25% of old appliances picked up by the retailers are often reconditioned and put back into the used appliance market.</p>

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#	Barrier	Interventions & Intended Results
		<p>Proposed Intervention to address customers that sell their old appliances to used appliance market - Provide free-pickup and downstream incentive and/or other strategies to customer who surrenders their old but still working appliances to IOUs. This strategy will win over customers who seek the most convenient way to dispose of their old appliance.</p> <p>Proposed Intervention to address retailers that sell the collected old appliance to used appliance markets:</p> <ul style="list-style-type: none"> a) Provide higher midstream incentives to retailers that provide completed cradle-to-grave product life cycle management and compliance to EPA RAD b) Provide to customer down-stream incentives plus free-pickup of old but still working appliances c) Increase in-store marketing education's efforts to educate the customer about high operating cost from using old appliances.
10	<p>Customer's lack of awareness of the high energy cost in operating secondary and older appliances. This has led to the significant growth of secondary refrigerators and freezers found in homes over the last decade.</p>	<ul style="list-style-type: none"> a) Increase marketing education and outreach efforts on the high operating cost when using old and or refurbished/resold appliances. b) Provide free-pickup and downstream incentive and/or other incentives to customers who surrenders their secondary old but still working appliances to IOUs. This strategy will win over customers who seek the most convenient way to dispose of their old appliance. <p>To reverse this trend, the IOUs are directing more focus toward retiring secondary units in the 2013-2014 Transition Period. And to better distinguish and track "primary" vs. "secondary" units, the IOUs will explore new program design logic to more clearly differentiate between a primary and a secondary unit. Also, this new process may require additional verification procedures to ensure the participants would demonstrate persistence of this removal and not replace the secondary unit at a later date.</p>

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- v. **A coherent program, or “market,” logic model that ensures a solid causal relationship between the proposed intervention(s) and its/their intended results³⁰;**

Refer to Section 10(l) for detailed diagrams of PLA sub-program logic models that describe the relationship between the proposed interventions and their intended results.

The Principal logic model (PLA Program Logic) for the Plug Load and Appliance Program (PLA) is the governing model for the PLA program components. This sub-program component is responsible for selecting and prioritizing new products to be introduced to incentive programs as well as for judging when markets for products currently in incentive programs have been transformed so that the products can be removed from PLA incentives. The PLA Incentive logic model portrays the logic of the incentive activities.

Unlike the Statewide Lighting Program’s structure where different functions are defined separately by different sub-programs (i.e., LMT, Lighting Innovation and Primary Lighting sub-programs), the PLA sub-program must provide- all key functions within a single sub-program. The PLA sub-program’s key functions for planning and strategy is depicted in Figure-8, PLA innovation is depicted in Figure -9 and PLA incentive is depicted in Figure-10.

PLA Program Logic (Figure-8)

Since the primary function of this program component is to make decisions about the entry and exit of products to and from the PLA Incentive programs, the central activity is represented in the model by the Program Decision Panel (A). This Decision Panel, or management team, would be comprised of all of the members of the PLA Statewide IOU Program manager team, and operate under the leadership of the CalSPREE lead IOU. The logic of the program component is that this decision panel takes information and research from many sources and makes its decisions, assuring that new PLA measures are designed, tested and ready to be supported in the PLA sub-program.

During the 2013-2014 Transition Period, the PLA sub-program may include additional program activities and outputs to manage its market transformation process. The PLA program team will evaluate best practices from the Lighting Market Transformation sub-program for possible adoption into the PLA sub-program.

In this logic model, the sources that feed into and receive feedback from the Decision Panel are: Priority & goals for PLA incentive and program activities (B), market, industry, stakeholder inputs, market research, and M&E studies (C2), codes

³⁰ If this logic model is the same as that requested in #10.(O), only provide once. As needed, provide a more detailed logic model emphasizing the market transformation elements of the program and/or how such elements integrate with resource acquisition elements.

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and standards (C1), and ETP inputs (D). In the retail channel, the PLA program utilizes midstream incentive mechanisms through “Point-of-Sale” (POS) merchandising, along with collateral promotions with retailers (i.e., link between B and G). With manufacturers, the program outreach effort drives through Codes and Standards requirements, and promotional support for the sales of energy efficient products (F).

IOU program managers oversee the education and influence of market actors and stakeholders (F), which produces collaboration and agreements (M), thus overcoming some market barriers at that level. The Program Decision Panel and PLA Innovation activities also causes trials and pilots to be completed (O), which also feeds into the agreements with PLA stakeholders and manufacturers. These agreements promote end user purchase and installations and recycling among participants and ultimately non-participants as well (spillover). The PLA program operates across the multiple key markets: Appliances, Home Improvement; Swimming Pools, and Consumer Electronics to cover end-use specific and misc. plug load measures and applications.

During the 2013-14 Transition Period, the PLA sub-program plans to implement a number of trials to define other energy efficient products, technologies, and intervention strategies. It is anticipated that the market would be transformed on the short-term as well as long-term basis, dependent upon the energy saving technology involved, the maturity of the market, and the intervention opportunities that the PLA program is able to exploit.

PLA Innovation Activity Process Diagram (Figure-9)

This diagram describes the program interaction and logic on the PLA program innovation process. This innovation process is closely monitored by the PLA Decision Panel (A1, A2, and A3).

- At (A1), the Decision Panel is considering all available information and data prior to formulating priorities for trial/pilot projects.
- At (A2), once the preliminary trial/pilot results are available, the Decision Panel will evaluate the next-steps (i.e., workpaper development and/or new program design modification and considerations),
- At (A3), the Decision Panel will consider all available information and workpaper data for the PLA incentives and delivery channel design

PLA Incentive Program Logic (Figure-10)

The PLA Program Logic described above addresses the collaborations and agreements that the IOUs generate with various market actors and stakeholders, but the PLA Incentive program logic specifies these activities in more detail. The activities at this level include promotion, and outreach events(D), advertising and direct mailing and end-user (i.e., downstream) incentives (G), engaging manufacturers with upstream incentive delivery (B), engaging retailers and

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distributors for mid-stream incentive delivery (C), and working through professional and trade organizations to engage contractors, architects, and engineers to support best practices (F). These agreements and collaborations yield reductions in market barriers at the upstream and midstream levels so that program products will be stocked and available to customers. The direct mail, advertising, and EA UAT promote the products directly to consumers so that they will look for the products at stores, and purchase them, reflecting the overcoming of barriers sufficient to generate the initial purchase. After the initial purchase, further barriers are reduced and more purchases are envisioned, both under the program and outside of the program (spillover).

Since PLA incentives are an important element of the overall PLA sub-program logic, the PLA incentives and its logic are subject to the strategy and implementation guideline initiated by the PLA Decision Panel (Figure-8).

vi. Appropriate evaluation plans and corresponding Market Transformation indicators and Program Performance Metrics based on the program logic model.

Due to the need to comply with the Decision’s timeline for filing the 2013-2014 PIP, and our desire to comply with earlier Decisions that call for gathering stakeholder input in informing market transformation efforts, we suggest that a full market effects evaluation plan be developed during the formulation of the Joint EM&V Plan as described in section “18.1. Evaluation Budget” in Decision R.09-11-014. Until then, we suggest the following approach:

Summative evaluation - Market Effects: The market transformation program’s theory and logic model will be used to guide the evaluation efforts. The scope of the market effects study should be defined by the MT program’s scope. The timeline for specific market effects that are to be evaluated should be defined by the MT program theory. Among other indicators, the program theory may specify changes in market characteristics that can be evaluated, such as 1) Spillover, 2) attitudes, awareness and knowledge, 3) reductions in specific market barrier, 4) current pricing and product availability, and 5) other market milestones.

Formative evaluation: The formative evaluation of a market transformation program is typically performed at the intervention (i.e. program) level. The methods are the same as would be used in a program process evaluation, and would include interviews with program staff, participants and non-participants as well as an assessment of the program’s direct outputs.

Attribution: Outside of California, most guidelines for evaluating market transformation acknowledge that it is very difficult to attribute market effects to any single program, and nearly impossible to partition out the respective contributions of several coordinated programs on market effects and market transformation. In

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California, the Framework (Sebold et al., 2001) emphasized that attribution of market effects to programs bears further research. Others (Rosenberg & Hoefgen, 2009; Keating & Prah (MT Workshop, Nov 2011) suggest that declaring the program’s strategic intent through the market transformation initiative’s theory and logic model is key to establishing future claim on transformation effects. The methods proposed by Rosenberg & Hoefgen (2009) for attributing market effects to individual programs include a number of approaches, all of them qualitative: self-report of spillover and free ridership; cross-sectional comparisons with other geographic regions; structured expert judging; and case studies. But attribution using a “preponderance of evidence” approach would likely be expensive and still yield arguable results. Attribution by nature focuses on individual efforts, and we believe the market transformation evaluation discourse should be focused on collaboration. We will disregard MT attribution by realizing we all have a “Shared Mission” of meeting the CPUC’s very aggressive Strategic Plan goals and it doesn’t matter which entity contributed how much but whether, as a state with our numerous market actors, we were successful or not. The PLA sub-program’s MTI will be based on the Commission Staff’s recommendation as shown in Table-D below. Per Resolution E-4385, a subset of market transformation indicators (MTIs) for statewide energy efficiency programs and subprograms were presented at a public workshop on November 7, 2011, to allow for public comments and discussion before being finalized. Per guidance from Energy Division received in December 2012, the approved Market Transformation Indicators for 2013-2014 are filed as a Joint IOU matrix, included as Appendix F.

13) Additional information as required by Commission decision or ruling or as needed:
Include here additional information as required by Commission decision or ruling (As applicable. Indicate decision or ruling and page numbers)

Table-E: Final Decision’s Ordering Paragraphs on PLA Sub-program³¹

Ordering Paragraph	SW PLA PIP’s Response	PLA PIP’s Reference
Include the criteria used to determine the best delivery channel for any given plug load or appliance incentive or intervention - OP 63	Criteria used to determine the best delivery channels for any given PLA product is based on the market characteristics for the products and specific barriers or market opportunities.	Section 10(f) Section 10 (i)(i,ii,iii)
Identify the selected delivery	The selected delivery channels for all	Section 10(f)

³¹ Final Decision for the 2013-14 Transition Period on pages 411-412 and 434

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Ordering Paragraph	SW PLA PIP's Response	PLA PIP's Reference
channels for all measures - OP 64	measures follow practice of the current cycle. For post-2012, the criteria used to determine the best delivery channels is based on the current cycle practices	Section 10 (i)(i,ii,iii)
Identify where synergies allow for more coordinated engagement work with retailers and manufacturers - OP 64	The PLA sub-program framework provides guidance for synergistic collaboration with industry partners as the measures transition through different market adoption stage.	Section 9(a) Section 12(ii)
Simplify and streamline program to maximize synergies with manufacturers and retailers and reduce administrative costs - OP 65	The PLA sub-program framework provides guidance for simplifying and streamlining program in order to maximize the collaboration with industry partners for reducing cost.	Section 9(a) Section 10(c) Section 12(ii)
Explore how to implement voluntary product specifications that support the development of mandatory "horizontal standards" (i.e., product standards that lead to energy savings across many categories) - OP 66	Coordination with NRDC, Code & Standard bodies, manufacturers and other market actors to develop and adopt "horizontal standards" for multiple product groups.	Section 11(d)
Re-orient Appliance Recycling Program and take all feasible steps in minimizing cost while maximizing savings - OP 68	Increase collaboration with retailers and the current appliance recycle service providers to support completed cradle-to-grave product life cycle management and encouraging disposal of older inefficient products from the grid.	Section 10(iv,v)
Discuss how the program advance market transformation toward Title 20 Codes & Standards changes - OP 67	Work with manufacturers, Codes & Standards bodies to influence code development and approval process	Section 12(ii)
Identify potential pilot projects or trials to test new program designs that would improve marketplace innovation and engagement and homeowner awareness within the 2013-2014 timeframe – OP 71	PLA sub-program identifies multiple potential trial and pilot projects planned for the 2013-13 Transition Period to evaluate new program delivery methods through a variety of channels and industry partners.	Section 11(d)
Propose initiatives that have been	Proposing PLA sub-program framework with	Section 9(a)

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Ordering Paragraph	SW PLA PIP's Response	PLA PIP's Reference
designed to accomplish “market transformation” – OP 162	embedded market transformation functions and dedicated program activities for driving successive waves of advance PLA technologies through the market adoption life cycle. The proposed PLA sub-program framework employ stage-gate process for managing the flow of technologies through IOUs EE programs.	Section 12(ii)

Additionally, Table-F below provides the Final Decision’s requirements on the Re-orientation of the Appliance Recycling activities and IOUs’ responses.

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Table-F: Final Decision’s Requirements on Appliance Recycling³²

Final Decision’s Requirements	SW PLA PIP’s Response	PLA PIP’s Reference
1) Add New Appliances: Expand recycling efforts to include clothes washers and air conditioners - (FD, page 206).	Explore the opportunities to add new appliances but will not consider clothes washers or room air conditioners as both have been proven not to be cost effective.	Section 10(v)
2) Switch to Distribution Center Pick-Ups: Reduce overall program costs by directing retailers to pick up units for recycling. IOU program collections of appliances in the home could be replaced by collections at partner retailer distribution centers. IOUs must avoid duplicating existing efforts with these strategies - (FD, page 206).	Will use the results of SCE’s Retailer Based Appliance Recycling Trial Study to develop the new Retailer Base Appliance Recycling Element.	Section 10(iv)
3) Emphasize High Consumption and Secondary Units: Target units with highest savings potential and emphasize collection and recycling of vintage models, secondary units, and extra freezers - (FD, page 206).	Increasing focus on recycling of higher consumption and secondary units as part of the Statewide Appliance Recycling activities.	Section 10(v)
4) Influence Appliance Purchaser’s Decision: Use the results of current recycling retailer trials to determine the best approaches to partnering with retailers. These partnerships could seek to cost-effectively capture savings through influencing a new appliance purchaser’s decision to retire their old units. IOU retailer partnerships could include delivering new appliances at the	Will use the results of SCE’s Retailer Based Appliance Recycling Trial Study to develop the new Retailer Base Appliance Recycling Element.	Section 10(iv)

³² Final Decision for the 2013-14 Transition Period on pages 206-207

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Final Decision's Requirements	SW PLA PIP's Response	PLA PIP's Reference
<p>same time as collecting old units for recycling. The IOUs should seek to coordinate collection of old units with appliance manufacturers and recyclers - (FD, page 206).</p>		
<p>5) Participants Receive Appliance Incentives upon Surrender of old Appliance: Condition the provision of appliance incentives upon surrender of older units for recycling - (FD, page 207).</p>	<p>Will focus on combining rebates for the purchase of high efficient appliance and Retailer Based Appliance Recycling program. This new strategy allows customers to participate in appliance recycling as part of the new appliance delivery-and-haul away process. This approach will not require customer to surrender their appliance as part of the rebate process but still allows IOU's to reduce program implementation cost while providing options that improve the customer experience.</p>	<p>Section 10(v)</p>
<p>6) Transition of Recycling to Market Actors: Transition the current appliance recycling program to market players by a specific date - (FD, page 207).</p>	<p>Transition of the current appliance recycling program to market players by a specific date could not be answered with certainty at this point. The IOUs will continue to engage the Commission and appropriate market actors on this – See Section 10(v) for more detail intervention treatment in the short-mid and long terms.</p>	<p>Section 10(v)</p>
<p>7) Highest Standard of Recycling: Require ARP participating recyclers to comply with highest standards of recycling, including for GHG emissions in refrigerants and foam insulation - (FD, page 207).</p>	<p>Continue to require all participating recycling service providers to comply with the EPA RAD (Responsible Appliance Disposal) guidance.</p>	<p>Section 10(iv, v)</p>
<p>8) Properly Target Multifamily Residences: Develop new recycling approaches for the multifamily sector, including a bulk exchange approach - (FD, page 207).</p>	<p>Offer bulk pickups (at reduced recycling costs) where feasible and possibly explore adding new program element to include appliance exchange program.</p>	<p>Section 10(v)</p>

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Final Decision's Requirements	SW PLA PIP's Response	PLA PIP's Reference

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**1. Program Name: SW-CALS-MFEER
Program ID: SCG 3704
Program Type: Statewide Core Program**

2. Projected Program Budget Table

Table 1 - reference the CalSPREE for budget details

3. Projected Program Gross Impacts Table – by calendar year

Table 2 - reference the CalSPREE for projected savings details

4. Program Description

a) Describe program

The Multifamily Energy Efficiency Rebate program (MFEER) is a continuation of the existing statewide program within the residential energy efficiency portfolios. In accordance with the Strategic Plan, this program advances comprehensive energy efficiency measures, including: whole house solutions, plug load efficiency, visual monitoring and displays, performance standards, local government opportunities, and DSM integration.

Historically, owners and managers of multifamily properties have been less responsive to energy efficiency efforts than other residential customers. As one of California's largest segments, this unique market warrants additional attention and effort needed to motivate property owners and managers to actively participate in energy efficiency programs. The MFEER proposes a series of comprehensive measures designed to address systems within multifamily housing.

The MFEER offers a variety of incentives for energy efficient products and services to motivate the multifamily property owners/managers to install energy efficient products in both common and dwelling areas of multifamily complexes and common areas of mobile home parks and condominiums. An additional objective is to heighten the energy efficiency awareness of property owners/managers and tenants.

The creation of energy-efficient complexes provides benefits beyond the direct energy savings. Through the incorporation of energy efficient measures by multifamily property owners and managers, tenant behaviors can be influenced and comfort improved. The hope is that these behaviors can contribute to a virtual cycle of energy efficiency - as tenants receive upgrades that reduce their energy costs and improve comfort, they in turn recruit and mentor other tenants.

The MFEER addresses the ongoing concern with “split incentives”, where the residents are not the owners of the property, so they lack incentive to improve their energy usage.

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Similarly, the property owners do not live on-site and pay higher utility expenses due to inefficient appliances, thus lack any incentive to upgrade. The MFEER is designed to drive this customer segment toward participation by offering property owners a variety of energy efficiency measures and services.

Program Integration: The MFEER marketing plans include print material, direct mail campaigns, print advertisement, trade show exhibitions, and presentations to related target market organizations. The program will execute targeted marketing campaigns **through various channels (including but not limited to direct mail, web, email, etc)** to engage property management firms which represent several multifamily properties, and thus, represent a large population of the multifamily segment.

The program also links program incentives from the PLA and coordinates with the Energy Savings Assistance program Middle Income Direct Install (MIDI) Program, Multifamily Energy Upgrade California (MF EUC) Program, as well as other energy efficiency programs.

Support for ESA Program Qualifying and Non-ESA Program Qualifying Low Income Families: To make property owners/managers aware of income-qualified services available to tenants, the MFEER promotes the ESA Program within the customer application and outreach efforts. The MFEER will work with municipal entities to support AB811 to serve the needs of non-ESA qualifying low income families while still adhering to MFEER's program design.

b) List measures

Measures and services to reduce energy usage may include, but are not limited to, the following:

Lighting

- Screw-in CFL Reflector bulbs (ENERGY STAR-Qualified)
- Interior LED Lamps
- Interior CFL Fixtures (ENERGY STAR-Qualified)
- T5 or Lamps w/electronic ballasts
- Exterior CFL fixtures (ENERGY STAR-Qualified)
- Exterior LED lamps
- Exterior LED fixtures
- Occupancy sensors
- Photocells
- Ceiling Fans (ENERGY STAR-Qualified)
- LED Pool and Spa lighting
- Vending Machine Controls

Building Envelope

- High Performance Dual-Pane Windows
- Attic and/or wall insulation

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Water Heating

- Electric storage water heaters
- Central system natural gas water heaters
- Natural gas water heater and/or boiler controllers
 - Natural gas storage water heater
- Tankless water heaters
- Pool Heaters

HVAC

- Package terminal air conditioners & heat pumps
- Unitary AC Units
- HVAC Quality Maintenance
- Brushless Fan Motor for Central AC
- Evaporative Coolers
- Programmable Thermostats
- Central natural gas furnace

Wall Furnaces

Appliances

- Refrigerators (ENERGY STAR® Qualified)
- High-efficiency Clothes Washers
- ENERGY STAR® Dishwasher (does not apply to SoCalGas)
- Cold Water Clothes Washers

Pumping

- Variable Speed Pool Pumps
- Programmable Thermostats (Common Areas only)
- Demand Control for Centralized Water Heater Recirculation Pump

Measures may be added or removed from the program as technologies evolve and market potential warrants.

c) List Non-incentive Customer Services and Contractor Training

MFEER schedules training workshops to educate contractors about the benefits of the measures offered by this program and other energy efficiency programs, including the ESA program.

For example, all participating HVAC Quality Maintenance contractors will be required to participate in a technical and program administrative training **conducted by IOU's program staff.(e.g. WE&T)**. The technical training provided **will be** consistent with the requirements of Air Conditioning Contractors of America (ACCA) standards, **ASHRAE, and numerous**

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other industry organizations focused on HVAC contractor training, code compliance, and safety.

Participating swimming pool contractors installing pool pumps will also be required to participate in similar technical and program administrative training. The technical training will focus on swimming pool energy audits, fundamentals, payback and ROI analysis.

5. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Information

Program Performance Metrics (PPMs)

The IOUs have evaluated 2010-2012 PPMs in Resolution E-4385 for applicability to the 2013-2014 program cycle and propose to work collaboratively with Energy Division to develop revised program targets and PPMs as appropriate for the 2013-2014 program cycle. The IOUs' will propose revisions in an advice letter, per additional guidance from Energy Division.

Table 3.1: Short-Term PPMs

On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. The Commission gave each PPM a metric type which indicated the reporting frequency: Metric type 2a indicates that the IOUs should report on the metric on an annual basis (unless indicated otherwise). Metric type 2b indicates the IOUs should report on the metric at the end of the program cycle.

Below are the approved PPMs and metric types for the Multifamily Energy Efficiency Rebate Program (Resolution E-4385, Appendix A):

Multifamily Energy Efficiency Rebate	1. Percentage of non-lighting measure savings as compared to the total EE measures adopted in the MFEER program. (KWh for single-commodity IOU and BTU for mixed-commodity IOU.)	2a
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b) Market Transformation Indicators

Resolution E-4385 identifies a preliminary list of objectives and market transformation indicators (MTIs) for statewide energy efficiency programs and subprograms. These MTIs will be presented at a public workshop to allow for public comments and discussion before being finalized. The Resolution further directs the Joint Utilities to work collaboratively with

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Energy Division staff to select a subset of these MTIs for data collection, tracking and reporting as part of the 2010-2012 energy efficiency evaluation, monitoring and verification (EM&V) activities. Per guidance from Energy Division received in December 2012, the approved Market Transformation Indicators for 2013-2014 are filed as a Joint IOU matrix, included as Appendix F.

c) Program Design to Overcome Barriers

Previous MFEER participants often state their intent to continue upgrading their complexes with energy-efficient products. Lowered energy bills and reduced maintenance efforts (e.g., changing out short-lived incandescent lamps) are economical. Below is a list of program barriers:

Ongoing Concern with Split Incentives

While some market barriers are the same as for other residential programs such as the HEER (described below), others are unique to the MFEER. For this program, which must deal with both owners/managers of multi-family buildings and with tenants, the split-incentive barrier is high. Any measure or appliance that is installed in the tenant dwelling area will provide benefits to the tenant while costs may go to the owner/manager. This fact implies an uphill effort to get owner/manager participation.

In alignment with California's BBES and EAP policy initiatives, and advanced by the Strategic Plan, the MFEER is in the unique position to overcome the split incentive barrier by serving two distinct beneficiaries of energy savings, the property owner and the tenant. MFEER design has been overcoming the split incentive barrier since the program's inception in 2002, as had its predecessor; the Residential Contractor Program did since 1999. Program design has been effective to such an extent that the majority of MFEER rebates paid were for products installed in tenant dwelling units.

The diversity of multifamily building types makes it highly challenging to develop program delivery models, incentives and consistent packages of building upgrade measures that meet the needs of every situation.

The multifamily sector encompasses a range of building sizes, system types and configurations of dwelling units and nonresidential areas. Because multifamily building types are so diverse, it is highly challenging to develop program delivery models, incentive programs and consistent packages of building upgrade measures that meet the needs of every situation.

In many cases, the property owner or manager's energy efficiency knowledge is limited. As such, deciphering though the variety of offered measures can prove to be challenging, and in some cases even discouraging. Additionally, in a multifamily building's lifecycle, there are specific times when it is most cost effective and convenient for the property owners/managers to make energy and green upgrades. The program needs to focus on these triggers or entry points to engage and educate customers on energy efficiency benefits.

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MFEER has proven success developing an established network of professionals who are experienced in their specific trade and are effective at both marketing program availability to potential clients and installing the specific set of measures. While the program has been especially successful working with lighting contractors, it will continue to work on establishing working relationships and expanding its network of professionals from other trades, e.g. HVAC, Appliance Retailers, etc.

This network of professionals tailors their services (lighting, HVAC, appliances, etc.) to take advantage of these entry points.

Difficult to reach due to property owners lack cohesiveness as a group and high turn-over rate of property managers

Further planning difficulties are generated by the fact that property owners/managers, in large part, are not a cohesive group. This leads to disparities and gaps in industry knowledge and poses a barrier to knowledge sharing. In addition, since on-site property managers tend to be somewhat transient, maintaining consistent contact is difficult.

The multifamily property sector consists of commercial enterprises that provide residential living spaces. In this quasi-commercial role, the property owner straddles the residential and commercial energy efficiency programs' definitions. The MFEER specifically addresses their often overlooked needs.

The desired outcome of MFEER implementation is to realize long-term energy savings through the installation of energy-efficient products in both the common areas and dwelling units of multifamily complexes and the common areas of condominium complexes and mobile home parks. Another objective is the inclusion of rented mobile homes when those park owners/managers are making replacements in common areas.

The creation of energy-efficient complexes provides benefits beyond the direct energy savings to common areas. Through the incorporation of energy efficiency measures by multifamily property owners and managers, the opinions and behaviors of tenants can be influenced. These behaviors can contribute to a self-reinforcing cycle of energy efficiency responsibility throughout a complex as more knowledgeable customers install measures that can reduce the overall energy footprint, with no loss of safety or comfort.

Issue of Affordability

Out-of-pocket costs pose a significant participation barrier for the customer. With the exception of some of the larger property management firms, pay-back terms, no matter how favorable, are perceived as an unacceptable risk by the average customer.

Program Integration to Overcome Barriers

Multifamily building owners and managers find it daunting to sort through the various programs, funding and incentive options, and program requirements. To address the trend toward comprehensive solutions and to reduce the potential for lost opportunities, MFEER will integrate opportunities with other energy efficiency programs and services, such as the existing ESA program and ARP, Energy Advisor as well as the MF EUC and MIDI

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programs. While programs will be coordinated and integrated, their respective policies and procedures will be followed in the delivery of services. Operational efficiencies will be employed to streamline the application process and installation of measures. This unprecedented integrated approach combines market-rate and income-qualified energy efficiency measures that will benefit multifamily property owners and tenants; providing the opportunity to educate building owners on the benefits of energy efficiency and conservation efforts spanning the range of needs for the multifamily market.

This collaboration should increase participation levels for each respective program:

- The MFEER will continue to work with the ARP to promote the turn-in of inefficient (but functional) property owner-owned refrigerators. To generate interest and gain higher participation levels through joint marketing efforts, MFEER will also consider opportunities to cooperate with other energy efficiency programs or services.
- MFEER will promote the ESA program and the California Alternate Rates for Energy (CARE) program within the application by making the property owner/manager aware of the available income-qualified services for the tenants. Additional marketing efforts may include reaching tenants through direct-mail to promote services not offered under MFEER, such as income qualified programs; CARE electricity bill discount of 20% or more and ESA Program which provides energy efficient improvements at no cost.
- MFEER will coordinate with the Energy Advisor (“EA”) program to promote, and potentially develop, a survey specific to the multifamily segment that engages the property owners/managers by helping identify opportunities for saving energy and money by using MFEER and other energy efficiency programs.
- The MF EUC program seeks deeper energy savings through a comprehensive approach. The program targets property owners/managers with scheduled project rehabilitation who are willing to invest in a performance-based whole-building approach. This performance based approach aims to assist property owners and managers with making informed decisions, identify measures for energy savings, and to maximize energy reductions for each property owner, manager, and tenant, as applicable. The incentives are designed to influence the implementation of comprehensive measures and therefore are based off of energy reduction achieved. As such, MFEER will guide property owners/managers with comprehensive project potential to the MF EUC program.

d) Quantitative Program Targets

The statewide MFEER is striving to meet the following program activity targets. The proposed targets may be modified due to funding restrictions, especially for the 2013-2014 year.

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Table 5: Proposed Program Activity Targets

Program Target	Program Target by 2013	Program Target by 2014
<p>Target #1</p> <p>Direct mailing to reach 5,000 multifamily property owners/manager (SoCalGas)</p> <p>Advertising in trade journal (depended on approved marketing budget) (SoCalGas)</p> <p>Support outreach events such as trade shows (SoCalGas)</p>	<p>Complete 5,000 pieces of direct mailing,</p> <p>place monthly trade journal advertising,</p> <p>attend 2 trade shows per year</p>	<p>Same as 2013</p>
<p>Target #2</p> <p>Require 100% of program participating electrical contractors to meet licensing requirements</p>	<p>100% for 2013-2014 program cycle</p>	<p>Same as 2013</p>
<p>Target #3</p> <p>Deliver program specific communications to participating contractors</p>	<p>2 communications per year</p>	<p>Same as 2013</p>
<p>Target #4</p> <p>Continue to solicit participation from mega property management Company</p>	<p>3 per year</p>	<p>Same as 2013</p>

Note: The proposed activities above may be limited by program funding restrictions

e) Advancing Strategic Plan Goals and Objectives

In accordance with the Strategic Plan, this program advances comprehensive energy efficiency measures, including: whole-house solutions, plug-load efficiency, performance standards, leveraging of local government energy partnership opportunities, and DSM integration. As technology progresses, this program will adopt newer measures such as home energy monitoring and displays. Each of these measures works to reduce the energy and carbon footprint of multifamily dwellings and will create additional energy savings and integration opportunities through inter-program referral, data sharing, and bundling of DSM solutions across energy efficiency, DR, CSI, smart meter and other IDSM efforts.

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The MFEER will support the following Strategic Plan as described below:

- 2.1.3.2. Home buyers, owners, and renovators will implement a whole-house approach to energy consumption that will guide their purchase and use of existing and new homes, home equipment, household appliances, lighting and “plug load” amenities;
- 2.1.3.3. Plug loads will be managed by developing consumer electronics and appliances that use less energy and provide tools to enable customers to understand and manage their demand; and
- 2.1.3.4. The residential lighting industry will undergo substantial transformation through the deployment of high-efficiency and high-performance lighting technologies, supported by state and national codes and standards.

The current program design does not specifically address the Energy Division's market transformation goal of having 100% of multifamily households achieve a 40% reduction in energy consumption from 2008 levels by 2020. However, the program is part of the solution to reach the multifamily transformation goal for California. A portion of the 2020 goals could be achieved through codes and standards ratcheting or by other local program’s implementations. To become a market transformation program, MFEER will need to make significant changes to program design, program cost effectiveness, and many other economic feasibility issues. Furthermore, the MFEER program will need to be sensitive to the CPUC/CEC market potential studies.

5. Program Implementation

a) Statewide IOU coordination

The MFEER offers a variety of incentives for installing qualified energy-efficiency products in existing apartment dwelling units and in the common areas of apartment and condominium complexes, and common areas of mobile home parks. Property owners and managers of existing residential multifamily complexes with two or more dwelling units may qualify.

Table 6: The MFEER offers incentives in the following forms:

- Prescribed rebates;
 - Mid-stream incentives through retailers, distributors, and/or contractors; and
 - Direct Installation of energy efficiency products
- i. Marketing and outreach plans, e.g. research, target audience, collateral, delivery mechanisms**

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The MFEER statewide marketing plans include print collateral material, direct mail campaigns, print media advertisements, trade show exhibitions and presentations to related target market organizations, and leveraging with other IOU energy efficiency efforts and programs where feasible (see targets above, Table 5). The utilities may use a range of tactics such as; e-mails, flyers, on-Line marketing, direct mail, bill messaging, social media, local events, ethnic media, and other channels that suit the target audience, the message, and the resources. MFEER will also coordinate outreach activity with the ESA program, EUC, PLA, and HVAC programs to maximize customer engagement and opportunities.

ii. IOU program interactions with CEC, ARB, Air Quality Management Districts, local government programs, other government programs as applicable

The MFEER program will coordinate with CEC, ARB, AQMD, and other local agencies and municipalities to implement environmental programs in support of California's long term Strategic Plan and CPUC initiatives.

iii. Similar IOU and POU programs

The MFEER is a statewide program. Programs outside of California are implementing similar program designs (e.g., Austin Energy).

b) Program delivery and coordination

To motivate multifamily property owners/managers to install energy-efficient products in the common areas and dwelling units of multifamily complexes and common areas of mobile home parks and condominiums, the MFEER Program offers prescribed rebates for energy efficient products. An additional objective is to increase the energy efficiency awareness and knowledge of property owners/managers and tenants.

The program leverages an extensive network of contractors to reach property owners and property managers. In addition to these contractors, the program also makes direct outreach to larger property management companies. The program will leverage a single point of contact to assist multifamily customers and streamline their experience. The single point of contact will assist multifamily owners and property managers to evaluate specific property and advise customers of the program(s) that best suits their needs.

The program will also seek to leverage existing relationships between retailers and multifamily owners and managers. This engagement will allow retailers promote energy efficiency products and provide point of sale rebates for products such as refrigerators, clothes washers, water heaters, etc.

i. Emerging Technologies (ET) Program

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The program collaborates with the Emerging Technologies Program in assessing energy efficiency technologies that are new and/or underutilized in the residential/multifamily market.

- ii. **Codes & Standards Program**
The MFEER works with the codes and standards group to ensure that all the measures offered by the program are updated timely.
- iii. **WE&T efforts**
The implementation of various training and coverage may differ for each IOU. The MFEER will work with the energy centers to develop new and modify existing education and training classes for contractors and property owners, to assist in advancing the objectives of the Strategic Plan.
- iv. **Program-specific marketing and outreach efforts**
The MFEER marketing plans consist of print collateral material, direct mail campaigns, print advertisement, trade show exhibitions and presentations to related target market organizations, and leveraging other IOU energy efficiency efforts and programs where feasible. Additionally, program-specific marketing and outreach activities are necessary to drive participation and attain program goals.
- v. **Non-energy activities of program**
Training of contractors and outreach to large property owners are part of the program's non-energy activities.
- vi. **Non-IOU programs**
The program allows cross promotion of other applicable programs, such as those of water agencies that offer rebates for clothes washers and dishwashers. Program staff will work with other utilities and groups, as appropriate, to increase program participation and savings levels.
- vii. **CEC work on EPIC**
The MFEER will work with the residential program team to track the latest developments from CEC and EPIC.
- viii. **CEC work on C&S**
MFEER is very sensitive to the codes and standards that the IOUs and CEC are working on. The program will monitor these activities and incorporate any standards ratcheting as appropriate.
- ix. **Non-utility market initiatives**
Along with the HEER program, MFEER supports all ENERGY STAR activities. In addition, MFEER also participates in activities with the local and national housing authorities.

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c) Best Practices

Given the difficulty of reaching potential customers, the MFEER is designed to leverage the knowledge and contacts of its network of contractors. Given the limited marketing budget, this targeted outreach method has yielded fruitful results for the program. It also consistently helped the program in overcoming the split-incentive barrier within this segment.

This program also drives permanent change in California and achieves market transformation through the installation of ENERGY STAR qualified products, thereby reducing tenants' energy usage in apartments and also reducing property owners' energy usage in common areas.

d) Innovation

A key program innovation is the customer referral process, which was developed to assist property owners who own apartment buildings served by different IOUs. In this process, a property owner who is working with an IOU and owns properties served by other IOUs is automatically referred to the appropriate program managers at those IOUs. Confusion and barriers that can result when working with multiple entities is reduced since the IOUs operate identical rebate programs and use similar rebate applications.

As one of the few programs in the nation that specifically address this hard-to-serve market segment, this unique and innovative program has developed a model approach for other utilities to emulate. In addition, the program represents an innovative partnership among California utilities, demonstrating the great potential of a statewide energy efficiency program and creating processes, upon which other partnerships can build.

This program is especially innovative since multifamily property owners/managers and tenants have traditionally been unable to receive energy efficiency rebates. Some tenants qualified for the low-income programs, and before 2002, under the RCP program, a few multifamily properties received installation of CFLs, water heater controllers, and duct test and sealing. The development and implementation of the statewide MFEER has increased the participation of not only property owners/managers (for the common area energy efficient measures), but also of tenants who use approximately 80% of the energy in multifamily buildings. Traditionally, this has been an untapped market. Each year that rebate funding has been available, energy savings have increased exponentially.

e) Integrated/coordinated Demand Side Management (ISDM)

To identify successful integration approaches and offerings, potential pilot programs and metrics, the IOUs will coordinate program efforts with the local utility integration teams and the Statewide Integration Task Force.

The MFEER program will work with ISDM initiatives to identify the best possible collaboration. The potential offer could include smart metering, load management and

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other services, as appropriate. The details of this collaboration will be better defined in the 2013-2014 program cycle.

f) Integration Across Resource Types (energy, water, air quality, etc)

The program allows for cross-promotion of other available programs, such as water companies that offer rebates for clothes washers and dishwashers.

g) Pilots

MF Audit/Benchmarking Tool - MFEER understands the need to have a multifamily audit/benchmarking tool to help Property Owners and Managers identify overall energy efficiency improvement opportunities. To support further diversification of the MFEER program to encourage whole building comprehensive retrofits, a specific audit/benchmarking tool is needed to do the following:

- Assist Property Owners and Managers evaluate their portfolio to effectively identify energy saving opportunities;
- Provide necessary information to enable Property Owners and Managers make informed budgetary decisions to undertake the necessary retrofits to take advantage of identified energy saving opportunities; and
- Allow property owners and managers benchmark and evaluate the effectiveness of energy efficiency retrofits.

SoCalGas– MF Audit Tool: SoCalGas offered in coordination with the Energy Advisor Program a multi-family survey as a pilot program in 2012. This involved surveys targeted at the facility owners of apartment buildings that focused specifically on overall property efficiency. SCG will expand the survey in 2013-2014 to mixed use property types such as SF HOA common areas of condominiums and motor home parks in order to assist those hard-to-reach segments in reaching greater energy savings potential.

h) EM&V

The utilities plan to work with each other and with the Energy Division to develop a complete plan for 2010-2012 studies and budgets after the program plans are finalized and filed. This plan will be submitted to the CPUC in time for approval along with the PIPs.

Detailed plans for process evaluations and other evaluation efforts specific to this program will be developed after the final program design is approved by the CPUC and program implementation has begun, since final plans will be based on identified program design and implementation issues and questions. However, a brief description of the current, preliminary plans is provided below:

- Work with Energy Division to resolve market baseline and transformation issues;
- Update and repeat CLASS and RASS/RMST Appliance Tracking & Saturation studies, as appropriate;
- Conduct statewide process evaluation to assess the following:
 - i. Track the all proposed key metrics;and

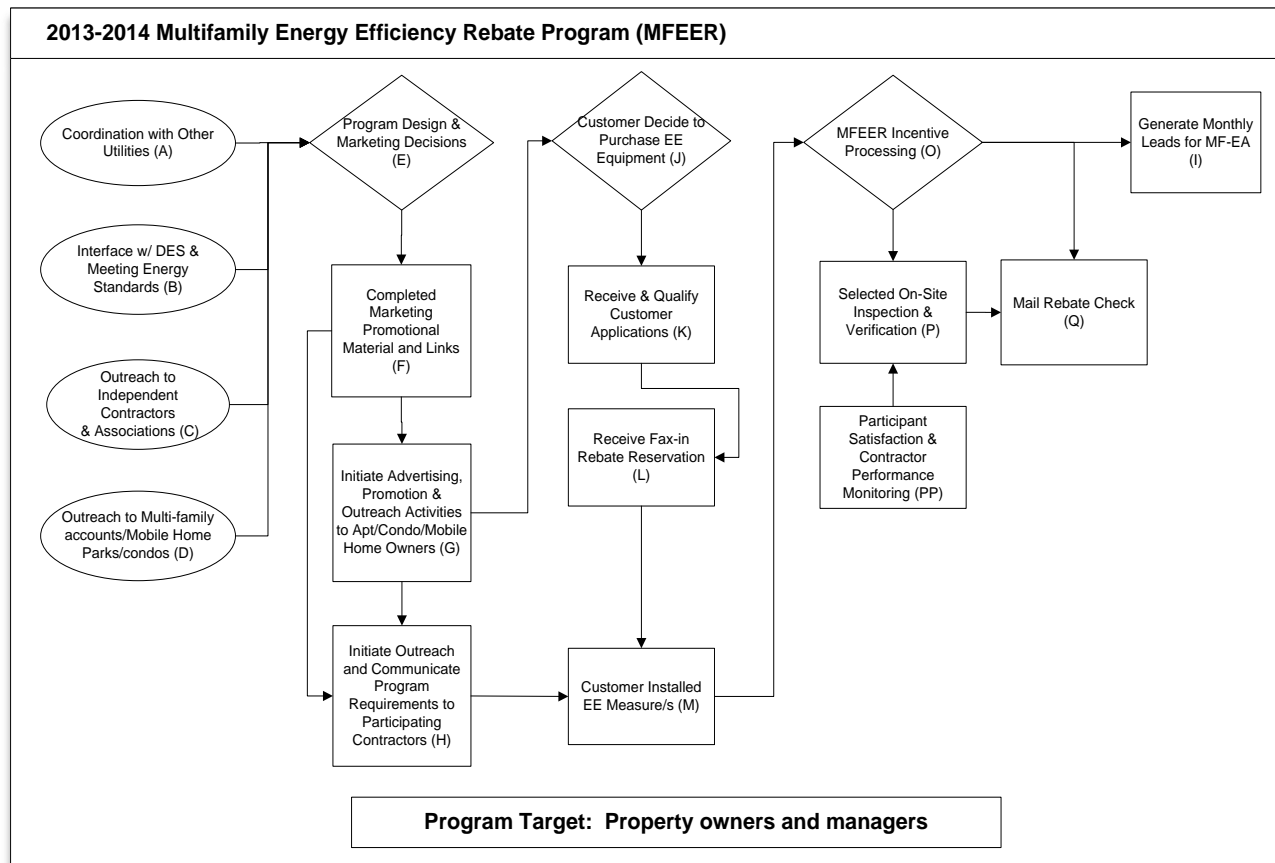
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- Design an M&E study to monitor the pilot program mentioned above, especially to examine the conversion rate from multifamily EA to MFEER program participation and assess the level of participation relative to the scope of EA recommendations.

As indicated by the Itron Final Report: Scenario Analysis to Support Updates to the CPUC Savings Goals, 3/2007, the residential sector (single family and multifamily) will be expected to deliver a significant portion of California's energy savings in nearly all scenarios. The statewide MFEER program delivers a portion of the required savings and is part of the total energy efficiency strategy.

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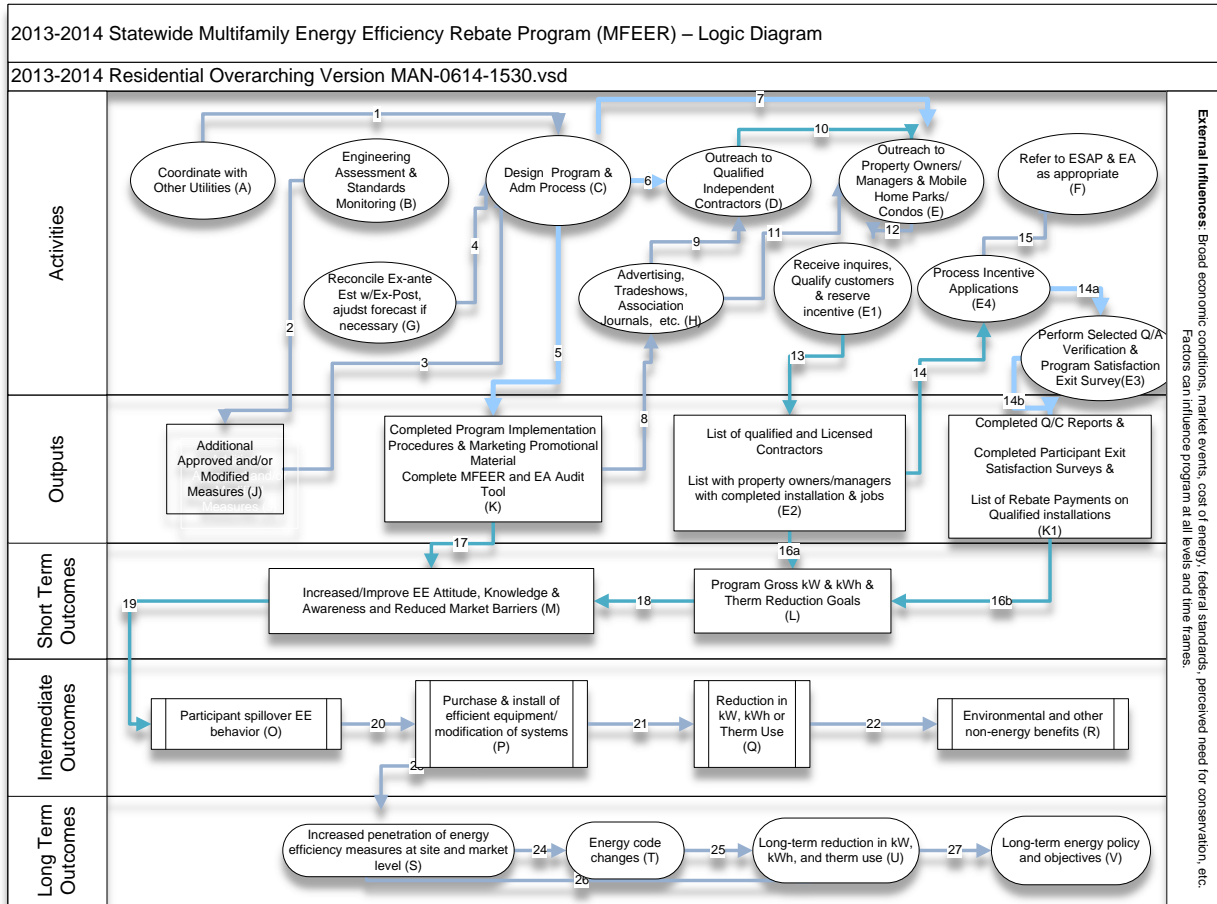
MFEER Process Diagram



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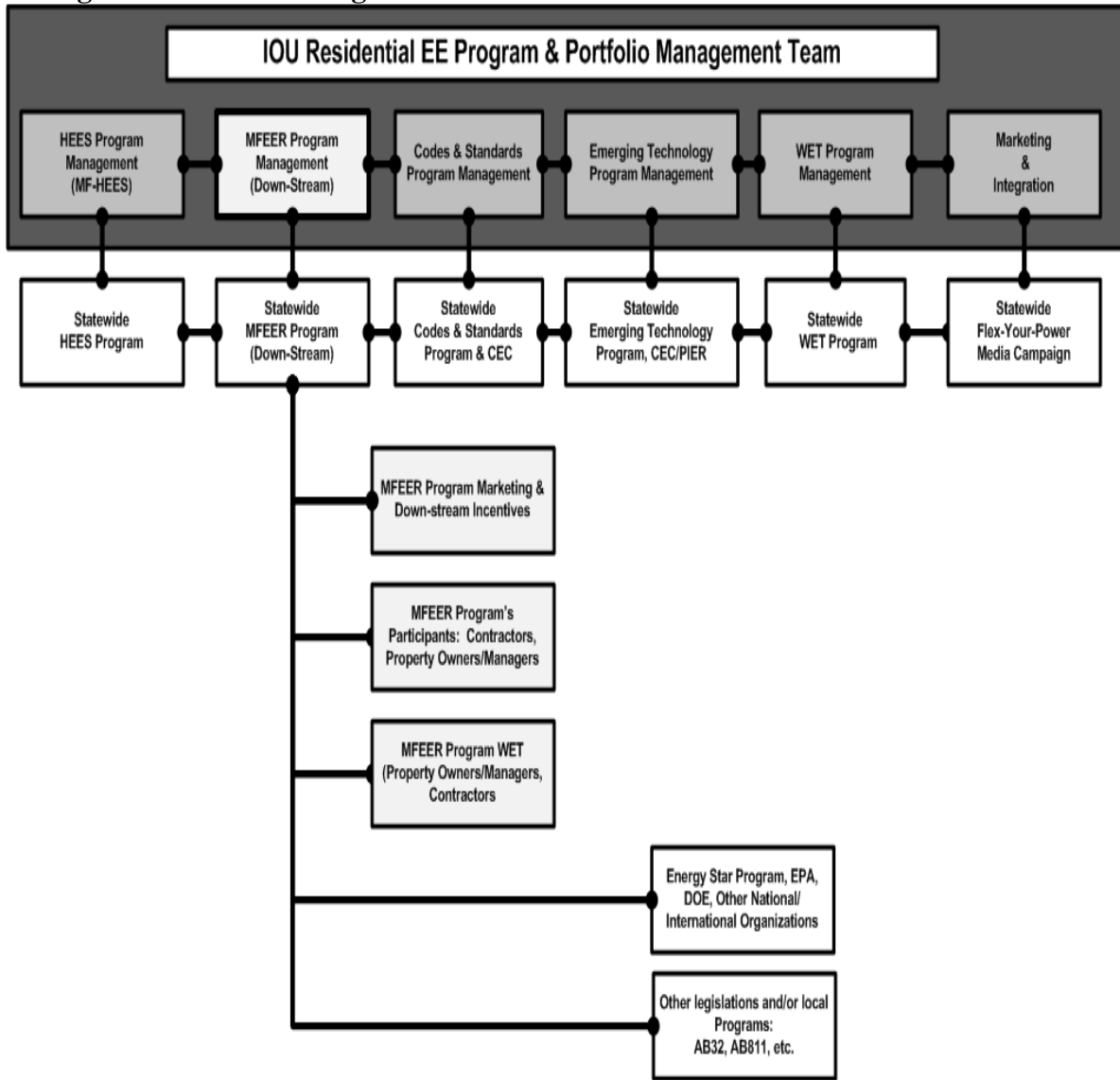
Program Logic Model MFEER

Note: On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas & Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. In addition, this Resolution approved updated logic models for the statewide programs. Below is the approved logic model for the Multifamily Energy Efficiency Rebate Program.



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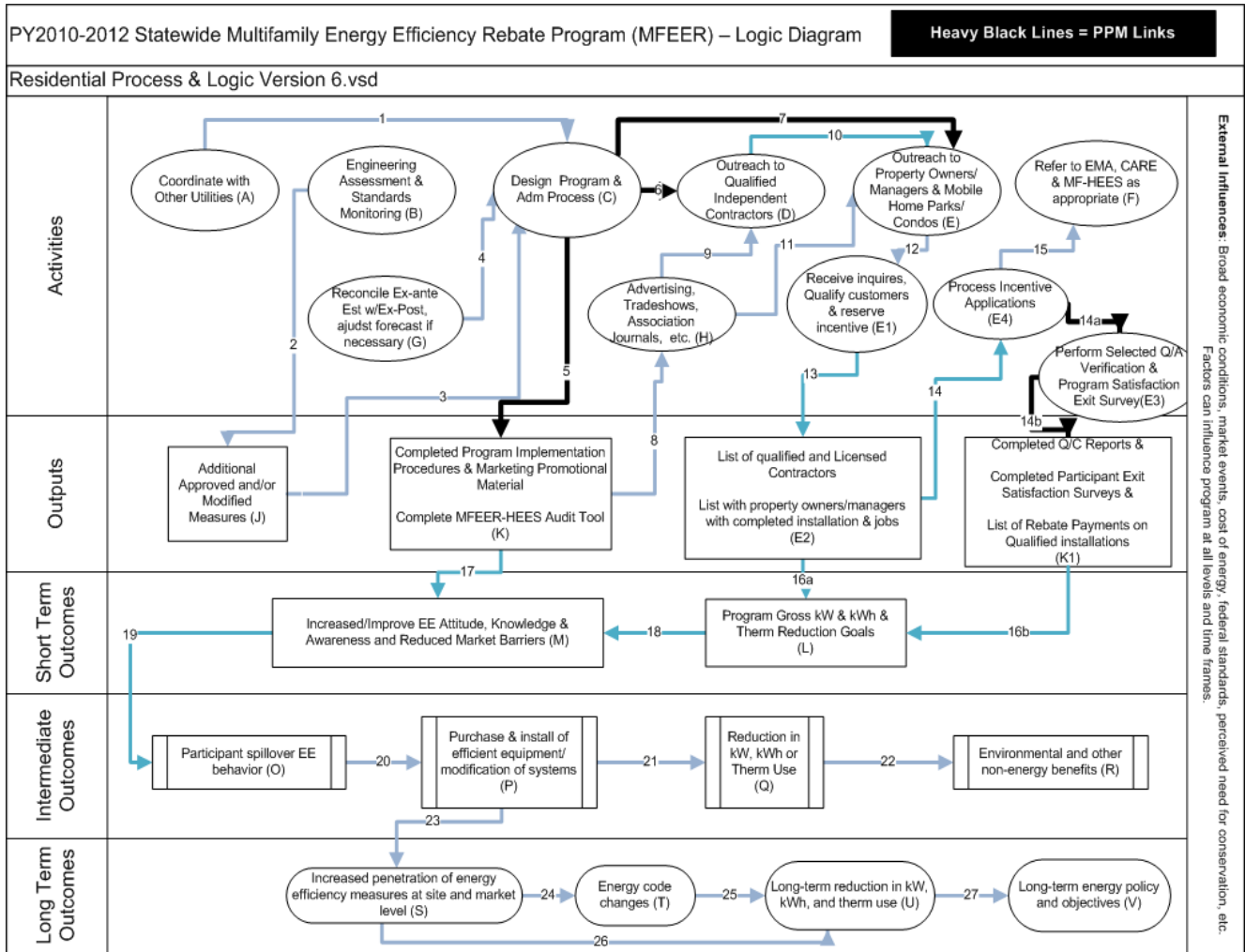
Program Interaction Diagram MFEER



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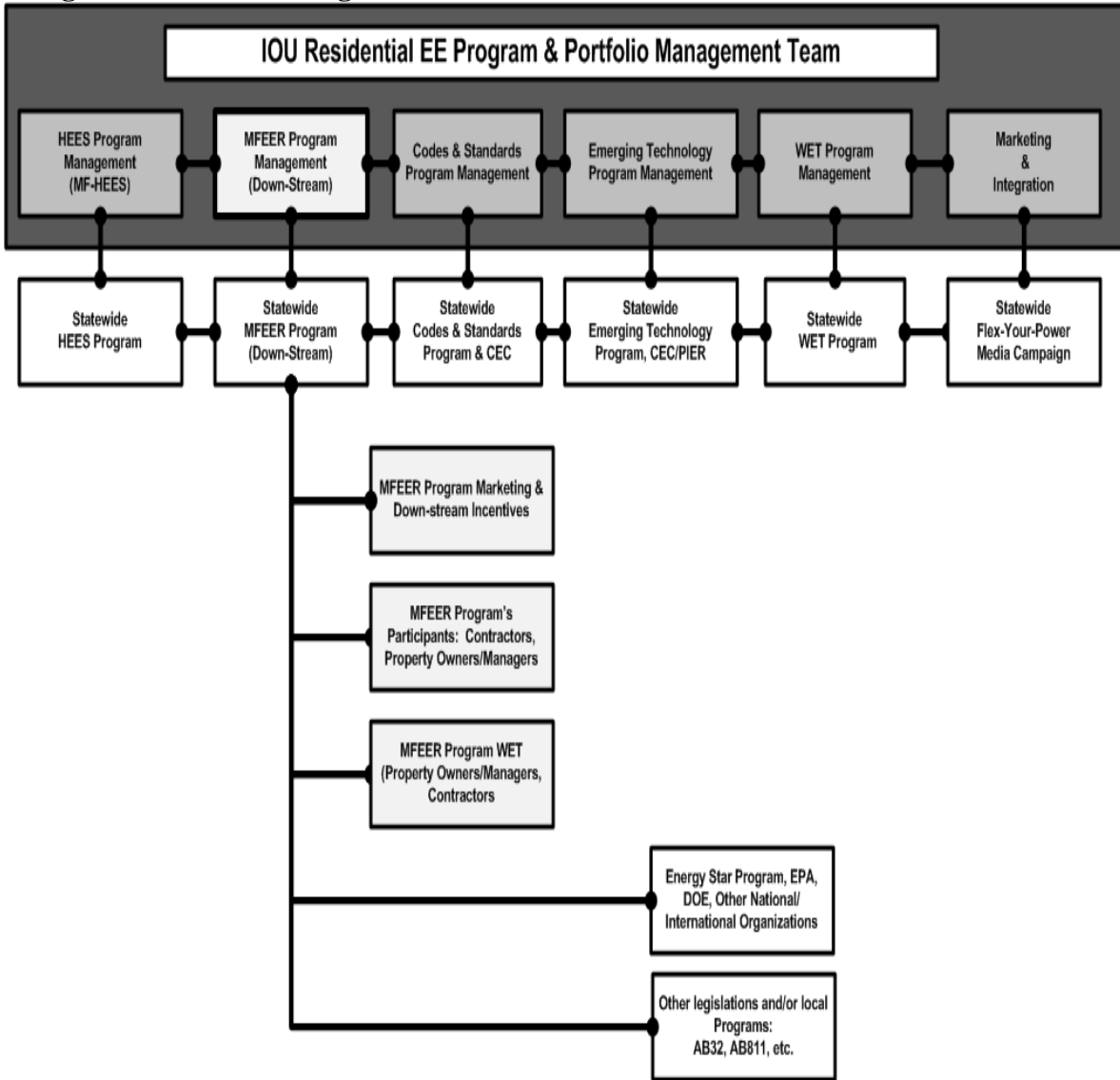
6. Program Logic Model MFEER

Note: On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas & Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. In addition, this Resolution approved updated logic models for the statewide programs. Below is the approved logic model for the Multifamily Energy Efficiency Rebate Program.



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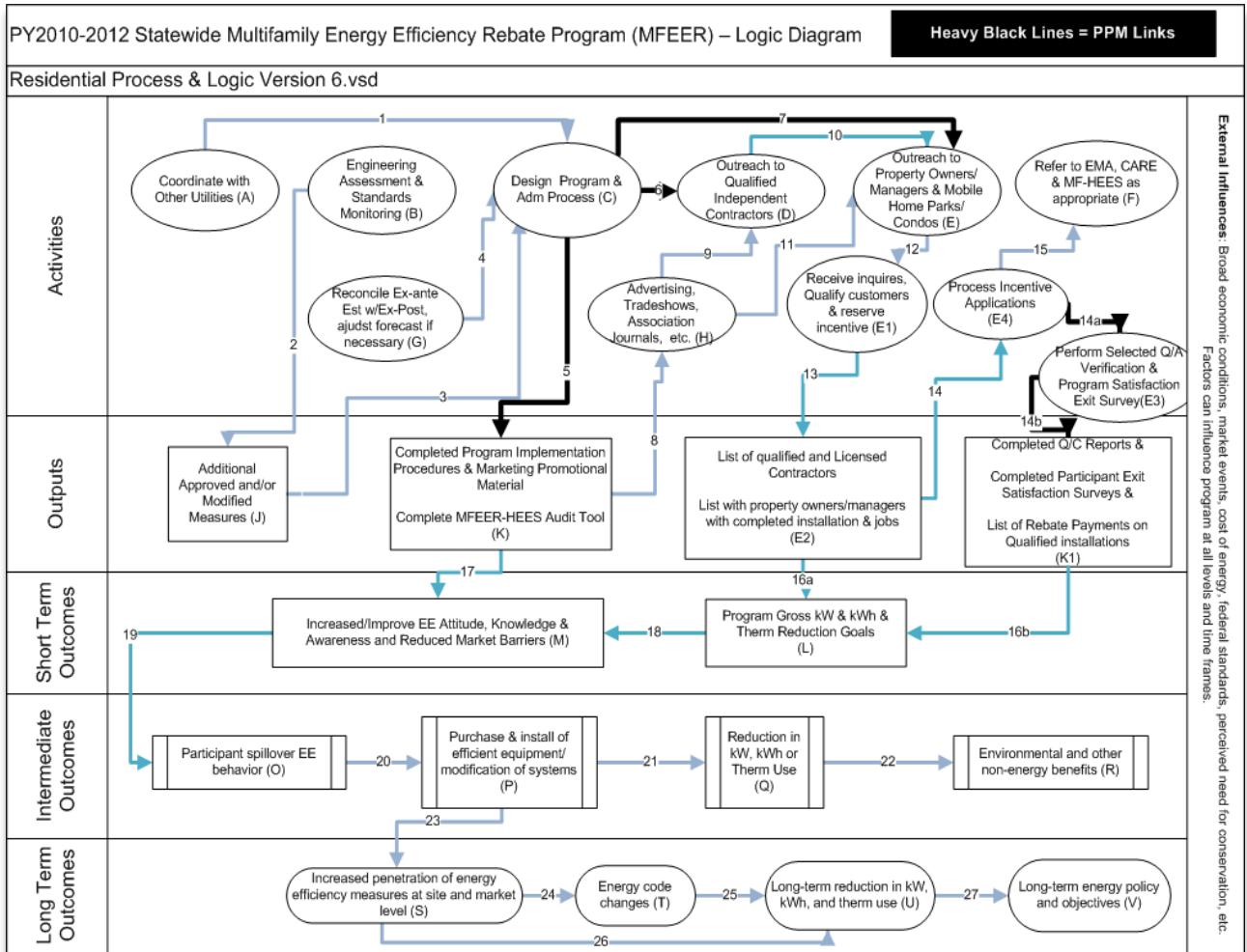
Program Interaction Diagram MFEER



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7. Program Logic Model MFEER

Note: On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas & Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. In addition, this Resolution approved updated logic models for the statewide programs. Below is the approved logic model for the Multifamily Energy Efficiency Rebate Program.



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- 1) **Program Name: Energy Upgrade California (EUC)**
Program ID: SCG 3705
Program Type: Statewide Core Program
- 2) **Type of Sub-Program:** **Core** **Third Party** **Partnership**
- 3) **Market sector or segment that this sub-program is designed to serve:**
- a. Residential
 - i. Including Low Income? Yes No;
 - ii. Including Moderate Income? Yes No.
 - iii. Including or specifically Multifamily buildings Yes No.
 - iv. Including or specifically Rental units? Yes No.
 - b. Commercial (List applicable NAIC codes: _____)
 - c. Industrial (List applicable NAIC codes: _____)
 - d. Agricultural (List applicable NAIC codes: _____)
- 4) **Is this sub-program primarily a:**
- a. Non-resource program Yes No
 - b. Resource acquisition program Yes No
 - c. Market Transformation Program Yes No
- 5) **Indicate the primary intervention strategies:**
- a. Upstream Yes No
 - b. Midstream Yes No
 - c. Downstream Yes No
 - d. Direct Install Yes No.
 - e. Non Resource Yes No.
- 6) **Projected Sub-program Total Resource Cost (TRC) and Program Administrator Cost (PAC) TRC** ___ **PAC** ___
- 7) **Projected Sub-Program Budget**
- Table1. Projected Sub-Program Budget, by Calendar Year**
[Table-1 Refer to Attachment 2 to this PIP]
- 8) **Sub-Program Description, Objectives and Theory**
- a) **Sub-Program Description and Theory:**
According to a report released by the Office of the Vice President, “homes in the United States generate more than 20 percent of our nation’s carbon dioxide

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emissions, making them a significant contributor to global climate change.”³³ The challenge of addressing residential emissions has been a significant topic for California stakeholders and was addressed when D.09-09-047 acknowledged, “Improving the energy efficiency of all households is necessary to achieve the target outcome for the 2020 existing residential *Strategic Plan* goals.”³⁴

The Office of the Vice President report also identifies three market barriers to comprehensive residential retrofits:

- 1) Lack of customer and contractor awareness and access to information;
- 2) Lack of access to financing; and
- 3) Lack of access to skilled workers.

A shift in market perception, both for contractors and customers, towards a whole house approach must take place to drive customer action. EUC is designed to offer a one-stop approach to whole-house energy efficient improvements that recognize the need for customers to participate over varied timelines. To assist in the effort to overcome these problems and market barriers, EUC for single family residences will:

- 1) Offer a statewide entry level pre-set measures based approach (*Basic Path*) and a comprehensive and flexible performance based approach (*Advanced Path*) whole house incentives to help build the home performance contracting industry and offer customers and building owners and managers an easy entry point on the path to home performance (barrier 1);
- 2) Educate customers on the house-as-a-system concept and to encourage behavior changes that increase residential energy efficiency (barrier 1);
- 3) Educate contractors on the benefits of learning how to properly sell and install whole house measures as part of coordinated WE&T efforts (barrier 1& 3);
- 4) Offer incentives that influence customers to undertake comprehensive residential retrofits (barrier 1); and
- 5) Coordinate with relevant utility financing programs and external funding and financing mechanisms at the county, state and federal levels (barrier 2).

In addition, energy efficiency efforts for the multifamily (MF) segment must overcome a number of barriers, primarily:

- 1) Lack of knowledge regarding energy efficiency, as well as the comprehensive energy efficiency EE programs offered by IOUs;
- 2) The economics of “split-incentives” where the building owner invests capital but the savings primarily benefit the tenants;
- 3) Access to investment capital and insufficient return on investment (ROI). Up-front out-of-pocket costs and extended payback periods required pose a significant participation barrier for property owners and managers;

³³ Middle Class Task Force. Council on Environmental Quality. “*Recovery Through Retrofit*.” October, 2009. Page 1.

³⁴ D. 09-09-047. Page 110.

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- 4) Hassle of dealing with multiple contractors and visits required;
- 5) Time burden for tenants and owners;
- 6) Impact on rental income; and
- 7) Business policy/ profit incentive from replacing equipment on burn-out and unwillingness to negate remaining life in building components requiring capital outlay.

The *Multifamily Path* is envisioned to include a number of tactics to overcome these barriers, primarily:

- 1) To improve a property owner or manager's energy efficiency knowledge, the *Multifamily Path* would seek to leverage comprehensive investment grade building assessments to identify potential energy efficiency opportunities. (barrier 1).
- 2) To address split incentives and cost of upgrades, the *Multifamily Path* would integrate with the existing Energy Savings Assistance Program ("ESAP") and the Multifamily Energy Efficiency Rebate ("MFEER") Program. This would provide comprehensive services to the building, including "low cost" or "no cost" tenant measures in conjunction with the EUC *Multifamily Path* whole building incentives in order to maximize energy savings for the up-front investment. (barrier 2).
- 3) Incentives would assist property owners or managers with overcoming a wide array of market and financial barriers which may otherwise prevent energy efficiency upgrades (barrier 1 and 5).
- 4) Create a single point of contact that would assist the property owner or manager navigate through the incentive and retrofitting process. This approach would provide support in understanding the various program rules and assistance in determining eligibility. The property owner or manager would be guided through an easy and streamlined preliminary assessment to establish feasibility and estimate project cost for the *Multifamily Path*, with an eye toward leveraging all eligible programs. (barrier 4).
- 5) Target buildings planning on or undergoing renovation projects to limit customer time burden and lost rental income. (barrier 4 and 5).
- 6) Multifamily sector is comprised of a wide diversity of properties which can be segmented by: 1.) rental rate (low – medium – or high; and/or 2.) size of the building and also size of the company that owns or manages the building. Defining the unique concerns and needs of building owners and managers by these variables of tenant socio-economic status and ownership/management structure will allow much more effective messaging and marketing communications. (barrier 1, 2, 3, 4, 7)
- 7) Statewide EE energy efficiency financing (SW Fin) which could be focused on the tenant or the common property energy agendas. This program will provide access to capital to fund investments in energy efficiency upgrades for buildings at an attractive interest rate. (barrier 2, 3, 7).

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Other considerations to meet all income strata and address split incentives for property owners and tenants may include a direct install strategy, as well as prescriptive rebates through the existing MFEER Program. While programs will be coordinated and integrated, their respective policies, and procedures will be followed in the delivery of services. Efforts at operational efficiencies would be made to streamline eligibility, income verification, and installation of measures. Despite the noted barriers, the multifamily sector presents a significant opportunity for whole building energy efficiency programs with a deep energy reduction approach. A whole building offering has the potential to achieve deep energy savings because:

- 1) Building owners can leverage incentives to address common areas and systems as well as individual unit upgrades to make more cost effective improvements.
- 2) Major rehabilitation projects are common in the multifamily sector. It is theoretically more cost effective to include energy efficiency upgrades at the time of these renovation projects. These projects typically have well-financed construction budgets and broad scopes that could include energy efficiency measures.
- 3) Multifamily properties tend to be operated and maintained by professional building staff. Providing resources to building staff would theoretically increase the odds that the building will be operated efficiently after energy upgrades are installed, perpetuating savings benefits.
- 4) Within the tenant units, the energy efficiency upgrades will often be duplicated – allowing for efficiency in bulk purchases of supplies and equipment, as well as hiring of specialized workers with less non-productive set-up/break-down and travel time.

EUC is a Market Transformation orientated program and is a continuing program which began in the 2010-2012 residential energy efficiency portfolio of the four California Investor Owned Utilities (IOUs) – Pacific Gas & Electric Company (PG&E), Southern California Edison (SCE), San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas).

As a recognized market transformation program only halfway through its second full year of statewide rollout, EUC is expected to be a major contributor to achieving the goals of the California Long Term Energy Efficiency Strategic Plan (*Strategic Plan*) as it relates to existing residential homes, and it faces significant hurdles in customer and contractor awareness, industry and workforce development, and traditional cost effective metrics towards measuring effectiveness and success.

This Program Implementation Plan (PIP) is for the statewide EUC that will be offered consistently across the IOU service territories. The PIP is intended to align with the goals established in the *Strategic Plan* and is a culmination of ongoing statewide efforts to design EUC.

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EUC is designed to build customer and contractor³⁵ awareness of the house-as-a-system approach to residential retrofits and the many corresponding benefits of improving the energy savings potential and comfort of their dwelling. It promotes the idea that energy efficiency measures are most effective when taking into account interactive effects of measures.

EUC moves customers from a prescriptive, widget or single-measure based approach to energy efficiency to one of deeper, comprehensive energy retrofits that respect the energy efficiency loading order³⁶, and which takes the approach that a house is a series of interdependent systems that must be considered holistically.

In addition, this approach optimizes building shell (thermal boundary) provides increased comfort and indoor air quality while enabling smaller and more affordable space conditioning equipment and reduced energy use associated with space heating and cooling. The thermal boundary consists of two layers or components – air barrier and insulation – which should both be continuous as well as contiguous (in contact with each other) for optimum performance. Because of the interaction between the thermal boundary and space conditioning loads, heating or cooling system upgrades are ideally not to be performed until the building shell is optimized. Building shell and duct air sealing will be addressed in conjunction with combustion appliance safety and indoor air quality tests. Base load reduction measures involving major electrical appliances, lighting, plug loads, and demand response can be performed at any time without compromising the loading order.

Customer outreach and education efforts for EUC will be coordinated with other IOU Demand Side Management (DSM) program offerings (e.g. Energy Advisor, Plug Load and Appliance (PLA), Comprehensive HVAC, SmartAC and other Residential Demand Response programs, Energy Savings Assistance program, California Solar Initiative (CSI)) to leverage multiple customer touch points.

For single family residences, the whole house approach of EUC promotes two paths, a prescriptive based *Basic Path* and a comprehensive, measured *Advanced Path*. These complimentary paths will be presented to customers³⁷ as one comprehensive offering.

For multifamily buildings, building owners and managers will be able to participate in the EUC *Multifamily Path*. EUC will offer a consistent program model that can be

³⁵ A successful program recognizes the need to develop the pool of qualified home retrofit contractors (with the help of third party implementers) to engage in – and have the opportunity to profit from – performing quality work. Through comprehensive training curricula (currently available in the marketplace) broken into the key elements of a home: Building Envelope and Lighting, and Heating, Cooling and Hot Water delivery (major systems); skilled tradespersons will have the opportunity to enter the home retrofit market and grow their businesses.

³⁶ The loading order specifies improvements in the following sequence: (1) air sealing to obtain a tight building envelope; (2) insulation to complete the thermal boundary; (3) proper sizing, design, installation and commissioning of space heating and cooling systems; (4) proper sizing, design, installation, commissioning and insulation of the hot water system, including distribution; (5) efficient lighting and appliances, and demand response measures; and (6) renewables.

³⁷ Residential customers including homeowners, renters, and multifamily properties when these services are available to them.

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contractor or rater driven and/or adopted by local governments for roll-out in their communities.

In sum, these paths will provide an ideal platform to utilize the concept of continuous energy improvement for residential customers; tracking and encouraging a logical sequence of energy improvements made by customers over time, creating an ongoing, actionable dialogue with each customer regarding their energy use.

EUC Advanced Path

EUC Advanced Path offers customers a customized path to comprehensive whole house energy efficiency that drives the customer to deep retrofits. *Advanced Path* solutions will require Participating Contractors to obtain higher levels of expertise than those who perform the *Basic Path* installations. Customers can also participate in *Advanced Path* by using a Participating Rater. The *Advanced Path* requires diagnostic “test-in” and “test-out” whole house assessments. The “test-in” assessments will generate a comprehensive work scope and the “test-out” assessments will be used to document that specified improvements have been properly sized and installed. The *Advanced Path* will build off of the pre-set measures of the *Basic Path* and:

The *Advanced Path* delivers comprehensive energy efficiency improvement packages tailored for both the home resale and home remodeling markets. The *Advanced Path* solicits, screens, and trains qualified residential repair and renovation contractors and HERS II Raters, to assemble capable contracting teams and perform whole-house diagnostics, propose a comprehensive energy efficiency improvement package, and install the improvements. The program also includes marketing activities to help educate customers on program services, and in some cases may provide additional customer leads to trained and experienced contractors. Incentives and resources for available financing options will be provided to help offset the initial homeowners cost for the energy efficiency improvements.

EUC Basic Path

During the 2013-2014 transition cycle, the IOUs will convene interested stakeholders at the state and/or regional level to propose one or more statewide and/or regional pilot programs to explore potential changes to the *Basic Path* in order to make it more appealing to customers, particularly moderate income households.

EUC Basic Path will offer customers and contractors an easy entry point on the path to home performance with a defined package of measures. Incentives will be available for customers to offset a portion of the cost of specific comprehensive retrofits. The *Basic Path* will allow customers to reduce their energy usage while increasing the energy performance of their existing homes and minimizing lost opportunities for future comprehensive retrofit options.

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The *Basic Path* will also educate contractors and customers on the benefits of implementing comprehensive whole house retrofits on existing buildings that will provide systematic reductions in energy use. The *Basic Path* will help to:

- Utilize no-cost (to customer) surveys (Energy Advisor) as an entry point to identify opportunities for efficiency improvements³⁸;
- Offer targeted marketing campaigns to engage participants that receive stand-alone EE rebates for completing qualified home improvement measures;
- Promote completion of retrofits based on preferred building science loading order;
- Offer incentives to encourage progression along a preferred approach towards comprehensive retrofits;
- Continuously engage customers over time as they progress toward a home performance approach;
- Leverage available opportunities to move customers to the *Advanced Path* by informing them about available local or third-party financing options and other complementary revitalization efforts that may be available within a particular jurisdiction;
- Offer a holistic path towards home performance by aggregating key elements of a dwelling into its core elements: building envelope and fixed lighting; heating, cooling and hot water, and appliances;
- Coordinate with communities, local governments, workforce education & training, industry organizations and allied third-parties for outreach on local retrofit and contractor training opportunities available.

The EUC *Basic Path* offers a comprehensive approach to delivering prescriptive pre-set retrofit solutions to Californians by recognizing the essential interplay and relationships between groups necessary in the delivery of a successful program.

SoCalGas Gas Only Whole House Retrofit Program 2013-2014

³⁸ The Energy Advisor provides residential customers with entry-level energy surveys online, over the phone, or by mail. The surveys are not intended to serve as an audit but are meant to provide consistent messaging and an easy on-ramp to EUC. The Energy Advisor surveys are also an ideal link between the California Solar Initiative (CSI) and EUC WHP. This synergy will be discussed later in the document.

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SoCalGas will continue implementing a “gas only” Whole House Retrofit program that will service those customers that are in a municipal electric service provider territory. This enables SoCalGas to reach out to approximately 1.7 million customers who are not eligible for the joint SCE/SoCalGas Energy Upgrade California Whole House program. Due to our single fuel utility effort, we can only substantiate the therm savings for our program hence the difference in the incentive amounts from the other IOU incentives. SoCalGas will look for additional partnership opportunities with municipalities’ EE programs to maximum savings to shared customers. SoCalGas will also continue its efforts to implement a joint program with SDG&E that would result in a shared application and single streamlined process for our contractors and the customers. Additionally, besides QA/QC shared costs, SoCalGas will look for other synergies between our programs in our joint PG&E/SoCalGas service territories (i.e.; one shared application, processing).

EUC Multifamily Path

The vision of a *EUC Multifamily Path* is to deliver comprehensive energy efficiency upgrades tailored to the needs of existing multifamily dwellings and their owners, tenants and management companies

The *Multifamily Path* is envisioned to specifically target the multifamily housing (MF) retrofit market and would promote long-term energy benefits through comprehensive whole building energy efficiency retrofit measures—including building shell upgrades, high-efficiency HVAC units, central heating and cooling systems, central domestic hot water heating and other deep energy reduction opportunities. These energy efficiency measures would be identified through an investment grade assessment.

This performance-based approach would assist property owners and managers with making informed decisions, identify measures for energy savings, and to maximize energy reductions for each property owner, manager, and tenant, as applicable. The *Multifamily Path* is envisioned as a logical next step to the prescriptive based MFEER and would be coordinated with the ESA Program and MFEER to present a singular and streamlined approach for multifamily tenants, property owners and property managers, in accordance with the Strategic Plan. A key feature of the *Multifamily Path* would be a single point of contact to assist multifamily raters and customers and to streamline their experience. The single point of contact will recruit and assist multifamily owners and property managers to evaluate specific property and advise the program that best suits the needs of particular buildings.

This integrated approach combines market-rate and income-qualified energy efficiency measures and educates building owners on the benefits of energy efficiency and conservation efforts spanning the range of needs for the multifamily market. The *Multifamily Path* will leverage and integrate the MFEER resource

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components and ESA Program offerings in a singular customer facing program that presents a simplified view from the customer perspective.

The *Multifamily Path* would guide multifamily customers towards deeper, comprehensive energy efficiency measures, including: whole house solutions, plug load efficiency, visual monitoring and displays, performance standards, local government opportunities, and IDSM integration. The *Multifamily Path* will support the strategies, where possible, in the Low Income Proposed Decision.

The IOU's will organize and convene a workshop on lessons learned and best practices in their multifamily pilot programs in late 2013 or early 2014 and notice the workshop to the service list and RENs for this proceeding.

SoCalGas Gas Only Whole House Retrofit Program 2013-2014

SoCalGas will continue implementing a "gas only" Whole House Retrofit program that will service those customers that are in a municipal electric service provider territory. This enables SoCalGas to reach out to approximately 1.7 million customers who are not eligible for the joint SCE/SoCalGas Energy Upgrade California Whole House program. Due to our single fuel utility effort, we can only substantiate the therm savings for our program hence the difference in the incentive amounts from the other IOU incentives. SoCalGas will look for additional partnership opportunities with municipalities' EE programs to maximum savings to shared customers.

SoCalGas will also continue its efforts to implement a joint program with SDG&E that would result in a shared application and single streamlined process for our contractors and the customers. Additionally, besides QA/QC shared costs, SoCalGas will look for other synergies between our programs in our joint PG&E/SoCalGas service territories (i.e.; one shared application, processing).

b) Sub-Program Energy and Demand Objectives-

Table 2. Projected Sub-Program Net Energy and Demand Impacts, by Calendar Year

[Table-2 Refer to Attachment 2 to this PIP]

c) Program Non-Energy Objectives:

Table-16: Non-Energy Objective

[Table-16 Refer to Attachment 2 to this PIP]

d) Cost Effectiveness/Market Need:

The California IOUs look forward to continue playing a leading role, in collaboration with local governments, in moving the existing residential homes

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market towards larger reductions in energy usage and towards the *Strategic Plan* goal of achieving 40% purchased energy reductions in all existing homes by 2020.

At this time, current market conditions and barriers are:

1. Relatively high cost of home assessments.
2. Relatively high gross costs of comprehensive energy upgrades.
3. Market unawareness of non-economic value to comprehensive energy upgrades.
4. Fledgling contracting and supporting industry for existing home energy upgrades.
5. Low consumer awareness of incentive programs and the concepts of comprehensive home energy assessments and upgrades.
6. Lack of common home rating protocols and common vernacular for the market to assign value to homes which undergo comprehensive energy upgrades.

EUC seeks to address these barriers through:

1. Continued marketing of Energy Upgrade California and whole house concepts. (barrier 3, 5).
2. Continued contractor recruitment (at a pace aligned with demand), training and mentoring. (barrier 4, 5).
3. Continued customer uptake through EUC incentives. (barrier 1, 2, 5).
4. Continued stakeholder outreach to address barriers. (barrier 1, 3, 4, 5,6).
5. Continued partnerships with local and state government to address barriers. (barrier 1, 2, 3, 4, 5, 6).

It will be critical to establish market transformation (MT) metrics and milestones that are in alignment with cost effective metrics that can more accurately assign cost effectiveness of resources expended towards MT goals. As the Value Proposition figure below represents, there currently is significant non-economic value being assigned by the marketplace towards whole house projects but which are not accounted for in cost effectiveness metrics currently used.

Non-economic value can be assigned as:

Gross Cost – (annual savings x EUL) – (assigned increased market value of home)

By this definition, and information regarding gross costs and savings to date, it would appear that the market currently is assigning significant non-economic value to EUC projects. However, current cost effective metrics assign all value towards economic value related to energy savings only. Failure to align MT goals and cost effective metrics will result in inaccurate measurement of resource impacts on MT goals.

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The IOUs during the 2013-2014 cycle recommend the Commission remove the EUC from the EE portfolio cost effective analysis and to work with commission staff and relevant stakeholders to develop meaningful cost effective metrics during the 2013-2014 cycle that aligns MT goals of EUC towards the *Strategic Plan*.

VALUE PROPOSITION

(Greater the Value Proposition = Faster Market Transformation and Consumer Uptake)

	Consumer Value	Consumer Costs
Economic Value	<ul style="list-style-type: none"> • Monthly utility bill savings (kWh, kW, therm) • Recognized Market Value of EE home 	<ul style="list-style-type: none"> • Gross Project Costs • <i>Offsets:</i> IOU Incentives Financing
Non-Economic Value	<ul style="list-style-type: none"> • Health & Comfort • Altruistic <ul style="list-style-type: none"> • Environment • National Security • Being part of Green Movement 	
	Driving Up Value	Driving Down Costs
	<ul style="list-style-type: none"> • Standard Ratings where the Market can assign value • Higher monthly utility bills 	<ul style="list-style-type: none"> • More Qualified Providers • Higher Demand • Streamlined Processes • Innovative Marketplace

e) **Measure Savings/ Work Papers:**

- a. EUC *Basic Path* utilizes deemed savings values by climate zone for building vintages pre-1979 and by climate zone post- 1979

EUC *Advanced Path* utilizes CEC approved software (i.e. Energy Pro Res Module at the time of this PIP) for calculated project savings.

EUC *Multifamily Path* envisions measured savings for all low-rise multi-family buildings utilizing the Energy Pro, Residential Performance Module (for Site savings calculations). For all high-rise buildings, would utilize the Non Res Module.

- b. Indicate work paper status for program measures:

Table 4 – Work paper Status

[Table 4 Refer to Attachment 2 to this PIP]

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9) Program Implementation Details

In addition to traditional marketing efforts, the IOUs will work through service providers and vendors to engage qualified tradespersons in the crafts that they have chosen and will continue to invite input from stakeholders to further develop additional ways to meet program objectives.

One of the avenues that the IOUs plan to pursue to advance the program's efforts to achieve deeper energy savings retrofits in homes is to build closer partnerships with California's real estate industry, including via such activities such as voluntary training and outreach partnerships. Based on input already gathered from relevant stakeholder groups, experts, and Commission Staff, the IOUs plan to implement the following main areas of activities for this initiative to leverage partnerships with the real estate industry:

- 1) Training for all relevant aspects of the real estate industry and point of sale chain (real estate agents, lenders, inspectors, green/efficiency specialists, appraisers, rater's public agencies and contractors). An emphasis will be placed on training the cross-functional teams that already work together in the market, since all pieces of the process needs to be covered to be effective, especially on the financing side. The use of successful case studies will also be explored.
- 2) Driving customer demand for energy efficient homes via collaborative consumer education and outreach, using easy to understand messaging and including efforts such as the promotion of home energy improvements and "green" labeling around the time of purchase and sale of a home. This is a critical timing in the market that can be leveraged. The Joint Center for Housing Studies estimates that home buyers spend more than \$6,000 per year on home improvements in the first two years after buying homes. In subsequent years, the annual average outlay drops to \$2,500.³⁹

A key to success for this initiative is properly aligning design with the personal and business interests of the stakeholders involved particularly the Realtors, home buyers, and sellers. While promotion of energy efficiency and green building practices is the paramount objective, the initiative would remain consistent with stakeholders' interests. By remaining stakeholder focused, the initiative aligns short-term private interests with long-term public interests.

³⁹ Joint Center for Housing Studies of Harvard University (2011), *The State of the Nation's Housing: 2011*, http://www.jchs.harvard.edu/research/state_nations_housing

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Further details and continuous improvement of this plan will be developed by inviting additional input from an ongoing set of stakeholder collaboration discussions. Identification of appropriate regional differences and their implications to implementation will be incorporated into the plan. And short- and long-term success criteria and a periodic assessment timeline for evaluation of this initiative will be developed.

Also, during the transition cycle the IOUs will explore potential of offering pilot tests of expanding building science certifications and home evaluation and performance improvement processes beyond BPI to potentially include equivalent certifications, and home evaluation and performance improvement processes such as those through ACCA. To increase the number of qualified participating contractors and contribute to the creation of a sustainable workforce, third party program implementers will solicit and screen qualified contractors. The program will also include marketing activities to help educate customers on program services and other activities to provide additional customer leads to trained contractors.

The program will employ a number of integrated delivery strategies:

- 1) Educate contractors and residential customers on the concept of home performance;
- 2) Coordinate with existing residential program offerings (e.g. ESA, HVAC, HEER, Energy Advisor and MFEER) within the utility portfolios;
- 3) Provide robust quality assurance and quality control protocols that encourage quality installation and drive contractors to obtain additional training and qualifications;
- 4) Provide robust EM&V feedback loops to inform program enhancements;
- 5) Integrate with marketing efforts of the broadened statewide “Energy Upgrade California” brand, when launched, and deliver complementary marketing messaging to drive customer demand and contractor participation;
- 6) Coordinate contractor training, marketing and outreach efforts with local governments, as appropriate; and
- 7) Develop an incentive structure that drives customers to undertake comprehensive residential retrofits.

Statewide Informal EUC Working Group

Given the ambitious market transformation goals of EUC, it’s relatively new entrance into the IOU EE portfolio, and its challenges during the first two years of rollout, the IOUs during the 2013-2014 transition cycle are committed to providing the leadership and working with CPUC, CEC, local government staff, as well as relevant stakeholders to convene a statewide EUC working group to address relevant and significant issues for adoption in the 2015 IOU program cycle. The IOUs seek a cooperative design and implementation approach that involves all parties with an interest in EUC.

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The Working Group will be co-chaired by one IOU, determined by IOU consensus, and one non-utility co-chair selected by the Working Group. The Working Group co-chairs will solicit views and direction from Commission staff on the Working Group operations. The Working group may choose to form subgroups and/or hold stakeholder outreach meetings as necessary.

The Working Group will be composed of all former EUC Steering Committee members, the REN's, EUC Contractors, and other interested stakeholders and implementers, including the EUC implementers, Commission, and CEC staff, and CCSE as the statewide marketing and outreach coordinator.

Where feasible, necessary and relevant, the IOUs will retain the services of qualified consultants or other entities with experience in the whole house retrofit industry to assist in these efforts in the areas of research, facilitation, or other assistance as may be required. IOUs will also engage utilities, non-profits and other stakeholders who may have experience in other parts of the country in deploying whole house programs.

In this regard, the IOUs will hire a market transformation consultant to assist with improvements to the long-term EUC design and to support a constructive IOU engagement in the AB758 process. The Working Group IOU co-chair will be the lead IOU for this contract. Members of the EUC Working Group will be offered the opportunity to substantively shape the work scope and priorities of the market transformation consultant. Timelines and general framework for the market transformation consultant will begin at the first meeting of the Working Group in January 2013.

The Working Group will, as necessary, focus on the following issues on a statewide level for consideration in the 2015 program cycle:

1. Role of local governments
2. Software standards
3. Data collection standards
4. Home Assessment standards
5. Home Assessment reporting standards
6. HERS II Ratings and alignment with EUC Programs
7. Contractor certification standards
8. QA/QC standards
9. Streamlined project reporting and programmatic best practices
10. Integration of HVAC programs
11. Engagement of California Real Estate Market
12. Future of Basic Path
13. Identification of Market Transformation Milestones and Metrics
14. Cost effectiveness metrics aligned with Market Transformation goals.
15. Long term incentive structure
16. Applicable AB 758 Issues

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In addition, the Working Group will provide substantive contributions to program design and implementation plans on the following items to be included in an updated PIP to be filed by a Tier 2 Advice Letter not later than April 1, 2013:

1. Final statewide aligned and streamlined protocols regarding heating, ventilation and air-conditioning (HVAC) emergency replacements and high performing contractors.
2. Final program design and implementation of Enhanced Basic/ Flex-Path

a) **Timelines:**

Table 5: Sub-Program Milestones

[Table-5 Refer to Attachment 2 to this PIP]

b) **Geographic Scope:**

Table 6: Geographic Regions Where the Program Will Operate

[Table 6 Refer to Attachment 2 to this PIP]

c) **Program Administration**

Table 7: Program Administration of Program Components

[Table 7 Refer to Attachment 2 to this PIP]

d) **Program Eligibility Requirements:**

i. Customers:

Single family or multi-family building customers with an active IOU account OR owners or property management firms who own or operate single family or multifamily buildings that are served by an active IOU account, may participate in EUC provided they utilize a Participating Contractor or a Participating Rater per program guidelines.

Participating Contractors or Participating Raters shall be the single point of contact for customers and are responsible for submission of all program requirements. Participating Contractors and Participating Raters will install or ensure installation of all measures in accordance with IOU QA/QC and Measures Installation Standards guidelines in accordance with applicable contractor/ rater participation agreements.

Per program requirements, process, and protocol, for all EUC projects, customers must install a minimum of three energy efficiency measures which support the energy efficiency loading order and must perform appropriate combustion safety testing. SoCalGas is exempted from this requirement.

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Table 8: Customer Eligibility Requirements (Joint Utility Table)
[Table 8 Refer to Attachment 2 to this PIP]

ii. Contractors/Participants:

Participating Contractor Requirements for Basic Path and Advanced Path

Participating EUC Contractors must be certified and licensed according to all applicable federal, state and local laws. Participating Contractors shall meet, and provide sufficient evidence and supporting documentation for the following minimum requirements:

1. Contractor State Licensing Board (CSLB) license in the appropriate specialty;
2. Bonding and in good standing.
3. Insurance to IOU minimum insurance standard;
4. Execution of a contractor participation agreement;
5. Completion of all utility training course requirements, including Participation Workshop and a 3-Day Basic and/or Energy Upgrade Training, Workshop, if not BPI-certified Basic or Advanced Training, as appropriate;
6. BPI-certified Building Analyst (BA) to complete Combustion Safety and Carbon Monoxide Protection and all other minimum Health and Safety Requirements specified in the BPI Technical Standards for Building Analyst Professional;
7. Ensure HVAC permits will be pulled on all work that is appropriate per local jurisdiction requirements;
8. Participating Contractors who participate in *Advanced Path* projects, must employ at least one staff person who holds an active BPI Building Analyst certification. BPI accreditation is strongly encouraged and may be required of all participating contractors at some point during the program cycle;
9. Additional IOU requirements, as appropriate.

Participating Rater Requirements for All EUC Paths

Participating Energy Upgrade Raters must meet all requirements as a Participating Contractor and must be both HERS II certified and hold an active BPI Building Analyst certification or BPI MF Building Analyst certification as may be applicable. EUC *Basic Path* and *Advanced Path* projects submitted by a Participating Rater must utilize a EUC Participating Contractor for installation of the measures specified by the Participating Rater.

Table 9: Contractor/Participant Eligibility Requirements (Joint Utility Table)
[Table 9 Refer to Attachment 2 to this PIP]

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e) **Program Partners:**

a. **Manufacturer/Retailer/Distributor partners:**

Table 10: Manufacturer/Retailer/Distributor Partners
[Table 10 Refer to Attachment 2 to this PIP]

b. **Other key program partners:**

Table 15: Energy Division, California Energy Commission, local governments, BPI and other standards bodies, as well as other partners
[Table 15 Refer to Attachment 2 to this PIP]

f) **Measures and incentive levels:**

Advanced Path Incentives

Incentives for the *Advanced Path* will be paid based upon modeled site savings energy utilizing any CEC approved simulation modeling software approved by IOUs. Incentives for *Advanced Path* are designed to encourage customers to reach for deep energy savings. *Advanced Path* incentives are for both gas and electric measures provided by the customers' participating utility program.⁴⁰ Currently, Energy Pro simulation modeling software is the only approved software for use with EUC. During the 2013-2014 transition cycle, the IOUs will work collaboratively with the CEC and other stakeholders to identify potential approaches to adequately broaden the allowable software under the EUC while containing costs required for needed Commission Staff reviews.

Savings/ Participation Level: % Reduction	Incentive Amount
<i>Basic Package: 10%</i>	<i>\$1,000</i>
10%	\$1,000
15%	\$1,500
20%	\$2,000
25%	\$2,500

⁴⁰ In various service territory where one of the customer's utility service provider (municipality), is not a program participant adjustments may be necessary to the incentive.

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30%	\$3,000
35%	\$3,500
40%	\$4,000
45%+	\$4,500

Basic Path Incentives

The *Basic Path* customer incentive is up to \$1,000. The customer will receive the entire rebate amount as a direct result of participating in *Basic Path*.

Additionally, *Basic Path* incentives will be:

- Consistent statewide;
- Lower than the *Advanced Path* incentives;
- Compatible with municipal financing options; and
- Implemented so as to leverage external funding where appropriate.

Multifamily Path Incentives

Incentives for *Multifamily Path* will be paid based upon modeled site savings energy utilizing any CEC approved simulation software approved by IOUs. Incentives will be offered on a tiered structure, paid per building on a “per dwelling unit” basis according to the total building energy savings percentage. The tiered approach will reward participants for realizing deeper savings. While a “per unit” approach enables participants to experience economies of scale with larger multifamily buildings.

Ten Year Stepwise Incentive Structure

During the 2013-2014 transition period the IOUs will meet not fewer than two times with statewide stakeholders to develop a 10 year stepwise incentive structure which will be triggered at defined market transformation milestones. It is anticipated that the plan will include a defined timeline, for incentive update decisions and that incentive level changes will be updated at defined market trigger metrics associated with the number of participating homes towards the *Strategic Plan* goals. As the number of participants increases over time, incentive levels will be lowered accordingly to reset the incentive amounts.

The IOUs will invite statewide stakeholder inputs to lock in these targets prior to the start of 2015, using every 20,000 homes/dwelling units treated and decreasing incentive levels in \$250 increments as a starting point for discussion. Once the statewide target is confirmed, the IOUs will notify contractors when the program has reached 75%, 90% and 95% of the goal so contractors can plan accordingly.

Table 11: Summary Table of Measures, Incentive Levels and Verification Rates

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[Table 11 Refer to Overarching Program Table in this PIP]

Permitting Requirements

No incentives for equipment requiring a building permit shall be provided any contractor or customer without that contractor or customer certifying that s/he has complied with all permit requirements and utilized a licensed contractor.

Qualified Measures

During the transition cycle, the IOUs will work to better leverage EUC to achieve greater energy savings from plug loads, appliances and swimming pools through:

1. Greater cross marketing of PLA and EUC customers.
2. Work with EnergySoft to find solutions to pool pump modeling.
3. Incorporate lighting and appliance options as a more predominate feature in standard assessment reports to customers.

Required *Basic Path* Measures Installed Per Measures Installation Standards:

- Whole House Air Sealing
- Attic Insulation
- Duct Test and Seal
- Domestic Hot Water Pipe Insulation
- Thermostatic Shut-Off Valve
- Low-Flow Shower Head

***Advanced Path* Measures Installed Per Measures Installation Standards:**

- Attic Insulation
- Cool Roof Installation (CRRC-certified)
- Cooling System Upgrade
- Domestic Hot Water Heater Upgrade (non-solar)
- Domestic Hot Water Pipe Insulation
- Duct Insulation
- Duct Test and Seal
- Exterior Lighting Upgrade – Permanently Installed High-Efficacy
- Floor Insulation
- Heating System Upgrade
- Interior Lighting Upgrade – Permanently Installed High-Efficacy
- Low-Flow Shower Head
- Radiant Barrier Installation

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- Thermostatic Shut-Off Valve
- Wall Insulation
- Whole House Fan Installation
- Whole House Air Sealing
- Window Upgrade
- Other Measures as may be modeled and allowed by IOUs per regional market needs

Ineligible Measures

- Screw-In Lighting Fixtures and Lamps
- Solar Domestic Hot Water Heater System
- Distributed Generation Systems - Solar PV, Fuel Cell, Wind, etc.
- Pool Pump Upgrade
- Clothes Washer Upgrade
- Clothes Dryer Upgrade
- Dishwasher Upgrade

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Multifamily Building Eligible Measures

- Attic insulation upgrade
- Wall Insulation upgrade
- Floor insulation upgrade
- Window replacements – 2008 T-24 standard or better
- Cool roof – CRRC rated product
- Radiant barrier
- Window shading – permanent, non-retractable
- Duct Sealing - with HERS test
- A/C equipment replacement – Must meet current T-20 standard
- Furnace replacement – Must meet current T-20 standard
- Premium efficiency motors (ECM included)
- VFD controls for CHW, HW, CW pumps
- VFD controls for cooling tower fans
- Pipe insulation – From ½ inch to 1-inch, or none to 1-inch
- Controls optimization (OA reset, zone reset)
- Boiler or DHW replacement – Must meet current T-20 standard
- Insulate hot water piping – From ½-inch to 1-inch, or none to 1-inch
- DHW tank insulation
- Add VFD to circulation pump
- Update central DHW pump to demand control – From no control to demand control
- Common area lighting fixtures – high efficacy hardwired fixtures
- Dwelling unit lighting fixtures – high efficacy hardwired fixtures
- Lighting controls – Occupancy sensor, photo sensor, or dimmer switch
- Outdoor lighting retrofits – high efficacy hardwired fixtures
- ENERGY STAR Refrigerator
- ENERGY STAR Dishwasher (if a dishwasher is installed in pre-retrofit condition)

g) Additional Services:

Table 12: Additional Service

[Table 12 Refer to Attachment 2 to this PIP]

h) Sub-Program Specific Marketing and Outreach:

IOUs will conduct integrated as well as program-specific marketing and outreach which will be coordinated with the statewide marketing and outreach program. The utilities may use a range of tactics such as; e-mails, flyers, on-Line marketing, direct mail, bill messaging, social media, local events, ethnic media, and other channels that suit the target audience, the message, and the resources.

Marketing, Education and Outreach plans

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1) Objectives

- Generate greater awareness, understanding and for the whole house system concept;
- Drive response amongst qualified customers to seek out whole house projects; and
- Build demand in the marketplace for home retrofit services.

2) Target Audiences

EUC marketing and outreach aims to include all stakeholders in the retrofit process, throughout the life of the program. This will help to ensure that all audiences receive consistent information and will enable a more informed dialogue about program specifics, in an effort to continuously engage stakeholders in the energy efficiency retrofit process. The initial target group is comprised of the following audiences listed below. Based on the results of the statewide market survey research.

Target Group:

- Single family residential customers in proposed targeted segments
- Multifamily residential customers
- Residential customers with a history of prior EE engagement including, but not limited to: rebates, online tool enrollment and energy audits
- Local governments, community-based organizations and other stakeholders (i.e. the realtor community)
- Efforts may target select public events and work with local earned media to publicize the program's benefits.

3) Keys to Success

Execution of a successful campaign that introduces customers and contractors to the benefits of comprehensive home energy efficiency retrofits will largely be dependent on funding available to support outreach to all audiences. With that in mind, following is the proposed approach and specific tactical recommendations that the IOUs aim to pursue, funding permitting:

- Continue to utilize a statewide brand and message; and a creative envelope for EUC marketing efforts to avoid market confusion;
- Co-brand where feasible;
- Coordinate with local governments;
- Engage contractors, stakeholders and local governments in generating customer demand; and
- Provide collateral pieces to participating contractors to assist in lead generation and education;
- Employ expanded community based marketing approach; and

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- Use a variety of innovative marketing strategies such as time of sale assessment vouchers.

i) Sub-Program Specific Training:

Specific workforce development efforts supporting EUC include the following:

- CEC/EDD: California Clean Energy Workforce Training Program Community college programs;
- Third party programs; and
- IOU training offerings (IOU trainings will serve as backup if required. IOU courses do not duplicate modules available in the marketplace but will serve backup role in the event that a market need is identified and best served by the IOU Energy Training Centers).

EUC will be coordinated with the statewide IOU WE&T program, local government residential retrofit and contractor training programs that are tied directly to workforce education and training efforts on a state and federal level. In addition, IOU WE&T programs will continue to offer both building-block house as a system courses that educate students on the concepts that form the foundation of home retrofit programs when a needs assessment determines that these areas require attention. Those concepts include:

- Advanced house-as-a-system concepts and issues;
- Combustion and other safety training updates;
- Green building techniques applicable to the program;
- Blower Door Based Air Sealing;
- Codes and standards (Title-24) implications;
- Advanced lighting, HVAC technologies and problem solving; and
- Business training (including the enhancement of sales, marketing, training, and accounting skills).

Contractor training requirements will be based EUC requirements and will provide contractors necessary training without sacrificing any considerations for applicable safety requirements.

Contractor recruitment efforts will be conducted primarily by third party program implementers – a model that has proven successful in statewide IOU HVAC programs in the 2010-12 program cycle. Program implementers will continue to primarily recruit contractors through:

- The network of contractors already participating in IOU HVAC, insulation and weatherization programs;
- Direct outreach through trade groups with locally active memberships;

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- Workforce development departments (to target unemployed general contractors)

Program implementers will verify and enroll Participating Contractors and Raters and provide required program participation related training. Once enrolled, the Participating Contractor and Rater lists will be posted in a centralized location for customers to view. IOUs will direct customers to appropriate websites for lists of eligible Participating Contractors and Raters.

Upon completion of 2012 Energy Upgrade California process evaluations, the IOUs will convene a workshop to review workforce training needs.

j) **Sub-Program Software and/or Additional Tools:**

a. List all eligible software or similar tools required for sub-program participation.

- Energy Pro energy simulation modeling software

b. Indicate if pre and/or post implementation audits will be required for the sub-program.

Pre-implementation audit required Yes No

Post-implementation audit required Yes No

c. As applicable, indicate levels at which such audits shall be rebated or funded, and to whom such rebates/funding will be provided (i.e. to customer or contractor).

Table 13: Post-implementation Audits

[Table 13 Refer to Attachment 2 to this PIP]

k) **Sub-Program Quality Assurance Provisions:**

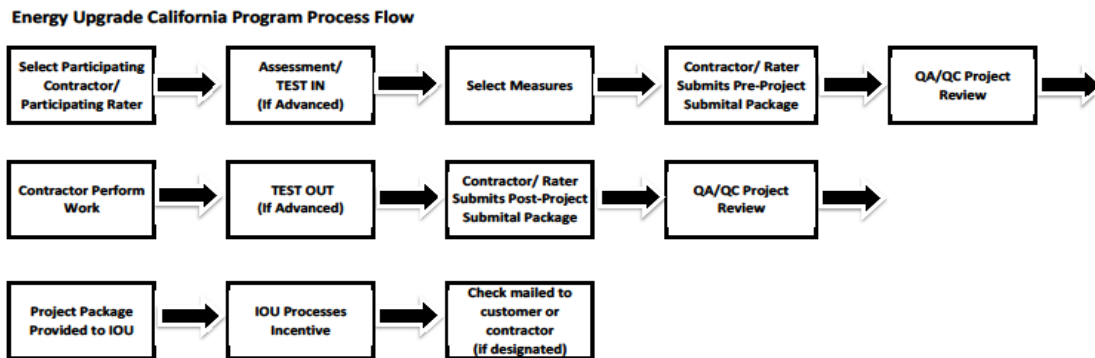
Payment of customer incentives will be tied to the contractor's delivery of full job required program documentation. Program implementers will randomly select a minimum of 5 percent of each participating contractor's reported retrofits for onsite job verification and review 100 percent of the job data inputs from contractors. Verifications will include homeowner interviews, intensive visual checklist inspections, and selective retesting of key items. A subset of these energy savings estimates may later be validated against the first year's after-retrofit utility bills plus climate data and homeowner interviews as needed to identify changes in other factors affecting energy use. IOUs will collaborate to develop QA/QC plans and documents that reflect statewide uniformity to the greatest extent possible. QA/ QC documents and standards will be updated regularly with contractor input and will include:

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1. QA/QC Process and Protocols
2. Minimum installation standards for all allowable measures
3. Emergency and Fast Track equipment replacement protocols.
 - a. Exhibit A attached includes existing and continuing IOU Emergency and Fast Track protocols.
4. Permitting requirements
 - a. EUC shall support Heating Ventilation and Air Conditioning (HVAC) permit acquisition as a matter of course.
 - b. EUC jobs involving HVAC replacement must include submittal of the HVAC permit number and a contractor certification that appropriate permits have been obtained, for inclusion in program records.

Table 14: Quality Assurance Provisions
[Table 14 Refer to Attachment 2 to this PIP]

1) **Sub-program Process Flow Chart:**

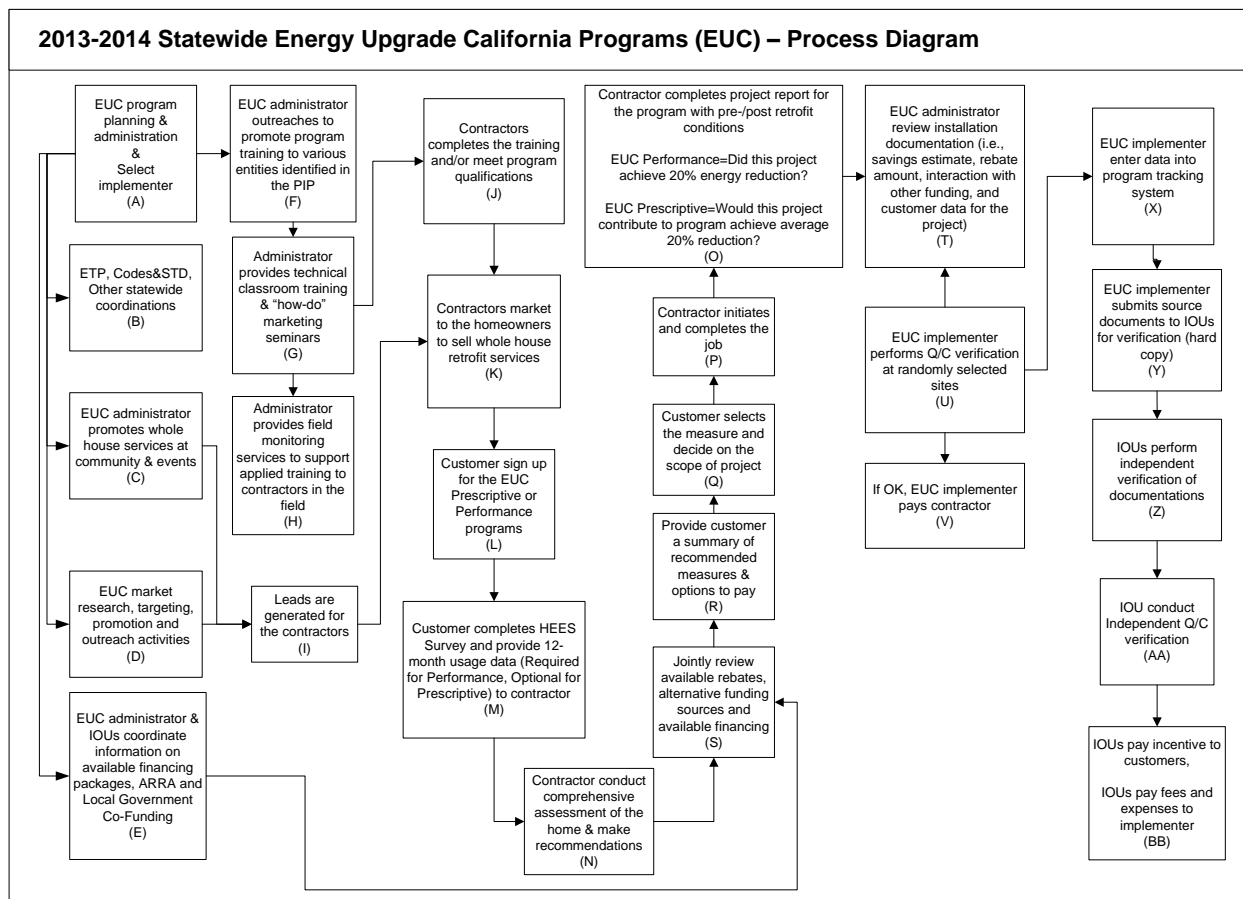


m) **Cross-cutting Sub-program and Non-IOU Partner Coordination:**

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Table 15: Cross-cutting Sub-program and Non-IOU Partner Coordination
[Table 15 Refer to Attachment 2 to this PIP]

n) **Logic Model:**



10) Additional Sub-Program Information

a) **Advancing Strategic Plan Goals and Objectives:**

The EUC is consistent with the requirements of the *Strategic Plan*. The program addresses the Whole House Strategy of the *Strategic Plan* by influencing contractors and customers to implement comprehensive home retrofit energy efficiency measures through either the *Basic Path* on-ramp, *Advanced Path* or *Multifamily Path*.

EUC responds to the need for much larger energy savings in existing homes and multifamily buildings than is possible with conventional checklist audits or single

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measure improvement (prescriptive) programs. EUC addresses the key “whole house” strategy of the *Strategic Plan* by influencing “decision triggers” to improving energy efficiency and understand advantages to expand participation to reach savings goals. This program is also a vehicle to increase penetration of shell upgrades and cost effective, high efficiency appliances, water heaters and HVAC upgrades. The *Strategic Plan* further states that a similar approach must be developed for multifamily housing. The program will help to achieve the following goals identified in Section 2 of the *Strategic Plan*:

Table 6. Whole House Alignment with California Long Term Energy Efficiency Strategic Plan			
Residential and Low Income Goal 2: Existing Homes			
Goal Number	Strategy	EUC Strategy	Integrated Programs & Activities
2-1	Deploy full-scale Whole-House programs.	Monitor performance of selected lower energy homes. Design implement, monitor and continuously improve full-scale programs for whole-house energy efficiency and renewable energy retrofits.	Programs: EUC, Solar, Demand Response, MFEER, Plug Loads, ESAP Marketing: Customer segmentation and local coordination EM&V: Studies to provide early feedback and establish baselines
2-2	Promote effective decision-making to create widespread demand for energy efficiency measures.	Continue to offer Energy Advisor programs online, by mail, and over-the-phone to provide customers with information to promote effective decision-making, in combination with other segment specific marketing outreach and educational activities.	Programs: Energy Advisor EUC, MFEER Marketing: Customer and contractor education to promote building efficiency and appropriate EE behaviors in a segmented manner
2-3	Manage research into new/advanced cost-effective innovations to reduce energy use in existing homes.	Coordinate with Emerging Technologies and other programs to integrate market-ready technologies into the Whole House offering when appropriate. Promote commercialization of home energy management tools including AMI-based monitoring and display tools	Programs: Emerging Technologies, Demand Response, Solar, and others
2-4	Develop financial products and programs	Ensure that customers are aware of the most effective and	Programs: EUC

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	such as on-bill financing to encourage demand for energy efficiency building products, home systems, and appliances.	attractive financing packages that are available to them.	Coordination: Local government partnerships and other state/federal financing entities
2-5	Increase Title 24 compliance through specific measures leading to aggressive statewide enforcement.	Partner with local governments to expedite the permitting process to decrease the barriers to entry in the home performance industry.	Coordination: Local government partnerships

b) Integration

- i. **Integrated/coordinated Demand Side Management:** As applicable, describe how sub-program will promote customer education and sub-program participation across all DSM options. Provide budget information of non-EE sub-programs where applicable.

The IOUs have identified IDSM as an important priority. The IOUs plan to monitor the progress of other IDSM efforts and to work closely to identify comprehensive integration approaches that feed into the overall statewide strategy and to implement best practices as rapidly as practical.

The statewide EUC is a platform for integration of solutions to the residential customer and is intended to provide an easy entry point for customers and contractors that ultimately integrate other programs for whole house and customer solutions. As awareness of the cost-effective opportunities in whole house retrofits grows through training and education efforts, customers will be presented with the ability to integrate Demand Response and properly-sized onsite generation.

With the inherent synergy that exists between the energy efficiency awareness efforts of CSI and the Whole House programs, EUC information will be made available to IOU teams in call-centers with the intent of providing a EUC introduction to customers or contractors interested in CSI. Coordination with stakeholders who maintain approved solar contractor lists may also provide an opportunity to deliver the whole house message to parties interested in installing solar systems.

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The statewide Energy Advisor program will also provide a unique nexus between CSI and EUC. CSI customers are required to conduct an energy efficiency survey prior to installing solar, which presents a unique opportunity to educate customers on the benefits of improving the efficiency of their home prior to purchasing solar equipment. These efforts are expected to include, but will not be limited to:

- EUC links and information on IOU CSI sites;
- Links to EUC landing pages from Energy Advisor;
- Targeted messaging during and after each survey;
- Information about EUC incentives; and
- Educational information that encourages customers to “reduce then produce.”

In addition, any contractors who work onsite with customers can provide delivery channels for DR programs’ information or installation of DR technology.

EUC will also serve as a platform to integrate technology advancements in DR and Advanced Metering. IDSM efforts will be part of an ongoing conversation with customers to enhance program offerings and increase their participation in DSM efforts over time.

Table 16: Non-EE Sub-Program Information
[Table 16 Refer to Attachment 2 to this PIP]

- ii. **Integration across resource types** (energy, water, air quality, etc): If sub-program aims to integrate across resources types, please provide rationale and general approach.

EUC is designed to deliver comprehensive solutions to customers while integrating across resource types to maximize customer benefits not only in terms of energy savings, but through improvements to occupant health, safety and comfort. Primarily, there are opportunities for water efficiency and indoor air quality improvements.

One of the major benefits of comprehensive home retrofits is improved indoor air quality. Residents will notice more consistent temperatures throughout their home and in many cases, improved indoor air quality.

The embodied energy in water distribution will become an increasingly important part of utility programs. The consumer education process in the house-as-a-system approach will provide an opportunity for local governments to present customers with information on non-energy savings inherent in comprehensive retrofits.

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[This information can be found in Table 16 Non-EE Sub-Program Information. Refer to Attachment 2 to this PIP]

c) Leveraging of Resources:

Local Governments

i. SDG&E

Local Governments play a unique and important role in the promotion and advancement of Energy Upgrade California. Beginning in 2009, when the American Recovery and Reinvestment Act was passed and programs like the State Energy Program and the Energy Efficiency & Conservation Block Grant program, jurisdictions across the state were given the unique opportunity to make significant investments on energy programs. Because of the unique and collaborative relationship that exists among the local jurisdictions and SDG&E, and the existence of a non-resource local government partnership program, the San Diego region saw the development of a number of community focused residential retrofit programs including innovative marketing pilots, specialized workforce education & training programs, and a variety of rebate and loan programs that sought to incentivize residents to perform energy upgrades in their homes.

Over the course of the last few years, SDG&E has worked closely with each local government to ensure local programs are closely coordinated and achieve the highest level of collaboration and consistency across the region. Building off the lessons learned over the course of the last few years as well as the unique authorities afforded local governments, SDG&E and the local government program advisory group has developed the following list of key roles that local governments will play to advance Energy Upgrade California during the transition cycle.

1. Incorporate building retrofits & building occupant health and safety issues into Climate Action Plans, General Plans, and other relevant planning and long term strategy documents;
2. Leverage community relationships and resources to market Energy Upgrade California including targeted outreach and education to the community;
3. Provide targeted education on EUC and its benefits to key community stakeholders, business sectors and elected officials
4. Coordinate workforce education and training program activities;

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5. Leverage building permit interactions to encourage EUC enrollment and work to develop streamlined permitting process as it relates to EUC;
6. Leverage unique authority to encourage/require building rating/audits to drive customers to EUC;
7. Pilot unique incentive programs such as point of sale audits, to encourage participation in EUC;
8. Work with the financing community to deploy innovative products and services to further enable residential and commercial energy upgrades throughout their jurisdictions.
9. Pilot incentives for Whole Home Energy Rating System II assessment as part of the EUC.

Please refer to the Local Government Partnership Program PIP for budget details associated with these activities.

EUC will coordinate IOU incentives and marketing outreach with local government efforts in neighborhood outreach and contractor recruitment. This effort allows for multiple levels of engagement that, through coordination with local entities, will reach to a neighborhood level that will drive awareness and market adoption.

ii. PG&E

During the development and implementation of the 2010-2012 Whole House Program PG&E partnered and coordinated closely with recipients of American Recovery Reinvestment Act (ARRA), State Energy Program (SEP), and Energy Efficiency & Conservation Block Grant (EECBG) statewide and within the PG&E service territory. In the 2013-2014 Transition Period, PG&E plans to continue to work with and leverage these partners as described in further detail in the Local Government PIP.

iii. SoCalGas

SoCalGas has worked closely with local governments who received American Recovery Reinvestment Act (ARRA), State Energy Program (SEP), and Energy Efficiency & Conservation Block Grant (EECBG) in the last couple of years. This has allowed SoCalGas and local governments to achieve a high level of collaboration and consistency across the service territory. In conjunction with SCE, SoCalGas is in discussion with local governments who are interested in continuing collaboration post ARRA, SEP, and EECBG era. These discussions will determine key roles for local governments, based on lessons learned and their successful offerings from ARRA, SEP, and EECBG grants. Such activities may include:

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1. Expanding existing outreach programs to the Real Estate Community
2. Leveraging existing low-interest financing
3. Drawing upon LA County's experience with FlexPath for modifications to meet the CPUC's goal for a more appealing approach.
4. Marketing and Workforce Development support for contractors

iv. SCE

SCE has worked closely with local governments who received American Recovery Reinvestment Act (ARRA), State Energy Program (SEP), and Energy Efficiency & Conservation Block Grant (EECBG) in the last couple of years. This has allowed SCE and local governments to achieve a high level of collaboration and consistency across the service territory. SCE is in discussion with local governments who are interested in continuing collaboration post ARRA, SEP, and EECBG era. These discussions will determine key roles for local governments, based on lessons learned and their successful offerings from ARRA, SEP, and EECBG grants. Such activities may include:

1. Expanding existing outreach programs to the Real Estate Community
2. Leveraging existing low-interest financing
3. Drawing upon LA County's experience with FlexPath for modifications to meet the CPUC's goal for a more appealing approach.
4. Marketing and Workforce Development support for contractors

d) Trials/ Pilots:

1) SCE/ SoCalGas Moderate Income Direct Install-MIDI

The Local MIDI Program will be offered by SCE and SoCalGas to eligible customers residing in single family and multifamily properties (multifamily common areas excluded) served by SCE and SoCalGas. The MIDI Program will coordinate with SCE and SoCalGas' Energy Savings Assistance program (ESAP) to deliver MIDI measures through select ESAP Contractors. ESA Program infrastructure will be used to administer the MIDI Program. When working in joint SCE/SoCalGas territory, shared contractors will offer both IOUs' Program measures. The MIDI Program will encourage residential owners/property managers of single family and multifamily properties to install comprehensive energy efficiency improvements.

The EUC Program traditionally requires significant financial contributions by customers who wish to participate. The MIDI Program closes the financial gap by installing no-cost measures thereby reducing the total amount of money a customer would need to invest in their property in order to participate in the SF or MF EUC Program.

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SCE and SoCalGas propose:

- To implement a MIDI trial with a set goal of 2,000 units served per year
- Per the Commission’s instruction to to double the number of projected participants for the MIDI program and associated budget increases, SoCalGas requires a budget of \$2 million per year for a total of \$4 million for the 2013-2014 cycle. Develop a scalable program design for larger rollout in future cycles.
- Evaluate delivery of MIDI Program utilizing existing ESA Program infrastructure.

1. Customer/Living Unit Eligibility

To participate, the following guidelines must be met:

- a) participants must be income eligible (between 201% and 250% of FPG)
- b) living unit must not have received ESAP services after January 1st, 2002
- c) living unit must meet the current ESAP/MIDI minimum measure requirements

2. Measures

ESA Program approved measures excluding appliances

3. Contractors

SCE and SoCalGas will coordinate with select experienced joint ESAP contractors to perform an assessment of the living unit, complete customer enrollment, and install measures as applicable in the MIDI Program trial.

2) SDG&E Trial Incentives

SDG&E may explore additional incentive trial offerings for customers who perform an HVAC QI installation as part of a scope of work. Additional trial integration offerings may include offering IHDs, PCTs, or other enabling technologies for advance path customers who achieve certain saving levels.

11) Market Transformation Information:

1) Summary of the market transformation objectives of the program.

The EUC Program is designed to fulfill the goals of the *Strategic Plan* by guiding and incenting home and building buyers, owners and renovators to implement a whole house approach in energy consumption undertaken in their purchase and use of existing and new homes and buildings, home and building equipment (e.g. HVAC systems), household appliances, lighting and “plug

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load” amenities. The target is all existing homes in an effort to realize the maximum energy efficiency potential via the delivery of a comprehensive package of cost-effective whole-house and whole-building energy efficiency retrofit measures. These programs will include building shell upgrades, high-efficiency HVAC systems – appropriately sized for the building structure, and emerging deep energy reductions in the lighting, appliance, plug-load and other residential oriented sectors. This initiative will be structured around a comprehensive audit, installation of the variety of retrofits required across the entire building structure, and access to attractive financing programs. The EUC effort will be achieved via the parallel and coordinated efforts of the utility programs, partners and other private market actors, and the State and local government policies and programs made available. As IOUs implement a system of automatic meters and wide-area network to enable data transport, the IOUs and customers will have the opportunity to integrate additional home automatic systems and integrated energy management features into the home (i.e., interim Intelligent Home Network, comprehensive Home Automatic Network and etc.) to support IDSM integration and deployment. The Plug Load and Appliance Program will have the potential to offer not only hardware based energy savings, but also comprehensive behavior savings opportunities.

2) Identification of the relevant market actors and the relationships among them.

The Whole Home Upgrade program is designed to serve residential homeowners, moderate income households and property owners and managers. For the 2013-2014, the program consists of the following paths:

- *Basic Path,*
- *Advanced Path*
- *Multifamily Path*

Energy Upgrade California is a contractor led program in that it is the local contractor who interfaces with the customer, markets and sells the concept of Whole House Retrofits, and completes the actual work. The Statewide Process Evaluation (5/1/12) revealed that 32% of participants first heard about the EUC program from a contractor. A number of Local Governments, most initially supported by CEC/ARRA funding during the 2010-12 time frame, also support the program via local marketing and incentive offerings. Coordinated on a Statewide basis – the IOUs offer consistency in program scope (to the degree possible) and a consistent marketing message.

3) A market characterization and identification of key barriers and opportunities to advance demand-side management technologies and strategies

Market Characterization

The IOUs statewide Energy Upgrade California Program has initially focused on training a pool of qualified contractors available to perform these

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comprehensive retrofits. The number of individuals with active BPI certifications grew dramatically between January 1, 2010 and November 1, 2011. Total active certified individuals grew from 65 to 1,596. The number of certifications (individuals may have more than one type of BPI certification) grew from 88 to 2,349. The 2010-2012 PG&E and SCE Whole-House process evaluation study by SBW/ODC/ASW, produced a number of findings, including:

Overarching program participant profile

- The program participation is primary through the *Advanced Path* and there is little engagement in the *Basic Path* service.
- *Advanced Path* jobs report energy savings of 30% average in this first program phase.
- The average cost per job ranges from \$13,000 to \$16,000
- The utility incentives covered typically 23% to 27% of the project costs.
- Despite the large supply of program contractors, only a limited pool of larger contractors complete the majority of the projects
- Many – 44% of participants – used financing to pay for their projects.

Contractor recruiting/training/mentoring—from SCE’s in-depth assessment

- There are widespread contractor performance gaps despite a certification requirement (i.e., BPI).
- The current contractors’ participation training does not adequately prepare them for job processing expectations and the rigor of the QA/QC process,
- BPI certification does not guarantee a standardized job performance level
- Since the requirements for certification often vary (i.e., (1) on-line training versus in-person classes, (2) different region may place different emphasis, i.e., Vermont may focus more on heating, while California may focus more on HVAC).

For the targeted population—from PG&E’s in-depth market effectiveness assessment

- 29% of the targeted population are aware of Energy Upgrade California (EUC),
- 13% of the targeted population reported seeing logo displayed,
- 3% of the targeted population have visited the website,
- 43% of the targeted population has been exposed to at least one marketing treatment from EUC.
- Among those “aware” in the targeted population, 27% first heard of the program from radio, (PG&E did not do radio ads but the local

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governments did), 18% from direct mail, 11% Newspaper, and 10% each for Word-of-Mouth, Internet and Television.

- Among workshop participants, word-of-mouth and events are the most effective communication channels.
- Program homeowner participants ranked “comfort”, “reduced energy bill”, “benefits of the incentive” and “home energy assessments” as important reasons for why they participated.
- Contractors report the most effective messaging in their opinion are the messages of: Comfort, Incentives, Lowering energy bills

Market Actors:

- Homeowners/renters & property owners/managers
- Contractors
- Real Estate Professionals
- Financial Institutions
- Property Appraisers
- Local governments

Relationship Among the Market Actors:

The contractor community is the key actor with the EUC. They are the program actor who outreaches personally to the owner of the building and home and communicates the concepts of approaching a building on an entire whole basis. And it is the contractor who proposes the appropriate work and completes the retrofit. The contractor provides the linkage between the EUC and the customer who receives the rebate.

Working together, the real estate professional, appraisal and financial communities are market actors that can help push energy efficiency in the home resale market. Realtors can be educated to differentiate the advantages of purchasing energy efficient existing residential structures to prospective home buyers. Working with the appraisal community to perceive installed energy efficient measure in a home as monetary assets to a structure thus increasing the property’s value can be a significant push to the acceptance and importance of energy efficiency and financial institutions recognizing this effort to provide exceptional financing opportunities to prospective home buyers for their investment in an energy efficient home.

Many local governments were very active in the EUC sector in the prior 2010-12 cycle as supported by ARRA funding. Some of those local government programs will be continuing on into the 2013-14 program cycle. The IOUs will continue to provide EUC as a foundation offering to our customers, and local governments can continue to build upon these (with additional rebates) or support these with customized marketing programs. The IOUs will coordinate and partner with local governments in an effort to achieve the synergy possible between these aligned efforts.

Opportunities to advance demand side management technologies and strategies:

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Building owners who have committed to a EUC retrofit solution will have taken the ultimate step in applying energy efficiency technology to minimize their energy usage. They have evidenced their willingness to pursue minimizing energy usage, and are therefore self-identified as highly likely to embrace the next step(s) of demand side technologies and strategies to further minimize energy usage. So the next phase of energy reduction for the EUC retrofit customers will be the variety of demand side reduction programs that the IOUs can make available.

Key Barriers & Opportunity for Intervention:

The barriers for this program for the homeowner sector are the:

- (1) Relatively high cost of home assessments,
- (2) Relatively high gross costs of comprehensive energy upgrades,
- (3) Market not aware of additional non-economic values resulting from comprehensive energy upgrades,
- (4) Fledgling contracting and supporting industry for existing home energy upgrades,
- (5) Low consumer awareness of incentive subprograms and the concepts of comprehensive home energy assessments and upgrades,
- (6) Lack of common home rating protocols and common vernacular for the market to assign value to homes which undergo comprehensive energy upgrades,
- (7) The economic downturn and its impact on the residential housing sector.
- (8) Contractor awareness and access to information,
- (9) Access to financing,
- (10) Lack of access to skilled labor.

Note: Potential participants who have attended a workshop (PG&E) also explain their lack of participation in that they haven't been able to contact/find a contractor yet.

For the owners and/or managers of multifamily buildings, there are another set of barriers, closely aligned to those for private single-family homes, but different in some very important dimensions:

- (1) Lack of knowledge regarding energy efficiency as well as the comprehensive programs that are offered by the IOUs,
- (2) Challenge of the "split incentive" where it is the building owner/manager who must pay for all building improvements, including those inside of the individual rental units. But it is the tenants of the unit that pay the energy bills and therefore receive the immediate benefits of the energy efficient investment (by the landlord),
- (3) Multifamily buildings are managed as businesses, where capital for major improvements must be borrowed. But the extended ROI for most energy efficiency projects is longer than the few years that most business allow for recouping their investments,

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- (4) To implement a “whole building” retrofit, the apartment owner/manager must typically bring in several specialty contractors for multiple visits, which in tenant occupied units is a very challenging task,
- (5) Tenants having to out of the rental units during retrofit work, as well as the management time required on behalf of the building owner/manager – is a costly investment of resources,
- (6) Major retrofit often can only happen when the rental unit(s) is unoccupied – which is a significant loss of income for the owner/manager,
- (7) Managed as a business – multifamily building owners/managers are not inclined to replace any major building component or energy system prior to its actual wear-out/break-down. Building retrofits usually take place toward the “end-of-life” of key components (HVAC – for example) – but not when they break-down. Building owners/managers cannot afford the impact on tenants of having key systems not functioning for any length of time.

4) A description of proposed intervention(s) and its/their intended results
EUC seeks to address these barriers for private single-family homes through:

- 1) Continued marketing of Energy Upgrade California and whole house concepts. (Barrier 3, 5, 8)
Intended Results: Increase awareness
- 2) Continued contractor recruitment, training and mentoring. (Barrier 4, 5, 8, 10)
Intended Results: Continue to maintain and improve the supply and quality of the contractors serving the program
- 3) Expanded customer uptake through EUC incentives. (Barrier 1, 2, 5)
Intended Results: Use incentives to reduce the barrier of entry into the comprehensive retrofit projects
- 4) Offering of Financing programs (by IOUs and/or other entities) (Barrier 1,2, 9)
Intended Results: Provide building owners the upfront cash they need to borrow to invest in a retrofit project, and amenable loan terms by which to repay that loan (note: this program component will be particularly important in the multifamily sector).
- 5) Continued stakeholder outreach to address barriers. (Barrier 1, 3, 4, 5, 6, 8, 10)
Intended Results: Leverage resources outside the IOUs to address market needs
- 6) Continued partnerships with local and state government to address barriers. (Barrier 1, 2, 3, 4, 5, 6, 8, 9, 10)

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Intended Results: Leverage local government resources to engage communities and targeted population to participate in the program

The IOU's considered the following when determining the Program's low, medium and high scenarios for program year 2013-2014:

<i>SoCalGas</i>					
Scenarios	2013		2014		Assumptions
	SF Homes	Budget	SF Homes	Budget	
Low	508		508		<ul style="list-style-type: none"> · <i>ARRA sunset more challenging than expected</i> · <i>Competition from Local Government programs</i> · <i>Further challenges with the economy</i>
Medium	725		725		<ul style="list-style-type: none"> · <i>Expected program performance</i>
High	870		870		<ul style="list-style-type: none"> · <i>Efficiencies and improvement in program model</i> · <i>New financial options coming online</i> · <i>Increase local government involvement & support</i>
<i>Note: These scenarios include SoCalGas only and shared IOU territories.</i>					

And for EUC *Multifamily* the barriers will be addressed by these actions:

- 1) To improve a property owner or manager's energy efficiency knowledge, the *Multifamily Path* would seek to leverage comprehensive investment grade building assessments to identify potential energy efficiency opportunities. (Barrier 1)
- 2) To address split incentives and cost of upgrades, the *Multifamily Path* would integrate with the existing Energy Savings Assistance Program ("ESAP") and the Multifamily Energy Efficiency Rebate ("MFEER") Program. This would

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provide comprehensive services to the building, including “low cost” or “no cost” tenant measures in conjunction with the EUC *Multifamily Path* whole building incentives in order to maximize energy savings for the up-front investment. (Barrier 2)

- 3) Incentives would assist property owners or managers with overcoming a wide array of market and financial barriers which may otherwise prevent energy efficiency upgrades (Barrier 1, 5)
- 4) Create a single point of contact that would assist the property owner or manager navigate through the incentive and retrofitting process. This approach would provide support in understanding the various program rules and assistance in determining eligibility. The property owner or manager would be guided through an easy and streamlined preliminary assessment to establish feasibility and estimate project cost for the *Multifamily Path*, with an eye toward leveraging all eligible programs. (Barrier 4)
- 5) Target buildings planning on or undergoing renovation projects to limit customer time burden and lost rental income. (Barrier 4, 5)
- 6) Multifamily sector is comprised of a wide diversity of properties which can be segmented by: 1.) rental rate (low – medium – or high; and/or 2.) size of the building and also size of the company that owns or manages the building. Defining the unique concerns and needs of building owners and managers by these variables of tenant socio-economic status and ownership/management structure will allow much more effective messaging and marketing communications. (Barrier 1, 2, 3, 4, 7)
- 7) On Bill Financing or Repayment program which could be focused on the tenant or the common property energy agendas. This program will provide access to capital to fund investments in energy efficiency upgrades for buildings at an attractive interest rate. (Barrier 2, 3, 7)

5) A coherent program or “market” logic model

The EUC is designed to use a market transformation framework to pull in new measures and push out the mature measures. The diagram below describes this iterative process.

EUC will be serving both homeowners and property owners/managers, with the intent to coordinate its program activities with the low-income program to meet special needs. Like the other market transformation programs, the EUC Program, will work with Emerging Technology (I), Plug Load & Appliance, Residential HVAC Programs and other residential programs to leverage new and innovative technologies and applications, while pruning more mature technologies and applications from program offerings. These program interactions are described in the Whole House Program Key Support Activity Process Diagram below. These interaction and coordination decisions will be facilitated by IOUs' Decision Panel (A) as indicated in the logic model.

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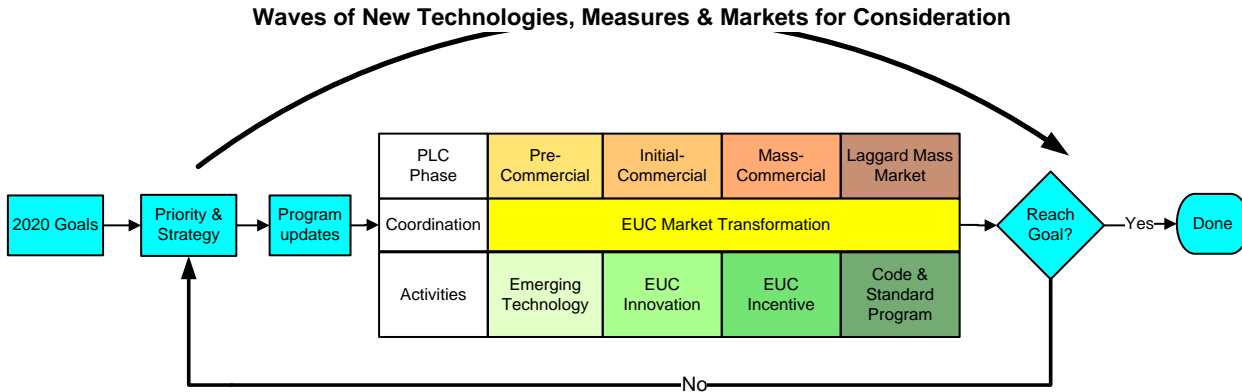
To reduce market barriers, the program's activities are designed to "get the word" out about the benefits of comprehensive retrofits through both mass marketing (D) as well as ground-up individual outreach for neighborhoods and communities (C), by working with local governments and entities. To help property owners understand their energy consumption profile (E), the participants will be encouraged to use a Energy Advisor survey (E) to gauge the overall consumption profile prior to making retrofit decisions, thus respecting the load order of implementation cost effectiveness, and to engage and motivate additional behavior-oriented energy efficiency and conservation actions. To ease the financial burden of the project cost and investment, the program will make financing packages and information available to prospective participants (G).

The program recognizes the importance of having a pool of qualified and competent contractors available to meet the market needs (J & O). The program offers BPI certification training as well as participating contractor ongoing training and mentoring to meet the needs of the workforce and program quality control requirements. This increase in the quality and the quantity of the labor pool, will contribute to contractors' performing projects, outside of the program, to meet deep energy retrofit needs, leading to non-participant spillover effects (R, S & V).

The expected outcome of this program includes increased and improved awareness, knowledge and attitude (AKA) of homeowners and apartment owners towards understanding the benefits of deep energy retrofits (P). After realizing these benefits from program participation, the participant further enjoys other non-energy benefits such as improved comfort of the house and increased value of their properties. The increased value in the property will become more pronounced as the state finalizes its home rating system, so the home purchasers will be aware of the inherent value of properties complete with deep energy reduction retrofits (U). All of these benefits will help the program participants to continue property improvements outside of the program and outside of the program offerings, leading to spillover effects (T). These participant and non-participant spillover effects will eventually change the overall composition of the housing stock at the market level, making housing and building code ratcheting possible for society (X & Y). These codes and standards changes will lead to further reduction of energy consumption at the market level leading to fulfilling the objectives of the California Long-Term energy and environmental policies (AA).

For the benefit of readers, the associated Program Performance Metrics (PPMs) and appropriate Market Transformation Indicators (MTIs) are identified in this logic model. Additional key program support activities are diagrammed as a process diagram for further illustration. The EUC Program will have the option to conduct additional pilots/trials to test technologies, applications or other programmatic design and marketing possibilities. The learning from those activities is expected to contribute to the program innovation and further learning.

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Within this context, a decision making body, the IOUs Decision Panel, is formed to manage and guide this process. (Please refer to logic model & activities below)

6) Appropriate evaluation plans, corresponding Market Transformation Indicators and Program Performance Metrics based on the program logic model

Due to the need to comply with the Decision’s timeline for filing the 2013-2014 PIP, and our desire to comply with earlier Decisions that call for gathering stakeholder input in informing market transformation efforts, we suggest that a full market effects evaluation plan be developed during the formulation of the Joint EM&V Plan as described in section “18.1. Evaluation Budget” in Decision R.09-11-014. Until then, we suggest the following approach:

Summative evaluation: Market Effects. The market transformation program’s theory and logic model will be used to guide the evaluation efforts. The scope of the market effects study should be defined by the MT program’s scope. The timeline for specific market effects that are to be evaluated should be defined by the MT program theory. Among other indicators, the program theory may specify changes in market characteristics that can be evaluated, such as 1) Spillover, 2) attitudes, awareness and knowledge, 3) reductions in specific market barrier, 4) current pricing and product availability, and 5) other market milestones. We will make the following distinction between program “spillover” and market effects: spillover is energy savings not directly tracked by the program, whereas market effects are broader and would include spillover as well as meaningful changes in the structure or functioning of the market.

Formative evaluation: The formative evaluation of a market transformation program is typically performed at the intervention (i.e. program) level. The methods are the same as would be used in a program process evaluation, and would include interviews

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with program staff, participants and non-participants as well as an assessment of the program's direct outputs.

Program Performance Metrics:

The IOUs have evaluated 2010-2012 PPMs in Resolution E-4385 for applicability to the 2013-2014 program cycle and propose to work collaboratively with Energy Division to develop revised program targets and PPMs as appropriate for the 2013-2014 program cycle. The IOUs' will propose revisions in an advice letter, per additional guidance from Energy Division.

Table 3.1: Short-Term PPMs

On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. The Commission gave each PPM a metric type which indicated the reporting frequency: Metric type 2a indicates that the IOUs should report on the metric on an annual basis (unless indicated otherwise). Metric type 2b indicates the IOUs should report on the metric at the end of the program cycle.

Table 3.2 Long Term PPMs

SoCalGas includes long term PPMs⁴¹ per Energy Division guidance received in December 2012. As stated in the Joint Utilities' comments to the Commission in R. 09-11-014 dated November 21, 2011, and discussed between IOUs and ED on January 9, 2013, IOUs plan to finalize long term PPMs in further discussions with involved stakeholders and propose updates to Energy Division at a later date.

This information can be found in Tables 3.1 and 3.2 in Attachment 2 to this PIP.

Market Transformation Indicators:

DeepRetrofit-2 The number of households that elect to perform comprehensive energy upgrades.

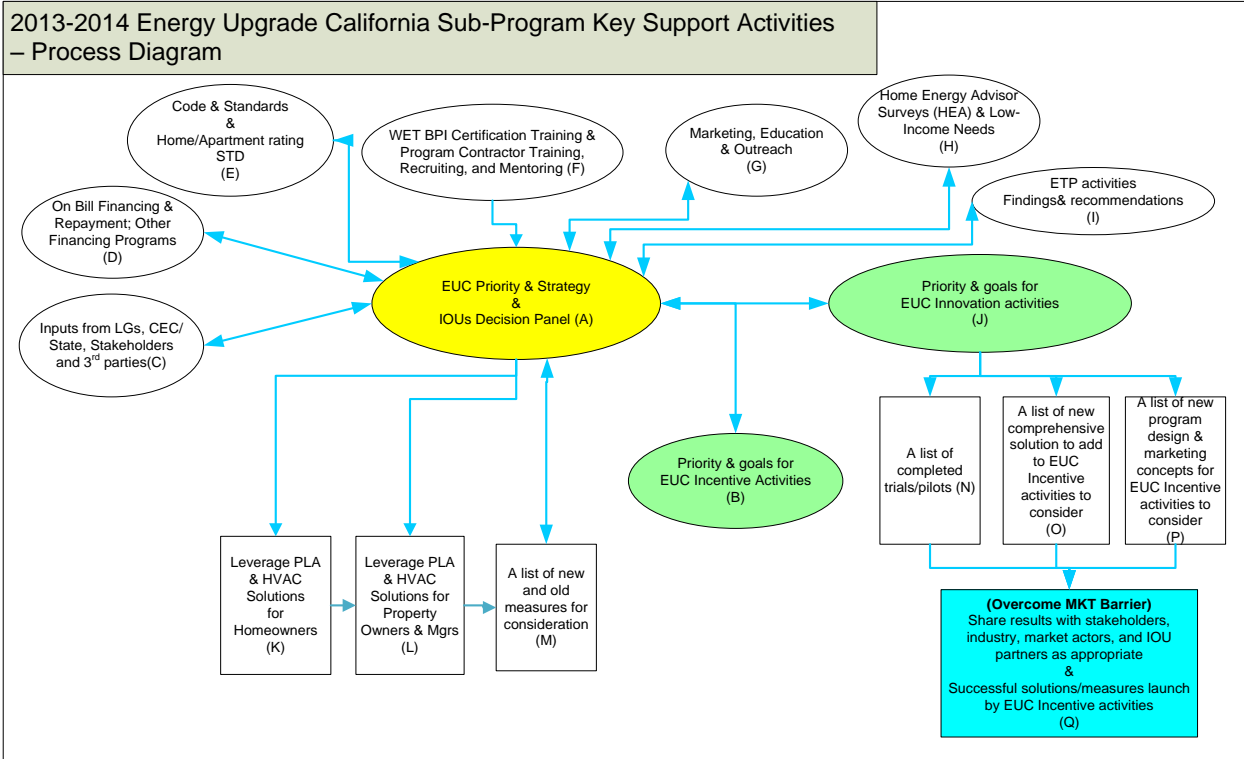
Market transformation indicator results shall be reported, as available, by Energy Division or the IOUs, depending upon who conducts the necessary market studies. (Res. 4385, 12/2/10)

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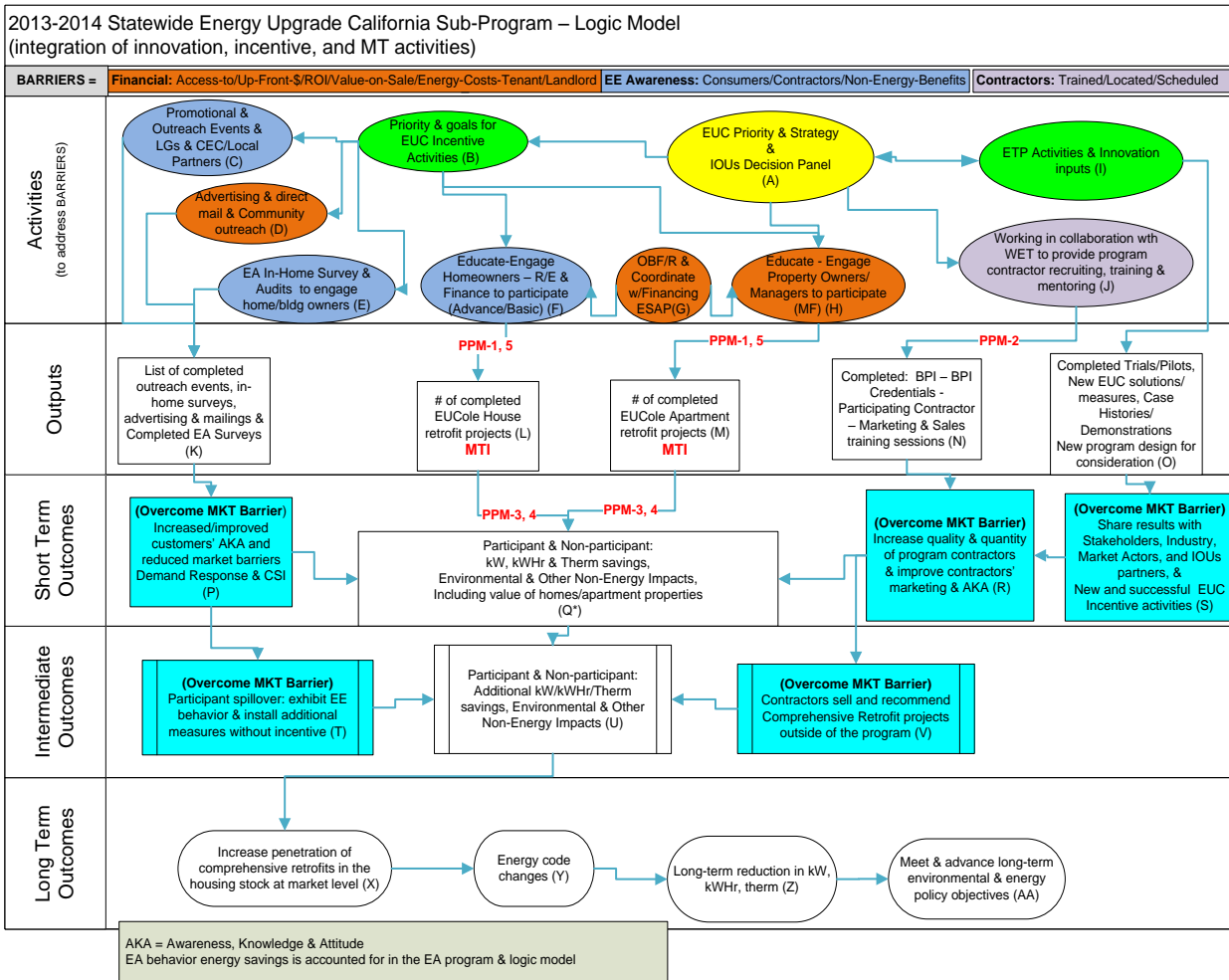
Resolution E-4385 identifies a preliminary list of objectives and market transformation indicators (MTIs) for statewide energy efficiency programs and subprograms. These MTIs will be presented at a public workshop to allow for public comments and discussion before being finalized. The Resolution further directs the Joint Utilities to work collaboratively with Energy Division staff to select a subset of these MTIs for data collection, tracking and reporting as part of the 2010-2012 energy efficiency evaluation, monitoring and verification (EM&V) activities. Per guidance from Energy Division received in December 2012, the approved Market Transformation Indicators for 2013-2014 are filed as a Joint IOU matrix, included as Appendix F.

Attribution. Outside of California, most guidelines for evaluating market transformation acknowledge that it is very difficult to attribute market effects to any single program, and nearly impossible to partition out the respective contributions of several coordinated programs on market effects and market transformation. In California, the Framework (Sebold et al., 2001) emphasized that attribution of market effects to programs bears further research. Others (Rosenberg & Hoefgen, 2009; Keating & Prah (MT Workshop, Nov 2011) suggest that declaring the program's strategic intent through the market transformation initiative's theory and logic model is key to establishing future claim on transformation effects. The methods proposed by Rosenberg & Hoefgen (2009) for attributing market effects to individual programs include a number of approaches, all of them qualitative: self-report of spillover and free ridership; cross-sectional comparisons with other geographic regions; structured expert judging; and case studies. But attribution using a "preponderance of evidence" approach would likely be expensive and still yield arguable results. Attribution by nature focuses on individual program efforts, and we believe the market transformation evaluation discourse should be focused on the overlapping synergy among all programs and influences in the market. We realize we all have a "Shared Mission" of meeting the CPUC's very aggressive Strategic Plan goals. We do not wish to not invest resources in teasing apart which program entity contributed how much, but instead will plan to focus on whether all the market forces across the State of California have succeeded in transforming the market.

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12) Additional information as required by Commission decision or ruling or as needed:
Include here additional information as required by Commission decision or ruling (As applicable. Indicate decision or ruling and page numbers):

IOU Streamlined Emergency Replacement Protocol and Streamlined High Performing Contractor Protocol

1. SDG&E

a. Streamlined Emergency Replacement Protocol

Per section 7 of SDG&E's QA/QC Quality Assurance and Quality Control Plan:

7.0 Emergency Replacement of Major Systems

7.1 *It is recognized that there may be instances whereas immediate replacement of major systems is required due to health, safety and quality of life circumstances. In the event the customer has immediate need for equipment*

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replacement, the QA/QC process will not interfere with a customer's ability to participate in the EUC.

- 7.1.1 Major systems that qualify under this provision are identified as:
 - a. HVAC Systems or components
 - b. Hot water heater replacements
- 7.1.2 In the event that a contractor wishes to install a major system identified herein under the provisions of an emergency replacement, the contractor shall contact and notify the QA/QC vendor immediately of the customer's emergency situation and to request accommodation under this provision. The QA/QC provider will determine if the circumstances warrant this provision.
 - a. The contractor will provide the QA/QC the customer contact information, make/model/serial numbers of existing equipment and date the replacement will be installed.
 - b. The QA/QC vendor may field-verify the equipment to be replaced.
 - c. The contractor can proceed with emergency work.
 - d. To include the emergency work as part of any EUC project scope, contractors must follow all other procedures for participation in the EUC Program.
 - e. Any and all changes to the home prior to submitting a Pre-Retrofit Project Submittal Package shall be only for the immediate emergency need pre-approved by the QA/QC vendor and must be documented in the Pre-Retrofit Project Submittal Package.
 - f. All other project scope work outside of the approved emergency work must go through the standard QA/QC process as defined in this plan.

b. Streamlined High Performing Contractor Protocol

Per SDG&E's Quality Assurance and Quality Control Plan, SDG&E QA Review turnaround times are guaranteed to be 3 working days or less for both pre and post QA Review (desktop). This time period is consistent with state contracting laws concerning consumer's 72 hr. right to rescind.

Tier 3 contractors, meaning those contractors who have successfully completed a minimum of 30 projects are eligible for random QC Inspection sampling rate of 10% pre and 5% of post project submittals.

In essence this means that high performing contractors with at least 30 projects will have 90% of their pre project submittals and 95% of post project submittals reviewed within 3 working days.

2. PG&E

a. Streamlined Emergency Replacement Protocol

The following process that is already in place in 2012 serves the purpose of both an emergency replacement protocol, as well as a Fast Track process for all participating contractors in good standing.

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The general policy for all equipment replacements performed within the PG&E program is that participating contractors and their subcontractors should wait for a Notice to Proceed to be issued before commencing work on a job for the program. However, in order to proceed with emergency replacements or expedited upgrades due to customer specific needs, contractors may proceed within the guidelines of this Fast Track Process. In order to be eligible for this Process, participating contractors must be active and in good standing under the PG&E program.

Upgrades may be started before the Notice to Proceed is issued if the participating contractor is confident that the job qualifies for the Program. Prior to adjusting or installing measures, the contractor must perform a comprehensive test-in, including combustion safety testing, to document the pre-existing conditions. The contractors should take pictures to document uncommon or unique situations.

Participating contractors that choose to perform work without the Notice to Proceed accept full liability that the rebate funds have not been reserved and that their customers may not be eligible.

In order to make the Fast Track Process work for participating contractors and their customers, the PG&E program recommends that the contractors do the following:

- Ask for a copy of recent PG&E bill to validate that the customer has an active account and have a clear understand the Program eligibility requirements.
- Make sure to understand how to use and model homes in EnergyPro proficiently to reduce the chance of error in rebate calculation or delayed application processing.
- If providing a rebate estimate, make it clear in the proposal that it is based on the un-validated energy model savings and may change after the quality control review process.
- Participate in the Process after completing at least 10 upgrades without desktop or field QA issues.
- Submit the application as soon as possible to ensure timely payment to the customer.

3. SCE

**a. Streamlined Emergency Replacement Protocol
Southern California Edison & Southern California Gas Emergency Equipment Replacement Policy for HVAC/DHW System**

Due to the climate of Southern California, during the first few months of summer and winter there is a rise in the volume of HVAC emergency replacements driven by homeowners re-engaging their HVAC systems after periods of non-use. Participating Contractors will be involved in these replacements and they have the opportunity to inform homeowners of the additional benefits of the EUC Program.

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The Emergency Equipment Replacement Policy for HVAC/DHW Systems allows homeowners to take credit for energy savings from emergency equipment replacement provided **all of the following conditions are met.**

Eligibility

1. The homeowner meets all mandatory *Advanced Path* program requirements as described in the Advanced Package Minimum Specifications and this Emergency Equipment Replacement Policy for HVAC/DHW Systems.
2. The space heating and/or domestic hot water system must have been 'red tagged' or deemed unsafe by the utility, service technician or building inspector; or the system has failed, cannot be repaired and must be replaced.
3. The contractor submits the completed Record of Emergency Equipment Replacement Form within the timelines indicated in the Notification/Authorization Requirements section.

Note: In the event the customer/contractor fail to meet the timelines indicated the project runs the risk of not being able to include the energy savings from the installation of the new equipment in the energy simulation (Energy Pro) model.

Notification/Authorization Requirements

To submit notification and receive authorization to proceed for an eligible emergency equipment replacement, the following steps must be followed:

Step 1: Submit for Pre-Replacement Approval

1. The contractor is required to submit a Record of Emergency Equipment Replacement Form.
2. The contractor is required to complete Sections 1 – 4 of the Record of Emergency Equipment Replacement Form, sign and date the customer/contractor signature section, provide detailed photographic evidence of the existing equipment installed in the residence (clearly showing the area around the existing unit) to include nameplate information (make, model, serial number, etc) and then provide a scanned copy in .PDF format to EUCA_Processing@icfi.com.
3. Upon receipt of the completed form, ICF will provide written notification of Authorization to proceed via e-mail to the contractor within one business day (8-10 business hours).

Step 2: Receive Authorization to Proceed

Upon Authorization to proceed the contractor may commence installation of the new HVAC and/or DHW equipment.

Step 3: Complete Emergency Replacement and Submit Final Paperwork

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1. Upon completion of the installation of the new equipment the contractor shall complete Section 5 of the Record of Emergency Equipment Replacement Form, sign and date the customer/contractor signature section, detailed installation invoice, and then provide a scanned copy in .PDF format to ICF (EUCA_Processing@icfi.com) within five (5) business days of the new equipment installation. If measures installed exceed the scope of written authorization given, credit will not be given for those additional measures. If the paperwork is not received within those 5 business days, the final decision to allow the credit for the installed equipment will be at the sole discretion of Program Management and will not be able to be appealed.
2. The Incentive Reservation Form must be turned into the Program within 30 calendar days of Emergency Equipment Replacement Approval. Failure to do so will result in not receiving credit for installed equipment.

While age, size and efficiency of the existing system are a factor, it shall not be the sole determining factor for selection of equipment replacement. Best practices dictate that any replacement of central heating or cooling systems require submittal of a Manual J load calculation and must take into account all existing and/or proposed energy efficiency measures that will significantly impact load and allow for correct equipment sizing.

If HVAC re-ducting is required in this emergency, the pre-retrofit building simulation model will automatically use the default vintage default tables for total duct leakage. This percentage is not able to be contested, should an appeal situation arise.

Mandatory Documentation for Emergency Space Heating Equipment Replacement

The contractor shall provide information about the existing equipment being removed utilizing the Record of Emergency Equipment Replacement Form. At a minimum, the information collected regarding the existing space heating equipment shall include the following:

- Contractor's business name, address and phone number
- Date of removal
- Reason for replacement (operational failure; health and safety)
- Manufacturer's name and model number of space heating equipment
- Rated efficiency, output, input from the nameplate
- Fuel type (natural gas, electric)
- Type of system (forced air, hydronic/radiant or combo)
- Type of venting (e.g. chimney, side vent, barometric damper)

The existing space heating equipment must be replaced with equipment meeting the Advanced Package Minimum Specifications. New gas-fired furnaces must have an Annual Fuel Utilization Efficiency (AFUE) of 92% or greater to qualify under the Emergency Replacement Policy for HVAC Equipment.

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The contractor shall provide a copy of the invoice for the new space heating equipment and the Record of Emergency Equipment Replacement Form to their dedicated account manager within 5 business days of written authorization to proceed with the new equipment installation. At a minimum, the invoice for the new space heating equipment shall include the following:

- Contractor's business name, address and phone number
- Date of installation
- Manufacturer's name, model and serial number of new space heating equipment
- Rated efficiency, output, input from the nameplate
- Fuel type (natural gas, electric)
- Type of system (forced air, hydronic/radiant or combo)
- Type of venting (e.g. chimney, side vent, barometric damper)

While replacing the space heating equipment, this may be an opportunity to also replace the central air conditioner with a higher efficiency model. The existing equipment must be replaced with equipment meeting the requirements listed in the Advanced Package Minimum Specifications. Contractor will need to supply the following information about both the new and existing air conditioning unit:

- Contractor's business name, address and phone number
- Date of installation
- Reason for replacement (operational failure; health and safety; Other, please explain)
- Manufacturer's name and model number of cooling equipment
- Type of system (central air, heat pump)
- Rated efficiency (SEER, HSPF), unit size, and cooling output from the nameplate

Mandatory Documentation for Domestic Hot Water Equipment Replacement

The existing domestic hot water system must be replaced with equipment meeting Advanced Package Minimum Specifications. In addition, new domestic hot water heaters must have an Energy Factor (EF) of 0.62 or greater, and new domestic tankless hot water heaters must have an Energy Factor (EF) of 0.82 or greater to qualify under the Emergency Equipment Replacement Policy.

The contractor shall provide a copy of the invoice for the new domestic hot water equipment and the Record of Emergency Equipment Replacement Form to their dedicated account manager within 5 business days of written authorization to proceed with the new equipment installation. At a minimum, the invoice for the new domestic hot water equipment shall include the following:

- Manufacturer's name and model number of domestic hot water equipment

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- Type of system (gas, electric)
- Rated efficiency (energy factor)
- Unit size (gallons)
- Input from the nameplate (Btu's)

Mandatory Requirements for Emergency Equipment Replacement Approval

Once administrative approval and written authorization to proceed is granted, the contractor may immediately install the individual measures if the following conditions are met:

1. Provide photographic evidence of the existing system installed in the residence clearly showing the area around the existing unit and detailed pictures of the existing equipment to include nameplate information (make, model, serial number, etc.).
2. The contractor shall provide a copy of the Invoice for the new space heating and/or cooling equipment and the completed Record of Emergency Equipment Replacement Form to their dedicated account manager within 5 business days of the installation of the new equipment (if applicable).
3. The contractor shall provide a copy of the Invoice for the new domestic hot water equipment and the Record of Emergency Equipment Replacement Form to their dedicated account manager within 5 business days of the installation of the new equipment (if applicable).

In the event the customer/contractor fail to meet the timelines indicated the project runs the risk of not being able to include the energy savings from the installation of the new equipment in the energy simulation (Energy Pro) model.

b. Streamlined High Performing Contractor Protocol

Contractors who have completed 10 Basic or 10 Advanced projects and have completed all of their field mentoring and online learning center modules with a passing score can be eligible for their projects to be sampled instead of being selected for 100% pre and post on-site inspection.

4. SoCalGas

a. Streamlined Emergency Replacement Protocol

Southern California Gas Emergency Equipment Replacement Policy for HVAC/DHW System

Due to the climate of Southern California, during the first few months of summer and winter there is a rise in the volume of HVAC emergency replacements driven by homeowners re-engaging their HVAC systems after periods of non-use. Participating Contractors will be involved in these replacements and they have the opportunity to inform homeowners of the additional benefits of the Program. The Emergency Equipment Replacement Policy for HVAC/DHW Systems allows homeowners to take credit for energy savings from emergency equipment replacement provided **all of the following conditions are met.**

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Eligibility

1. The homeowner meets all mandatory *Advanced Path* program requirements as described in the Advanced Package Minimum Specifications and this Emergency Equipment Replacement Policy for HVAC/DHW Systems.
2. The space heating and/or domestic hot water system must have been 'red tagged' or deemed unsafe by the utility, service technician or building inspector; or the system has failed, cannot be repaired and must be replaced.
3. The contractor submits the completed Record of Emergency Equipment Replacement Form within the timelines indicated in the Notification/Authorization Requirements section.

Note: In the event the customer/contractor fail to meet the timelines indicated the project runs the risk of not being able to include the energy savings from the installation of the new equipment in the energy simulation (Energy Pro) model.

Notification/Authorization Requirements

To submit notification and receive authorization to proceed for an eligible emergency equipment replacement, the following steps must be followed:

Step 1: Submit for Pre-Replacement Approval

1. The contractor is required to submit a Record of Emergency Equipment Replacement Form.
2. The contractor is required to complete Sections 1 – 4 of the Record of Emergency Equipment Replacement Form, sign and date the customer/contractor signature section, provide detailed photographic evidence of the existing equipment installed in the residence (clearly showing the area around the existing unit) to include nameplate information (make, model, serial number, etc) and then provide a scanned copy in .PDF format to EUCA_Processing@icfi.com.
3. Upon receipt of the completed form, ICF will provide written notification of Authorization to proceed via e-mail to the contractor within one business day (8-10 business hours).

Step 2: Receive Authorization to Proceed

Upon Authorization to proceed the contractor may commence installation of the new HVAC and/or DHW equipment.

Step 3: Complete Emergency Replacement and Submit Final Paperwork

1. Upon completion of the installation of the new equipment the contractor shall complete Section 5 of the Record of Emergency Equipment Replacement Form, sign and date the customer/contractor signature section, detailed installation invoice, and then provide a scanned copy in .PDF format to ICF (EUCA_Processing@icfi.com) within five (5) business days of the new

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equipment installation. If measures installed exceed the scope of written authorization given, credit will not be given for those additional measures. If the paperwork is not received within those 5 business days, the final decision to allow the credit for the installed equipment will be at the sole discretion of Program Management and will not be able to be appealed.

2. The Incentive Reservation Form must be turned into the Program within 30 calendar days of Emergency Equipment Replacement Approval. Failure to do so will result in not receiving credit for installed equipment.

While age, size and efficiency of the existing system are a factor, it shall not be the sole determining factor for selection of equipment replacement. Best practices dictate that any replacement of central heating or cooling systems require submittal of a Manual J load calculation and must take into account all existing and/or proposed energy efficiency measures that will significantly impact load and allow for correct equipment sizing.

If HVAC re-ducting is required in this emergency, the pre-retrofit building simulation model will automatically use the default vintage default tables for total duct leakage. This percentage is not able to be contested, should an appeal situation arise.

Mandatory Documentation for Emergency Space Heating Equipment Replacement

The contractor shall provide information about the existing equipment being removed utilizing the Record of Emergency Equipment Replacement Form. At a minimum, the information collected regarding the existing space heating equipment shall include the following:

- Contractor's business name, address and phone number
- Date of removal
- Reason for replacement (operational failure; health and safety)
- Manufacturer's name and model number of space heating equipment
- Rated efficiency, output, input from the nameplate
- Fuel type (natural gas, electric)
- Type of system (forced air, hydronic/radiant or combo)
- Type of venting (e.g. chimney, side vent, barometric damper)

The existing space heating equipment must be replaced with equipment meeting the Advanced Package Minimum Specifications. New gas-fired furnaces must have an Annual Fuel Utilization Efficiency (AFUE) of 92% or greater to qualify under the Emergency Replacement Policy for HVAC Equipment.

The contractor shall provide a copy of the invoice for the new space heating equipment and the Record of Emergency Equipment Replacement Form to their dedicated account manager within 5 business days of written authorization to proceed with the new equipment installation. At a minimum, the invoice for the new space heating equipment shall include the following:

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- Contractor's business name, address and phone number
- Date of installation
- Manufacturer's name, model and serial number of new space heating equipment
- Rated efficiency, output, input from the nameplate
- Fuel type (natural gas, electric)
- Type of system (forced air, hydronic/radiant or combo)
- Type of venting (e.g. chimney, side vent, barometric damper)

While replacing the space heating equipment, this may be an opportunity to also replace the central air conditioner with a higher efficiency model. The existing equipment must be replaced with equipment meeting the requirements listed in the Advanced Package Minimum Specifications. Contractor will need to supply the following information about both the new and existing air conditioning unit:

- Contractor's business name, address and phone number
- Date of installation
- Reason for replacement (operational failure; health and safety; Other, please explain)
- Manufacturer's name and model number of cooling equipment
- Type of system (central air, heat pump)
- Rated efficiency (SEER, HSPF), unit size, and cooling output from the nameplate

Mandatory Documentation for Domestic Hot Water Equipment Replacement

The existing domestic hot water system must be replaced with equipment meeting Advanced Package Minimum Specifications. In addition, new domestic hot water heaters must have an Energy Factor (EF) of 0.62 or greater, and new domestic tankless hot water heaters must have an Energy Factor (EF) of 0.82 or greater to qualify under the Emergency Equipment Replacement Policy.

The contractor shall provide a copy of the invoice for the new domestic hot water equipment and the Record of Emergency Equipment Replacement Form to their dedicated account manager within 5 business days of written authorization to proceed with the new equipment installation. At a minimum, the invoice for the new domestic hot water equipment shall include the following:

- Manufacturer's name and model number of domestic hot water equipment
- Type of system (gas, electric)
- Rated efficiency (energy factor)
- Unit size (gallons)
- Input from the nameplate (Btu's)

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Mandatory Requirements for Emergency Equipment Replacement Approval

Once administrative approval and written authorization to proceed is granted, the contractor may immediately install the individual measures if the following conditions are met:

1. Provide photographic evidence of the existing system installed in the residence clearly showing the area around the existing unit and detailed pictures of the existing equipment to include nameplate information (make, model, serial number, etc.).
2. The contractor shall provide a copy of the Invoice for the new space heating and/or cooling equipment and the completed Record of Emergency Equipment Replacement Form to their dedicated account manager within 5 business days of the installation of the new equipment (if applicable).
3. The contractor shall provide a copy of the Invoice for the new domestic hot water equipment and the Record of Emergency Equipment Replacement Form to their dedicated account manager within 5 business days of the installation of the new equipment (if applicable).

In the event the customer/contractor fail to meet the timelines indicated the project runs the risk of not being able to include the energy savings from the installation of the new equipment in the energy simulation (Energy Pro) model.

b. Streamlined High Performing Contractor Protocol

SoCalGas follows the Home Performance with ENERGY STAR® guidelines for QA/QC protocols. Since the implementation of the SoCalGas EUC Program, SoCalGas has established an adjustable onsite inspection rate for contractors based on job experience and performance.

SoCalGas conducts onsite inspections, at set inspection rates, of the work of all participating contractors. This inspection rate is reduced as the contractor gains experience in the program and as onsite inspections show the contractor is performing at a satisfactory level per program requirements. See chart below

- a. Tier 1 Contractor- 60% onsite inspection of first five project
- b. Tier 2 Contractor- 27% onsite inspection of next 15 projects
- c. Tier 3 Contractor- 5% onsite inspection after 20th project

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ATTACHMENT 1

Program Non-Energy Objectives

Table 3 provides targets per approved PPM's for single family homes. Additional PPM's for multifamily may be developed as program develops.

Table 3. Quantitative Program Targets (PPMs)
[Table 3 Refer to Attachment 2 to this PIP]

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ATTACHMENT A1:

13) SCE/SCG Multifamily Energy Upgrade California Pilot

1. Projected Program Budget Table

Table 1 –

IOU	Total Administrative Cost	Total Marketing and Outreach	Total Direct Implementation Non-Incentive	Total Incentives	Total Program Budget by IOU*
SCE	\$200,000	\$100,000	\$238,000	\$1,462,000	\$2,000,000
SCG	\$100,000	\$50,000	\$112,000	\$738,000	\$1,000,000
Total	\$300,000	\$150,000	\$350,000	\$2,200,000	\$3,000,000

*Does not include funding being leveraged into the treated buildings for services provided through other core EE programs and the ESA program.

2. Projected Program Gross Impacts Table – by calendar year

Table 2 –

	# of MF properties	# of MF units	kWh Savings	kW Savings	Therm Savings
SCE/SCG	20	1,700	1,416,100	1,360	116,025

3. Program Objectives

In accordance with the Strategic Plan, the MF EUC Program Pilot will coordinate with the Energy Savings Assistance Program (ESAP) and core EE Programs, such as MFEER. This integrated approach combines market-rate and income-qualified energy efficiency measures.

This integration effort provides the opportunity to educate building owners on the benefits of energy efficiency and conservation efforts spanning the range of needs for the multifamily market.

MF EUC Pilot will field test a single-point-of-contact approach to guide property owners through the various programs in retrofitting their multifamily property. This approach will

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provide support in understanding the various program rules and assistance in determining eligibility. The customer will be guided through a “clipboard audit” to establish feasibility and estimate project cost for MF EUC, with an eye toward leveraging all eligible programs.

The primary purpose of this pilot program is to test performance based approaches to the multifamily property owner market. Other considerations to meet all income strata and address split incentives for property owners and tenants may include a direct install strategy, as well as prescriptive rebates through the existing MFEER Program.

While programs will be coordinated and integrated, their respective policies and procedures will be followed in the delivery of services. For example, the ESA program measures will be installed at no cost to income-qualified customers within the ESA program guidelines established at 200% or below Federal Poverty Guidelines (FPG), while MF EUC and MFEER will address incomes above 200%. Operational efficiencies will be employed to streamline eligibility, income verification, and installation of measures.

Program Pilot objectives:

1. Achieve deep energy savings reduction for all participating properties, targeting 20% or greater savings,
2. Implement comprehensive measures that go beyond lighting,
3. Help participants better understand energy efficiency and its many opportunities, and maintain program savings by leveraging the Integrated Energy Audit Tool (scheduled for launch in early 2012).

SCE/SCG intends to offer the Investment Grade Assessment at no cost to participants during the Pilot. SCE/SCG will utilize a professional energy consulting/auditing firm that has experience working with multifamily properties. It is expected that the selected firm will have consultants with qualifications such as Engineering degrees, Building Performance Institute (BPI) certifications, Home Energy Rating System (HERS) certifications, Leadership in Energy and Environmental Design (LEED) Accredited Professionals, and GreenPoint Rated Professionals.

4. Program Strategy

The program strategy is to offer attractive incentives to multifamily property owners/managers to overcome a wide array of regulatory, market, and financial barriers which may otherwise prevent the rehabilitation of existing multifamily properties. These incentives will partially offset the cost to achieve energy use reductions.

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Energy savings for each project will be calculated using industry accepted energy assessment protocols. Additionally, energy savings will be verified by a certified energy rater or qualified professional before payments of incentives are issued to a property owner.

The MF EUC Pilot will offer incentives to property owners and managers with scheduled project rehabilitations who are willing to invest in a performance-based, whole-building approach. The incentives are designed to influence the implementation of comprehensive measures as part of the scope of previously planned rehabilitations.

5. Program Implementation

The program will provide financial incentives to owners/managers of multifamily buildings who undertake a comprehensive approach to energy efficiency retrofits and are able to achieve a minimum energy savings target. The program will establish standards and verification procedures to provide quality assurance, and validate energy savings.

The program aims to leverage the long-established relationships between property managers and their preferred subcontractors. This approach provides property owners with the flexibility to select the trade allies of their choice.

There are several economic, financial or regulatory events that prompt a property owner to upgrade a facility. However, there are a few discrete points in a building’s lifecycle when it is typically more convenient for energy efficiency improvements. To leverage these critical and infrequent opportunities, whole-building, performance-based incentives must be large enough to motivate owners to incorporate energy efficiency improvements.

6. Incentives

Incentives will partially offset costs to retrofit measures needed to achieve targeted energy-use reductions. Incentives will be offered on a tiered structure, paid on a “per dwelling unit” basis according to the total building energy savings percentage. The tiered approach will reward participants for realizing deeper savings. While a “per unit” approach enables participants to experience economies of scale with larger multifamily buildings.

SCE/SCG

Energy Savings Achieved	Incentive per Dwelling Unit
10%	\$ 700
15%	\$ 800

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20%	\$ 1,000
25%	\$ 1,200
30%	\$ 1,400
> 35%	\$ 1,600

7. Project Pre-Qualification

Property owners will be required to provide basic information to determine the scope of the project, existing conditions, and available funds. The information provided on the pre-qualification form will help to determine if the project can reach the preset minimum energy savings achieved percentage.

The pre-qualification process will be supported by the Integrated Energy Audit Tool when it becomes available.

Basic Energy Assessment (Basic Site Assessment)

The Basic Energy Assessment will provide an opportunity to meet with property owners to conduct a high level energy assessment, validate the data provided, and assess the potential for property savings. The Basic Energy Assessment will help gauge customer commitment and determine if the projects have the potential to achieve minimum energy savings expectations. If the projects do not meet these savings targets, they will be referred to other applicable EE Programs.

Advanced Energy Assessment and Modeling (Test in, Investment Grade Assessment)

Investment Grade Assessments will be required to establish a baseline of the existing energy consumption for each property. The assessment will be conducted by an energy auditing professional using approved multifamily audit tools and procedures.

The audit tools evaluate potential measures based on least-cost, maximum benefit customized to each property's needs. The tool provides property owners with information to help them select a mix of measures that will achieve their energy savings goals.

Once a property owner has selected the desired savings target, the owner's own contractors implement the energy saving measures of the owner's choice.

The MF Pilot was designed to pilot a variety of approaches to modeling savings. At this late date, however, the program will solicit consulting engineering services with expertise using eQuest, or other proprietary system-based engineering approaches, such as those used in

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Retro-Commissioning. Given the short time frame and limited budget, a comparative analysis of TREAT, EnergyPro, and other tools will have to wait for a post-occupancy EM&V study.

Perform Post Project Verification and Quality Assurance (Test Out, Savings Verification)

At completion, the owner submits the required documentation for verification by an independent energy auditor. The energy auditor will verify the installation of measures, compliance with product specifications, and determine the savings target achievement. The auditor will use multifamily audit and modeling tools to determine savings.

The energy auditor will then submit a project report for IOU review and application processing.

8. Customer Description

The program will target multifamily owners and managers of properties located in SCG and SCE service Territory.

- Multifamily properties must contain a minimum of three dwelling units.
- Properties must be designated as multifamily residential by the Title 24 Building Energy Efficiency Standards, Part 6, which is defined as three or more attached dwelling units in a building.
- Properties cannot exceed four stories.
- Both affordable and market-rate properties qualify.

Non-Qualifying Properties

- Single-family homes - A single-family residential building is defined by the California Building Code as a single detached unit. Single-family homes may qualify for incentives through the EUC Single Family Program.
- Single-room occupancy (SRO) facilities, such as dormitories and assisted living facilities do not qualify.
- Non-residential buildings
- Hotels and Motels

9. SCE/SCG's Cost Effectiveness (E3 Calculator):

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Figure 1. E3 Calculator showing cost-effectiveness for Multifamily Energy Upgrade California.

[Refer to Appendix A]

10. Energy Savings and Demand Reduction Level Data:

Program Impacts (Gross)					
	Annual Gross kWh	Lifecycle Gross kWh	Annual Gross Therms	Lifecycle Gross Therms	User Entered kW
2010-2012	1,666,000	29,988,000	136,500	2,457,000	1,600

11. Program M&E Plan for SCE and SCG

Energy Upgrade California: Multifamily Energy Upgrade California Pilot is proposed for implementation in two stages:

- Stage-1: Initial pilot phase to test program logistics and implementation requirements with a few raters and a few contractors.
- Stage-2: Scale the program for full deployment in 2012 and beyond.

11.1. The M&E plan for Stage-1 will focus on Rapid Feedback Analyses. Here are a few of the items to be considered:

- Is the program implemented as designed? If yes, are the results of the program activities acceptable from an end-to-end perspective?
- Can this program be evaluated given the program output and tracking data? If not, how can output and data be improved?
- Is the program design and implementation effective?
 - Is the program qualification acceptable?
 - Is the program processing acceptable?
 - Is the program QA/QC process acceptable?
 - What are the key issues and concerns for participating property owners/managers, renters, contractors and program contractors and HERS Raters? How can the program be improved?
 - Is the overall program cycle time acceptable?
 - Is the program energy savings accurate? If not, how can it be improved?
 - Is the program interaction with other programs, local government entities and stakeholders acceptable? If not, what is missing and how can it be improved?
- Is this program meeting its stated objectives given the output and outcomes of this early implementation?
- Verification of the program implementation barriers and identify ways to overcome the observed barriers.

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11.2. The M&E plan for stage-2 will focus on the following items:

- Establish baseline condition for SCE multifamily energy usage profile as of 2008 and 2011 prior to program intervention.
- Has the program acted upon the rapid feedback? If yes, what are the changes?
- Is the program generating deep energy savings as expected?
- Is the program consistent with its program theory, logic model and attribution claims?

Repeat the evaluation items identified above, in the context of a scaled program.

SCE and SCG will work closely with ED's M&E team to develop an approved M&E study plan. Currently, we have identified the need for this study in the 2010-2012 M&E study plan.

14) Enhanced Basic Path Option for SDG&E, SCE and SoCalGas

As of July 2012, the Basic Path has represented only 4% of the statewide EUC volume among the four Investor Owned Utilities (IOUs). The Basic Path had been targeted to make up the volume of the program, however, after two years of implementing it has fallen well below expectations.

Under the Basic Path, homeowners are required to install all 5 energy efficient measures (i.e. 1. attic insulation, 2. duct sealing, 3. air sealing, 4. insulation of domestic hot water pipes, and 5. thermostatic activated flow restriction valve with or without a showerhead) in order to qualify for the \$1,000 incentive. The Basic Path does not allow for homeowner customization and has not provided the lower-cost on-ramp to Advanced Path. The Basic doesn't facilitate up-sell opportunities for major equipment (i.e. domestic hot water and HVAC). Overall, the Basic Path is a poor match to the diverse housing stock in California.

SDG&E, SCE and SoCalGas will continue to offer an enhancement to the Basic Path option from the 2010-2012 program cycle. Final program design will be coordinated between IOU's and RENs and will be submitted via Advice Letter not later than April 1, 2013. It will be referred to as the Enhanced Basic Path (EBP).

The Enhanced Basic Path will enable the program to move to scale, and to do so at greatly reduced administrative cost. It produced consistent incentive results. It will facilitate competitive bidding among contractors. The higher volume of projects and increased contractor competition, is also likely to lower incremental project costs.

The Enhanced Basic Path has a mix of energy efficiency measures to allow a contractor to tailor each project to the needs of the customer. It will also include combustion safety testing to ensure that each home with a tightened building shell remains properly vented. The list below provides a list of measures to be included in the Enhanced Basic Path:

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Base Measure Upgrades

Requirements

Whole House Air Sealing	30% reduction from vintage table
Attic Insulation with Attic Plane Air Sealing	Insulate to R-30 or greater
Duct Sealing/ Replacement	10% sealing/ 6% Replacement

Building Shell Upgrades

Requirements

Wall Insulation	Insulate to R-13 or greater
Floor Insulation	Insulate to R-19 or greater
Duct Insulation	Insulate to R-8 or greater

HVAC Upgrades

Requirements

Furnace	92% AFUE or greater
Air Conditioner	14 SEER, 12 EER or greater

Water Heating

Requirements

Natural Gas Water Heater	Energy Factor of 0.67 or greater
Electric Water Heater	Energy Factor of 0.93 or greater, 30 gal or greater
Showerhead with Thermostatic Control Valve	Low Flow showerhead 1.5 gpm with TCV
Thermostatic Control Valve or lower	TCV installed on Low Flow showerhead of 1.5 gpm

Energy savings calculation will be conducted by the IOUs engineering team working collaboratively with Energy Division (ED) engineering to develop a hybrid-deemed work paper. The work paper analysis eliminates custom modeling for each project, but allows, via a combination of deemed values, a custom SOW for each project. This lowers the contractors' cost, and reduces the burden on the Utility for Quality Control. Participating contractors will be spend more time selling and installing jobs, and less time creating custom simulations.

The Enhanced Basic Path incentives will be a tiered incentive, driven by the customer's desired SOW. Incentive will begin at \$1,000 for 10% energy savings, consistent with the original Basic Path program. The Tier increase at each 5% incremental improvement, to encourage deeper energy retrofits, while preserving the low barrier to entry. Incentives will be identical to Advanced Path incentives for saving percentages but for Enhanced Basic Path will max out at \$3,500 for 35% savings.

The IOUs are positioning the Enhanced Basic Path to capture the majority of current Advanced Path projects, which have an average of 25% - 31% energy savings. Participating contractors can participate in the Advanced Path if they wish, as it will continue to start at 10%, but rise all

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the way to 45%. That is, for the range between 10% and 35%, the incentive structure is the same as Advanced Path.

The Enhanced Basic Path will be delivered through existing participating contractors in the Energy Upgrade California Program. Participating contractors will utilize a mobile application. This allows them to change potential SOWs directly with the customer, giving real time feedback on savings and incentives, instead of having to develop modeling simulation and having to return to the customers' home with the potential incentive amount.

Participation in the Enhanced Basic Path are as follows:

-Step One: Select two of three qualifying base measures:

-Step Two: Select at least one other optional measure.

-Step Three: Add in stand-alone deemed measures, if desired

-Savings: Selections made in Step Two & Three will be calculated through the Hybrid-Deemed engine to determine savings and incentives; Step 3 will have stand-alone savings consistent with the existing HEER program.

-Step Two and Three Incentives use the same tiered incentive structure as Advanced Path

Step Three incentives match those offered by the HEER program

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1. Program Name: Residential HVAC

Program I.D.: SCG 3706

Program Type: Statewide Core Program

2. Projected Program Budget Table

Table 1 - reference the CalSPREE for budget details

3. Projected Program Gross Impacts Table – by calendar year

Table 2 - reference the CalSPREE for projected savings details

4. Program Description

a) Describe Program

The Residential HVAC Program is a Statewide program that will continue the transformation process of California’s HVAC market to ensure that:

- HVAC technology, equipment, installation, and maintenance are of the highest quality;
- Quality installation and maintenance practices are easily recognized and requested by customers;
- The HVAC value chain is educated and understands their involvement with energy efficiency and peak load reduction; and
- The above changes lead to sustained profitability for HVAC trade allies as the business model for installing and maintaining heating and cooling systems changes from a commodity-based to a value-added service business.

The IOUs propose building towards this vision for HVAC by implementing a comprehensive set of downstream and midstream strategies that builds on existing program, education, and marketing efforts and leverages relationships within the HVAC industry to transform the market towards a sustainable, quality driven market. Through this Statewide HVAC Program and a Statewide HVAC Industry Leadership Task Force (Western HVAC Performance Alliance), we will gain a better understanding of the market response to our programs, as well as the behavioral implications of the various market participants, and then actively revise/update strategies and programs accordingly, as guided by the California Long-term Energy Efficiency Strategic Plan (Strategic Plan).

The IOUs cross-sector collaborative activities and information-sharing tools that have been developed through the 2010-2012 Statewide HVAC programs will be discontinued. These programs were distributed in the Residential, Commercial, WE&T and Emerging Technologies Statewide programs. The Quality Maintenance, Quality Installation Development, and HVAC Core (Western HVAC Performance Alliance) programs will be implemented under this Residential HVAC Subprogram.

Market transformation and direct energy savings and demand reductions will be achieved through a series of sub-programs that are described in detail and summarized below:

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Residential HVAC Quality Maintenance

Residential HVAC Quality Maintenance program represents one of the more creative aspects of the HVAC “Big Bold Energy Efficiency Strategy.” It is based on the assumption that there are energy and demand savings achievable through the regular application of quality maintenance (QM) procedures applied to existing residential HVAC equipment. This program intends to (1) quantify those potential savings and (2) develop and implement a residential maintenance program. This program will be focused on comprehensive, continuously improving O&M activities that capture energy savings and provide a high value to the end-user thus driving the intense level of market transformation of the HVAC industry envisioned by the Strategic Plan.

Residential HVAC Quality Installation Development

Residential Quality Installation Development is applicable to quality installation (QI) of split or packaged HVAC systems, with a rated capacity up to 65,000 BTU/H. This Residential sub-program element is based on the assumption that energy and demand savings are achievable through the application of QI in accordance with appropriate industry standards (e.g., ACCA, SMACNA and ASHRAE) applied to new HVAC equipment.

This sub-program intends to:

- Collaborate with EM&V efforts to quantify those potential savings;
- Develop and implement a sub-program focused on comprehensive, continuously improving installation activities that capture those savings and provide a high return on investment to the end-user, thus driving the intense level of market transformation of the HVAC industry envisioned by the Strategic Plan;
- IOU’s will continue to development in 2013. The sub-program will be developed in collaboration through stakeholder input from the HVAC industry.

Per Ordering Paragraph 7 of the Proposed Decision of ALJ Fitch, the IOU’s shall propose an incentive program that encourages code-compliant installations of residential heating, ventilation, and air-conditioning equipment in a Tier 2 advice letter by no later than June 1, 2013.

Per direction of the Proposed Decision of ALJ Fitch, the IOU’s shall pilot “to code” incentives in the hotter climate zones (climate zones 9-16) in 2013 and 2014 and should provide an advice letter filing by no later than June 1, 2013 including their detailed program approach.

For SDG&E the Quality Maintenance and Quality Installation program may be implemented by a third party through a competitive bid process for the purpose of soliciting innovative ideas and proposals for improved portfolio performance.

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Residential Upstream

Per Order paragraph 7 of the Proposed Decision of ALJ Fitch, the IOU's shall propose an upstream incentive program for distributors of residential heating, ventilation, and air-conditioning equipment in a Tier 2 advice letter by no later than April 1, 2013.

b) List of Measures

To achieve the market transformation desired by the Strategic Plan, a variety of appropriate financial and non-financial incentives is required to influence specific market actions. Incentives will be targeted to services including Quality Maintenance and Quality Installation Development.

Residential HVAC Quality Maintenance

In support of both the market transformation and the energy resource savings goals of the program, rebates are available for specific measures. The intention of these rebates is to help offset the extra cost of providing a higher quality comprehensive service performed in accordance with the ACCA 4 industry standard for Quality Maintenance. Additionally, in coordination with the Emerging Technologies Program, the Residential HVAC QM program will continue to consider higher initial incentives for any HVAC emerging technologies that may be newly introduced to the market place via this program. Once the new products have taken hold in the market place, such incentives would be adjusted to reflect market conditions. The current set of measures is as follows:

Table A – List of Residential Quality Maintenance Measures

Measure	Prerequisite	Measure Requirements	Range
QM-Standard Basic Assessment	No prerequisite measures.	Must cover all the steps included in the Assessment Process, including a conversation with customer about their goals and concerns.	\$50
	All measures must be performed by a participating contractor's qualified technician.	Must include a report with a written estimate for work required to meet standard.	
Advanced Air Flow Correction	Completion of the Assessment	Must address any deficiencies in air flow per the standards identified in the Assessment process.	\$250
Blower Motor Retrofit	Completion of the Assessment	The installed motor model must be a direct drive, permanent magnet, and constant speed motor.	\$150
Refrigerant System Service	Completion of the Assessment and Air Flow Correction	Work must meet the protocols covered in training and is expected to be incorporated into a software tool.	\$50 to \$100

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		Must be done when weather conditions will support accurate results.	
		Must be done within eight months of completion of Air Flow Correction work (the delay is allow time for proper weather conditions to resume).	
QM-Standard Preventive Maintenance Agreement	Completion of the Assessment • Completion of either Air Flow Correction or Blower Motor Retrofit	The optional standard service agreement must include the provided Service Agreement QM Addendum. • The optional agreement must cover at least one year of service with two seasonal visits.	\$50

Residential HVAC Quality Installation Development

At this point, providing a list of measures and incentive levels is premature, as a valid quality installation based sub-program must be well planned and vetted through the Western HVAC Performance Alliance (WHPA). This sub-program will be designed during 2012 and 2013 for the 2013-2014 program cycle and therefore will not be providing incentives, at least not initially.

c) List Non-incentive Customer Services

Residential HVAC Quality Maintenance

- Education of the market on the value of selecting high-efficiency systems.
- Reports for customers of estimated energy savings, cost savings and carbon reductions for their HVAC systems treated under the program.
- Training for contractors on HVAC industry standards, sales and marketing of the value of those standards, and their implementation in the field.
- Education for customers on how HVAC industry standards can help them compare bids of contractor services and select those with high-road skills.
- Customer education about the benefits of establishing a long-term trust relationship with a qualified contractor, which can lead to future energy and cost savings, such as from better planning for future HVAC system replacements and the quality installation of those systems when replaced.
- Improved comfort and indoor air quality for customers.

Residential HVAC Quality Installation Development

This sub-program development process will be performed with HVAC industry involvement to ensure that:

- The measures eventually included in the program can be reasonably assured to save energy and lower peak demand;

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- A clear value proposition can be demonstrated so that contractors will see the path for a profitable business opportunity based on QI and customers will understand the benefits of equipment maintained at a higher level of quality;
- An effective training program will be put in place to ensure that technicians can properly implement QI services;
- The processes employed will document that work performed in the field meets minimum program quality control standards and can be validated.
- The initial QI efforts will focus on uncovering the root causes, rectifying design and implementation shortcomings, determine realistic energy savings estimates, and then launch program incentives.

The following non-incentive services will be offered through this sub-program:

- Active enrollment and promotion of qualified contractors
- IOU promotion of QI through the Whole-Home Upgrade subprogram and other customer marketing.
- Contractor training on quality installation practices, selling and marketing QI, service management of QI, etc.
- If incentives are offered for energy savings and the measures are cost effective, the program will comply with Senate Bill 454 on HVAC permit acquisitions with the work completed by a licensed contractor.
- The program will retain appropriate combustion safety testing and other procedures to ensure customer safety.

Western HVAC Performance Alliance Activities

The program will be active in a number of additional non-resource activities. These activities are required to ensure that the HVAC industry is fully involved in the development and implementation of the many tactics required to address the short and long-term goals of the Strategic Plan. One such non-resource activity is an Western HVAC Performance Alliance that will be initially chartered and funded by the IOUs. The Western HVAC Performance Alliance is necessary to keep the industry engaged in the Strategic Plan process and to provide guidance and support for the implementation of the various tactics required to transform the industry. Mindful that HVAC industry organizations are not traditionally structured or staffed, and have not traditionally allocated enough resources to achieve the level of involvement envisioned by the Strategic Plan, the HVAC Convener's Report concluded that: *"The agencies and utilities should work together to ensure the working group is adequately funded to meet its responsibilities."*⁴²

It is envisioned that this Western HVAC Performance Alliance will involve high-level HVAC industry stakeholders, such as manufacturers, distributors, contractors, associations, organized labor and influential end-user customers—to coordinate industry sponsorship of and participation in HVAC strategies. Membership should also include

⁴² HVAC Convener's Report, Appendix B.5, Pg 10.

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other key players, including the CPUC, the California Energy Commission (CEC), utilities, building owners/managers, university researchers, consumers, and the Federal Government. The Western HVAC Performance Alliance will be charged with establishing and prioritizing a substantial IOU-funded response (recognizing the roles of other appropriate organizations including CEC, the publicly-owned utilities, and local governments) to the activities described in the suite of IOU-proposed HVAC Programs — both utility administered programs and third-party administered programs which focus on HVAC efficiency — resulting in a structured roadmap with specific actions, schedules, and the technical and financial resources identified to initiate near-term, mid-term and long-term issue resolution.

The Western HVAC Performance Alliance will provide the necessary guidance to both California and the western U.S. so that the many issues required to transform the industry can be prioritized and facilitated by the IOUs and the WCEC (as described in the HVAC Technologies and System Diagnostics Advocacy sub-program).

Some of the actions of the Western HVAC Performance Alliance may include:

- Recommending guidelines that would make it possible for IOUs to directly contract with existing HVAC industry institutions (e.g., associations, societies, conference hosts, and the trade press) through a rigorous Request For Quotation (RFQ) or similar processes to implement specific aspects of IOU-administered energy efficiency programs.
- Making recommendations for standards and qualification guidelines for trainers and educators who receive funding from the IOUs.
- Update the “HVAC Action Plan” that prioritizes specific actions required to address the Strategic Plan.
- Formally reaching out to utilities in neighboring states, including Arizona, Colorado, Nevada, New Mexico, and Utah, and energy organizations in the Pacific Northwest, to involve them in the overall planning and implementation processes.
- Identifying for inclusion in the HVAC Action Plan other HVAC technical work underway through the existing IOU programs, CEC/EPIC-BERG, LBNL, HVAC industry vendors, and others inside and outside California. Much of this work is continuing in a fragmented way. A cohesive planned and prioritized framework and action is needed.
- Channeling appropriate HVAC work through the existing IOU program framework, on a fully-planned basis, not on an *ad hoc* basis.
- Integrating all efforts as appropriate with the current and out year work plans of the WCEC.
- Integrating the suite of demand response/demand side management (DR/DSM) options that are already considered in utility DR/DSM programs as well as additional solutions that are emerging for residential and small commercial markets.
- Create a sustainable governance of the Western HVAC Performance Alliance to assist in meeting the deliverables of the CLTEESP and HVAC Action Plan.

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5) Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Information

Program Performance Metrics (PPMs)

The IOUs have evaluated 2010-2012 PPMs in Resolution E-4385 for applicability to the 2013-2014 program cycle and propose to work collaboratively with Energy Division to develop revised program targets and PPMs as appropriate for the 2013-2014 program cycle. The IOUs' will propose revisions in an advice letter, per additional guidance from Energy Division.

Table 3.1: Short-Term PPMs

On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. The Commission gave each PPM a metric type which indicated the reporting frequency: Metric type 2a indicates that the IOUs should report on the metric on an annual basis (unless indicated otherwise). Metric type 2b indicates the IOUs should report on the metric at the end of the program cycle.

Below are the approved PPMs and metric types for the Quality Maintenance Program (Resolution E-4385, Appendix A, pp 35-36):

Program	Metric	Metric Type
<i>Residential Quality Maintenance</i>	1. Measured progress towards specific milestones provided in the project GANTT chart indicating the development/finalization of this IOU program based on Quality Maintenance standards.	2a

Residential HVAC Quality Installation Development

<i>Residential Energy Star Quality Installation</i>	1. Percentage of HVAC contracting companies that are participating in statewide residential QI program as a share of the targeted market** **"Target market" defined as C20 licensed HVAC contracting companies in CA.	2a
	2. Average percentage of "certified" HVAC technicians within each contracting company that participates in the residential QI program.	2b

b) Market Transformation Information

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Per Resolution E-4385, a subset of market transformation indicators (MTIs) for statewide energy efficiency programs and subprograms were presented at a public workshop on November 7, 2011, to allow for public comments and discussion before being finalized. Per guidance from Energy Division received in December 2012, the approved Market Transformation Indicators for 2013-2014 are filed as a Joint IOU matrix, included as Appendix F.

Market Transformation metrics should neither be used for short-term analyses nor for specific program analyses; rather, should focus on broad market segments. Market transformation is embraced as an ideal end state resulting from the collective efforts of the energy efficiency field, but differing understandings of both the MT process and the successful end state have not yet converged. The CPUC defines the end state of MT as “Long-lasting sustainable changes in the structure or functioning of a market achieved by reducing barriers to the adoption of energy efficiency measures to the point where further publicly-funded intervention is no longer appropriate in that specific market.”⁴³ The Strategic Plan recognizes that process of transformation is harder to define than its end state, and that new programs are needed to support the continuous transformation of markets around successive generations of new technologies⁴⁴.

Market transformation programs differ from resource acquisition programs on 1) objectives, 2) geographical and 3) temporal dimensions, 4) baselines, 5) performance metrics, 6) program delivery mechanisms, 7) target populations, 8) attribution of causal relationships, and 9) market structures⁴⁵. Markets are social institutions⁴⁶, and transformation requires the coordinated effort of many stakeholders at the national level, directed to not immediate energy savings but rather to intermediary steps such as changing behavior, attitudes, and market supply chains⁴⁷ as well as changes to codes and standards. Resource acquisition programs rely upon the use of financial incentives, but concerns have been raised that these incentives distort true market price signals and may directly counter market transformation progress⁴⁸. According to York⁴⁹, “Market transformation is not likely to be achieved without significant, permanent increases in energy prices. From an economic perspective, there are 3

⁴³ California Public Utilities Commission Decision, D.98-04-063, Appendix A.

⁴⁴ California Public Utilities Commission (2008) *California Long Term Energy Efficiency Strategic Plan*, p. 5. Available at <http://www.californiaenergyefficiency.com/docs/EEStrategicPlan.pdf>

⁴⁵ Pelozo, J., and York, D. (1999). “Market Transformation: A Guide for Program Developers.” Energy Center of Wisconsin. Available at: <http://www.ecw.org/ecwresults/189-1.pdf>

⁴⁶ Blumstein, C., Goldstone, S., & Lutzenhiser, L. (2001) “From technology transfer to market transformation”. Proceedings of the European Council for an Energy Efficient Economy Summer Study. Available at http://www.eceee.org/conference_proceedings/eceee/2001/Panel_2/p2_7/Paper/

⁴⁷ Sebold, F. D., Fields, A., Skumatz, L., Feldman, S., Goldberg, M., Keating, K., Peters, J. (2001) *A Framework for Planning and Assessing Publicly Funded Energy Efficiency*. p. 6-4. Available at www.calmac.org.

⁴⁸ Gibbs, M., and Townsend, J. (2000). The Role of Rebates in Market Transformation: Friend or Foe. In *Proceedings from 2000 Summer Study on Energy Efficiency in Buildings*.

⁴⁹ York, D., (1999). “A Discussion and Critique of Market Transformation”, Energy Center of Wisconsin. Available at <http://www.ecw.org/ecwresults/186-1.pdf>.

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ways to achieve market transformation: (1) fundamental changes in behavior, (2) provide proper price signals, and (3) permanent subsidy.”

The question of what constitutes successful transformation is controversial because of a Catch-22: Market transformation is deemed successful when the changed market is self-sustaining, but that determination cannot be made until after program interventions are ended. Often, however, the need for immediate energy and demand savings or immediate carbon-emissions reductions will mean that program interventions may need to continue, which would interfere with the evaluation of whether MT is self-sustaining. Market transformation success has also been defined in terms of higher sales of efficient measures than would have otherwise occurred against a baseline absent of program interventions. The real world, however, provides no such control condition. Evaluators must estimate these baselines from quantitative factors such as past market sales that may be sparse and/or inaccurate - particularly for new products. Evaluations must also defer to expert judgments on what these baselines may have been as well as on the degree of successful market transformation⁵⁰. Due to the subjective nature of these judgments, it is imperative that baselines as well as milestone MT targets be determined and agreed upon through collaborative discussion by all stakeholders, and these targets may need periodic revision as deemed necessary by changing context.

Market transformation draws heavily upon diffusion of innovation theory⁵¹, with the state of a market usually characterized by adoption rate plotted against time on the well-known S-shaped diffusion curve. In practice, however, the diffusion curve of products may span decades⁵². Market share tracking studies conducted 3, 5 or even 10 years after the start of an MT program may reveal only small market transformation effects⁵³. The ability to make causal connections between these market transformation effects and any particular program’s activities fades with time, as markets continually change and other influences come into play.

These challenges mentioned above are in reference to programs that were specifically designed to achieve market transformation; and these challenges are only compounded for programs that were primarily designed to achieve energy and demand savings. However, since the inception of market transformation programs almost two decades ago, many lessons have been learned about what the characteristics of successful MT programs are. First and foremost, they need to be designed specifically to address market transformation. “The main reason that (most) programs do not accomplish lasting market effects is because they are not designed specifically to address this goal (often because of regulatory policy directions given to

⁵⁰ Nadel, S., Thorne, J., Sachs, H., Prindle, B., and Elliot, R.N. (2003). “Market Transformation: Substantial Progress from a Decade of Work.” American Council for an Energy-Efficient Economy, Report Number A036. Available at: <http://www.aceee.org/pubs/a036full.pdf>

⁵¹ Rogers (1995) Diffusion of Innovations, 5th Ed.

⁵² Example in bottom chart of this graphic from the New York Times: <http://www.nytimes.com/imagepages/2008/02/10/opinion/10op.graphic.ready.html>

⁵³ Sebold et al (2001) p. 6-5,

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program designers.)”⁵⁴ The Strategic Plan recognizes that regulatory policies are not yet in place to support the success of market transformation efforts⁵⁵, but also reflects the CPUC’s directive to design energy efficiency programs that can lay the groundwork for either market transformation success or for codes and standards changes.

Above all else, the hallmark of a successful market transformation program is in the coordination of efforts across many stakeholders. The most successful MT programs have involved multiple organizations, providing overlapping market interventions⁵⁶. The Strategic Plan calls for coordination and collaboration throughout, and in that spirit the utilities look forward to working with the CPUC and all stakeholders to help achieve market transformation while meeting all the immediate energy, demand, and environmental needs. Drawing upon lessons learned from past MT efforts, the Energy Center of Wisconsin’s guide for MT program developers⁵⁷ suggests that the first step is not to set end-point definitions, progress metrics or goals. Rather, the first steps include forming a collaborative of key participants. As the Strategic Plan suggests, these may include municipal utilities, local governments, industry and business leaders, and consumers. Then, with the collective expertise of the collaborative, we can define markets, characterize markets, measure baselines with better access to historical data, and define objectives, design strategies and tactics, implement and then evaluate programs. The collaborative will also provide insights that will set our collective expectations for the size of market effects we can expect, relative to the amount of resources we can devote to MT. No one organization in the collaborative will have all the requisite information and expertise for this huge effort. This truly needs to be a collaborative approach from the start.

Historically, the nonresidential retrofit programs have had very low uptake rates on high-efficiency HVAC systems. Consequently, a first step towards market transformation is to do what it takes to achieve a high level of program participation, thereby increasing market share of high-efficiency equipment sales and quality installations. An initial increase in market share allows for increased levels of customer, installer, and distributor/manufacturer knowledge and interest in these systems, which should make further increases easier. In addition, tracking the ratio of certified HVAC technicians in the field, over time, can provide a gauge of the likelihood for quality installations and maintenance.

c) Program Design to Overcome Barriers

⁵⁴ Peters, J.S., Mast, B., Ignelzi, P., Megdal, L.M. (1998). *Market Effects Summary Study Final Report: Volume 1.* Available at <http://calmac.org/publications/19981215CAD0001ME.PDF>.

⁵⁵ CPUC (2008) Strategic Plan, p. 5.

⁵⁶ Nadel, Thorne, Saches, Prindle & Elliot (2003).

⁵⁷ Pelosa & York, (1999).

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Residential HVAC Quality Maintenance and Residential HVAC Quality Installation Development

The program addresses the following barriers:

Recent data available from AHRI indicates that as a result of the 2006 increase in federal residential equipment efficiency standards, which increased equipment costs significantly, unitary equipment sales have dropped while repairs to existing systems (low efficiency compressor replacement) have increased nationwide by more than 25 percent and window unit sales have increased by a similar amount. A similar trend occurred in 2002 when ENERGY STAR® increased its qualifying efficiency level to Seasonal Energy Efficiency Rating (SEER) 13. Prior to the change, ENERGY STAR® Central Air Conditioner (CAC) sales had an average market share of 33 percent⁵⁸. After the change, the average market share of ENERGY STAR® units fell to 7 percent. Additionally, recent studies indicate that 30 to 50 percent of existing systems have not been installed properly. Further, Title 24 compliance rates for replacement systems are approximately 10 percent⁵⁹. The net effect of this market failure is a 20 to 30 percent increase in space energy use⁶⁰.

- **Lack of awareness:** By demonstrating the energy efficiency benefits of QI/QM, the benefits of QI/QM will be better understood by program participants. It is our goal to discover the evidence, and expected return on investment, that customers will require to authorize payment for these measures (and those premium measures that prove to outperform the QI/QM ANSI standards) when subsidies are removed.
- **Performance uncertainties:** Much research has been conducted on the energy savings achievable through HVAC system maintenance measures such as RCA and Duct Sealing, but despite all this research many performance uncertainties still exist. The implementation of this program with an increasing set of customers and the corresponding EM&V efforts shall be coordinated through the HVAC EM&V Project Coordination Group (PCG).
- **Asymmetric Information:** Delivering QI/QM training opportunities through existing industry channels (e.g., distributors, trade associations) will provide a higher level of credibility for QI/QM training rather than offering exclusively through IOUs.
- **Bounded rationality:** It is logical to assume that the HVAC industry would want to deliver quality service; however, market dynamics have not supported such logic as the industry has largely become commoditized and low price/low quality typically wins out. The program supports HVAC

⁵⁸ Itron, "California Residential Efficiency Market Share Tracking," 2006, pp.3-6.

⁵⁹ Quantec LLC, "Statewide Codes and Standards Market Adoption and Noncompliance Rates," pp. 4

⁶⁰ Strategic Plan, Appendix A, HVAC Convener Report, pp. 38-39

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contractors that perform quality work. This helps to build momentum towards market transformation.

- **Hidden costs:** By promoting the concepts and value of quality maintenance at the time of system installation, the customer is assured that the energy efficiency performance benefits of their new system will continue throughout the life of their system.
- **Organizational customs:** The HVAC industry has largely become commoditized into an industry driven by low costs and quality, where quality is assumed but not understood or valued by the customer. This is a result, in part, by contractors having minimal success in communicating the value of QI/QM to consumers and consumers not understanding the linkages between comfort and energy use. The HVAC QI/QM Program demonstrates the value proposition of a high quality contracting business and educating consumers on the energy benefits of QI/QM.
- **Product cost:** Substantial incentives for equipment and QI will offset a substantial percentage of product costs. Customers will be encouraged to participate in the program and use one of the qualified program contractors to install their new HVAC system.
- **Lack of awareness:** Focused marketing and training on QI and code compliance for consumers, contractors, and building inspectors⁶¹ will ensure that the importance of complying with Title 24 will be better understood by program participants. Additionally, requiring demonstrated code compliance (e.g., CF-6R) in order to qualify for program rebates will further reinforce the importance of permitted installations.
- **Information or search costs:** Active support of qualified program contractors and listing them on IOU websites will increase consumer confidence in having a reliable source of quality contractors. Moreover, satisfied customers will recommend these contractors to friends and neighbors and thus create additional momentum for using contractors with a reputation for high-quality work.
- **Transaction costs:** Potential for streamlined incentive application processes that require the same information required for Title 24 compliance (e.g., CF-6R) will reduce the difficulty of participating in the program and complying with permit requirements. Furthermore, the high incentive levels offered by the program will reduce the likelihood that customers will choose not to participate in the QI activity.

⁶¹ See the HVAC WE&T Sub-program PIP, below, for more information.

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- Hidden costs: Promoting the concepts of QI at the time of system installation will increase the likelihood that customers will understand the energy efficiency performance benefits resulting from maintenance, and will continue such periodic maintenance over the life of their system.

Additionally, several other issues could potentially influence sub-program design, including:

- Other organizations have established processes and procedures for QI. These processes should be evaluated to determine how well they perform in comparison to minimum QI standards.
- Lack of industry consensus on QI standards and technical protocols
- Overcoming market barriers to exceeding Title 24 Standards
- Cost-effective constraints arising from limited savings for QI measures exceeding Title 24.
- Forging sustainable HVAC industry and market actor support.
- Addressing challenges in standard applicability across a range of commercial building types and HVAC systems.
- True energy savings measurement procedures.

d) Quantitative Program Targets

As a single fuel utility, SCG’s Residential HVAC Program will attempt to achieve the following program targets working in conjunction with other IOUs. An attempt to achieve savings with natural gas only units has proved to be challenging; however, upon further evaluation SCG is open to reevaluating the Quantitative Program Targets . Once measures with quantifiable savings are established, SCG will make every effort to achieve the following forecasted targets:

Table 4

SoCalGas Quantitative Program Targets	Program Target for 2013	Program Target for 2014
Residential Quality Installation (QI)		
Participating Contractors (cumulative total)	3	3
Residential HVAC Systems Replaced/Installed	60	60
Residential Quality Maintenance		
Participating Contractors (cumulative total)	3	3
Residential HVAC Systems Serviced	15	25
QM-Standard Service Agreements Signed	5	8

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e) Advancing Strategic Plan goals and objectives

The Residential HVAC Quality Maintenance and Residential HVAC Quality Installation Development program helps to achieve the following near-term strategic goals as identified in Chapter 6 of the Strategic Plan:

- 2-1: Create a Statewide QI/QM Brand – In addition to promoting the industry standards for QI and QM, leveraging the program statewide Energy Upgrade California (EUC) brand for all IDSM efforts is a cost effective approach to branding QI/QM. In order to help residential consumers more clearly recognize contractors and technicians who can truly deliver QI/QM, the program also aggressively helps the HVAC industry to more firmly establish the higher value/consumer benefit of its own industry standards and credentials. This program is based on and promotes the use of ACCA Standard 4 for Quality Maintenance and examples of consensus HVAC credentials are the Industry Competency Exam (ICE), technician certification by North American Technician Excellence (NATE), a variety of union “Journeyman” designations, TABB, NEBB, AABC, NBC and STAR® certifications.
- 2-2: Launch Statewide Brand – The Energy Upgrade California IDSM umbrella brand will be expanded via the statewide ME&O program efforts and the Residential HVAC QM program will make corresponding adjustments accordingly to leverage that brand within a reasonable time during 2013-14. This branding activity will help participating contractors to promote the QI/QM effort. The program will continue to communicate information about the QI/QM branding effort to contractors, technicians and other HVAC industry stakeholders via such means as inserts in trade journals such as Indoor Comfort News, The ACHR News, and Contracting Business.
- 2-3: Provide expanded QI/QM training – The program continues to ensure that HVAC service technicians of participating contractors are fully trained on the delivery of the measures promoted by the Program. Furthermore, feedback mechanisms will be utilized to continually evaluate technician performance to ensure that they are applying the information they are being taught in the QI/QM training. As part of the program’s market transformation efforts and to ensure quality services are provided to customers, the program will continue to work with the HVAC industry to reduce (and wherever possible eliminate) the direct costs of this transformative training to technicians and contractors willing and able to apply their skills and new tools to delivering industry standard and energy saving Quality Maintenance services.
- 2-4: Implement contractor accreditation program – Additional consideration will be made for program efforts to promote NATE and any other

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certifications that the consensus of the HVAC industry determines to be appropriate.

- 3-3: Accelerate whole-building educational opportunities - Create pathways for HVAC contractors to evolve into whole building contractors by partnering with private and public community colleges and/or universities to develop the appropriate curriculum on whole building design practices.
- 4-1: Pursue regional climate-optimized equipment standards - IOU staff, in close consultation with WCEC/CEC and other appropriate parties, will continue to stay attentive to and engaged in the federal proceeding as it continues into 2011
- 4-3: Accelerate market penetration of advanced technologies - Partnering with manufacturers through activities such as the WCEC's Western Cooling Challenge will increase their dedication to developing climate-appropriate equipment that delivers energy savings and peak load reduction.
- 4-4: Adopt a progressive set of building codes that support peak-efficient equipment - Through the efforts proposed by the Statewide Codes and Standards Program, the IOUs will continue to work with the CEC to advance current building codes.
- 4-5: Develop standards for on-board diagnostic functionality – In coordination with HVAC efforts within the Emerging Technologies program, the program leverages the use of hand held and other types of systems in the field to assist in determining viable protocols for residential applications.
- 4-6: Prioritize in-field diagnostic approaches – Through coordination with the Emerging Technologies program, the program leverages the use of hand held and other types of systems in the field to assist in determining viable protocols for residential applications and contributes information to the HVAC industry that is expected to be helpful in targeting future efforts based on quantifiable energy efficiency benefits.

6) Program Implementation

a) Statewide IOU Coordination

The IOUs will jointly participate in California's residential HVAC efforts to achieve real-market transformation. In order to accomplish this task, the IOUs will use the principles of adaptive management and follow a structured process to continuously update and enhance the program throughout the 2013-2014 Transition Period. The process will continue as follows:

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IOU Program Lead – The process for adaptive management will begin with each IOU designating an HVAC Program Lead. The lead will be the conduit through which information between IOUs will flow and will investigate new innovations, special accomplishments and challenges faced by sub-program managers and the managers of cross-cutting Statewide programs within their own IOU. Where such innovations or challenges intersect HVAC and show potential for improving the HVAC program, the Program Lead will present such information to a quarterly HVAC Program Management Team meeting.

Hold Quarterly HVAC Program Management Team Meetings – At this quarterly meeting, individual innovations and accomplishments experienced in one IOU will be transmitted to all IOUs. The HVAC Program Management Team will evaluate the innovations and accomplishments of the individual IOUs, hear ideas for course corrections and overcoming challenges, measure the HVAC program’s progress against Statewide metrics and goals, and prepare summations for presentation to the Western HVAC Performance Alliance at its semi-annual meeting.

Adopt Program Enhancements – Once the HVAC Program Management Team agrees that a particular idea or innovation has merit on a Statewide-level, each IOU Program Lead will distribute the information to their sub-program managers for adoption and integration as appropriate. In some cases, it may be necessary to invite the sub-program managers to the HVAC Program Management Team to get their feedback and ensure they receive the same message.

Evaluate Program Enhancements Against Statewide Targets – To complete the adaptive management loop, the HVAC Program Management Team will track the program’s accomplishment of Statewide targets and goals to ensure that adopted program enhancements are generating their intended results. The HVAC Program Management Team will determine whether future course corrections are needed, and if so, will activate a fresh start of the adaptive management cycle to generate the improvements necessary to stay on track.

All California IOUs continue to work together and jointly with the HVAC industry to lead efforts to implement and explore design enhancements for a viable residential HVAC program. Specific areas of coordination include:

- **Program delivery mechanisms**
Residential Quality Maintenance
The program is delivered to customers via qualified participating contractors. Training of participating contractors and management of the program includes a combination of third-party implementers and internal administrative staff. This follows the adaptive management process. The program is targeted to consumers and contractors to create a push/pull dynamic that influences the achievement over time of sustained market transformation.

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Residential Quality Installation Development

The IOUs will jointly coordinate and work with industry groups to prepare a design for a statewide-consistent program design that is cost effective and meets California's market transformation objectives.

After the new program design is launched, the IOUs will manage the program through a combination of third-party programs and internal administrative staff, and will follow the adaptive management process. The program will be targeted to consumers and contractors to create a push/pull dynamic that influences sustained market changes.

Western HVAC Performance Alliance

The IOUs will deliver the program through a combination of third-party vendors and internal administrative staff. The program will be delivered in collaboration with existing industry infrastructures in order to increase its overall effectiveness. Program guidance will be provided to the CPUC/IOUs through the Western HVAC Performance Alliance as described above.

- **Incentive levels**
See Section 4.a above.

- **Marketing and outreach plans**
Residential Quality Maintenance

Program marketing includes common outreach materials shall be developed by the IOU's in partnership with HVAC industry, including feedback from HVAC contractors. This QI/QM branding shall be under the statewide Energy Upgrade California brand efforts after the expansion of that brand. The program will continue to work with industry and participating contractors for additional methods to promote the program and the value of QI. If warranted by such feedback, the program may explore providing additional point-of-purchase information on QI that would be made available for equipment dealer locations and building departments (where residential customers may be receptive to "neutral" public service messages).

Residential Quality Installation Development

Common outreach materials will only be available to participating contractors. Additional point-of-sale information on QI will be made available for equipment dealer locations and building departments.

Western HVAC Performance Alliance

Specific outreach efforts are currently being facilitated to the industry to keep it engaged in the Strategic Plan process (both updates to and implementation of). On a macro level, this outreach is occurring through

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the Western HVAC Performance Alliance and any subcommittees established by this group. On a micro level, each sub-program has specific tactics in place to engage the industry in its own particular demand reduction, energy savings and market transformation objectives.

Utilities will conduct integrated as well as program-specific marketing and outreach which will be coordinated with the statewide marketing and outreach program. The utilities may use a range of tactics such as; e-mails, flyers, on-Line marketing, direct mail, bill messaging, social media, local events, ethnic media, and other channels that suit the target audience, the message, and the resources.

- **IOU program interactions**

- **Residential Quality Maintenance**

- One of the strategies outlined in the Strategic Plan HVAC chapter is to create a better linkage between the CEC's Title 24 compliance efforts with the IOUs energy efficiency programs. Previous efforts have been managed with different yet consistent purposes. The IOU's will continue the market transformation goals of the Strategic Plan; the IOUs will support CEC and CPUC efforts to develop one common effort.

- **Residential Quality Installation Development**

- In order to support the need for increased code compliance, the program will cooperate with CEC training and enforcement activities targeted at local building departments. Such activities will also be used to promote the economic and performance benefits of QI/QM. The program will also coordinate its activities with IOU local government partnerships and third-party programs, to ensure that code compliance could become integrated into these programs.

- **Western HVAC Performance Alliance**

- One of the strategies outlined in the Strategic Plan HVAC chapter is to create a better linkage between the CEC's Title 24 compliance efforts with the IOU energy efficiency programs. Previous efforts have been managed with different, yet consistent purposes. In order to achieve the market transformation goals of the Strategic Plan, the IOUs will support CEC and CPUC attempts to develop one common effort. Interaction with other IOU programs will be coordinated through the adaptive management process described above. Within this process, a Joint HVAC/Emerging Technologies/Codes and Standards Program Management Team ("Joint Program Management Team") will be established to ensure that the individual program efforts are aligned and progressing towards the same near and long-term goals.

- **Similar IOU and POU programs**

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Residential Quality Maintenance

As a result of increased federal equipment efficiency standards, many utilities across the country have begun to offer service-based programs that independently offer measures such as RCA and Duct Sealing. It is expected that the HVAC QM Program could stimulate a paradigm shift through its delivery of a comprehensive suite of maintenance services that comply with or exceed ACCA industry standards (premium maintenance) designed to address the full range of efficiency measures available for residential HVAC systems.

Residential Quality Installation Development

The ENERGY STAR Residential QI program was introduced in early 2008. Several utilities, including Oncor, National Grid, Nstar, and Puget Sound Energy, are either offering or planning to offer this program. Both PG&E and SCE piloted the program in 2006 and 2007 respectively, and the program continued in SCE's territory from 2009 to 2012. SDG&E launched the program in 2010. Such program design, however, was found to be non cost ineffective, prompting a need to arrive at a new program design that can be cost effective and meet market transformation objectives at the same time. In order to promote the holistic approach proposed herein, the California IOUs propose to initiate a Statewide IOU/POU coordinating group — perhaps under the auspices of CEE or some other umbrella organization — to discuss and implement HVAC program best practices that advance the goals of the Strategic Plan throughout California.

Western HVAC Performance Alliance

POUs manage many different types of HVAC programs. However, none of them seeks to accomplish the aggressive market transformation goals being proposed by the IOUs. During the 2010-2012 program cycle, the IOUs will seek to increase their interactions with the POUs to better align IOU and POU HVAC programs. This involved the creation of periodic Western HVAC Performance Alliance activities with POUs to increase awareness of the Strategic Plan and how programs could and should be designed to help meet its aggressive targets.

b) Program delivery and coordination

The program will be coordinated with the following activities:

- **Emerging Technologies program**

Residential Quality Maintenance

The Residential HVAC QM Program is expected to interact with the ET Program to ensure the proper focus on remote and on-board diagnostic

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equipment. Coordination activities will be realized through the Program ongoing statewide coordination among programs and across IOUs.

Residential Quality Installation Development

N/A (this program does not seek to influence emerging technologies).

Western HVAC Performance Alliance

The program is expected to interact with the Emerging Technologies Program to ensure the proper focus on remote and on-board diagnostic equipment. Coordination of HVAC, Codes and Standards and Emerging Technologies activities will be realized through an inter-utility program management team (consisting of the appropriate program managers from the four IOUs) that meets on a quarterly basis to discuss program integration and implementation issues.

- **Codes and Standards program**

Residential Quality Maintenance

This service-based program is not much affected or regulated by building codes, except in the possible case of a participating contractor installs 40 or more feet of new ducting as part of the Advanced Air Flow Correction measure. Program to help support proper permit compliance, the program requires the reporting of any applicable permit number in such cases or any other case that may require a permit as a result of work performed through the program. Additionally, to further support proper compliance with all permitting and licensing requirements, the program requires that both the customer and the contractor certify that all permitting and licensing requirements were followed before any program incentives would be paid.

Residential Quality Installation Development

Efforts will be coordinated to ensure that a consistent message is delivered regarding code compliance and QI. Codes and Standards, via compliance improvement sub program, will take the lead on compliance items, while the Residential Quality Installation Development will take the lead on QI efforts but will leverage similar delivery channels to increase effectiveness. Additionally, coordination activities will be realized through the Joint IOU Program Management Team.

Western HVAC Performance Alliance

The responsibility for HVAC codes and standards issues has been given to the Statewide Codes and Standards Program. This will ensure that the code-based solutions are consistent with that program's other activities. Section 6 of the Codes and Standards PIP describes the specific actions that the program will employ to address HVAC. HVAC, Codes and

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Standards, and Emerging Technologies activities will be coordinated through the Joint Program Management Team.

- **WE&T efforts**

Residential Quality Maintenance

Participating contractors are required to attend program-specific QM training in order to participate in the program.

Residential Quality Installation Development

Participating contractors are required to attend program-specific QI training in order to participate in the program.

Western HVAC Performance Alliance

WE&T needs for the HVAC industry are unique to the industry. Therefore, the IOUs have decided to place the responsibility of managing the effort under the Statewide IOU WE&T Program umbrella. However, the HVAC WE&T activity is coordinated with the Statewide activity to ensure that the individual efforts are complementary (e.g., HVAC training information is integrated in the WE&T web portal).

- **Program-specific marketing and outreach efforts**

Residential Quality Maintenance and Residential Quality Installation Development

Utility-branded marketing support for participating contractors is provided to advance statewide QM efforts. Such support may include exclusive promotion on IOU websites, brochures and other leave-behind materials that contractors can use to promote QM and their involvement with the program. As mentioned above, the program will continue to work with industry and participating contractors for additional methods to promote the program and the value of QM, and if warranted by such feedback, the program may explore providing additional general promotional materials such as point-of-purchase displays for equipment dealers. Additional supporting outreach will include QM and QI content on IOU websites and the statewide ME&O program, which will build general awareness and educate customers about energy management and provide a touch point for local marketing efforts related to QM and QI. (Specific IOU budget information for program-specific marketing activity is provided in Table 1).

Targeted campaigns use segmentation analyses, self-selection activities, and event-based knowledge of customer actions to provide residential customers and small businesses with integrated and program-specific solutions that are relevant to their needs. Additionally, program-specific

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marketing and outreach activities are necessary to drive participation and attain program goals.

Western HVAC Performance Alliance

Such support may include exclusive promotion on IOU websites, brochures, and other leave-behind materials that contractors can use to promote QI/QM and their involvement with the program. Additional general promotional materials such as point-of-sale displays for equipment dealers will also be developed. (Specific IOU budget information for this marketing activity is provided in Table 1, above.)

- **Non-energy activities of program**

Residential Quality Maintenance

The direct energy benefits of the program result from the quality maintenance of HVAC systems. Other activities will be required to support these energy savings goals, as well as the program's market transformation goals. These activities include significant efforts in program design, systems development, contractor training and consumer marketing. Additionally, some incentive measures within the program, such as the QM-standard Basic Assessment and QM-standard optional Preventive Maintenance Service Agreement, have been specifically designed to support market transformation. Finally, by implementing combustion appliance safety evaluation and testing, the program improves customer health and safety.

Residential Quality Installation Development

The direct energy benefits of the program result from the quality installation of central air conditioning systems. Other activities will be required to support these energy savings goals. These activities include significant efforts in contractor training and consumer marketing.

Western HVAC Performance Alliance

The direct energy benefits of the program result from the quality installation and maintenance of HVAC systems. Other activities will be required to support these energy savings goals. These activities include significant efforts in program design and coordination, technology evaluation and integration, contractor training and consumer marketing.

- **Non-IOU Programs**

Residential Quality Maintenance

The program interacts with the HVAC industry to continue to develop and introduce increasingly stronger QM standards that ensure systems are operating in their most efficient state.

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Residential Quality Installation Development

Collaboration with local programs will synergize the program delivery.

Western HVAC Performance Alliance

The program will remain engaged with CEC, the California Air Resources Board (CARB), DOE, and other government agencies responsible for regulating various aspects of HVAC equipment, HVAC industry-driven initiatives such as NATE and the HVACR & Plumbing Instructors Workshop, and private/public partnerships such as Skills U.S.A.

- **CEC work on EPIC**

Residential Quality Maintenance

The program continues to coordinate with the ET Program to ensure the proper focus on remote and on-board diagnostic equipment program

Residential Quality Installation Development

N/A (this program does not seek to influence emerging technologies.)

Western HVAC Performance Alliance

The program will interact with the Emerging Technologies Program to ensure the proper focus on remote and on-board diagnostic equipment. Such efforts are already underway with the EPIC Program. This activity will primarily be managed under the Technology and System Diagnostics Advocacy Program (see the sub-program PIP for more details).

- **CEC work on codes and standards**

Residential Quality Maintenance

The responsibility for HVAC codes and standards issues has been given to the Statewide Codes and Standards Program. This will ensure that the code-based solutions are consistent with that program's other activities. Section 6 of the Codes and Standards PIP describes the specific actions that the program will employ to address HVAC. HVAC, Codes and Standards, and Emerging Technologies activities will be coordinated through the Joint Program Management Team.

Residential Quality Installation Development

In a similar manner as with the Codes and Standards Program, the Residential QI Program will work in cooperation with CEC training and compliance efforts targeted at local building departments. The Codes and Standards Program will take the lead on this effort.⁶²

⁶² For additional information about Codes and Standards HVAC activities, see Section 6 of the Codes and Standards PIP.

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Western HVAC Performance Alliance

The responsibility for HVAC codes and standards issues has been given to the Statewide Codes and Standards Program. This will ensure that the code-based solutions are consistent with that program's other activities. Section 6 of the Codes and Standards PIP describes the specific actions that the program will employ to address HVAC. HVAC, Codes and Standards, and Emerging Technologies activities will be coordinated through the Joint Program Management Team.

- **Non-utility market initiatives**

Residential Quality Maintenance

The tenets of QM are being actively pursued by the HVAC industry itself. ACCA has taken the lead in this national effort by developing various ANSI recognized QM standards. These standards have been widely adopted throughout the industry (e.g., AHRI, ASHRAE, CEE, ENERGY STAR, Utilities). Other organizations have also developed processes designed to improve the operating efficiency of HVAC systems (e.g., NCI). The IOUs will remain engaged in these efforts and work to influence the development of increasingly higher standards.

Residential Quality Installation Development

The tenets of QI are being actively pursued through the HVAC industry. The Air Conditioning Contractors of America (ACCA) has taken the lead in this national effort by developing various ANSI recognized QI standards. These standards have been widely adopted throughout the industry (e.g., AHRI, ASHRAE, CEE, ENERGY STAR®, utilities, etc.) The IOUs will remain engaged in these efforts and work to influence the development of increasingly higher standards.

Western HVAC Performance Alliance

The tenets of QI/QM are being actively pursued by leaders in the HVAC industry itself. ACCA has taken the lead in this national effort by developing various ANSI-recognized QI/QM standards. These standards have been widely adopted throughout the industry (e.g., AHRI, ASHRAE, CEE, ENERGY STAR®, Utilities, etc.) Other organizations have also developed processes designed to improve the operating efficiency of HVAC systems (e.g., SMACNA, NCI). The IOUs will remain engaged in these efforts and work to influence the development of increasingly higher standards.

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a) Best Practices

As described in Section 5.a, the IOUs had been managing RCA and Duct Sealing programs for several years and have seen that the results they delivered were uncertain. This Program has created a new standard for HVAC service-based programs through offering a more comprehensive approach that delivers reliable energy savings. This program was developed with full industry involvement to ensure that it (1) is accepted by the industry, to ensure it meets its market transformation objectives program; (2) effectively trains service technicians to provide QM services; (3) provides the necessary quality control processes to ensure that the appropriate service measures are performed; (4) delivers reliable energy savings; and (5) demonstrates a clear value proposition for contractors and customers.

b) Innovation

The innovation of this program exists through the adoption of a comprehensive maintenance approach based on industry-accepted standards. Traditional utility programs have delivered individual service measures such as RCA and Duct Sealing. The delivery of these measures has generated questions about their energy savings. A more comprehensive maintenance effort through this Residential HVAC QM program delivers well-documented energy savings and sets the standard for HVAC efficiency programs. Furthermore, delivering this program through active partnership with the industry increases the likelihood of its success. Finally, innovation results through a continuous improvement process to evaluate the viability of offering additional incentives for services and other offerings that exceed established program standards (e.g., TABB, NEBB, and NCI).

c) Integrated/coordinated Demand Side Management

As with most HVAC oriented programs, the primary source of integration exists between energy efficiency and demand response activities. At a minimum, all marketing materials developed to support QM will cross promote DR to educate customers on the availability of IOU DR Programs. The required contractor training will be designed to include a discussion on DR programs and participating contractors will be required to deliver DR information as part of their customer sales efforts. The program will continue to explore closer linkages between EE and DR.

d) Integration across resource types

The program may support CARB's efforts to regulate GHGs by providing consumer information on the phase-out of existing refrigerants and the move to zero-ODP refrigerants with the customer's maintenance invoice. Such information would seek to influence the customer's adoption of newer equipment by explaining the likelihood of increased maintenance costs as existing refrigerants become less available.

e) Pilots

As with any good product/program design, pilots may be needed to test program enhancement concepts prior to full-scale launch of any enhancement. The HVAC QM

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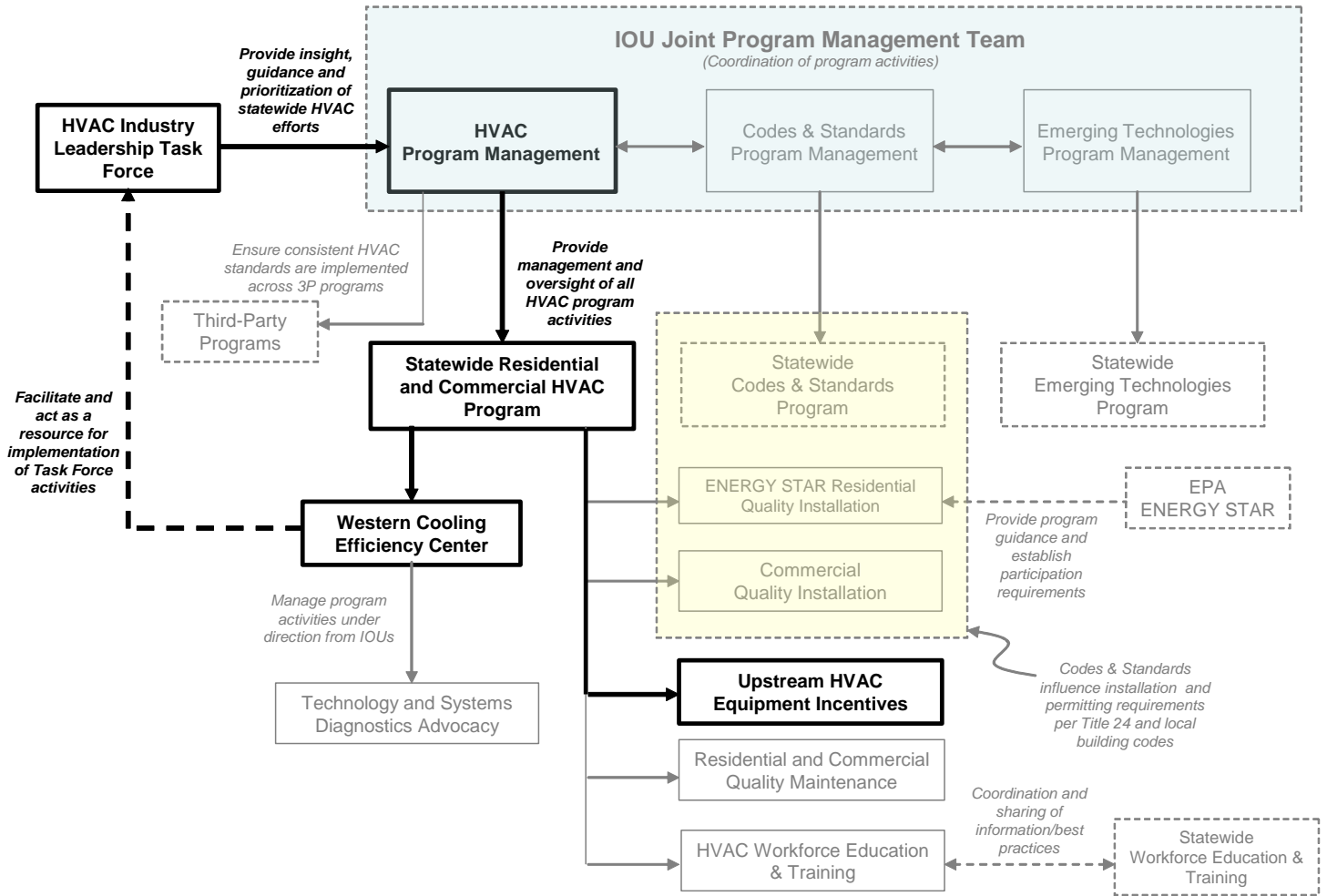
Program may utilize pilots to test the implementation of program concepts, processes and the integration of ever increasing QM standards.

f) **EM&V**

EM&V for the Residential HVAC program will be managed via the EM&V program. Appropriate EM&V activities and detailed plans will be conducted as coordinated by the HVAC EM&V Project Coordination Group (PCG) and overseen by the CPUC.

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7) Diagram of Program



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8) Program Logic Model

Note: On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas & Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. In addition, this Resolution approved updated logic models for the statewide programs.

Market Transformation Information

a. Summary of the market transformation objectives of the program:

The Residential HVAC Program is a Statewide program that will continue the transformation process of California's HVAC market to ensure that:

- HVAC technology, equipment, installation, and maintenance are of the highest quality;
- Quality installation and maintenance practices are easily recognized and requested by customers;
- The HVAC value chain is educated and understands their involvement with energy efficiency and peak load reduction; and
- The above changes lead to sustained profitability for HVAC trade allies as the business model for installing and maintaining heating and cooling systems changes from a commodity-based to a value-added service business.

Description of the market, including identification of the relevant market actors and the relationships among them:

The Residential HVAC market for maintenance and installation is largely a market designed to offer these services at the lowest price to meet acute needs, rather than one with product differentiation by quality that is designed to meet the long-term needs of customers in terms of thermal comfort, indoor air quality, and thermal comfort.

The primary market actors are contractors, technicians, and property owners/managers. Contractors manage the firms that provide installation and maintenance. They set the direction for their firms in terms of what services to provide, how to provide them, and how to price them. Technicians actually provide those services. Thus the successful provision of the services depends on the technicians' skill levels as well as how they respond to the constraints imposed on them by contractors. Property owners and managers constitute the demand side of the market. They request and pay for the services provided by the contractors' firms. Renters do not tend to participate in this market.

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b. Market characterization and assessment of the relationships/dynamics among market actors, including identification of the key barriers and opportunities to advance demand side management technologies and strategies:

Property owners and managers often lack important information about the cost and value implications of their HVAC decisions, as well about the quality of the work that contractors' firms can perform. That is, there are not clear indicators of quality by which consumers can judge providers, and consumers do not have a well-defined set of goals by which to evaluate the quality of work after the fact. This facilitates a commoditization of HVAC services whereby firms compete based on price and not on quality, which can lead to a "race to the bottom" mentality in certain segments of the market. This lack of information is exacerbated by the highly technical nature of HVAC maintenance and installation that can confound the efforts of contractors and technicians who are attempting to do high quality work, leading to sub-optimal HVAC system performance in terms of thermal comfort, indoor air quality, and energy efficiency.

These barriers provide an important opportunity for energy efficiency programs to intervene in the market in a number of ways to facilitate high-quality work. The first is providing a definition of quality through the promotion of standards for installation and maintenance. Second is facilitating a business relationship between contractors and customers to promote high quality, and not just low price. Third, the program can build the skills of technicians who perform maintenance and installation so they are able to implement those services at a high level of quality.

c. Description of the proposed intervention(s) and its/their intended results, including which barriers the intervention is intended to address:

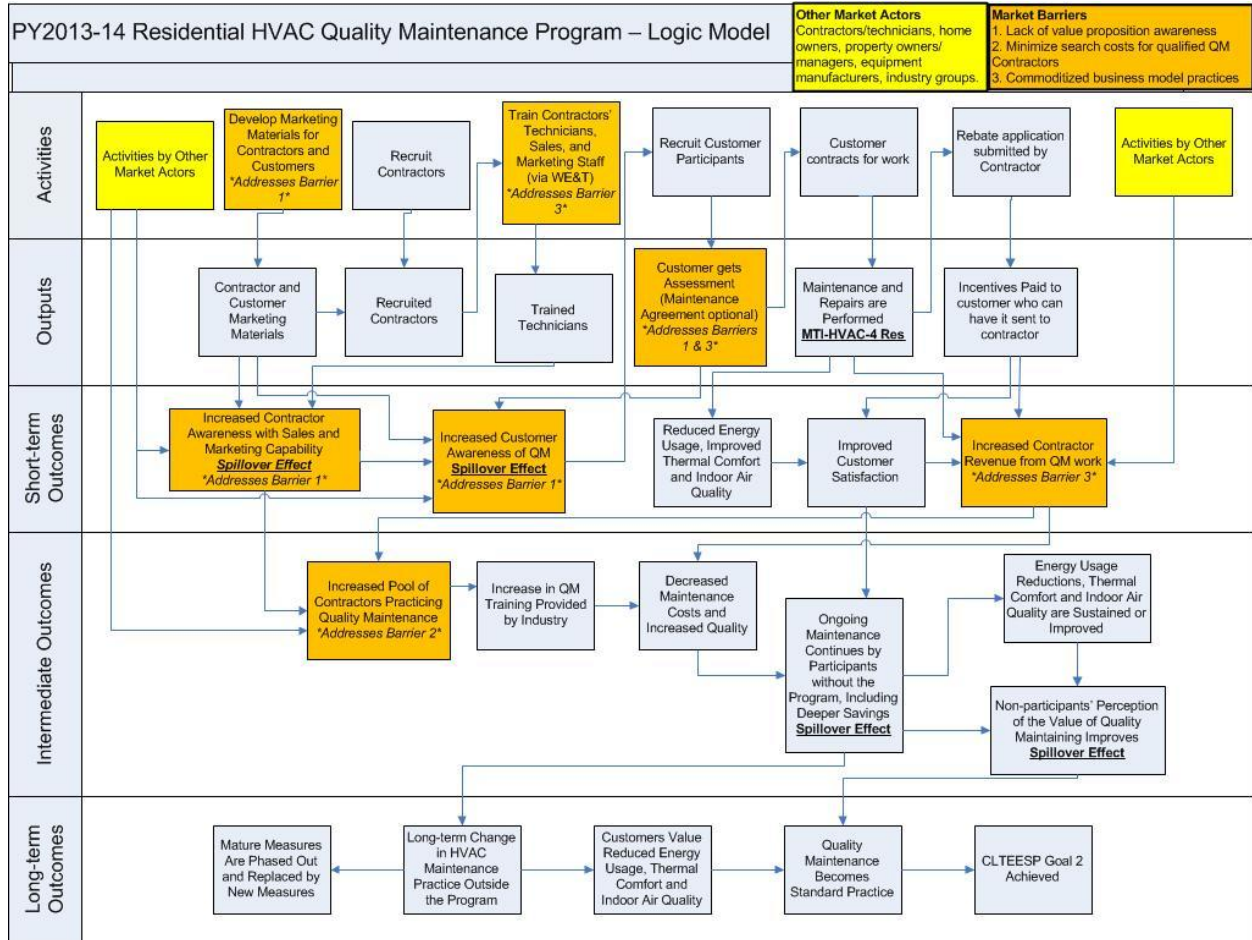
By promoting industry standards for maintenance and installation, the program helps consumers know what the characteristics of a good contractor are. For maintenance, part of this standard is leads the customer and the contractor to define performance guidelines for thermal comfort, indoor air quality, and energy efficiency, helping make clear what the level of quality of work was after the fact. For installation, the standards provide clear performance characteristics through such elements as load calculations.

The programs facilitate the creation of an ongoing business relationship between the contractor and the customer. This provides an inducement to the contractors' firms to provide a high-quality service that will bring long-term value to the customer, and thus long-term value to the contractor, rather than rely on winning bids with a lowest price under the assumption that there would be no more business dealings with a customer and so high quality would bring a low return.

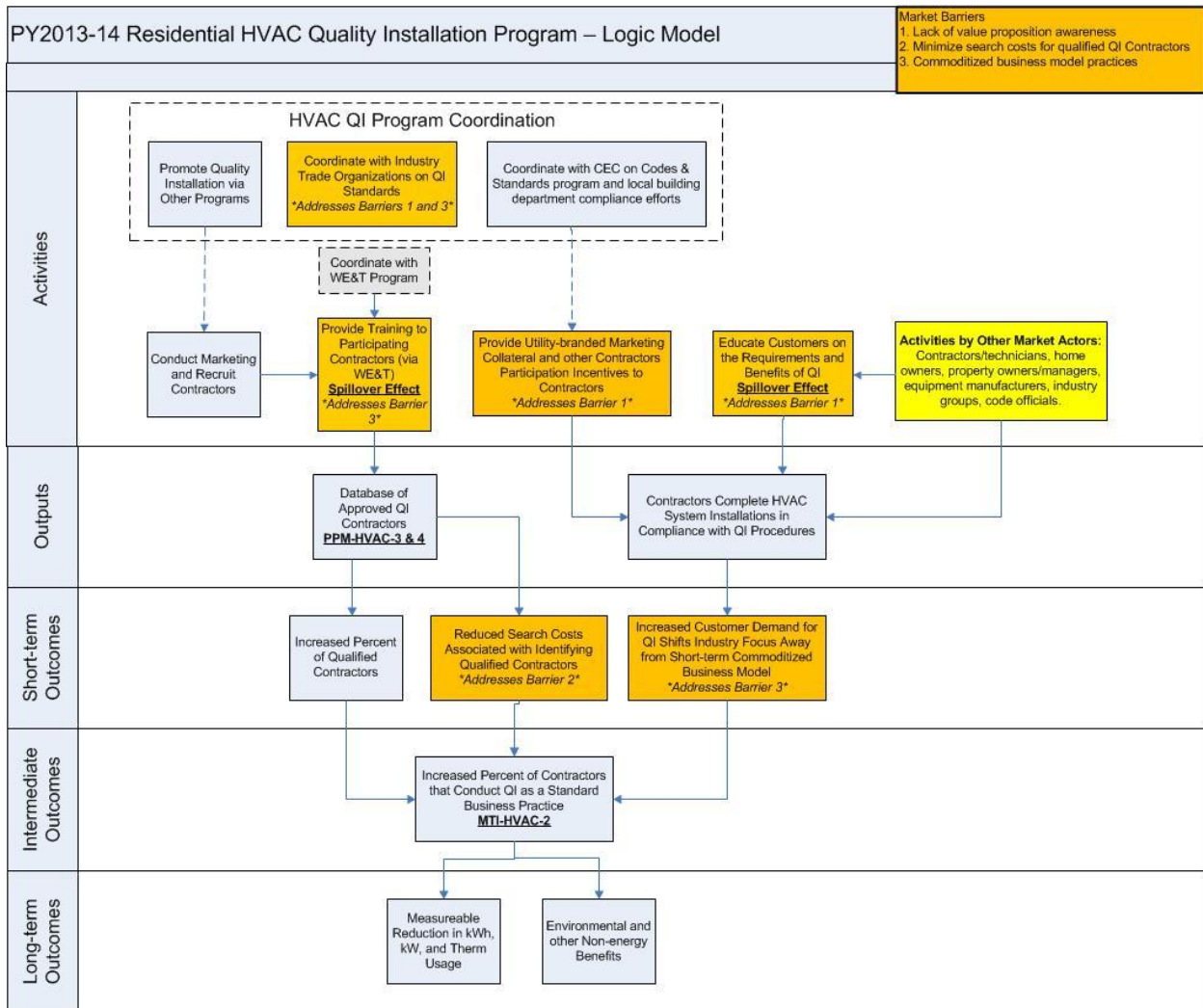
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Finally, the programs build the skills of technicians. This enables continuing improvement in the quality of work over time. It also provides for spillover as those contractors and technicians can provide higher quality service to their customers even outside the program to reduce energy usage.

d. Program or market logic model that ensures a solid causal relationship between the proposed intervention(s) and its/their intended results:



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a) **Evaluation plans and corresponding Market Transformation Indicators and Program**

Performance Metrics based on the program logic model:

In order to comply with the Decision’s timeline for filing the 2013-2014 PIP, and our desire to comply with earlier Decisions that call for gathering stakeholder input in informing market transformation efforts, the IOUs suggest that a full market effects evaluation plan be developed during the formulation of the Joint EM&V Plan as described in section “18.1. Evaluation Budget” in Decision R.09-11-014. Until then, the IOUs suggest the following approach:

Summative evaluation:

Market Effects. The market transformation program’s theory and logic model will be used to guide the evaluation efforts. The scope of the market effects study should be

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defined by the MT program's scope. The timeline for specific market effects that are to be evaluated should be defined by the MT program theory. Among other indicators, the program theory may specify changes in market characteristics that can be evaluated, such as 1) Spillover, 2) attitudes, awareness and knowledge, 3) reductions in specific market barrier, 4) current pricing and product availability, and 5) other market milestones. We will make the following distinction between program "spillover" and market effects: spillover is energy savings not directly tracked by the program, whereas market effects are broader and would include spillover as well as meaningful changes in the structure or functioning of the market.

Formative evaluation:

The formative evaluation of a market transformation program is typically performed at the intervention (i.e. program) level. The methods are the same as would be used in a program process evaluation, and would include interviews with program staff, participants and non-participants as well as an assessment of the program's direct outputs.

Attribution:

Outside of California, most guidelines for evaluating market transformation acknowledge that it is very difficult to attribute market effects to any single program, and nearly impossible to partition out the respective contributions of several coordinated programs on market effects and market transformation. In California, the Framework (Sebold et al., 2001) emphasized that attribution of market effects to programs bears further research. Others (Rosenberg & Hoefgen, 2009; Keating & Pahl (MT Workshop, Nov 2011) suggest that declaring the program's strategic intent through the market transformation initiative's theory and logic model is key to establishing future claim on transformation effects. The methods proposed by Rosenberg & Hoefgen (2009) for attributing market effects to individual programs include a number of approaches, all of them qualitative: self-report of spillover and free ridership; cross-sectional comparisons with other geographic regions; structured expert judging; and case studies. But attribution using a "preponderance of evidence" approach would likely be expensive and still yield arguable results. Attribution by nature focuses on individual program efforts, and we believe the market transformation evaluation discourse should be focused on the overlapping synergy among all programs and influences in the market. We realize we all have a "Shared Mission" of meeting the CPUC's very aggressive Strategic Plan goals. We do not wish to not invest resources in teasing apart which program entity contributed how much, but instead will plan to focus on whether all the market forces across the State of California have succeeded in transforming the market.

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- 1. Program Name:** Statewide Residential New Construction (RNC)
Program ID: SCG 3707
Program Type: Statewide Core Program

2. Projected Program Budget Table

Table 1 – Reference CalSPREE program for budget details.

3. Projected Program Gross Impacts Table – by calendar year

Table 2 - Reference core program for projected savings detail.

4. Program Description

a. Describe program

CAHP is part of the statewide Residential New Construction (RNC) sub-program offering. The RNC sub-program represents one-sixth of the CalSPREE core offering. CAHP encourages single and multi-family builders of all production volumes to construct homes that exceed California's Title 24 energy efficiency standards by a minimum of 15 percent. Through this plan, multi-family and single-family projects are approached identically for program purposes except where explicitly noted. The ENERGY STAR Manufactured Homes program, offered by Sempra and Southern California Edison, addresses new factory-built housing and is discussed in further detail below (ESMH PIP). The structure of the relevant Residential New Construction program elements is as follows:

CalSPREE Program (Core)

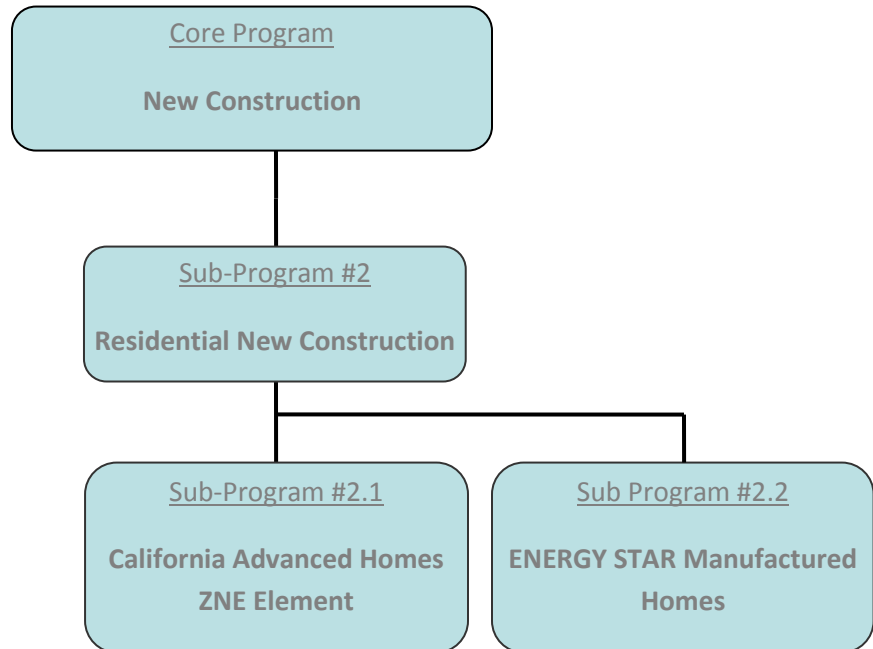
1. RNC Sub-Program
 - 2.1 Single-family/Multi-family Sub-Program (CAHP)
 - 2.1.1 ZNE Homes Sub-Program
 - 2.2 Manufactured Homes Sub-Program for SDG&E, SoCalGas and Southern California Edison

For the convenience of the reader, two other programs related to New Construction are also called out:

1. Sustainable Communities Program (Name/location differs by IOU) (Third party)
Covering Master-planned communities, mixed-use projects, campuses, and commercial projects pursuing advanced energy efficiency and green targets.
2. Partnership Programs (Core)
 - a. Strategic Planning Sub-Program (Energy Leader Partnership Strategic Support)
Trains cities and counties to procure city projects to meet energy efficiency

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standards, to identify funding sources, to share best practices, and recognize them for their achievements.



The goal of energy-efficient RNC will be achieved through a combination of incentives, technical education, design assistance, and verification. CAHP supports the ambitious goals of the Strategic Plan), and works in close coordination with the ZNE sub-element. Together these elements seek to raise plug load efficiency, focus on whole-house solutions, drive occupant behavior through in-home monitoring and visual display tools, and leverage market demand for green building standards. CAHP is also coordinated with demand response programs, Emerging Technology, and the New Solar Homes Partnership (NSHP).

As explored in greater detail below, CAHP will incorporate a ZNE sub-element to adopt the following strategies toward achieving the Strategic Plan goals. As program technologies and approaches are developed and demonstrated in ZNE, they will be incorporated into the CAHP.

- Raise plug load efficiency (ZNE)
- Promote Whole House solutions, with a particular focus on zero peak homes as an interim step toward zero net homes (CAHP)
- Encourage In-home Monitoring and visual display tools (ZNE)
- Encourage incorporation of Green Building Standards (ZNE)
- Coordinate CAHP with demand response programs (CAHP) specific strategies for achieving net zero homes will be reviewed in more detail below. Moreover, as

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outlined above, where strategies enter the market more rapidly than anticipated, they will be rolled into the core CAHP.

To further help make ZNE a reality in the residential sector, utilities will:

1. Integrate successful ZNE strategies and activities proven through program and/or pilot projects during the 2013-2014 Transition Period. The residential new construction program will absorb and enhance existing residential programmatic elements aimed at delivering ZNE best practices to the marketplace, potentially including but not limited to:
2. Project consultations that pair projects with experts capable of driving unique designs to ZNE;
3. Provide education opportunities to key architectural, engineering, and other design professionals (see WE&T plans); and
4. Explore cost effective ZNE solutions that consider the intersection of building and community energy use

b. List measures

CAHP Program measures, known savings. All IOUs⁶³.

- Marketing assistance as feasible and appropriate for builders who achieve ENERGY STAR certification.
- Calculated incentives.

c. List non-incentive customer services

- Technical support to Energy Analysts and Design Teams⁶⁴
- Economic modeling/measure selection support to builder/construction managers
- Marketing support to builders (sales agent training, marketing materials)
- DSM coordination (PV, DR, AMI, ET) for builders

The program will coordinate with the statewide Codes & Standards team to ensure that the impacts of any code changes are incorporated into program design and implementation and will also tie into the Strategic Plan Codes and Standards strategy and support the ZNE goals.

Coordination activities include:

- Builders often set-aside a certain number of units for various income classifications to meet low and moderate income housing goals. Builders must

⁶³ Savings per appliance will be consistent across all IOUs.

⁶⁴ There is a desire by the IOUs to explore a variety of forms of design assistance, including design team incentives tied to home performance, peak kW reduction, design optimization services by implementation staff, and funded/hosted charrettes/workshops for design teams.

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meet state-mandated housing goals in the housing elements of local city and county strategic plans.⁶⁵

- CAHP would treat market-rate units using the standard calculated approach and claim all energy savings.

Zero Net Energy (ZNE)

The ZNE program element recognizes that critical to achieving zero net new construction is the integration of DSM approaches and truly integrated design. This can only be done when the entire suite of DSM offerings is at the table (electric transportation, demand response, energy efficiency, smart meters, and distributed generation). These will be maximally effective when they are part of a truly integrated design. To that end, ZNE will help educate the industry on how to achieve energy-efficient, green homes.

The ZNE program element will consist of projects that have used advanced modeling techniques to project total kBtu usage and demonstrates a plan to offset said usage with onsite generation over the course of 12 months. This portion of the program will provide customized financial incentives that intend to cover a portion of the verified incremental cost for a portion of the homes, at levels that may vary. This incentive will only apply to the energy efficiency measures of the home and will explicitly exclude the cost of renewable energy generation. The Emerging Technology program may also fund the purchase, installation, and monitoring of candidate technologies. The ZNE program element will also provide support in the form of soft-cost design support to help design teams meet their energy and environmental objectives. This portion of the program works closely with home builders seeking assistance in the development of sustainable design and construction, green building practices and emerging technologies.

The ZNE program element, in conjunction with WE&T programs, offers educational opportunities to builders, architects and other Residential construction stakeholders. The program encourages single and multifamily architects and builders to design and construct dwelling units that exceed California's Title 24 standards, reduce greenhouse gas emissions, and provide a healthier and less resource-intensive environment. Such non-standard design elements may include optimization for solar orientation, design for comfort without traditional HVAC, or non-vapor compression cooling systems. It also is a priority goal of this element of the program to execute candidate technologies and integrated approaches to realize zero-peak homes, even if zero-net homes (site Btu's for both therms and kWhs) prove too costly.

Design Assistance Options:

- General Team Education: Give presentations, review rating system options, determine big picture green building goals.
- Energy Efficiency/Green Building Recommendations: Project specific recommendations report highlighting ways to incorporate energy efficiency,

⁶⁵ See, <http://www.hcd.ca.gov/hpd/hrc/plan/he/>, accessed 25 Apr 08.

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healthy materials, and other green building features into the unique parameters of the project. Specific product recommendations will not be provided.

- **Energy Modeling Support:** Provide support and recommendations for Title 24 energy performance modeling to estimate actual building usage and give the project credit for energy efficiency measures that are difficult or uncommon to model.
- **Plan and Specification Review:** Provide comments on the construction documents at various stages to give feedback on clarity of green building specifications.
- **Green Feature Cost Assessment:** Provide cost-benefit analyses or value engineering assistance to evaluate specific green building features under consideration for inclusion in the project.

Rating System Documentation Support: Assess and identify project credit/certification goals, identify and assign rating system tasks to members of the design team, guide the team in system process and timing, assist team in understanding and/or documenting credit achievement. This aid will enhance - but not supplant - participants' efforts to pursue project specifications, designs, calculations, modeling and other necessary services.

The minimum threshold for acceptance in the ZNE program element will be a whole building performance with advanced modeling showing the total kBtu usage of the home as well as the method of generating the offsetting kBtu's.

CAHP Incentive Rationale

The program's most ambitious goal for the 2013-2014 Transition Period is to promote the early adoption of reach as well as future code elements into the builders standard practices.

Getting the market to adopt these levels of efficiency will not be easy. The IOUs expect significant pushback from the building industry due to rising costs. This argument will become even more significant in 2014 when the 2013 Title 24 energy codes take effect. The projected increase in cost to comply with these new codes may be between \$3,000 and \$5,000. The program is considering the following changes to the current incentive structure:

- In 2013 the sliding scale will stay as it is currently. The IOUs will eliminate the Compact Home, Green Home, and kW reduction kickers from the program to help streamline and lower administration costs. After providing the kickers for the past 3 years it is the program's determination that these kickers are not influencing the decisions of the builders and as such have proved not to be essential incentives. Additionally, the ENERGYSTAR kicker will be modified and a new Future Code Preparation kicker will be added with the intent of better

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preparing builders for the coming code adoption on 1/1/2014. These additional incentives will help bridge the knowledge and financial gaps associated with meeting the new code. Finally, the NSHP tier II kicker will remain because analysis shows this kicker is having an influence on pushing builders from the 25-30% range to above 30%.

Once the 2013 Energy code becomes effective the program will adjust the incentives in a way that will still cover a portion of the verified incremental measure cost for homes achieving high levels of efficiency above and beyond those required by code.

The program believes ENERGY STAR is an important and highly recognizable brand for energy efficiency. However, implementation experience from the 2010-2012 program cycle has shown that the ENERGY STAR® incentive kicker as previously designed was not a significant driver of program participation and that, while support of the ENERGY STAR® brand is important, the incentive dollars can be better utilized in 2013-14.

In recognition of the need for a new program strategy to support ENERGY STAR®, the IOUs propose to shift from an incentive-based approach to a strategy based on ENERGY STAR® marketing support.

To accomplish this, the IOUs propose to offer marketing support/collateral to CAHP builders who successfully apply for ENERGY STAR® certification. Credits of \$40/single family lot and \$10/multifamily unit, redeemable in the form of ENERGY STAR® marketing collateral, will be awarded to builders who demonstrate compliance with ENERGY STAR® standards. This marketing support will provide a valuable resource for builders and sales agents in communications with potential homebuyers, which will help in realizing the value of the home's energy efficient characteristics during sale

5. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Information

Program Performance Metrics (PPMs)

The IOUs have evaluated 2010-2012 PPMs in Resolution E-4385 for applicability to the 2013-2014 program cycle and propose to work collaboratively with Energy Division to develop revised program targets and PPMs as appropriate for the 2013-2014 program cycle. The IOUs' will propose revisions in an advice letter, per additional guidance from Energy Division.

Table 3.1: Short-Term PPMs

On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California

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Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. The Commission gave each PPM a metric type which indicated the reporting frequency: Metric type 2a indicates that the IOUs should report on the metric on an annual basis (unless indicated otherwise). Metric type 2b indicates the IOUs should report on the metric at the end of the program cycle.

Below are the approved PPMs and metric types for the New Construction Statewide Program (Resolution E-4385, Appendix. A, p.36).

SW PROGRAM / Sub-Program	PROGRAM PERFORMANCE METRIC (PPM)	Metric Type
NEW CONSTRUCTION		
California Advanced Homes Program (CAHP)	1. Number and percentage of committed CAHP participant homes (applied and accepted) with modeled, ex-ante savings exceeding 2008 T24 units (Single family (SF) and multifamily (MF)) by 15%-19%, by 20%-29%, 30%-39%, and 40+%.	2a
	2a. Percentage of (current year SF CAHP program paid units)/ (SF building permits within service territories from the previous year)	2a
	2b. Percentage of (current year MF CAHP program paid units)/ (MF building permits within service territories from the previous year)	2a
	3. Number and percentage of CAHP participant new homes verified* by IOUs' HERS which exceed Title 24 (T24) building standards (SF and MF) by 15%-19%, 20%-29%, 30%-39%, 40%+. * The IOUs use the existing HERS Rater infrastructure to verify HERS measures and other building characteristics as required by CA Title 24 and the CEC. The IOUs do not perform the verification inspections and do not certify HERS raters. Note: HERS inspection protocol for production builders does not require inspection of 100% of homes; there is a sampling protocol. For more information on HERS inspection please see http://www.energy.ca.gov/HERS/index.html	2b

b) Market Transformation Information

Per Resolution E-4385, a subset of market transformation indicators (MTIs) for statewide energy efficiency programs and subprograms were presented at a public workshop on November 7, 2011, to allow for public comments and discussion before being finalized. Per guidance from Energy Division received in December 2012, the approved Market Transformation Indicators for 2013-2014 are filed as a Joint IOU matrix, included as Appendix F.

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Bullet 1) A description of the market, including identification of the relevant market actors and the relationships among them;

The MT elements described here follow guidelines and terminology explained in Rosenberg & Hoefgen's (2009) *Market Effects and Market Transformation: Their Role in Energy Efficiency Program Design and Evaluation*.

<<paper is available here http://uc-ciee.org/downloads/mrkt_effts_wp.pdf >>

Ideally, information about a market would come from a variety of sources, including existing studies and newly-commissioned studies. Rosenberg & Hoefgen (2009) recommend that California should “Commission initial market characterization research for those products and services for which the structure of the market and the motivations of the market actors are not well understood or documented, at least in terms of their response to the product in question.” Due to a lack of time, the following market information draws heavily upon qualitative analyses made by the program managers based upon information they have obtained through experience in implementing the program. We look forward to an opportunity to develop a better understanding of these markets through future commissioned studies, in conjunction with ED and other market transformation stakeholders.

The RNC market consists of several key players including builders, designers, sub-contractors, HERS raters, local cities, manufacturers, real estate agents, financing agencies, and home buyers. The RNC sub-program is located upstream, targeting builders and subcontractors early in the design stage of the production process. Upstream of the IOU's RNC influence are local cities' permitting rules and associated costs. Downstream of the RNC sub-program are real estate agents, financing agencies, and home buyers. The RNC sub-program works directly with builders, designers, subcontractors, HERS raters, builder sales staffs, and manufacturers via equipment recommendations at the design stage.

Bullet 2) Identification of the key barriers and opportunities to advancing demand-side management technologies and strategies;

The key barriers and opportunities to be addressed through a market transformation initiative would ideally draw upon a market characterization study. Due to lack of planning time, the following market barriers and opportunities are drawn from qualitative analyses made by the program managers.

Key RNC market barriers include A) entrenched builder and subcontractor habits, B) a lack of buyer knowledge, interest, and demand, and C) an ensuing disconnect between the price buyers are willing to pay and the related increased builder costs of incorporating DSM technologies, energy efficient equipment, and advanced building practices. Opportunities to address these barriers include education and outreach to builders, subcontractors, and buyers to increase demand and alter builder habits; design assistance

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to improve builder knowledge and maximally cost-effective strategies; and incentives to bridge the gap of builder costs and buyer demand.

Bullet 3) A description of the proposed intervention(s) and its/their intended results, and specify which barriers each intervention is intended to address;

To address Barrier A, the following intervention is proposed:

Builders and sub-contractors will be offered training and design assistance to facilitate the acceptance and incorporation of new technologies and building practices including DSM. Market habits will only change in response to proof that new and improved methods are both feasible and help businesses achieve their goals and improve their bottom lines. By providing appropriate training and design assistance, CAHP will push builders and subcontractors past outdated building practices and better equip them with the skills needed to reach 2020 ZNE.

To address Barrier B, the following intervention is proposed:

Builder sales staffs will be provided training and marketing support on the advantages of EE homes that incorporate DSM technologies. Financing mechanisms will be explored to reduce buyer costs and increase demand. CAHP will also work with builders' sales offices to improve buyers' brand awareness of both CAHP and ENERGY STAR, building an association and increased interest for buyers. To achieve this, sales staff will be trained as well as provided marketing aids describing the benefits of purchasing energy efficient homes. Furthermore, the statewide CAHP team commissioned an extensive study on recommendations of how to best increase buyer interest. Program staff will review these findings during Q1 of 2013 and use them to further refine strategies to overcome Barrier B.

To address Barrier C, the following intervention is proposed:

Incentives will target a reduction in the cost to builders of incorporating EE measures and DSM technologies. This tactic will support the financial disconnect through a reduction of demand-side costs. Additionally, training and education of builders' sales staff will lead to increased buyer awareness of CAHP benefits. This will support the disconnect through an increase of consumer demand and associated market prices. Barrier C interventions will also be bolstered by lessons learned from the buyer interest/marketing study mentioned above.

Market transformation interventions can be expected to take 2, 5 or even 10 yrs before effects can be quantified. We propose the following that these would be the results that can be seen in the market at various time intervals:

After 2 years of implementation builders and subcontractors should feel significantly more confident in accepting new technologies and advanced building practices. By this time they should be familiar with IOU design assistance procedures and how to maximize the incentives and minimize the increased costs. Sales staffs should be well-versed in the

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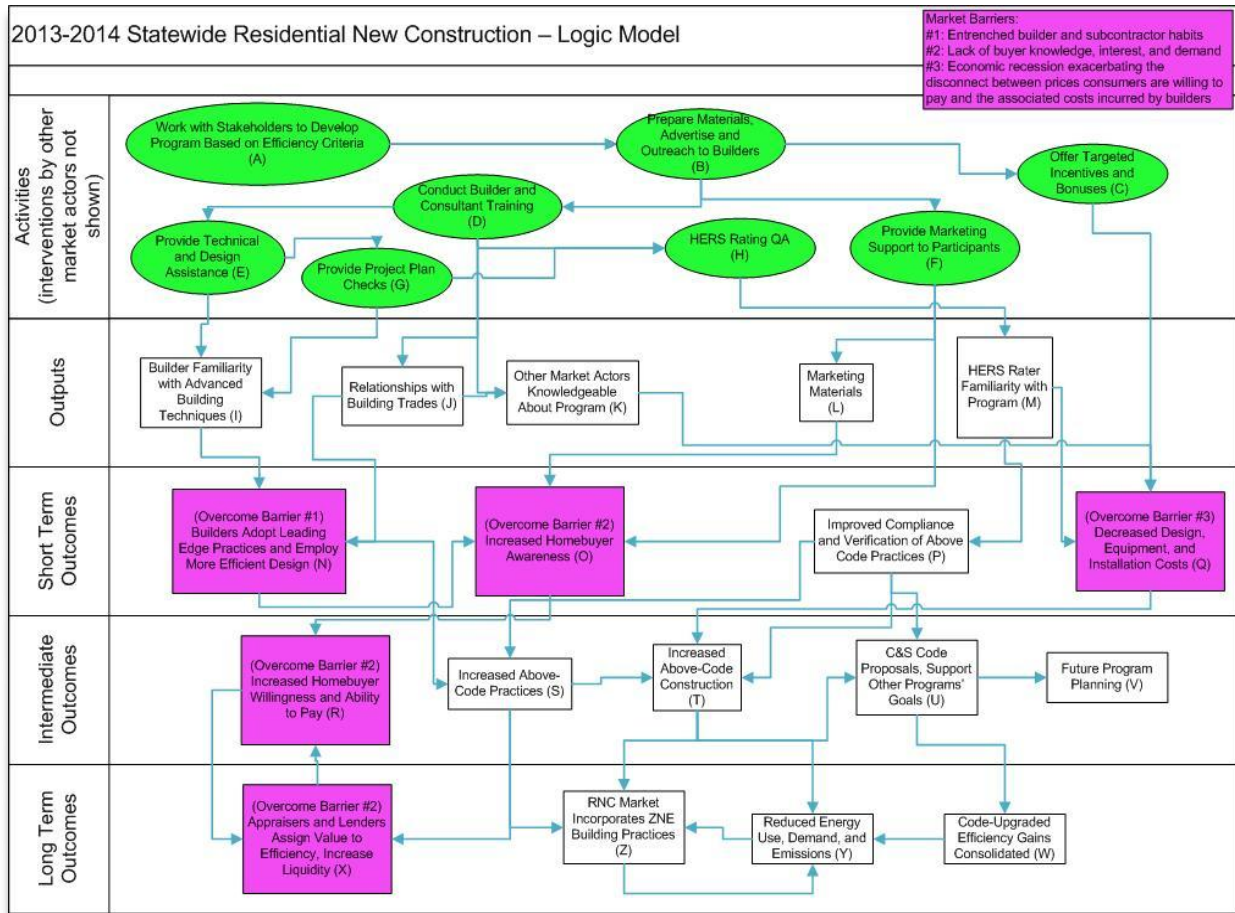
advantages of participant homes.

After 5 years, builders and subcontractors should be very confident in advanced EE technologies, building practices, and DSM. At this time the market should be nearing ZNE building practices. Financing mechanisms should be in place to improve buyer demand.

After 10 years, the RNC market should be exclusively building ZNE developments. At this point the program focus will be devoted to education and outreach, helping the industry competes with the less efficient existing market. Financing mechanisms will continue to play a role.

Bullet 4) A coherent program, or “market,” logic model that ensures a solid causal relationship between the proposed intervention(s) and its/their intended results; and In this example below, “Portfolio Program Elements” are the market transformation interventions that are specifically directed to the market barriers. “Outcomes” are the outputs of the MT interventions, which are the market effects and reductions in market barriers than can be seen in the short-, mid-, and long-term. Please note that the long term outcomes are “sustainable,” which is what the market should look like after the market intervention has ended.

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Bullet 5) Appropriate evaluation plans and corresponding Market Transformation Indicators and PPMs based on the program logic model. (The IOUs should be prepared to start tracking proposed Market Transformation Indicators immediately in order to establish a baseline, and in cases where the logic model calls for metrics to be differentiated in terms of the sequence and timeframe in which they are expected to be relevant – i.e., leading vs. intermediate vs. lagging indicators of change – each metric should be identified as such).

Due to the need to comply with the Decision’s timeline for filing the 2013-2014 PIP, and our desire to comply with earlier Decisions that call for gathering stakeholder input in informing market transformation efforts, we suggest that a full market effects evaluation plan be developed during the formulation of the Joint EM&V Plan as described in section “18.1. Evaluation Budget” in Decision R.09-11-014. Until then, we suggest the following approach:

Summative evaluation - Market Effects

The market transformation program’s theory and logic model will be used to guide the evaluation efforts. The scope of the market effects study should be defined by the MT program’s scope. The timeline for specific market effects that are to be evaluated should be defined by the MT program theory. Among other indicators, the program theory may

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specify changes in market characteristics that can be evaluated, such as 1) Spillover, 2) attitudes, awareness and knowledge, 3) reductions in specific market barrier, 4) current pricing and product availability, and 5) other market milestones. We will make the following distinction between program “spillover” and market effects: spillover is energy savings not directly tracked by the program, whereas market effects are broader and would include spillover as well as meaningful changes in the structure or functioning of the market.

Formative evaluation: The formative evaluation of a market transformation program is typically performed at the intervention (i.e. program) level. The methods are the same as would be used in a program process evaluation, and would include interviews with program staff, participants and non-participants as well as an assessment of the program’s direct outputs.

Program Performance Metrics: Please see Section 5, Table 3, above.

Market Transformation Indicators: Market transformation indicator results shall be reported, as available, by Energy Division or the IOUs, depending upon who conducts the necessary market studies. (Res. 4385, 12/2/10)

Attribution: Outside of California, most guidelines for evaluating market transformation acknowledge that it is very difficult to attribute market effects to any single program, and nearly impossible to partition out the respective contributions of several coordinated programs on market effects and market transformation. In California, the Framework (Sebold et al., 2001) emphasizes that attribution of market effects to programs bears further research. Others (R&H, 2009; Keating & Pahl (MT Workshop) suggest that declaring the program’s strategic intent through the market transformation initiative’s theory and logic model is key to establishing future claim on transformation effects. The methods proposed by Rosenberg & Hoefgen (2009) for attributing market effects to individual programs include a number of approaches, all of them qualitative: self-report of spillover and free ridership; cross-sectional comparisons with other geographic regions; structured expert judging; and case studies. But attribution using a “preponderance of evidence” approach would likely be expensive and still yield arguable results. Attribution by nature focuses on individual program efforts, and we believe the market transformation evaluation discourse should be focused on the overlapping synergy among all programs and influences in the market. We realize we all have a “Shared Mission” of meeting the CPUC’s very aggressive Strategic Plan goals. We do not wish to not invest resources in teasing apart which program entity contributed how much, but instead will plan to focus on whether all the market forces across the State of California have succeeded in transforming the market.

In lieu of the above results and recommendations, the RNC sub-program will carry forward the PPMs and MTIs that were in place during the 2010-2012 cycle.

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c) Program Design to Overcome Barriers

Priority Barrier: Building Industry

Effective January 1, 2014, California's Title 24 standards will be revised and updated. Overall, Residential baseline energy performance requirements for heating, cooling, and hot water will be increased by approximately 25 to 30 percent, which implies marked increase in production costs for builders at a time when the industry and the economy at large are experiencing significant challenges.

Priority Barrier: Homebuyers

The energy used in the average home produces roughly twice the greenhouse gas emissions as the average automobile. In fact, 16% of U.S. greenhouse gas emissions result from the generation of energy used in houses nationwide (U.S. EPA). However, there is little consumer awareness of the impact that homes have on the environment. CAHP is working with IOU marketing efforts, statewide partners, ENERGY STAR campaigns, and builders' own messaging to increase consumer awareness of this idea. Moreover, there is scant evidence that energy efficiency drives decision-making among homebuyers whose access to capital is more difficult in a constrained capital market.

Overcoming Market Failure: CAHP

In a buyer's market, builders are looking to differentiate themselves from competition. This presents an opportunity for CAHP to assist builders in overcoming cost barriers, minimizing lost opportunities, and working collaboratively to meet the state's and IOUs' goals for the reduction of greenhouse gas emissions and utility source demand.

The RNC market without IOU intervention is a lost opportunity for long-term energy savings. However, with IOU intervention in the form of incentives and design support, the new construction market is well placed to demonstrate innovative approaches and cost-effective energy savings technologies.

d) Quantitative Program Targets

The targets provided herein are best estimates, but nonetheless are forecasts.

Table 5

California Advanced Homes	Program Target 2013	Program Target 2014	Total
Single Family Units Paid	600	600	1200
Multi-family Units Paid	300	300	600

e) Advancing Strategic Plan goals and objectives

Since its inception in 2002, CAHP has had a substantial impact on the homebuilding market. There is a significant opportunity to continue to influence builders, architects and other players in the RNC industry.

The RNC program is designed to enable the achievement of several goals and strategies identified in the Strategic Plan. The Strategic Plan envisions a transformation of the core

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Residential sector to ultra-high levels of energy efficiency, resulting in ZNE new construction standards by 2020. It spells out several goals and strategies to address energy reduction in RNC.

Goal #1: RNC will deliver ZNE performance for all new single and multi family homes by 2020. By 2011, 50% of New Homes will exceed 2005 Title 24 energy efficiency standards by 35%; 10% will surpass 2005 Title 24 standards by 55% (Strategy 1-1)

Goal #2: Home buyers, owners and renovators will implement a whole house approach to energy consumption that will guide their purchase and use of existing and new homes, home equipment household appliances, and plug load amenities

Goal #3: Plug load will grow at a slower rate and then decline through technological innovation spurred by market transformation and customer demand for energy-efficient products.

The goal of energy-efficient RNC will be achieved through a combination of incentives, technical education, design assistance, and verification. CAHP supports the ambitious goals of the Strategic Plan, and works in close coordination with the ZNE sub-element. Together these programs seek to raise plug load efficiency, focus on whole-house solutions, drive occupant behavior through in-home monitoring and visual display tools, and leverage market demand for green building standards. CAHP is also coordinated with demand response programs, Emerging Technology, and the NSHP.

The ZNE program element is designed primarily with the focus of accelerating the achievement of the ZNE goals envisioned by the Strategic Plan. The purpose of the ZNE element is to examine a wide array of energy saving technologies, accelerate the market acceptance of new and emerging technologies, explore new solutions, and encourage distinctive approaches in demonstration projects. Each being distinctive, the case studies will be positioned to highlight the underutilized potential of sustainability in RNC, in a range of market segments and climate zones. The utilities will seek to integrate R&D ideas from Emerging Technologies, EPIC, LBNL and other agencies to further assist the projects in advancing sustainability and achieving very high levels of energy efficiency.

Financial incentives and marketing support offered for the ZNE projects will be higher than those offered under the standard CAHP model. By providing strong encouragement for builders to move up on the energy efficiency scale with financial and non-financial incentives, the ZNE program element is uniquely positioned to support the Strategic Plan goal of ZNE by 2020.

CAHP will work closely with builders who seek assistance in the development of sustainable design and construction, green building practices and emerging technologies through the ZNE program element. ZNE is the place to demonstrate innovative technologies and to help drive the market for energy efficiency through the adoption and

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marketing of green standards. IOUs have already initiated preliminary research on policies and programs supporting residential ZNE programs in other states for potential new and innovative program design approaches to increase homeowner demand and marketplace change, consulting with relevant experts in this area. This research reveals a lack of other utility programs serving this market. Rather, ZNE currently exists in a piecemeal fashion throughout the country without a consolidated approach. IOUs will continue research in this area and report more complete findings by April 1, 2013.

6. Program Implementation

a. Statewide IOU coordination

Given the success of the collaborative process that led to the production of this PIP, the statewide RNC team plans to continue meeting on at least a quarterly basis going forward, in order to review progress toward the goals and make corrections needed to help achieve them.

i. Program Name

RNC falling under Title 24 is covered by the California Advanced Homes Program. Factory-built housing will be covered by the ENERGY STAR Manufactured Homes Program, where offered.

ii. Program delivery mechanisms

CAHP and ESMH are delivered via online program materials and dedicated account executives, supported by a dedicated team of program management staff.

Differences in Program Implementation

This section highlights the major areas where individual IOUs implementation of the program will differ from that of the others. While the incentive structure and other elements of the program will remain synchronized with the statewide nature of the program, each IOUs will leverage its unique strengths and structural differences to enhance the effectiveness of execution. This section highlights some of those differences.

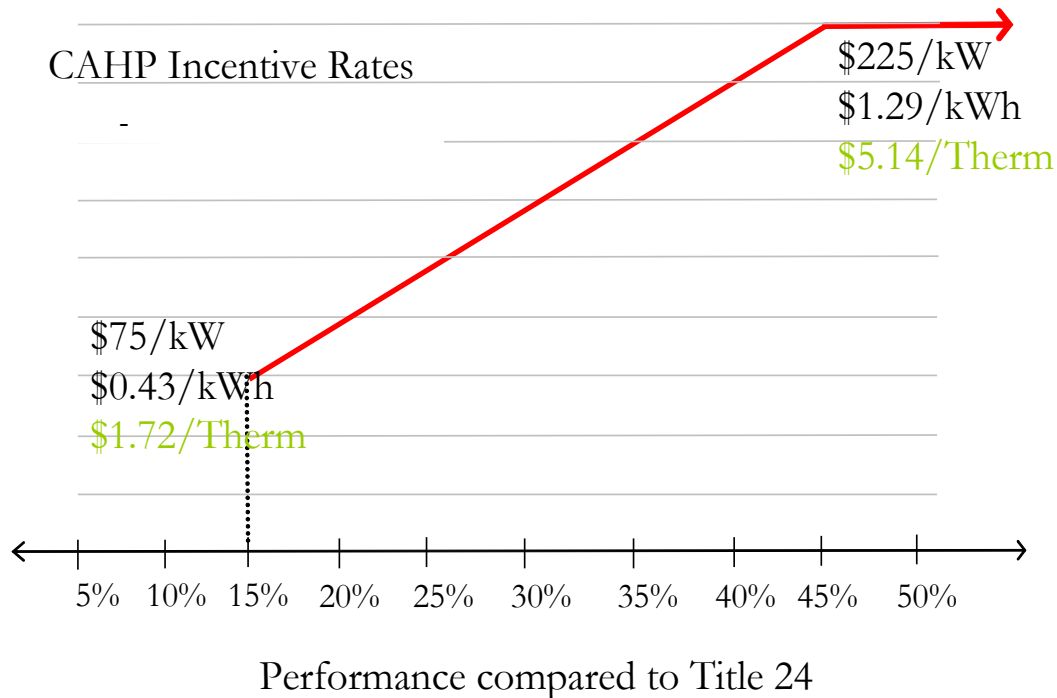
iii. Incentive levels

Incentive Structure

The pay-for-performance incentive structure for the 2013 - 2014 CAHP will continue to be refined as the state approached implementation of the 2013 Title 24 code changes (see CAHP Incentive Rationale section above for additional detail).

The 2013-2014 calculated approach will be similar to the method used from 2010-2012:

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This approach rewards builders for achieving higher levels of energy efficiency and avoids the “clustering” problem in tiered programs. A tiered approach discourages builders from achieving incremental performance if they are unable to reach the next higher tier. In line with the elements of the strategic plan, the approach rewards builders for undertaking whole house solutions where the entire structure can be considered as an integrated system.

Moreover, executing a net zero home remains a financial and technical challenge, the program will have customized incentives for homes that achieve ZNE.

Confidence that incentives will move the market

The statewide team has a high degree of confidence that the revised program design is sufficient to realize substantial market movement. As discussed above, incentives alone are not enough to move the market. While more dollars are always preferred by any target industry, it has been the experience of the Southern California utilities that while incentives get one to the table with decision makers, it is the design, technical, and marketing support that makes the sale.

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It is the belief of the IOUs that the proposed combination of performance-based incentives, increased incentives for targeted ZNE, marketing support, sales agent training, technical support, coordinated delivery through trade allies and ongoing cultivation of builder relationships provide an integrated solution to the priority market barriers builders face in delivering more efficient homes.

The IOUs support adjusting program incentive levels in conjunction with the more stringent Title 24 code taking effect in 2014. More efficient incentives will be critical in helping builders defray additional compliance costs associated with the stronger code. However, the IOUs believe there is a need to explore the deadline for incentive adjustments. A date after March 2013 may be appropriate for a number of reasons, including:

- Changing incentive levels *before* the new code takes effect may provide an added incentive for builders to rush to beat the code. Ideally, the incentive adjustments would be timed to coincide with the implementation of the new code so as to incentivize building under a more stringent Title 24. A fast turnaround would prevent the IOUs from determining the ideal incentive structure. Given uncertainty about the market's response to the unprecedented updates to Title 24, extra care should be taken in calibrating incentive levels to their optimal value.

The IOUs will comply with the March 1, 2013 deadline for adjusting incentive levels, but propose January 1, 2014 as a preferred date.

How CAHP supports CEC's NSHP, Tier II

CAHP supports the revised NSHP Tier II (30% < T24 2008) and the goals of the CEC.

1. The IOUs are committed to partnering with the NSHP to streamline the solar application process and to make referrals between NSHP and CAHP. Indeed, the goals of ZNE appear impossible without the significant presence of solar.
2. The IOUs will leverage CEC NSHP material, marketing, and event support for opening events for those projects that commit to the platinum level: 100% penetration at the Tier II EE performance (30%).
3. The design of the graduated, performance-based incentive will tend to drive projects to the higher end of the performance curve, consistent with CEC goals.
4. The threshold efficiency (15%) is consistent with the Tier I minimum, and the top end (45%) was selected to support the CEC's desire to project out three code-cycles (Tier III) into the future.

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The IOUs support the goals of the NSHP and the marketing synergies of PV and EE remain one of our best strategies for moving the market. Nevertheless, the IOUs position is that if 30% < T24 is very good, 31% is better, and 32% more so.

iv. Marketing and outreach plans

CAHP offers financial incentives, training opportunities, technical support, and marketing resources to single-family and multi-family Residential builders who construct homes that exceed California's energy efficiency standards for new construction. All types of Residential builders are welcome to participate.⁶⁶ For the multi-family segment of the program, qualifying homes include condominiums, townhomes, apartment buildings, and mixed-use projects.

There will be closer coordination of marketing efforts to synergize wherever possible. While each utility would like to leverage on their strengths and existing relationships within their service territories, certain marketing elements can be launched on a common localized platform. The common website will be maintained to provide builder information that will be commonly disseminated.

To reduce costs and increase participation, the IOUs plan to be actively engaged in the development and implementation of joint marketing, education and training efforts as described in detail in the common section of this PIP.

In 2013-2014, the program will expand its builder/contractor education and training certification courses to increase overall awareness and understanding of the CAHP and service offerings. The IOUs will continue to strengthen delivery channels of information by providing relevant information and support materials, reaching target audiences in key decision-making phases. The IOUs' innovative communication tools will include: trade advertising, account representative meetings/presentations, targeted customer mailings, shows/event sponsorships, trade organization affiliations, webcasts, email blast, builder award recognition, customer success stories and public relations campaigns. All materials and communications will also be made available in electronic file formats so information can be forwarded to customers immediately via the Internet.

Additionally, CAHP will leverage its stellar relationships in partnering with trade organizations and other groups actively promoting the benefits of green, sustainable building practices. Such organizations include:

- California Energy Commission (CEC)
- National Association of Home Builders (NAHB)
- California Building Industry Association (CBIA)
- Green Building Consultants (that is, Build it Green, California Green Builder, Global Green)

⁶⁶ As discussed above, manufactured housing is not subject to Title 24 and uses the national HUD baseline.

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- United States Green Building Council (USGBC)
- ULI
- LABC
- California Manufactured Housing Institute
- IES
- AEE
- IHACHI
- PHCC, and
- Others

Through an innovative, coordinated approach, we will maximize outreach opportunities that keep energy efficiency and CAHP's program benefits top-of-mind and maximize program participation.

Marketing materials and other collaterals will be enhanced to communicate more effectively with savvy builders. Participant recognition (plaques, feature presentations, etc.) has proven to be an effective tool in encouraging builder involvement, and will continue to remain as part of the overall marketing tools.

CAHP marketing efforts will be enhanced by leveraging IOU market studies and builder focus groups identifying consumers' decision triggers and the effect of GHG labeling on purchase decisions. The IOUs will pursue additional sources of research to determine the most cost-effective ways builders can meet program requirements; the results will be incorporated into marketing materials and/or communicated to builders as part of the design assistance recommendations.

Given consumers' interest in going green and the market's deficiency in driving energy efficiency sales, marketing the green features (one of which is EE) is the best way to increase consumer demand for more efficient homes. To that end, CAHP will help educate the industry on how to achieve energy-efficient, green homes. To increase participation in programs and the general understanding of sustainability, greater emphasis will be placed on education and outreach.

The precipitous decline in the building industry offers a great opportunity to improve education and training. Through their Education & Training programs offered at SoCalGas' Energy Resource Center, SDG&E's Energy Innovation Center, SCE's Energy Education Center, and PG&E's Pacific Energy Center, the statewide new construction team will work to expand course offerings, web cast seminars, and cost-benefit effectiveness training classes, thermal by-pass checklists compliance training, cost comparison of alternative measures, etc. In order to meet or exceed increased energy savings goals in an extremely difficult Residential construction market, the IOUs will utilize a broad range of marketing tactics and communications tools working in concert to expand program awareness and participation.

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The IOUs will diligently explore other means of encouraging builder participation in the CAHP program:

- Developing a list of resources and contractors that could be used by builders
- Providing information on comparative costs and energy savings of alternative measures
- Exploring financing arrangements (green mortgages, energy-efficient mortgages, etc.), in consultation with the other IOUs and financial institutions
- Expedited permitting for high efficiency buildings
- Working with Municipalities to develop educational channels for codes and standards.

v. IOU program interactions

The plan addresses above, in the CAHP Incentive Rationale section, the ways CAHP is responding to current code changes and how it anticipates a leading role in code modifications requiring demand performance, in-home displays, on-site generation, square footage reductions, and green elements.

CAHP is particularly interested in promoting integrated thermal hot water system designs to displace therm demand with on-site renewable sources. In addition to cold water savings from embedded energy and the energy to heat water, longer term there may be GHG reductions that accrue either to the builder, the homeowner, or the utility associated with each demand side reduction as a result of AB 32 and pending national CO₂ legislation. SoCalGas works closely with builders to appropriately evaluate their options.

CAHP prides itself on its established close relationships and memberships with other groups involved with the building industry. These relationships make it possible to provide comprehensive services to our customers. CAHP will continue to seek out and coordinate synergies with, but not limited to, the following groups:

- California Energy Commission (CEC)
- Flex Your Power (FYP)
- National Association of Home Builders (NAHB)
- California Building Industry Association (CBIA)
- Green Building Consultants (e.g., Build it Green, California Green Builder, Global Green)
- National Association of Homebuilders (BIASC)
- United States Green Building Council (USGBC)
- Urban Land Institute (ULI)
- Los Angeles Business Council (LABC)
- California Manufactured Housing Institute

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- Illuminating Engineering Society (IES)
- Association of Energy Engineers (AEE)
- Institute of Heating and Air Conditioning Industries (IHACHI)
- Plumbing-Heating-Cooling Contractors Association (PHCC)

The California Building Industry Association and the CEC continue to seek out partnerships and opportunities with the utilities to help educate builders and other industry participants in order to promote energy efficiency in new construction.

CAHP will continue its commitment to the EPA's ENERGY STAR program and will strive to support, partner and contribute to the success of the ENERGY STAR Homes label and branding. Numerous surveys and studies continue to show the ENERGY STAR label represents greater value to consumers and the environmental stewardship it represents.

Since 2002, CAHP has partnered with the EPA in promoting ENERGY STAR New Homes and has won ENERGY STAR Achievement awards for the last five consecutive years. In 2011 SCG was rewarded for "Sustained Excellence in Energy Efficiency Program Delivery."

The program will continue to offer comprehensive training courses and educational seminars relevant to building energy efficiency and green measures into new construction projects including Title 24 code training and ENERGY STAR requirements.

In response to builder requests, CAHP will offer a new training workshop for 2013 - 2014 designed for builders' sales agents. Sales agents have direct contact with the homebuyer and have the greatest impact on selling homes. In order to help promote ENERGY STAR developments, CAHP will teach sales agents about energy efficiency. Topics will include what qualifies as an ENERGY STAR home and what is 'green'.

Other CAHP activities will include attendance at building industry trade conferences, outreach events and any necessary contractor/builder field visits. The target audience consists of builders, developers, energy consultants, architects, and other industry professionals.

Each IOU may pursue partnership efforts with local government entities to display leadership in the carbon arena by expediting plan check, waiving permit fees, or allowing builders to pay impact fees on the back end (instead of up-front) in exchange for higher levels of home performance documented by our CAHP program.

Similar IOU and POU programs

The statewide CAHP team will reach out to leading POU programs, such as those at

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SMUD to learn from their experience how best to deliver energy-efficient homes. In addition, the IOUs will work closely with the existing home remodeling programs (Home Performance with ENERGY STAR and the Comprehensive Mobile Home Program) to maintain a two-way communication of best practices and lessons learned between the new and existing sectors.

b. Program delivery and coordination

i. Emerging Technologies (ET) program

Coordination with Emerging Technologies will chiefly be handled within the ZNE sub-element of CAHP. The IOUs are looking to partner with our ET and EPIC-funded Testing Facilities to pilot zero-net energy approaches. The proposed incentive approach allows the IOUs the flexibility to include both deemed and calculated energy savings from new technologies as they become market ready.

The utilities will seek to integrate R&D ideas from Emerging Technologies, EPIC, LBNL and other avenues to further assist the projects to advance sustainability and achieve very high levels of energy efficiency.

ii. Codes and Standards program

Codes and Standards is looking to draft pre-approved “drop-in” legislation that can be used by local municipalities looking to create reach codes. Such activities would all be eligible for utility incentives since IOUs are playing such a critical role in drafting the language. See Codes and Standards PIP for more information.

iii. WE&T efforts

The RNC team is seeking ongoing support from the three energy and training centers for classes relevant to the building industry and training the next generation of trade allies, builders, contractors, and the like.

Specific workforce development efforts supporting RNC include training on topics including, but not limited to the following:

- Energy Pro
- Title-24
- Micropas

SoCalGas will explore voluntary incentive-based approaches to encourage contractors and other industry professionals to complete the full bundle of RNC workforce development training. For professionals who complete the pre-requisite courses and pass a high-road skill standards test, such approaches may include (as applicable):

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- Allowing marketing or advertising differentiation;
- An incentive bonus; and/or
- Providing preference to these professionals during bid evaluation process.

RNC workforce development training will be coordinated with the statewide IOU WE&T program. In addition to the trainings described above, SW IOU WE&T programs will continue to offer building-block courses that educate professionals on the concepts that form the foundation of Residential New Construction programs. Those concepts include:

- Green building techniques;
- Codes and standards;
- Lighting and HVAC technologies;
- Energy cost management; and
- Food service equipment.

Contractor recruitment efforts will be conducted primarily by SW WE&T program implementers through:

- The network of contractors already participating in Residential EE programs;
- Direct outreach through industry organizations with locally active memberships (e.g. IHACI, USGBC, IFMA, AIA, BOMA, etc.);
- Workforce development departments (to target unemployed general contractors); and
- Community Based Organizations with a proven track-record of effective outreach to the hard-to-reach workforce.

iv. Program-specific marketing and outreach efforts

In 2013-2014, the program will expand its builder/contractor education and training materials to increase awareness of the CAHP and better communicate the advantages of participation. The IOUs will continue to strengthen delivery channels through improved information and support materials. The IOUs' communication tools will include: trade advertising, account representative meetings/presentations, targeted customer mailings, shows/event sponsorships, trade organization affiliations, webcasts, email blast, builder award recognition, customer success stories and public relations campaigns. All materials and communications will also be made available in electronic file formats so information can be forwarded to customers immediately via the internet.

v. Non-energy activities of program

SoCalGas will continue to develop collaborative working relationships with the LADWP and other municipal utilities to offer comprehensive incentive packages to

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participating builders in territories served by SoCalGas and the municipalities. Where applicable, the ZNE program element will seek to identify new types of water savings technologies opportunities.

vi. Non-IOU programs

There may also be opportunities to partner with local AQMDs and County Integrated Waste Management Boards to encourage material recycling in ZNE and green programs.

vii. CEC work on codes and standards

The IOUs will continue to support code development work with the CEC and to test candidate technologies in the new construction programs.

viii. Non-utility market initiatives

The homebuilding industry is facing some of the worst times in its history⁶⁷. In fact, new Residential single-family housing permits declined by 37.1% relative from 2006 and multi-family permits have declined by 21.2 percent⁶⁸. As a result, builders are building fewer homes and releasing them more slowly to the market. The significant costs associated with carrying inventory coupled with declining prices of houses has created additional resistance in a building industry already averse to additional construction costs. In addition, the industry is consolidating operations and eliminating staff to reduce overhead costs and avoid bankruptcy. Homebuilding in California may be just beginning to show signs of revival, although growth in activity is likely to remain considerably slow.

The industry faces the burden of stringent California Title 24 building code standards. Each code is approximately 15% more stringent than the last, increasing costs and requiring additional efforts on the part of the builder. In California, homes built to current Title 24 standards are 35% more energy-efficient⁶⁹ than homes built to the federal government's standards. In addition, reducing greenhouse gas emissions will become mandatory, due to the adoption of AB 32 (Global Warming Solutions Act). Builders confirm that growing consumer awareness of "green" concerns will lead to greater demand for these advanced homes and builders will adapt to meet these demands at the least possible cost.

As alluded to above, buyers are increasingly asking for green and energy efficiency and may pay more (up to \$11,000) for such features.⁷⁰ For the first time, a majority of respondents in the National Association of Home Builders' survey are asking for

⁶⁷ Alan N. Nevin, CBIA Chief Economist and Principal, Market Pointe Realty Advisors, California Builder Magazine, January/February 2008

⁶⁸ California Industry Research Board (CIRB) Report, January 24, 2008

⁶⁹ Ray Becker, Chairman, CBIA, Southern California Builder Magazine Vol. 25. CAHP's internal research has shown typical 2005 T24 performance is 20% above IECC 2006

⁷⁰ Jan Dimeo, Builder. <http://www.builderonline.com/business/surveys-reveal-home-buyer-wishes-for-energy-efficiency-and-beyond.aspx>. Accessed 14 Mar 08

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efficiency first, likely in response to rising energy prices economy-wide. A majority of the same respondents also requested higher ceilings, more square footage, and were willing to trade a larger home for a longer commute, reflecting a “soft” commitment to green.

Energy Savings Assistance (ESA) Program

CAHP is working with the ESA program to coordinate energy efficient new construction with low income housing development.

- For housing units designated by builders for low-income occupants, SoCalGas’ ESA program will pay the full incremental cost of installing energy-efficient equipment, such as high SEER (Seasonal Energy Efficiency Rating) AC systems, and refrigerators. ESA will claim the savings from the measures funded by that program.
- CAHP will pay the standard calculated incentives for all other measures in low-income units (e.g. improved duct work and windows). CAHP will claim the energy savings resulting from EE measures other than high SEER A/C and refrigerators.
- CAHP would treat market-rate units using the standard calculated approach and claim all energy savings.

This collaboration will:

- Encourage the development of more below market rate low income units by developers,
- Increase participate in the RNC sub-program based on the combined higher incentives, and
- Benefit low income occupants over the life of the installed equipment.

The partnerships program will assist in gathering information to ensure that the units actually are occupied by low income qualified customers. Local governments typically track this information in order to show compliance with state mandates.

CAHP will be implemented by direct contact with the market actors: builders, architects, civil and mechanical engineers, energy analysts, HERS providers, HERS raters and other participants. Through design assistance and coordination with the builders and their consultants and contractors, projects will be evaluated for optimal approaches to increase energy savings and demonstrate green building concepts.

The program will target the Residential design and construction teams, architects, energy analysts, HERS raters, trade contractors, and builders. The target segment is low-rise and high-rise RNC with participation being open to all RNC including custom homes, single-family production housing, condominiums, town homes and rental apartments.

Builders may qualify to participate under one of the two sub-program categories: CAHP or ZNE. Through financial incentives, design assistance, education and training, the IOUs

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will aggressively support high performance single family and multifamily building designs that exceed Title 24 standards in an overall performance design of 15% or greater. Energy savings and incentives will be based upon a sliding scale from 15% to 45% reduction in energy usage from Title 24 budget. Program focus will be on increasing the participation to a 30% threshold.

c. Best Practices

The RNC team has gathered information and gained experience in successful low energy and ZNE projects to evaluate best practices. Thus far the research shows that while ZNE practices exist in piecemeal fashion throughout the state and nation, there are no other utility incentive programs specifically targeting ZNE. RNC will continue to conduct further research and will disseminate its finding by April of 2013 in accordance with the program guidance. This information will be used to develop pilot projects that will demonstrate low energy homes and include home performance monitoring.

Processes

- Improve marketing materials and improve participant recognition: Marketing materials and other collaterals will continue to be enhanced to communicate more effectively with savvy builders. Participant recognition (plaques, feature presentations, etc.) has proven to be an effective tool in encouraging builder involvement, and will continue to remain as part of the overall marketing tools.
- RNC has undertaken substantial marketing material revisions in the 2010-12 cycle, and will continue to improve the materials to enhance customer communication.

Program Services: Training

- Taking advantage of the slowdown in the industry, the utilities intend to ramp up the training for builders and other industry participants. Training is an area where significant synergies can be extracted and the IOUs will participate in developing and implementing common training modules and web based training tools. Training will focus particularly on cost / benefit evaluation of energy efficiency improvements and thermal bypass checklist compliance.

Program Services: Information, Communication and resources

- A web-based incentive calculation tool will be evaluated by the IOUs. This tool is intended to assist builders in comparing costs and energy savings of alternative measures and arriving at the most optimal approach for the builder.
- Currently, the technical staff provides preliminary evaluation, engineering review and recommendations for builders to move up on the efficiency scale. It is expected that builders will utilize the services of qualified Energy Analysts and designers in arriving at the final set of measures that should be included. The program will continue to work closely with these companies to promote continued improvement and a commitment to integrated design.

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- The IOUs will explore the implementation of an enhanced set of communication tools that will serve to educate builders and enhance participation. As explained earlier, our communication tools will include: trade advertising, account representative meetings/presentations, targeted customer mailings, shows/event sponsorships, trade organization affiliations, webcasts, email blast, builder award recognition, customer success stories and public relations campaigns; all materials and communications will be made available in electronic file formats.

d. Innovation

SoCalGas' RNC program has gone through significant evolution over the years, constantly adopting innovative approaches and eliminating non-working elements. The current incentive design is based on a whole building performance. It appropriately rewards higher levels of building performance and is likely to motivate home builders to move towards higher efficiency buildings. This approach offers the builder adequate flexibility to choose the optimal combination of design features. It also enables the utilities to work together and support new construction projects with fuel neutrality.

By focusing on efficiencies beyond 35% better than Title 24, and encouraging ZNE projects, the IOUs hope to generate sufficient enthusiasm in the market place for very high efficiency homes. Wherever possible, the California utilities will continue to extract synergies in marketing and program design by developing a truly statewide program with common features and coordinated efforts.

As a gas-only utility, SoCalGas has been consistently seeking innovative approaches in program implementation to enhance the cost effectiveness of CAHP. During the 2010-12 cycle, SoCalGas executed energy sharing agreements with SCE and PG&E to effectively address the program needs of builders in joint service territories. These agreements have enabled the utilities to offer the program benefits with a single point of contact for the builder, while reimbursing each other (incentives offered on the type of energy not provided by that utility) after completion of the projects.

e. Integrated / coordinated Demand Side Management

The ZNE element offers a great opportunity for savvy builders to demonstrate their commitment towards a truly integrated approach to DSM options. With design assistance, custom home builders are uniquely positioned to leverage the various tools available at their disposal. The program management teams will educate and strongly advocate these builders to serve as model designers and be recognized and rewarded in the builder community. ZNE homes offer an excellent opportunity for builders to install not just energy saving measures, but also renewable energy, in-home display, solar roofs, innovative water saving technologies and other state-of-the art appliances to demonstrate how sustainable design can be achieved.

f. Integration across resource types

As discussed above, the program is looking to partner with relevant stakeholders to identify water, air quality, and waste-diversion opportunities.

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g. Pilots

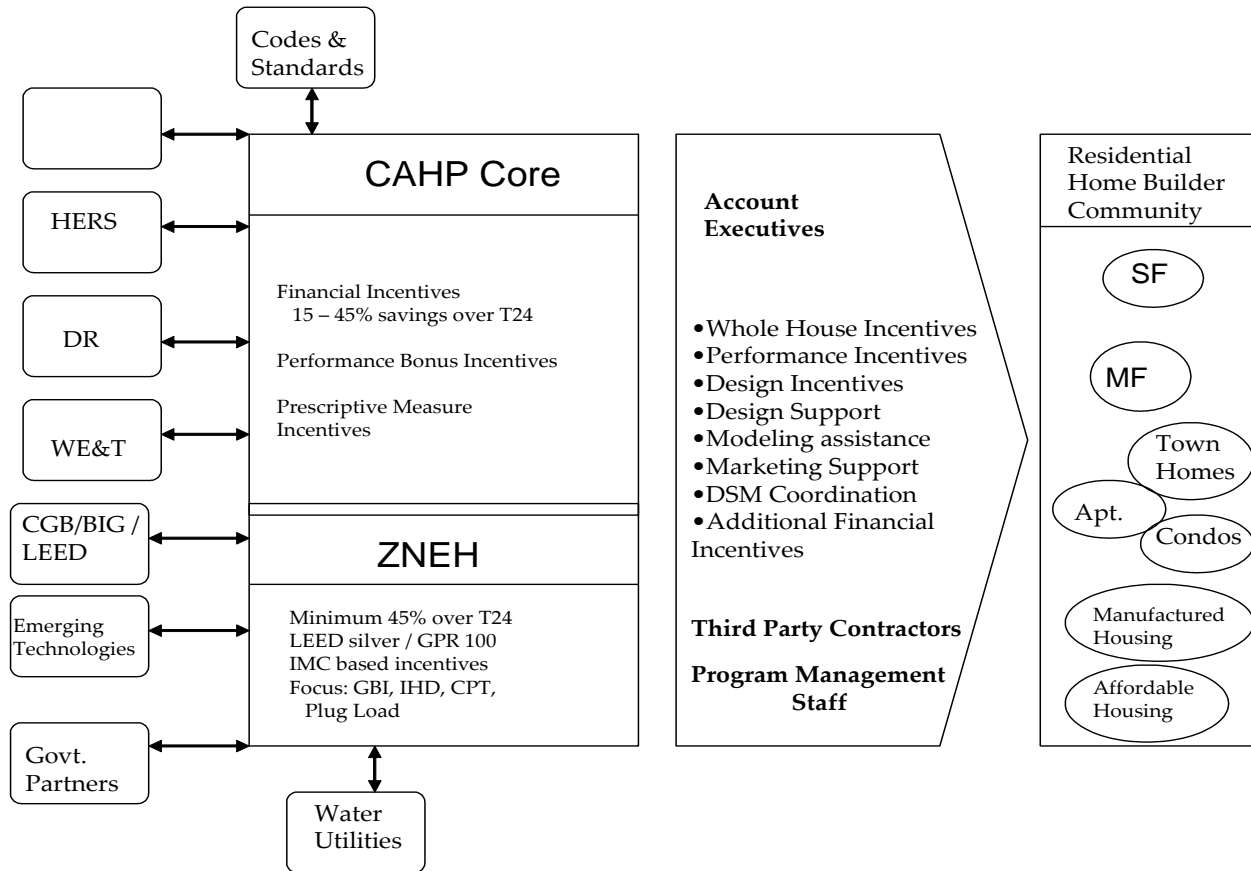
During the course of the program cycle the IOUs may encounter the need to run pilot programs before an idea is introduced to the core program offerings. At that time the utility will submit the plans for such pilots.

h. EM&V

The utilities are proposing to develop and submit a comprehensive EM&V plan for 2013-2014 after the program implementation plans are filed. This will include process evaluations and other program-specific studies within the context of broader utility studies. More detailed plans for process evaluation and other program-specific evaluation efforts cannot be developed until after the final program design is approved by the CPUC and in many cases after program implementation has begun, since plans need to be based on identified program design and implementation issues.

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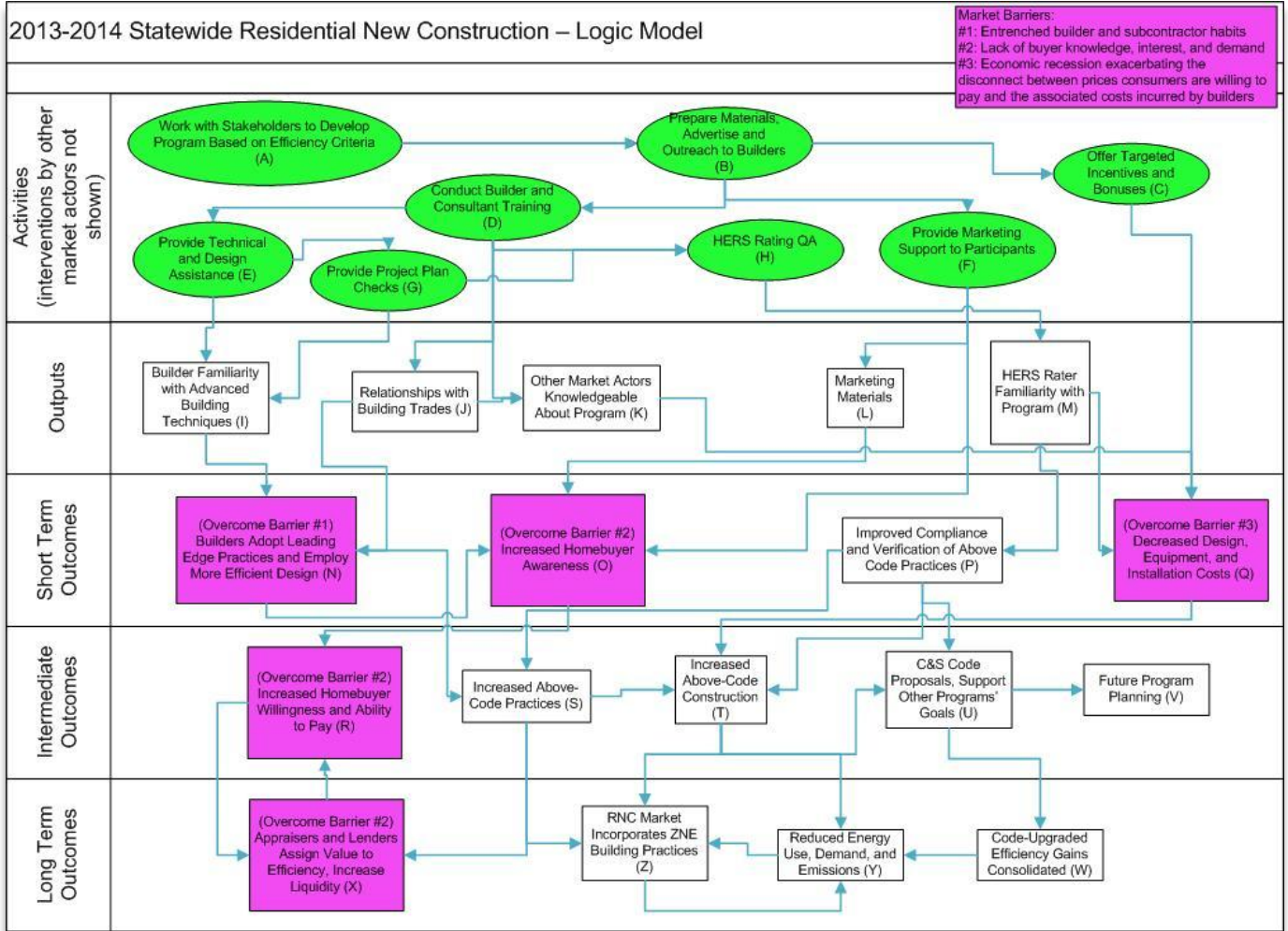
Diagram of Program



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Program Logic Model

Note: On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas & Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. In addition, this Resolution approved updated logic models for the statewide programs. Below is the approved logic model for the CAHP and ZNE.



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ENERGY STAR® Manufactured Homes Program (ESMH)

The ENERGY STAR® Manufactured Homes Program is part of the statewide RNC program offering. The RNC program is itself one sixth of the CalSPREE core offering. ESMH addresses new factory-built housing, offered by SDG&E, SoCalGas and SCE. The structure of the relevant New Construction program elements is as follows:

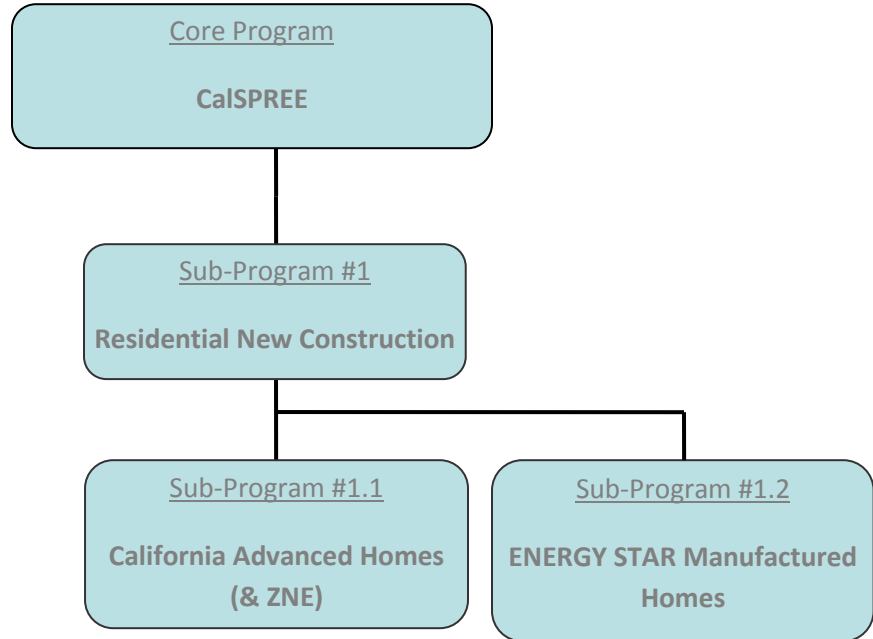
CalSPREE Program (Core)

1. Residential New Construction Sub-Program
 - 2.3 Single family/Multifamily Sub-Program (CAHP)
 - 2.3.1 ZNE Sub-Program
 - 2.4 Manufactured Homes Sub-Program for SoCalGas, SDG&E and SCE

For the convenience of the reader, two other programs relevant to New Construction are also called out:

1. Sustainable Communities Program (Name / location differs by IOU)
Covering Master-planned communities, mixed-use projects, campuses, and commercial projects pursuing advanced energy efficiency and green targets.
2. Partnership Programs (Core)
Strategic Planning Sub-Program (Energy Leader Partnership Strategic Support) -
Trains cities and counties to procure city projects to meet energy efficiency standards, to identify funding sources, to share best practices, and recognizes them for their achievements.

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The goal of energy-efficient RNC will be achieved through a combination of incentives, technical education, design assistance, and verification. CAHP and ESMH support the ambitious goals of the Strategic Plan, and work in close coordination with the ZNE sub-element. ENERGY STAR Manufactured Homes provides further support by targeting manufactured homes, an otherwise unsupported segment.

a) List measures

- \$500 per gas heated home
- \$500 per electric heated home

b) List non-incentive customer services

- Technical support to Energy Analysts and Design Teams⁷¹
- Economic modeling/measure selection support to builder/construction managers
- Marketing support to builders (sales agent training, marketing materials)
- DSM coordination (PV, DR, AMI, ET) for builders to maximize demand-side reductions.

ENERGY STAR Manufactured Homes

⁷¹ There is a desire by the IOUs to explore a variety of forms of design assistance, including design team incentives tied to home performance, peak kW reduction, design optimization services by implementation staff, and funded/hosted charrettes for design teams.

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In addition to the performance approach cited above, RNC will retain a deemed prescriptive approach for the manufactured home market segment. Homes will have the flexibility to include the entire ENERGY STAR package for manufactured housing or to incorporate elements within those standards, such as improved windows.

The ENERGY STAR Manufactured Homes sub-program is designed to promote the construction of new manufactured homes in SoCalGas' service territory that comply with ENERGY STAR energy efficiency standards. The program targets manufacturers, retailers, and homebuyers of new manufactured homes. The current baseline for manufactured homes is the HUD standard specification. The program encourages manufacturers to install "right-size" HVAC, install high-efficiency HVAC equipment, and evaluate homes on a whole-building basis covering windows, insulation levels, and quality installation inspections. The program works in coordination with the ZNE program element.

The program is a logical fit in the RNC portfolio of programs and will serve another market segment within CAHP, alongside single family and multi-family dwellings. Likewise, the ZNE element will also look to leverage consumer interest in green building in promoting zero peak homes and market transformation.

The objectives of the program are:

- To capture cost effective energy savings and demand reduction opportunities
- To move the industry toward coordinated demand side management (c-DSM), including self-generation and SCE's AMI (SmartConnect™)
- To move the industry toward zero-net energy as identified in the BBEES and advanced in the Strategic Plan
- To move the market segment from HUD compliant to ENERGY STAR and provide savings for customers purchasing energy-efficient, manufactured homes

The program encourages manufacturers to:

- Install "right-size" HVAC equipment
- Install high-efficiency HVAC equipment
- Evaluate homes on a whole-building basis covering windows, insulation levels, and quality installation inspections

The program will also include an education and outreach component as a means to promote awareness of energy-efficient practices in the construction of ENERGY STAR manufactured homes. All segments related to the sale and construction of a manufactured home, including retailers, customers and manufacturers will be engaged. The marketing plan will also target new retailers to inform them of the program benefits and encourage their participation in the program.

Market-actors include manufacturers, retailers and homebuyers. As the primary focus is on retailers, the program is considered a midstream program. Incentives are offered to help induce retailers to promote ENERGY STAR qualified manufactured homes.

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Program Criterion	Incentive
ENERGY STAR Manufactured Home – Gas Heat	\$500/Home (total of prescriptive elements)
ENERGY STAR Manufactured Home – Electric Heat	\$500/Home (total of prescriptive elements)
Zero-peak Home	\$75 for each peak kW reduction due to on-site photovoltaic system

Financial incentives will take the form of fixed rebates (deemed) or may be calculated on a project by project basis.

RNC will pursue zero-peak homes as a reasonable milestone on the way to achieving the Strategic Plan’s ZNE homes. The potential addition of a zero- peak photovoltaic kicker is part of the effort toward achieving zero-peak homes.

As part of the effort to address plug loads, ESMH is exploring such technologies as master plug shut-off switches (smart outlets that shut off when they detect only parasitic loads). Additionally, and as part of the integrated demand side management (DSM) approach recommended by the Strategic Plan, ESMH will reward builders for installing demand response offerings such as PCTs and A/C Cycling controllers. ESMH will deliver demand response measures paid for by the demand response programs, to reward builders for these items based on a deemed amount rather than a performance-based incentive. CAHP will work with their AMI metering infrastructure teams to test and develop in-home displays to both drive plug load usage down and give customers both financial and social reasons to conserve energy⁷². In addition to financial savings, the rationale is that customers will gain social status and personal satisfaction by being the most conserving, much as Prius current owners compete to outperform each other and the EPA’s expected miles per gallon.

Marketing efforts will target manufactured home retailers as well as customers.

Desired program outcomes are:

- To achieve short and long term energy savings and demand reduction in the most cost effective manner possible.

⁷² To the extent possible, CAHP intends to leverage AMI funding to incent IHDs in new construction projects. However, AMI has its own schedule and its own priorities for research projects. If DR/AMI is not ready for AMI-integrated IHDs, the ZNE program through its demonstration projects, working in concert with ET, seeks to demonstrate simpler IHD technologies perhaps without the full capabilities of an AMI-integrated device. As these technologies mature into the marketplace, the statewide IOUs will consider adopt them as additional measures into the core CAHP.

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- To increase the penetration of ENERGY STAR manufactured homes within California, and to make ENERGY STAR the customer's preferred choice.
- To transform the marketplace by promoting ENERGY STAR qualified manufactured homes the new standard choice instead of homes that merely meet the existing HUD standards.
- To establish a strong working relationship with manufactured home retailers.

A finished project is defined as the completion and assembly of a manufactured home. The process of purchasing and installing an ENERGY STAR qualified home can be lengthy, so projects need to be monitored closely throughout the program cycle.

The program will include a quality assurance plan with a field inspection component to verify that the manufactured home(s) meets ENERGY STAR and program's requirements. The program will also have a mechanism to verify that the assembly of the home is in accordance with these standards. This will include ducting work and installation of end-use equipment (for example, HVAC). Many ENERGY STAR components are assembled on-site and the compliance must be verified once assembled.

Customer information will be captured once a project is complete to allow the utility to integrate delivery of other program offerings to these customers as well as tracking any possible double-dipping. Information on parties receiving incentives will be tracked and reported.

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5. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Information

Program Performance Metrics (PPMs)

The IOUs have evaluated 2010-2012 PPMs in Resolution E-4385 for applicability to the 2013-2014 program cycle and propose to work collaboratively with Energy Division to develop revised program targets and PPMs as appropriate for the 2013-2014 program cycle. The IOUs' will propose revisions in an advice letter, per additional guidance from Energy Division.

Table 3.1: Short-Term PPMs

On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. The Commission gave each PPM a metric type which indicated the reporting frequency: Metric type 2a indicates that the IOUs should report on the metric on an annual basis (unless indicated otherwise). Metric type 2b indicates the IOUs should report on the metric at the end of the program cycle.

Below are the approved PPMs and metric types for the Residential ENERGY STAR® Manufactured Housing Statewide Program (Resolution E-4385, Appendix A, p.37):

SW PROGRAM / Sub-Program	PROGRAM PERFORMANCE METRIC (PPM)	Metric Type
<i>Residential ENERGY STAR Manufactured Housing</i>	1. Number of manufactured housing units sold in IOU service territories (via retailers and/or manufacturers) participating in program	2a
	2. Number and percentage of participating projects utilizing: (a) whole house incentive for gas heat; (b) whole house incentive for electric heat	2a

b) Market Transformation Information

Resolution E-4385 identifies a preliminary list of objectives and market transformation indicators (MTIs) for statewide energy efficiency programs and subprograms. These MTIs will be presented at a public workshop to allow for public comments and discussion before being finalized. The Resolution further directs the Joint Utilities to work collaboratively with Energy Division staff to select a subset of these MTIs for data collection, tracking and reporting as part of the 2010-2012 energy efficiency evaluation, monitoring and verification (EM&V) activities. Per guidance from Energy Division

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received in December 2012, the approved Market Transformation Indicators for 2013-2014 are filed as a Joint IOU matrix, included as Appendix F.

c) Program Design to Overcome Barriers (Priority Barrier: Homebuyers)

The energy used in the average home produces roughly twice the greenhouse gas emissions as the average automobile. In fact, 16% of U.S. greenhouse gas emissions result from the generation of energy used in houses nationwide (U.S. EPA). However, there is little consumer awareness of the impact their homes have on the environment. CAHP is working with IOU marketing efforts, statewide partners (e.g. Flex Your Power), ENERGY STAR campaigns, and builder's own messaging to increase consumer awareness of this idea. Moreover, there is scant evidence that energy efficiency drives decision-making among homebuyers, whose access to capital is more difficult in a constrained capital market.

Manufactured Housing: a potential opportunity

The current decline in the housing industry, the high cost of Residential housing, and increasing customer awareness of energy efficiency all make this a good time to address this underserved market segment. The manufactured housing industry is somewhat counter-cyclical to the site-built home market. As buyers are priced out of site-built homes, manufactured housing has become an affordable alternative.

Historically, manufactured housing has been considered a lost opportunity. Manufacturers recognize that ENERGY STAR manufactured homes address both the high cost of purchasing a traditional new home and the high cost of energy bills. However, without IOU intervention in the market, retailers are not pushing ENERGY STAR homes and there is not enough demand for manufacturers to justify building them.

Overcoming Market Failure: CAHP

In a buyer's market, builders are looking to differentiate themselves from competition. This presents a opportunity for ESMH to assist builders in overcoming cost barriers, minimizing lost opportunities, and working collaboratively to help meet the state's and IOUs' goals for the reduction of greenhouse gas emissions and utility source demand.

The RNC market without IOU intervention is a lost opportunity for long-term energy savings. However, with IOU intervention in the form of incentives and design support, the new construction market is well placed to demonstrate innovative approaches and cost-effective energy savings technologies.

Overcoming Market Failure: Manufactured Housing

The program provides an incentive to manufactured home retailers when they sell a manufactured home that meets or exceeds the current ENERGY STAR standards. These standards extend to the ducting and installation guidelines for heating/cooling equipment, be tracked and reported.

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ENERGY STAR qualified manufactured homes will generate energy savings and demand reduction. In addition to leveraging retailers of manufactured homes, the program will leverage the Partnerships Program to reach out to local governments where the homes will be built.

Manufactured homes have a higher potential for market transformation than the site-built industry due to factory standardization, and the fact that recent research indicates that eight manufacturers control approximately 98%⁷³ of the manufactured housing market.

Current Program Baseline: Manufactured Housing:

Prior to IOUs’ intervention in the market, there was no ENERGY STAR qualified manufactured homes sold in our service territory. The construction of manufactured homes that meet ENERGY STAR program standards, as opposed to the less stringent HUD standards, will result in demand reduction, energy savings, and the reduction of greenhouse gas emissions.

The energy savings will result from a combination of improved envelope efficiency (thermal and air tightness), use of high efficiency equipment, and the proper sizing (downsizing) of the cooling equipment. This program is statewide among the IOUs, to provide continuity and better service to the builder at reduced costs.

d) Quantitative Program Targets

The targets provided herein are best estimates, but nonetheless are forecasts.

ENERGY STAR® Manufactured Homes	Program Target 2013	Program Target 2014
Units Paid	25	32

e) Advancing Strategic Plan goals and objectives

Since its inception in 2002, CAHP has had a substantial impact on the homebuilding market. There is a significant opportunity to continue to influence builders, architects and other players in the Residential New Construction industry.

The RNC sub-program is designed to enable the achievement of several goals and strategies identified in the Strategic Plan. The Strategic Plan envisions a transformation of the core Residential sector to ultra-high levels of energy efficiency, resulting in ZNE new construction standards by 2020. It spells out several goals and strategies to address energy reduction in Residential New Construction.

Goal #1: New Construction will deliver “ZNE” performance for all new single and multi family homes by 2020.

⁷³ “Synopsis of manufacturer market share and status,” Manufactured Research Association, communication, October 2007.

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- By 2012, 50% of New Homes will exceed 2008 Title 24 energy efficiency standards by 20%; 10% will surpass 2008 Title 24 standards by 40% (Strategy 1-1)⁷⁴

Goal #2: Home buyers, owners and renovators will implement a whole house approach to energy consumption that will guide their purchase and use of existing and new homes, home equipment household appliances, and plug load amenities

Goal #3: Plug load will grow at a slower rate and then decline through technological innovation spurred by market transformation and customer demand for energy-efficient products.

The goal of energy-efficient Residential New Construction will be achieved through a combination of incentives, technical education, design assistance, and verification. CAHP supports the ambitious goals of the Strategic Plan, and works in close coordination with the ZNE sub-element. Together these elements seek to raise plug load efficiency, focus on whole-house solutions, drive occupant behavior through in-home monitoring and visual display tools, and leverage market demand for green building standards. CAHP is also coordinated with demand response programs, Emerging Technology, and the NSHP. In fully aligning itself with the Strategic Plan, the CAHP targets an interim goal of 50% of RNC to Tier II (2005) by 2011, 10 per cent of RNC to 55% by 2011, and a final goal of 100% of Residential New Construction to be net zero by 2020. In fully aligning itself with the Strategic Plan, as modified by Decision 09-09-047, the CAHP targets an interim goal of 50 percent of RNC to be 20% better than the 2008 Title 24 Standards by 2012, and 10% of RNC to be 40% better than the 2008 Title 24 Standards by 2012, and a final goal of 100 percent of residential new construction to be net zero by 2020.

6) Program Implementation IOU-specific elements

a) Statewide IOU coordination

Given the success of the collaborative process that led to the production of this PIP, the statewide RNC team plans to meet on at least a quarterly basis going forward in order to review progress toward the goals and make corrections need to achieve them.

i. Program name

The single-family and multi-family programs will be implemented under the common name of CAHP. The zero peak pilots will be referred to as ZNE Homes, although the details differ somewhat by utility. Factory-built housing will be referred to as ENERGY STAR Manufactured Homes.

ii. Program delivery mechanisms

SoCalGas delivers the program primarily through in-house account executives with some

⁷⁴ As modified in D.09-09-047

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outside technical support for specific analyses. SCE leverages third-party implementers and in-house account executives. For the 2013-2014 program period, SoCalGas and SCE will continue implementation of ESMH, as their service territories overlap significantly. This will ensure cost effective implementation as well as a consistent program delivery to the applicable customer base.

iii. Incentive levels

The IOUs have agreed upon a common incentive methodology that will be implemented throughout the service territories. The incentive levels are as indicated earlier.

iv. Marketing and outreach plans

ESMH will ensure closer coordination of marketing efforts to synergize wherever possible. While each utility would like to leverage on their strengths and existing relationships within their service territories, certain marketing elements can be launched on a common platform. A common website will be created to provide builder information that will be commonly disseminated. Training and education is an area where pooling of resources is possible to reduce cost and increase participation.

The participating IOUs plan to be actively engaged in the development and implementation of joint marketing, education and training efforts as described in detail in the common section of this PIP.

In 2013-2014, the program will expand its builder/contractor education and training certification courses to increase overall awareness and understanding of CAHP and service offerings. We will continue to strengthen our delivery channels of information by providing relevant information and support materials, reaching target audiences in key decision-making phases. The IOUs' innovative communication tools will include: trade advertising, account representative meetings/presentations, targeted customer mailings, shows/event sponsorships, trade organization affiliations, webcasts, e-mail blast, builder award recognition, customer success stories and public relations campaigns. All materials and communications will also be made available in electronic file formats so information can be forwarded to customers immediately via the Internet.

Additionally, CAHP will leverage its excellent relationships in partnering with trade organizations and other groups actively promoting the benefits of green, sustainable building practices. Such organizations include: CEC, FYP, AIA, USGBC, ULI, California Manufactured Housing Institute, Build It Green, IES, AEE, IHACHI, PHCC and others. Through an innovative, coordinated approach, we will maximize outreach opportunities that keep energy efficiency and program benefits top-of-mind and maximize program participation.

Marketing materials and other collaterals will be enhanced to communicate more effectively with savvy builders. Participant recognition (plaques, feature presentations, etc.) has proven to be an effective tool in encouraging builder involvement, and will continue to remain as part of the overall marketing tools.

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v. IOU program interactions

The plan addresses above, in the Incentive Rationale section, the ways CAHP is encouraging demand performance, in-home displays, on-site generation, square footage reductions and green elements.

CAHP is particularly interested in promoting integrated thermal hot water system designs to displace therm demand with on-site renewable sources. In addition to cold water savings from embedded energy and the energy to heat water, longer term there may be GHG reductions that accrue either to the builder, the homeowner, or the utility associated with each demand side reduction as a result of AB 32 and pending national CO₂ legislation.

CAHP prides itself on its established close relationships and memberships with other groups involved with the building industry. These relationships make it possible to provide comprehensive services to our customers. Thus, CAHP will continue to seek out and coordinate synergies with, but not limited to, the following groups:

- NSHP
- EPA
- California IOUs
- Green Building Consultants (i.e. Build it Green, California Green Builder, Global Green)
- Rater Organizations (e.g. ResNet, CalCerts, CHEERS)

CAHP will continue its commitment to the EPA's ENERGY STAR program and will strive to support, partner and contribute to the success of the ENERGY STAR homes label and branding. Numerous surveys and studies continue to show the ENERGY STAR label represents greater value to consumers and the environmental stewardship it represents.

Since 2002, CAHP has partnered with the EPA in promoting ENERGY STAR New Homes and has won ENERGY STAR achievement awards for the last seven consecutive years. In 2011 SCE was rewarded for "Sustained Excellence in Energy Efficiency Program Delivery".

The program will continue to offer comprehensive training courses and educational seminars relevant to building energy efficiency and green measures into new construction projects including Title 24 code training and ENERGY STAR requirements.

In response to builder requests, CAHP will offer a new training workshop during 2013 - 2014 designed for builders' sales agents. Sales agents have direct contact with the homebuyer and have the greatest impact on selling homes. In order to help promote ENERGY STAR developments, CAHP will teach sales agents about energy efficiency. Topics will include what qualifies as an ENERGY STAR home and what is 'green'.

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Other activities will include attendance at building industry trade conferences/ outreach events and any necessary contractor/builder field visits. The target audience consists of builders, developers, energy consultants, architects, and other industry professionals. IOUs may pursue partnership efforts with local government entities who are looking to display leadership in the carbon arena by expediting plan check, waiving permit fees, or allowing builders to pay impact fees on the back end (instead of up-front) in exchange for higher levels of home performance documented by our program.

vi. Similar IOU and POU programs

The statewide team will reach out to leading POU programs, such as those at SMUD to learn from their experience how best to deliver energy-efficient homes.

In addition, the IOUs will work closely with the existing home remodeling programs (Home Performance with ENERGY STAR and the Comprehensive Mobile Home Program) to maintain a two-way communication of best practices and lessons learned between the new and existing sectors.

b) Program delivery and coordination

i. Emerging Technologies (ET) program

Emerging technologies will chiefly be handled within the ZNE program. The IOUs are looking to partner with our ET and EPIC-funded Testing Facilities to pilot zero-net energy approaches, particularly in the manufactured home/prefabricated segment. However, the proposed incentive approach allows the IOUs the flexibility to include both deemed and calculated energy savings from new technologies as they become market ready.

The utilities will seek to integrate R&D ideas from Emerging Technologies, EPIC, LBNL and other avenues to further assist the projects to advance sustainability and achieve very high levels of energy efficiency.

ii. Codes and Standards program

As mentioned above, manufactured housing is not subject to Title 24, although there are national efforts to improve the HUD code.

iii. WE&T efforts

The RNC team is seeking ongoing support from the three energy and training centers for classes relevant to the building industry and training the next generation of trade allies, builders, contractors, and the like.

iv. Program-specific marketing and outreach efforts

In 2013-2014, the program will expand its manufacturer and retailer outreach to increase overall awareness and understanding of ESMH. We will continue to strengthen our information and support materials, focusing on the value to the retailer of making the sale to the homebuyer. The IOUs' communication tools will include: account representative meetings/presentations, targeted customer mailings, trade

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organization affiliations, and builder award recognition. All materials and communications will also be made available in electronic file formats so information can be forwarded to customers immediately via the internet.

v. Non-IOU Programs

There may also be opportunities to partner with local AQMDs and County Integrated Waste Management Boards to encourage material recycling in ZNE and green programs.

vi. CEC work on C&S

The IOUs will continue to support Codes and Standards development work with the CEC and to test candidate technologies in the new construction programs.

c) Best Practices

The Residential New Construction team will gather information and past experience in successful low energy and ZNE existing projects to evaluate best practices. This information will be used to develop pilot projects that will demonstrate low energy homes and include home performance monitoring.

d) Integrated/coordinated Demand Side Management

The statewide RNC team is committed to a full integration of all resource types. A first step has been taken by way of a recent joint agreement between SoCalGas and SCE, which allows the two utilities to buy back therms and kWh. Water saving technologies and CO₂ reduction are strongly emphasized and tracked in ZNE projects. As these technologies get accepted and recognized, they will become integrated into the base CAHP projects.

e) Integration across resource types (energy, water, air quality, etc)

As discussed above, RNC is looking to partner with relevant stakeholders to identify water, air quality, and waste-diversion opportunities.

f) Pilots

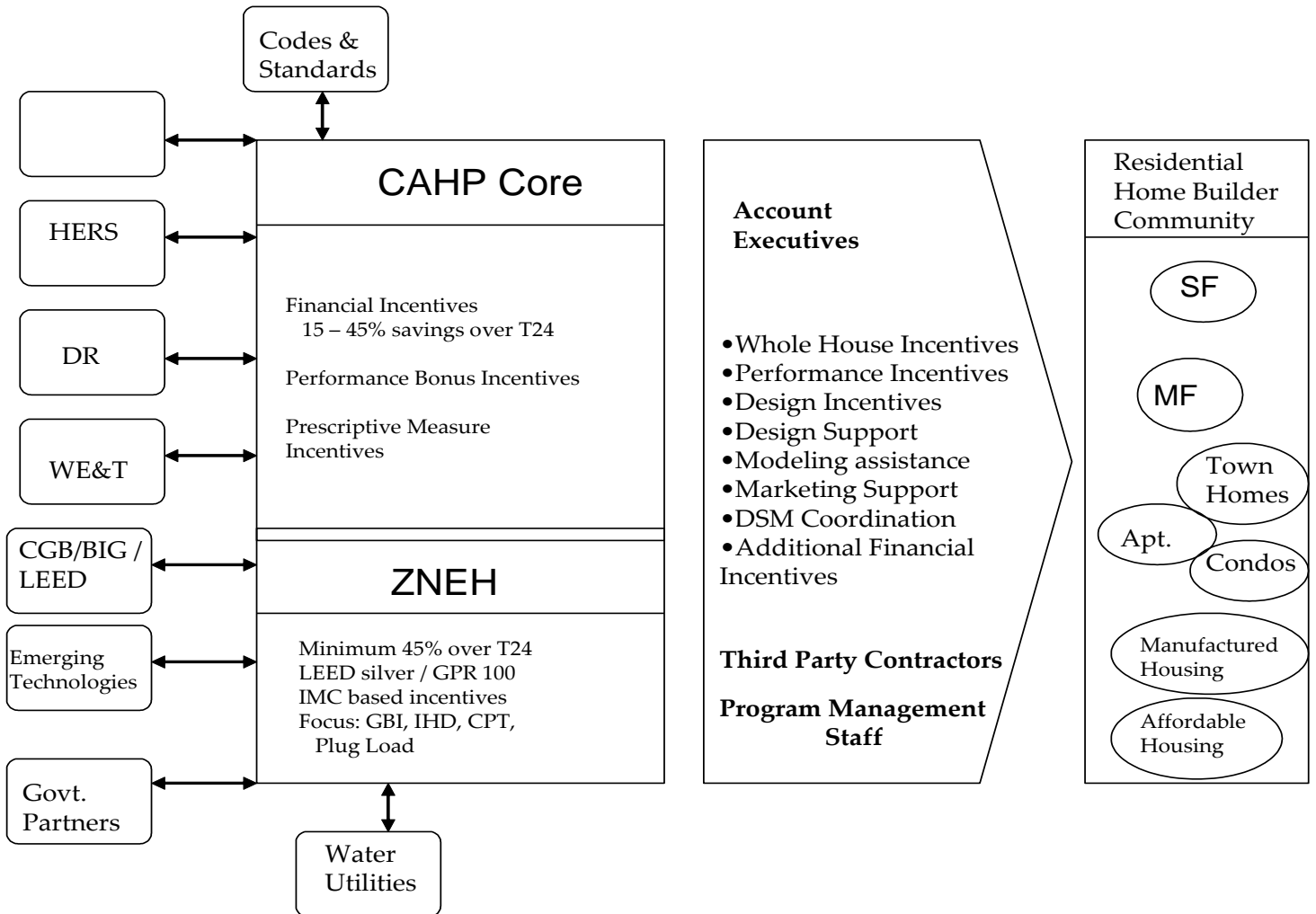
As discussed above, The IOUs may in the future need to create a pilot program to test the viability of an offering.

g) EM&V

The utilities are proposing to develop and submit a comprehensive EM&V plan for 2013-2014 after the program implementation plans are filed. This will include process evaluations and other program-specific studies within the context of broader utility studies. More detailed plans for process evaluation and other program-specific evaluation efforts cannot be developed until after the final program design is approved by the CPUC and in many cases after program implementation has begun, since plans need to be based on identified program design and implementation issues.

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7. Diagram of Program

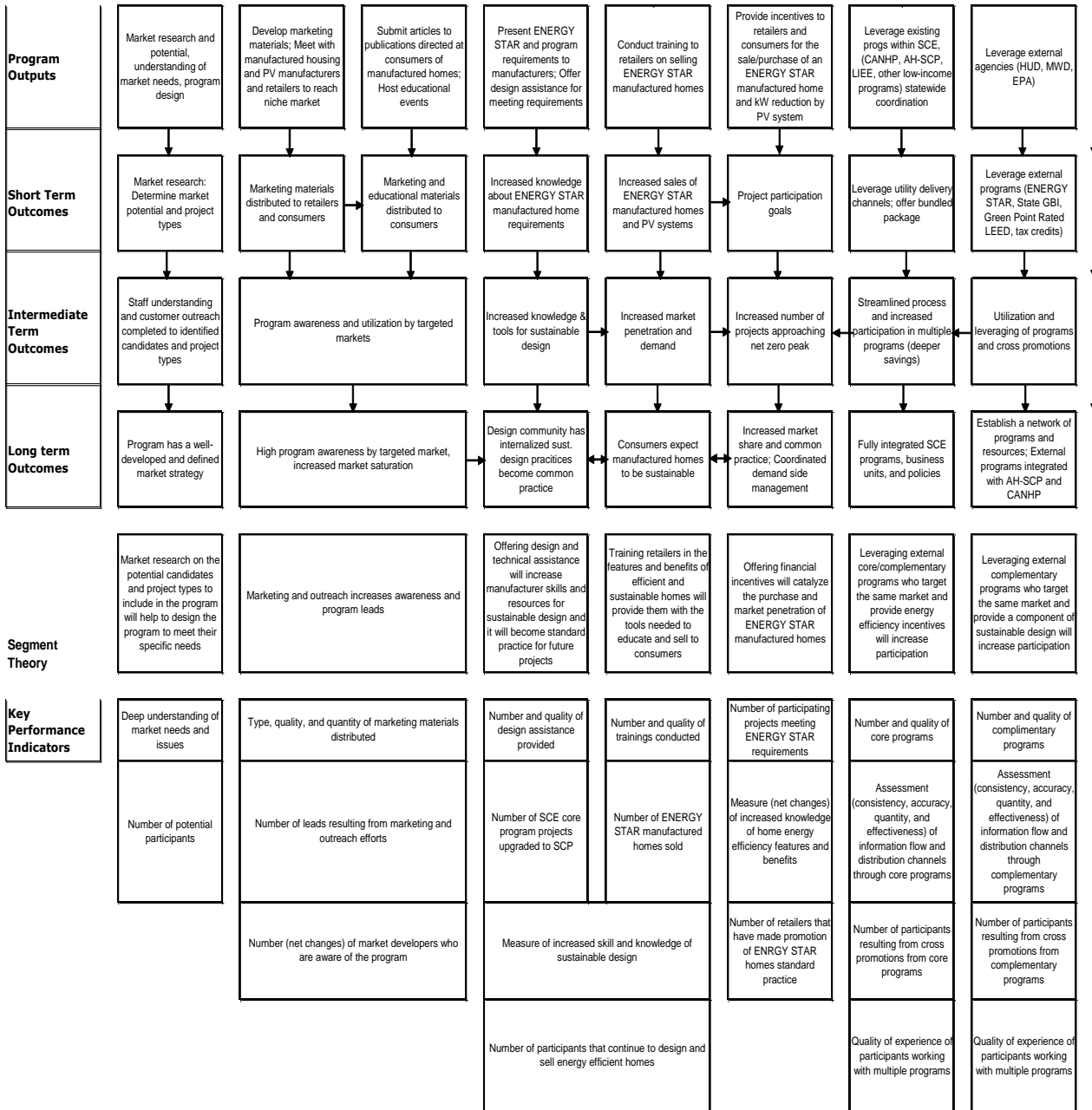


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8. Program Logic Model

Note: On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas & Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. In addition, this Resolution approved updated logic models for the statewide programs. Below is the approved logic model for the Energy Star Manufactured Homes Program.

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Program Outputs	Market research and potential, understanding of market needs, program design	Develop marketing materials; Meet with manufactured housing and PV manufacturers and retailers to reach niche market	Submit articles to publications directed at consumers of manufactured homes; Host educational events	Present ENERGY STAR and program requirements to manufacturers; Offer design assistance for meeting requirements	Conduct training to retailers on selling ENERGY STAR manufactured homes	Provide incentives to retailers and consumers for the sale/purchase of an ENERGY STAR manufactured home and kW reduction by PV system	Leverage existing progs within SCE, (CANHP, AH-SCP, LIEE, other low-income programs) statewide coordination	Leverage external agencies (HUD, MWD, EPA)
Short Term Outcomes	Market research: Determine market potential and project types	Marketing materials distributed to retailers and consumers	Marketing and educational materials distributed to consumers	Increased knowledge about ENERGY STAR manufactured home requirements	Increased sales of ENERGY STAR manufactured homes and PV systems	Project participation goals	Leverage utility delivery channels; offer bundled package	Leverage external programs (ENERGY STAR, State GBI, Green Point Rated LEED, tax credits)
Intermediate Term Outcomes	Staff understanding and customer outreach completed to identified candidates and project types	Program awareness and utilization by targeted markets	Increased knowledge & tools for sustainable design	Increased market penetration and demand	Increased number of projects approaching net zero peak	Streamlined process and increased participation in multiple programs (deeper savings)	Utilization and leveraging of programs and cross promotions	
Long term Outcomes	Program has a well-developed and defined market strategy	High program awareness by targeted market, increased market saturation	Design community has internalized sust. design practices become common practice	Consumers expect manufactured homes to be sustainable	Increased market share and common practice; Coordinated demand side management	Fully integrated SCE programs, business units, and policies	Establish a network of programs and resources; External programs integrated with AH-SCP and CANHP	
Segment Theory	Market research on the potential candidates and project types will help to design the program to meet their specific needs	Marketing and outreach increases awareness and program leads	Offering design and technical assistance will increase manufacturer skills and resources for sustainable design and it will become standard practice for future projects	Training retailers in the features and benefits of efficient and sustainable homes will provide them with the tools needed to educate and sell to consumers	Offering financial incentives will catalyze the purchase and market penetration of ENERGY STAR manufactured homes	Leveraging external core/complementary programs who target the same market and provide energy efficiency incentives will increase participation	Leveraging external complementary programs who target the same market and provide a component of sustainable design will increase participation	
Key Performance Indicators	<p>Deep understanding of market needs and issues</p> <p>Number of potential participants</p>	<p>Type, quality, and quantity of marketing materials distributed</p> <p>Number of leads resulting from marketing and outreach efforts</p> <p>Number (net changes) of market developers who are aware of the program</p>	<p>Number and quality of design assistance provided</p> <p>Number of SCE core program projects upgraded to SCP</p> <p>Measure of increased skill and knowledge of sustainable design</p> <p>Number of participants that continue to design and sell energy efficient homes</p>	<p>Number and quality of trainings conducted</p> <p>Number of ENERGY STAR manufactured homes sold</p>	<p>Number of participating projects meeting ENERGY STAR requirements</p> <p>Measure (net changes) of increased knowledge of home energy efficiency features and benefits</p> <p>Number of retailers that have made promotion of ENERGY STAR homes standard practice</p>	<p>Number and quality of core programs</p> <p>Assessment (consistency, accuracy, quantity, and effectiveness) of information flow and distribution channels through core programs</p> <p>Number of participants resulting from cross promotions from core programs</p> <p>Quality of experience of participants working with multiple programs</p>	<p>Number and quality of complimentary programs</p> <p>Assessment (consistency, accuracy, quantity, and effectiveness) of information flow and distribution channels through complementary programs</p> <p>Number of participants resulting from cross promotions from complementary programs</p> <p>Quality of experience of participants working with multiple programs</p>	

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Attachment 1

Energy Division Program Adjustment Requests

Implemented by IOUs

Program Name: Statewide New Construction Program

Program Number: 3707

Sub-program Name: Residential New Construction (“California Advanced Homes”)

Source of Request (ED Staff Name)	PIP Section	Modified Content	Justification	Budget Impact (Yes/No: Explain)	Savings Impact (Yes/No: Explain)
Cathy Fogel (Not certain, but she is lead for RNC)	6. Program Implementation, a) Statewide IOU Coordination; iii: Incentive levels	Delete Kicker for Solar Thermal equipment per ED direction	Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall <u>coordinate</u> their CAHP performance bonus for solar hot water with the Energy Division’s proposed CSI Thermal Energy program, authorized by AB 1470; (D. 09-09-047, OP 24c, page 376) “Coordinate” and eliminate are not synonymous.	No additional dollars have been added or subtracted; However, dropping the kicker makes more dollars available for other marketing/kickers	No

Plug Load and Appliances Attachment 1

Table 1: Total Projected Program Budget & Savings by Subprogram

Subprogram	PG&E (\$)	SCE (\$)	SDG&E (\$)	SCG (\$)	Kwh	KW	Therms
PLA				15,487,898	11,925,034	5,024	3,908,645

Table 2: Total Projected Program Savings by IOU

Subprogram	PG&E	PG&E	PG&E	SCE	SCE	SDG&E	SDG&E	SDG&E	SCG	Total
	Kwh	KW	Therms	Kwh	KW	Kwh	KW	Therms	Therms	
PLA									3,908,645	3,908,645

Table-3: Projected Sub-Program Budget, by Calendar Year

Sub-Program	Program Year		
	2013	2014	Total
Admin (\$)	265,743	265,743	531,487
Incentives (\$)	4,656,413	4,656,413	9,312,826
Direct Implementation Non-Incentives (\$)	2,137,973	2,137,973	4,275,947
Marketing & Outreach (\$)	683,819	683,819	1,367,639
Education & Training			0
Total Budget	7,743,949	7,743,949	15,487,898

Table-4. Projected Net Energy & Demand Impacts by Calendar Year

	Program Years		
	2013	2014	Total
PLA			
GWh			
Peak MW			
Therms (millions)	1,954,322	1,954,322	3,908,645

Table-3.1: PLA sub-program Performance Matrix (PPM)

PPM #	Description	Metric Type
1	Percentage of program rebates made through the point-of-sales mode relative to all rebates	Annual
2	Percentage of participating stores located in hard-to-reach (HTR)** zip-codes relative all program participating stores.	Annual
3	Number of participating retailers, and number of retail store locations by retailers, and other reseller receiving training.	Annual
4	Number of participating retailers received detailing.	Annual
5	Numbers and names of specific types of market actors (retailers, buying groups, manufacturers, and distributors) participating in the program and the approximate percent of all potential market actors that this represents	Annual
6	Level of program participants' AKA (awareness, knowledge and attitude) toward the appliance recycling subprogram.	Annual
7	Number of recycled appliance by year, type, model# (as available), age (estimated) and size.	Annual

Table 3.2- Long Term Program Performance Metrics

MTI Index#	RE-CATEGORIZED Metric (LTPPM - or SPI) [E-4385 Appendix B original text except for noted edits]	Unresolved Issues
Appl - 1	<p><u>MT Indicator 1: Saturation levels of "inefficient, older refrigerators and freezers" in California homes as demonstrated through appliance: age, size and efficiency.</u></p> <p><u>Note: "Inefficient, older refrigerators and freezers" needs to be defined.</u></p>	As a LTPPM, needs work. Suggested revision - "Saturation levels of key appliances (refrigerator, washer, etc) by size and energy usage".

Table-4a: Measure Savings / Work Paper

Measures List	Data Sources			
	DEER	WP Approved	WP Pending Approval	WP Submitted Awaiting Review
Water Heater				
Gas				
Level 1 - >=0.62<0.66 (SDG&E/SCG)	✓			
Level 2 - >=0.67 (SDG&E/SCG)	✓			
Level 1 - >=0.62<0.65 (PG&E)	✓			
Level 2 - >=0.65 (PG&E)	✓			
Electric >=0.93	✓			
Clothes Washer				
ENERGY STAR Clothes Washer	✓			
Insulation				
Attic to R38(PG&E), (SDG&E and SCG R30)	✓			
Wall to R13	✓			
Refrigerator				
ENERGY STAR® (SCE)	✓			
ENERGY STAR® Most Efficient (SCE)			✓	
CEE Tier 3 (PG&E)			✓	
Furnace				
92 AFUE (SCG and SDG&E)	✓			
94 AFUE(PG&E)	✓			
96 AFUE (PG&E)	✓			
VSM Replacement Motor (PG&E)				✓
Pool Pump Variable speed pump		✓		
Whole House Fan (SCE and PG&E)		✓		
Ducted Evaporative Coolers (SCE) add Window Evaporative Coolers				
Cool Roof (PG&E)				
Low sloped (excluding CZ 13)	✓			
Steep Sloped Level 1	✓			
Steep Sloped Level 2	✓			
HVAC/Heat Pump (SCG to check)	✓			
Shower Heads				
Thermostatic Low Flow Restrictive Valve (SCG)		✓		
Low Flow Shower Heads (SCG)		✓		
Therm Kit – Low Flow Showerheads / Aerators (SCG and SDG&E)		✓		
Television ENERGY STAR® 5.3 + **%				✓
Statewide Appliance Recycling				
Refrigerator 10ft ³ < size < 32ft ³	✓			
Freezer 10ft ³ < size < 32ft ³	✓			
Retailer Based Appliance Recycling				
Refrigerator 10ft ³ < size < 32ft ³				✓
Freezer 10ft ³ < size < 32ft ³				✓

Table-4b: IOUs' Exploratory Measures Considered for 2013-14

Measures List	Data Sources			
	DEER	WP Approved	WP Pending Approval	WP to be developed & submitted
Hybrid electric Heat Pump =2.0				✓
Furnace				
94 AFUE(SDG&E)	✓			
96 AFUE (SDG&E and SCG)	✓			
VSM Replacement Motor (PG&E) (SDG&E exploratory)				✓
Clothes Washer CEE Tier III (SCG)	✓			
Set-top boxes				✓
ENERGY STAR® 6.0 TV's				✓
Audio/Video Equipment's				✓
Blue Ray DVD Players				✓
Heat Pump Dryers				✓
Mono Chromatic Window				✓

Table 5: Sub-Program Milestones and Timeline (example)

Milestone	Date
2013-14 EE PIP Filing	TBD
Commenting Period on PIP Filing	TBD
Approval for 2013-14 EE Portfolio	TBD
2013-14 Program Launch	TBD
2013 Program Review	TBD
2013 Program Updates	TBD
2014 Program Launch	TBD
2013-14 Transition Period Review	TBD
Commission's Guidance for Post-2014	TBD
Parties' comments on Post-2014 Guidance	TBD
Post-2014 Proposed Decision	TBD
Parties' comments on Post-2014 Proposed Decision	TBD
Final Decision for Post-2014	TBD
Post-2014 PIP Development	TBD
Post-2014 PIP Filing	TBD
Post-2014 EE Portfolio Approval	TBD

Table 6 Geographic Regions

Geographic Region	SCG PLA Sub-program
CEC Climate Zone 1	X
CEC Climate Zone 2	X
CEC Climate Zone 3	X
CEC Climate Zone 4	X
CEC Climate Zone 5	X
CEC Climate Zone 6	X
CEC Climate Zone 7	X
CEC Climate Zone 8	X
CEC Climate Zone 9	X
CEC Climate Zone 10	X
CEC Climate Zone 11	
CEC Climate Zone 12	
CEC Climate Zone 13	X
CEC Climate Zone 14	X
CEC Climate Zone 15	X
CEC Climate Zone 16	X

Table 7: Program Administration of Program Components

Program Name	Program Component	Implemented by IOU Staff? (X = Yes)	Implemented by contractors to be selected by competitive bid process (if Yes then enter type of	Implemented by contractors NOT selected by competitive bid process (list prime contractor and sub-	Implemented by local government or other entity (X = Yes)
PLA	Appliance Recycling	X			
PLA	Program Support	X			
PLA	Processing Support	X			
PLA	Program Marketing	X			
PLA	Direct Implementation Activities	X			
PLA	Internal/external program reporting	X			
PLA	Call Center	X			

Table 8: Customer Eligibility Requirements (Joint Utility Table)

Customer Eligibility Requirement (list of requirements)	PGE	SCE	SDGE	SCG
Working (e.g., cooling) appliance	X	X (AR Only)	X	TBD
Refrigerator/Freezer are 10 - 32 cubic feet in size	X	X (AR Only)	X	TBD
Units are located in IOU service territory	X	X	X	TBD
Customer has "active" service account	X	X	X	X
Residential Dwelling	X	X	X	X
Retail Store within IOU Service Territory		X	X	X
Customers within IOU Service Territory		X	X	X
Business Customers	X (AR Only)	X (AR Only)	X	
A qualifying product must be purchased and installed within program application guidelines.	X	X	X	X
Proof of purchase must be provided with application.	X	X	X	X
1 product per active service account.		X	X	X
Product and installation may be inspected.	X	X	X	X

Table 9: Contractor Eligibility Requirements (Joint Utility Table)

Contractor Eligibility Requirement (list of requirements)	PGE	SCE	SDGE	SCG
Complies with EPA Responsible Appliance Disposal (RAD) requirements	X	X (AR Only)	X	TBD
Meets all federal, state and local laws, ordinances and regulations	X	X	X	TBD
Retailers comply with all Appliance Recycling requirements	X	X (AR Only)	X	TBD
Retailer Agreements Point of Sale Rebates	X	X	X	X
Retailer Agreements BCE	X	X	X	
Retailer Agreements Receipt Messaging	X	X		X
Sign IOU Contractor Agreement		X	X	

Table 10: Manufacturer/Retailer/Distributor Partners

Manufacturer/Retailer/Distributor Partner Information				
[list kinds of manufacturers / Retailer / Distributor]	PGE	SCE	SDGE	SCG
Manufacturers enrolled in program	None	None	None	None
Manufacturers targeted for enrollment in program	Plug-load Appliance, Consumer Electronics,	Plug-load Appliance, Consumer Electronics,	Plug-load Appliance, Consumer Electronics,	Plug-load Appliance, Consumer Electronics,
Retailers enrolled in program	Plug-load Appliance, Consumer Electronics,	Plug-load Appliance, Consumer Electronics,	Plug-load Appliance, Consumer Electronics,	Plug-load Appliance, Consumer Electronics,
Retailers targeted for enrollment in program	Plug-load Appliance, Consumer Electronics, Miscellaneous Plug Load	Plug-load Appliance, Consumer Electronics, Miscellaneous Plug Load	Plug-load Appliance, Consumer Electronics, Miscellaneous Plug Load	Plug-load Appliance, Consumer Electronics, Miscellaneous Plug Load
Distributors enrolled in program	None	None	None	None
Distributors targeted for enrollment in program	Plug-load Appliance, Consumer Electronics,	Plug-load Appliance, Consumer Electronics,	Plug-load Appliance, Consumer Electronics,	Plug-load Appliance, Consumer Electronics,

Table 11: Summary Table of Measures, Incentive Levels and Verification Rates

Measure Group	Market Actor Receiving Incentive or Rebate ^[1]	PGE		SCE		SDGE		SCG	
		Incentive Level	Inspection Rate	Incentive Level	Inspection Rate	Incentive Level	Inspection Rate	Incentive Level	Inspection Rate
Water Heater									
Gas									
Level 1 - $\geq 0.62 < 0.66$ (SDG&E/SCG)	Down-stream							\$30	5%
Level 2 - ≥ 0.67 (SDG&E/SCG)	Down-stream							\$75	5%
Level 1 - $\geq 0.62 < 0.65$ (PG&E)	Down-stream								
Level 2 - ≥ 0.65 (PG&E)	Down-stream								
Electric ≥ 0.93	Down-stream								
Hybrid electric Heat Pump ≥ 2.0	Down-stream								
Insulation									
Attic to R38(PG&E), (SDG&E and SCG R30)	Down-stream							\$0.15	5%
Wall to R13	Down-stream							\$0.15	5%
Refrigerator									
ENERGY STAR® (SCE)	Down-stream								
ENERGY STAR® Most Efficient (SCE)	Down-stream								
CEE Tier 3 (PG&E)	Down-stream								
Clothes Washer									
Energy Star (SDG&E and SCG)	Down-stream							\$35	5%
CEE tier III (PG&E, SDG&E)	Down-stream							\$50	
Furnace									
92 AFUE (SCG and SDG&E)	Down-stream							\$150	5%
94 AFUE(PG&E)	Down-stream								
95 AFUE (SCG)	Down-stream							\$200	
96 AFUE (PG&E)	Down-stream								
VSM Replacement Motor (PG&E)	Down-stream								
Pool Pump									
Variable speed pump (Customer)	Down-stream								
Variable speed pump (Contractor)	Midstream								
Whole House Fan (SCE and PG&E)									
Down-stream									
Ducted Evaporative Coolers (SCE) add Window Evaporative Coolers									
Down-stream									
Cool Roof (PG&E)									
Down-stream									
Low sloped (excluding CZ 13)	Down-stream								
Steep Sloped Level 1	Down-stream								
Steep Sloped Level 2	Down-stream								
HVAC/Heat Pump (SCG to check)									
Down-stream									
Tankless Water Heater (SCG)									
Down-stream									
E-Star EF= .82 (SCG)	Down-stream							\$150	5%
EF ≥ 0.90 (SCG)	Down-stream							\$200	5%
Shower Heads									
Down-stream									
Thermostatic Low Flow Restrictive Valve (SCG)	Down-stream							\$15	5%
Low Flow Shower Heads (SCG)	Down-stream								
Showerheads/aerators (SCG and SDG&E)									
Down-stream									
Television Energy Star 5.3 + ***%									
Midstream									
Appliance Recycling									
Refrigerator 10ft ³ < size < 32ft ³	Down-stream								
Freezer 10ft ³ < size < 32ft ³	Down-stream								
Retailer Appliance Recycling									
Down-stream									
Refrigerator 10ft ³ < size < 32ft ³	Down-stream								
Freezer 10ft ³ < size < 32ft ³	Down-stream								

* 100% for homeowner self-installed

* 100% for homeowner self-installed

[1] The final incentive delivery channel used for each measure may be changed in response to market conditions

Table 12: Additional Services

Additional Services that the Sub-Program Will Provide	To Which Market Actors	PGE	SCE	SDGE	SCG
In Store Demo	Customer	TBD	TBD	TBD	TBD
Retail sales staff training	Retail Sale Staff	Ongoing	TBD	Ongoing	TBD
Contractor training	Contractor	TBD	TBD	TBD	TBD
POP merchandizing	Retailer	Ongoing	TBD	Ongoing	TBD
POP merchandizing	Retailer	Monthly	TBD	TBD	TBD

a. For each service provided, indicate any expected charges to market actors of the services, and/or the level at which any such services will be incented or funded.

Table 13: Program Related Audits N/A

Levels at Which Program Related Audits Are Rebated or Funded	Who Receives the Rebate/Funding (Customer or Contractor)
NA	

NOTE: If software tools are required sub-program participation, and if there is a program related audit for the sub-program, this table shows the levels at which the audit is rebated or funded and to whom such rebates/funding will be provided (i.e., customer or contractor)

Table 14: Quality Assurance Provisions		
QA Requirements	QA Sampling Rate (Indicate Pre/Post Sample)	QA Personnel Certification Requirements
Pre-Inspection	5% but up to 100% (Not Applicable)	Inspector
Post-Inspection	5% but up to 100%	Inspector
Certified Contractors	TBD	Customer responsibility to mark off on application
NOTE: Please list quality assurance, quality control, including accreditations/certification or other credentials required.		

Table 15: Coordination		
Program / Sub-Program Name		
Other IOU Sub-program Name	Coordination Mechanism	Expected Frequency
NRC	Conference Call	Quarterly
Lighting	Conference Call	Quarterly
EUC	Conference Call	Quarterly
ESAP	Conference Call	Quarterly
CARE	Conference Call	Quarterly
FERA	Conference Call	Quarterly
MF	Conference Call	Quarterly
Coordination Partners Outside CPUC		
ENERGY STAR®	Conference	1X Year
CEE	Conference	1X Year

NOTE: Column C --> Integrated/coordinated Demand Side Management: As applicable, describe how sub-program will promote customer education and sub-program participation across all DSM options. Provide budget information of non-EE sub-programs where applicable. Column D --> Integration across resource types (energy, water, air quality, etc): If sub-program aims to integrate across resources types, please provide rationale and general approach

Table 16: Non-EE Sub-Program Information		
Sub-Program Name		
Non-EE Sub-Program	Budget	Rationale and General Approach for Integrating Across Resource Types
On Line Buyers Guide	TBD	Energy Saving/Purchasing Tips
Universal Audit Tool	TBD	Rebate Opportunity

Energy Upgrade California Attachment 2

Table 1: Total Projected Program Budget & Savings by Subprogram

Subprogram	SCG (\$)	Kwh	KW	Therms
EUC	\$ 13,344,626	0	0	573,873
Total	13,344,626	-	-	573,873

Table 2: Total Projected Program Savings

Subprogram	SCG Therms
EUC	<i>573,873</i>
Total	<i>573,873</i>

Table 1. Projected Sub-Program Budget, by Calendar Year

SoCalGas EUC	Program Year		
	2013	2014	Total
Admin (\$)	442,259	442,259	\$ 884,518
Incentives (\$)	2,502,400	2,502,400	\$ 5,004,800
Implementation Non-Incentives (\$)	3,073,312	3,073,312	\$ 6,146,624
Marketing (\$)	654,342	654,342	\$ 1,308,684
Total Budget	6,017,971	6,017,971	\$ 13,344,626

Table 2. Projected Sub-Program Net Energy and Demand Impacts, by Calendar Year

	Program Years		
SoCalGas EUC	2013	2014	Total
GWh			
Peak MW			
Therms (millions)	286,937	286,937	573,874

Table 3.1 Quantitative Program Targets (PPMs)

PPM ID	Target	2013	2014	2013-2014
		SoCalGas	SoCalGas	TOTAL
RES-16.1	Number of homes treated in the sub-program for 2013-2014. (Basic Path)	200	200	400
RES-16.2	Number of homes treated in the sub-program for 2013-2014. (Advanced Path)	625	625	1,250
RES-17	Number of enrolled contracting firms participating in the sub-program	included with SCE	included with SCE	included with SCE
RES-18.1	Average Ex-ante savings per home as reported (average kWh, therms, kW) for Advanced path by climate zone	N/A	N/A	N/A
RES-18.2	Average Ex-ante savings per home as reported (average kWh, therms, kW) for Basic Path by climate zone	N/A	N/A	N/A
RES-19	Average and range of evaluated energy savings per home (Basic and Advanced Paths)	N/A	N/A	N/A
RES-20.1	Number of homes not passing Quality Assurance/Quality Control review, by IOU	N/A	N/A	N/A
RES-20.2	Percentage of homes not passing Quality Assurance/Quality Control review, by IOU	N/A	N/A	N/A

PPM's for Multifamily path will need to be developed as this path progresses towards full program implementation.

Table 3.2: Long Term Program Performance Metrics

<p>2013-2014 Statewide Program - Subprogram PIP</p>	<p>MTI Index #</p>	<p>RE-CATEGORIZED Metric (LTPPM - or SPI) [E-4385 Appendix B original text except for noted edits]</p>	<p>Unresolved Issues</p>
<p>Residential - Energy Upgrade California</p>	<p>DeepRetrofit-3</p>	<p>MT Indicator 3: The number and percent of audits performed compared to the number of customers signed up for an audit (NRDC, p.7). Number of IOU customer households that undergo a deep retrofit (Advanced and/or IDSM) audit through IOU programs.</p>	

Table 4 – Work paper Status

#	Workpaper Number/Measure Name	Approved	Pending Approval	Submitted but Awaiting Review
1	SCG SF Prescriptive Deemed Savings		x	

Table 5:. Sub-Program Milestones and Timeline

Milestone	Date
Launch Multifamily Path trials	1st half 2013
Complete Multifamily Path trials	12/31/2014
Launch MIDI Program	1st Qtr. 2013
IOU/ ED Monthly Progress Meetings	1/31/2013-12/31/2014

Table 6 Geographic Regions

Geographic Region	SoCalGas
CEC Climate Zone 1	
CEC Climate Zone 2	
CEC Climate Zone 3	
CEC Climate Zone 4	x
CEC Climate Zone 5	x
CEC Climate Zone 6	x
CEC Climate Zone 7	x
CEC Climate Zone 8	x
CEC Climate Zone 9	x
CEC Climate Zone 10	x
CEC Climate Zone 11	
CEC Climate Zone 12	
CEC Climate Zone 13	x
CEC Climate Zone 14	x
CEC Climate Zone 15	x
CEC Climate Zone 16	x

Table 7: Program Administration of Program Components

Program Name	Program Component	Implemented by IOU Staff? (X = Yes)	Implemented by contractors to be selected by competitive bid process (if Yes then enter type of contractor/other market actor possibly used)	Implemented by contractors NOT selected by competitive bid process (list prime contractor and sub-contractor names)	Implemented by local government or other entity (X = Yes)
EUC	SCG Marketing	X			
EUC	SCG Program Administration	X			
EUC	SCG Contractor/ Rater Training			ICF , Sub Contractor CBPCA	
EUC	SCG QA/QC			AESC	
EUC	SCG MIDI Contractor/ Rater Training			Selected ESAP Contractors	
EUC	SCG MIDI QA/QC			Selected ESAP Contractors	
EUC	SCG MF Contractor/ Rater Training		Pending SCE RFP		
EUC	SCG MF QA/QC		Pending SCE RFP		

Table 8: Customer Eligibility Requirements (Joint Utility Table)

Customer Eligibility Requirement (list of requirements)	SCG
Tenant or Owner of SF Bldg with active IOU account(s)	x
Must utilize participating EUC Contractor or Rater (SF)	x
One to four unit building	x
Owner or property mgt. company of MF Bldg with active IOU account(s)	x
More than 4 units , 3 stories or less (MF)	x
Income requirements must be between 200 and 250% of FPG (MIDI)	x

The utilities must work together and submit this table jointly in their respective applications.

Table 9: Contractor Eligibility Requirements (Joint Utility Table)

Contractor Eligibility Requirement (list of requirements)	SCG
Contractor State Licensing Board (CSLB) in appropriate specialty	x
CSLB "B" General Contractor License (Advance Path Only)	
Bonding and in good standing	x
Insurance to IOU minimum standards	x
Execution of Contractor/ or Rater Participation Agreement	x
BPI Building Analyst Certified OR 3-day Basic Training (Basic Path Only)	x
BPI Building Analyst Certified on Staff (Advanced Path)	x
BPI MF Building Analyst Certified or similar (MF Participating Rater Path)	x
HERSII Certified or similar (MF Participating Rater Path)	x
HERSII and BPI BA Certified (SF Participating Rater Path)	x
2 Years of Relevant Work Experience	
B, C-2 or C-20 license for Basic Only	

List any contractor (and/or developer, manufacturer, retailer or other “participant”) eligibility requirements (e.g. specific IOU required trainings; specific contractor accreditations; and/or, specific technician certifications required).

The utilities must work together and submit this table jointly in their respective applications

Table 10: Manufacturer/Retailer/Distributor Partners

Manufacturer/Retailer/Distributor Partner Information	SCG
Manufacturers enrolled in program	none
Manufacturers targeted for enrollment in program	none
Retailers enrolled in program	none
Retailers targeted for enrollment in program	none
Distributors enrolled in program	none
Distributors targeted for enrollment in program	none

Table 11: Summary Table of Measures, Incentive Levels and Verification Rates

Measure Group	Market Actor Receiving Incentive or Rebate	SCG	
		Incentive Level	Installation Sampling Rate
		Incentive level will be paid dependent on SCG shared utility service territory. The incentive will vary 32% to 50 %of total incentive shown	
10% Performance SF	Customers	\$ 1,000	Tiered 100%-5%
15% Performance SF	Customers	\$ 1,500	Tiered 100%-5%
20% Performance SF	Customers	\$ 2,000	Tiered 100%-5%
25% Performance SF	Customers	\$ 2,500	Tiered 100%-5%
30% Performance SF	Customers	\$ 3,000	Tiered 100%-5%
35% Performance SF	Customers	\$ 3,500	Tiered 100%-5%
40% Performance SF	Customers	\$ 4,000	Tiered 100%-5%
45%+ Performance SF	Customers	\$ 4,500	Tiered 100%-5%
Basic Path	Customers	\$ 1,000	Tiered 100%-5%
		SCG M/F = 32% of incentive shown.	
10% Performance MF	Customers	\$ 700	100% *
15% Performance MF	Customers	\$ 800	100% *
20% Performance MF	Customers	\$ 1,000	100% *
25% Performance MF	Customers	\$ 1,200	100% *
30% Performance MF	Customers	\$ 1,400	100% *
>35% Performance MF	Customers	\$ 1,600	100% *
*100% or as needed.			

- a. Use a single excel spreadsheet to indicate the eligible measures for the program across all IOUs. Indicate the expected incentive level by measure or measure grouping for each IOU, making clear where these vary.
- b. For each incented or rebated measure, indicate the market actor to whom this will be provided.
- c. SCG will work closely with Customer through single point of contact.

Table 12: Additional Services

Additional Services that the Sub-Program Will Provide	To Which Market Actors	SCG
		[indicate the level at which the service will be incented or funded]
N/A	N/A	N/A

a. For each service provided, indicate any expected charges to market actors of the services, and/or the level at which any such services will be incented or funded.

Table 13: Program Related Audits

Levels at Which Program Related Audits Are Rebated or Funded	Who Receives the Rebate/Funding (Customer or Contractor)
M/F EUC Initial and Investment Grade Audits 100%	Contractor
MIDI Assessmentsc100%	Contractor
S/F EUC	N/A

NOTE: If software tools are required sub-program participation, and if there is a program related audit for the sub-program, this table shows the levels at which the audit is rebated or funded and to whom such rebates/funding will be provided (i.e., customer or contractor)

Table 14: Quality Assurance Provisions

QA Requirements	QA Sampling Rate (Indicate Pre/Post Sample)	QA Personnel Certification Requirements
SCG QA requirements #1	100% Pre Project QA (desktop)	N/A
SCG QA requirements #2	100% Post Project QA (desktop)	N/A
SCG QC requirements #1	60% first 5 projects (Pre)	BPI BA
SCG QC requirements #2	27% of next 15 projects (Pre)	BPI BA
SCG QC requirements #3	5% after 20th project (Pre)	BPI BA
SCG QC requirements #4	60% first 5 projects (Post)	BPI BA
SCG QC requirements #5	27% of next 15 projects (Post)	BPI BA
SCG QC requirements #6	5% after 20th project (Post)	BPI BA

*SCE sampling rate is subject to modification to meet program needs.

NOTE: Please list quality assurance, quality control, including accreditations/certification or other credentials required.

Table 15: Cross-cutting Sub-program and Non-IOU Partner Coordination

Sub-Program Name		
Other IOU Sub-program Name	Coordination Mechanism	Expected Frequency
PLA (HEER)	Meetings	Monthly/As-Needed
MFEER	Meetings	Monthly/As-Needed
HEES	Meetings	Monthly/As-Needed
QI/ QM	Meetings	Monthly/As-Needed
CSI	Meetings	Monthly/As-Needed
ESAP	Meetings	As-Needed
Coordination Partners Outside CPUC		
Los Angeles County	Meetings	Monthly
Santa Barbara County	Call	As-Needed
City of San Bernardino	Call	As-Needed
County of Santa Barbara	Meetings	Monthly

Note: “Mechanisms” refers to communication methods (i.e. quarterly meetings; internal list serves; monthly calls, etc.) and/or any cross-program review methods (i.e., feedback on program plans; sign off on policies, etc.). or harmonization techniques (i.e. consistent certification requirements across programs, program participant required cross trainings, etc.).

Table 16: Non-EE Sub-Program Information

Sub-Program Name		
Non-EE Sub-Program	Budget	Rationale and General Approach for Integrating Across Resource Types
N/A	N/A	N/A

NOTE: Column C --> Integrated/coordinated Demand Side Management: As applicable, describe how sub-program will promote customer education and sub-program participation across all DSM options. Provide budget information of non-EE sub-programs where applicable. Column D --> Integration across resource types (energy, water, air quality, etc.): If sub-program aims to integrate across resources types, please provide rationale and general approach

**2013-2014 Energy Efficiency Programs
Statewide Commercial Energy Efficiency Program
Program Implementation Plan**

- 1. Program Name:** Statewide Commercial Energy Efficiency Program
Program ID: SCG3708 – SW-COM-Energy Advisor
 SCG3709 – SW-COM-CEI
 SCG3710 – SW-COM-Calculated Incentives
 SCG3711 – SW-COM-Deemed Incentives
 SCG3712 – SW-COM-Non-Residential HVAC
Program Type: Statewide Core Program

2. Projected Program Budget Table

Table 1: Total Projected Program Budget by Category

Program #	Main/Sub Program Name	Administrative Amount	Marketing Amount	Direct Implementation Amount	Incentive Amount	Total Program Budget Amount
	SW Commercial Energy Efficiency Program					
3708	SW-COM-Energy Advisor	\$83,579	\$0	\$932,429	\$0	\$1,016,008
3709	SW-COM-CEI	\$20,495	\$18,800	\$360,704	\$0	\$399,999
3710	SW-COM-Calculated	\$608,259	\$129,630	\$3,316,967	\$5,184,993	\$9,239,849
3711	SW-COM-Deemed	\$1,294,035	\$694,554	\$3,909,242	\$1,066,270	\$6,964,101
3712	SW-COM-NonRes HVAC	\$36,553	\$0	\$619,412	\$0	\$655,965
	TOTAL:	\$2,042,921	\$842,984	\$9,138,754	\$6,251,263	\$18,275,922

3. Projected Program Gross Impacts Table

Table 2: Total Projected Program Savings by Subprogram

Program #	Main/Sub Program Name	2012-2013 Gross kW Savings	2012-2013 Gross kWh Savings	2012-2013 Gross Therm Savings
	SW Commercial Energy Efficiency Program			
3708	SW-COM-Energy Advisor	0	0	0
3709	SW-COM-CEI	0	0	0
3710	SW-COM-Calculated Incentives	0	0	5,844,240
3711	SW-COM-Deemed Incentives	0	0	1,822,777
3712	SW-COM-NonRes HVAC	0	0	0
	TOTAL:	0	0	7,667,017

4. Program Description

a) Describe Program

The Statewide Commercial Energy Efficiency Program offers California’s commercial customers a statewide-consistent suite of products and services to overcome the market barriers to optimized energy management. The program targets integrated energy management solutions, including energy efficiency, demand response (DR), and distributed generation, through strategic energy planning support; technical support services, such as facility audits, and calculation and design assistance; and financial support through rebates, incentives, and financing options.

2013-2014 Energy Efficiency Programs
Statewide Commercial Energy Efficiency Program
Program Implementation Plan

Targeted end users include all commercial sub-segments such as distribution warehouses, office buildings, hotels, motels, restaurants, schools, trade schools, municipalities, universities, colleges, hospitals, retail facilities, entertainment centers, and smaller customers that have similar buying characteristics.

The Statewide Commercial Energy Efficiency Program includes six core statewide sub-program elements, including Commercial Energy Advisor, Commercial Calculated Incentives, Commercial Deemed Incentives, Continuous Energy Improvement, and Nonresidential HVAC. IOU offerings also include local program elements such as third party programs, and local government partnerships that have close ties to Business Improvement Districts (BIDs). Per CPUC directives, the IOUs will strengthen their relationships with local BIDs and develop opportunities for BIDs to participate in the marketing and delivery of direct install and deemed commercial incentives. In addition to the above sub-programs, the utilities will consider one or more demonstrations of a comprehensive whole building approach (WBA) to commercial building energy efficiency. This approach may make available the tools and resources necessary for customers to pursue and integrate multiple customized measures. This approach may also include deployment of energy management and information systems in demonstration projects that can be used to quantify and analyze energy savings based on various forms of measured performance data, including interval meter data. These elements are designed to not only overcome the traditional market barriers to energy efficiency, but also attain deeper energy savings, through distributed generation opportunities uniquely suited to the Commercial segment.

Description of the Commercial Energy Efficiency sub-programs:

- The Commercial Energy Advisor (CEA) brings together under one program all audit services offered to support customer education and participation in energy efficiency, and self-generation energy reducing opportunities and benefits, along with awareness of greenhouse gas and water conservation activities. These services include Benchmarking, Online Energy Audit Tool, CEI, Nonresidential Audits, Pump Efficiency Services, Retro-commissioning (RCx) and coordination with CEI as described below.
- The Commercial Calculated Incentives Program offering provides standardized incentives for customized and where possible, integrated energy efficiency projects for retrofit, and RCX projects while also providing technical and design assistance. Customized calculation method that can consider system and resource interactions, it will be the preferred approach for supporting the integrated, whole system, and multi-resource management strategies of the Strategic Plan and concurrently overcome technical and financial barriers. Calculated savings for the Savings By Design Program can be achieved and/or incentives paid through the commercial new construction component.
- The Commercial Deemed Incentives Program offering provides utility representatives, equipment vendors, and customers an easy-to-use mechanism to cost-effectively subsidize and encourage adoption of mass market efficiency measures through fixed incentive amounts per unit/measure.

**2013-2014 Energy Efficiency Programs
Statewide Commercial Energy Efficiency Program
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- Continuous Energy Improvement (CEI) is a consultative service which targets long-term and strategic energy planning. CEI is designed to reintroduce the importance of energy management by transforming the market and to help reduce energy intensity through a comprehensive energy management approach. CEI will address technical and management opportunities for commercial customers while creating sustainable practices through a high-level energy commitment from executive and board-level management. CEI applies the principles of well-known business continuous improvement programs, such as Six Sigma and International Standards Organization (ISO) standards, to facility and plant energy management. These principles are: (1) Commitment; (2) Assessment; (3) Planning; (4) Implementation; (5) Evaluation; and (6) Modification. At each stage of customer engagement, a variety of complementary utility and non-utility products and services can be customized to fit different customer profiles and optimize the cost-effectiveness of the delivered energy management solution.
- The Nonresidential HVAC Program delivers a set of upstream strategies that are built on education, marketing efforts and leveraged relationships within the HVAC industry geared to transform the market towards a sustainable, quality driven market.
- The Direct Install rebate offering provides small business customers the opportunity to have a third-party contractor retrofit existing systems to energy efficient systems at no cost to the customer. However, PG&E and SoCalGas' Direct Install rebate offering is delivered through its Local Government Partnerships (LGP), Third Party programs, and Municipal Utility partnerships for small business.

When developing program metrics and targets for each sub-program element, each utility will consider market potential as available, past program participation rates, market progress, current economic conditions, work-paper and baseline updates, and customer mix and penetration. Statewide coordination and planning will facilitate inter-utility sharing of successes, lessons learned, and best practices in the pursuit of those targets and metrics.

Statewide coordination and planning between utility program planning staff, utility functional departments, government agencies, municipalities and other key partners and stakeholders will also be critical to the advancement of the Strategic Plan. Leveraging national and state initiatives, tools and resources to manage energy and resources – including greenhouse gasses (GHG), air quality, and water – is a critical path to optimizing the potential for California's commercial customer segments to thrive. The Statewide Commercial Energy Efficiency Program design includes the staged integration and coordination with existing non-utility programs, initiatives, and existing regulations today. This design is aimed to drive or support advancements in integrated resource planning, energy management certification, industry benchmarking, workforce education and training, and sharing of industry best practices.

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The commercial customer markets are uniquely suited to integrated energy strategies. Opportunities for distributed generation from biogas, biomass, solar, fuel cells, and wind will be supported through this plan in support of state renewable energy targets, state GHG reduction efforts under AB32, and support of emerging carbon markets and offset programs. Utilities are also using integrated energy strategies to test DSM as a means to address T&D constraints in local areas. Consistent with California's preferred loading order, however, the utilities will continue to aggressively market and support energy efficiency first, as California's most cost-effective energy resource, while also being mindful of the customer's ultimate interests and goals.

b) List of Measures

Technologies addressed through this program effort are varied, and include, but are not limited to pipe and tank insulation, food service equipment, boilers and HVAC.

c) List of Non-incentive Commercial Energy Advisor Services

The Statewide Commercial Energy Efficiency Program will include a wide variety of non-incentive program services intended to support customer strategic planning, educate and train customers and the workforce about energy efficiency, and provide customized technical and project support. The service list includes:

- Commercial Energy Advisor (CEA)
 - Hands on workshops
 - Technical support assistance
 - Automated Benchmarking services
 - Nonresidential Audits
 - Pump tests and pumping systems technical support
 - Water leak detection services
- Continuous Energy Improvement (CEI)
 - Energy management assessments
 - Energy planning
 - Baselineing and benchmarking
 - Project implementation support
 - Customer recognition
- Customer Education and Training
 - DOE Basic, Intermediate, and Specialist Training – HVAC, compressed air, and steam.
 - Other commercial process systems training
 - Regulatory compliance and energy efficiency convergence, for example, NOX and boilers

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- Integrated industry-focused workshops, e.g., restaurants, lodging, retail, hospitals, and commercial facilities
- Workforce Education and Training
 - DOE Basic, Intermediate and Specialist Training in support of ANSI Certification, per the Strategic Plan.
 - Title 24 Training,
 - HVAC best practices for data centers, laboratories, and other specialized use facilities.
 - California Advanced Lighting Controls Training Program (CALCTP)
- New Construction – Savings By Design
 - Integrated Building Design Assistance
 - Whole Building, Individual Systems, and Simplified Approaches
 - Integrated design training for architects, engineers and owners
 - Partnerships and collaboration with industry groups like the California Council of American Institute of Architects, California Energy Commission, among others
 - Zero Net Energy Design Services, like consultation services, student design competitions, research activities, 2010-2012 pilot success adoptions
 - Energy Design Resources and Savings By Design – internet portals
 - Software tools and expertise
- Nonresidential HVAC
 - Education of the market on the value of selecting high-efficiency systems
 - Reports for customers of estimated energy savings, cost savings and carbon reductions for their HVAC systems treated under the program
 - Training for contractors on HVAC industry standards, sales, and marking of the value of those standard, and their implementation in the field

5. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Indicators

Market transformation is embraced as an ideal end state resulting from the collective efforts of the energy efficiency field, but differing understandings of both the MT process and the successful end state have not yet converged. The CPUC defines the end state of MT as “Long-lasting sustainable changes in the structure or functioning of a market achieved by reducing barriers to the adoption of energy efficiency measures to the point where further publicly-funded intervention is no longer appropriate in that specific market.”¹ The Strategic Plan recognizes that process of transformation is harder to define than its end state, and that new programs are needed to support the continuous transformation of markets around successive generations of new technologies².

¹ California Public Utilities Commission Decision, D.98-04-063, Appendix A.

² California Public Utilities Commission (2008) *California Long Term Energy Efficiency Strategic Plan*, p. 5. Available at <http://www.californiaenergyefficiency.com/docs/EEStrategicPlan.pdf>

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Market transformation programs differ from resource acquisition programs on 1) objectives, 2) geographical and 3) temporal dimensions, 4) baselines, 5) performance metrics, 6) program delivery mechanisms, 7) target populations, 8) attribution of causal relationships, and 9) market structures³. Markets are social institutions⁴, and transformation requires the coordinated effort of many stakeholders at the national level, directed to not immediate energy savings but rather to intermediary steps such as changing behavior, attitudes, and market supply chains⁵ as well as changes to codes and standards. Resource acquisition programs rely upon the use of financial incentives, but concerns have been raised that these incentives distort true market price signals and may directly counter market transformation progress⁶. According to York⁷, “Market transformation is not likely to be achieved without significant, permanent increases in energy prices. From an economic perspective, there are three ways to achieve market transformation: (1) fundamental changes in behavior, (2) provide proper price signals, and (3) permanent subsidy.”

The question of what constitutes successful transformation is controversial because of a Catch-22: Market transformation is deemed successful when the changed market is self-sustaining, but that determination cannot be made until after program interventions are ended. Often, however, the need for immediate energy and demand savings or immediate carbon-emissions reductions will mean that program interventions may need to continue, which would interfere with the evaluation of whether MT is self-sustaining. Market transformation success has also been defined in terms of higher sales of efficient measures than would have otherwise occurred against a baseline absent of program interventions. The real world, however, provides no such control condition. Evaluators must estimate these baselines from quantitative factors such as past market sales that may be sparse and/or inaccurate - particularly for new products. Evaluations must also defer to expert judgments on what these baselines may have been as well as on the degree of successful market transformation⁸. Due to the subjective nature of these judgments, it is imperative that baselines as well as milestone MT targets be determined and agreed upon through collaborative discussion by all stakeholders, and these targets may need periodic revision as deemed necessary by changing context.

³ Peloza, J., and York, D. (1999). “Market Transformation: A Guide for Program Developers.” Energy Center of Wisconsin. Available at: <http://www.ecw.org/ecwresults/189-1.pdf>

⁴ Blumstein, C., Goldstone, S., & Lutzenhiser, L. (2001) “From technology transfer to market transformation”. Proceedings of the European Council for an Energy Efficient Economy Summer Study. Available at http://www.ecee.org/conference_proceedings/ecee/2001/Panel_2/p2_7/Paper/

⁵ Sebald, F. D., Fields, A., Skumatz, L., Feldman, S., Goldberg, M., Keating, K., Peters, J. (2001) *A Framework for Planning and Assessing Publicly Funded Energy Efficiency*. p. 6-4. Available at www.calmac.org.

⁶ Gibbs, M., and Townsend, J. (2000). The Role of Rebates in Market Transformation: Friend or Foe. In *Proceedings from 2000 Summer Study on Energy Efficiency in Buildings*.

⁷ York, D., (1999). “A Discussion and Critique of Market Transformation”, Energy Center of Wisconsin. Available at <http://www.ecw.org/ecwresults/186-1.pdf>.

⁸ Nadel, S., Thorne, J., Sachs, H., Prindle, B., and Elliot, R.N. (2003). “Market Transformation: Substantial Progress from a Decade of Work.” American Council for an Energy-Efficient Economy, Report Number A036. Available at: <http://www.aceee.org/pubs/a036full.pdf>

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Market transformation draws heavily upon diffusion of innovation theory⁹, with the state of a market usually characterized by adoption rate plotted against time on the well-known S-shaped diffusion curve. In practice, however, the diffusion curve of products may span decades¹⁰. Market share tracking studies conducted 3, 5 or even 10 years after the start of an MT program may reveal only small market transformation effects¹¹. The ability to make causal connections between these market transformation effects and any particular program's activities fades with time, as markets continually change and other influences come into play.

These challenges mentioned above are in reference to programs that were specifically designed to achieve market transformation; and these challenges are only compounded for programs that were primarily designed to achieve energy and demand savings. However, since the inception of market transformation programs almost two decades ago, many lessons have been learned about what the characteristics of successful MT programs are. First and foremost, they need to be designed specifically to address market transformation. "The main reason that (most) programs do not accomplish lasting market effects is because they are not designed specifically to address this goal (often because of regulatory policy directions given to program designers.)¹²" The Strategic Plan recognizes that regulatory policies are not yet in place to support the success of market transformation efforts¹³, but also reflects the CPUC's directive to design energy efficiency programs that can lay the groundwork for either market transformation success or for codes and standards changes.

Above all else, the hallmark of a successful market transformation program is in the coordination of efforts across many stakeholders. The most successful MT programs have involved multiple organizations, providing overlapping market interventions¹⁴. The Strategic Plan calls for coordination and collaboration throughout, and in that spirit the utilities look forward to working with the CPUC and all stakeholders to help achieve market transformation while meeting all the immediate energy, demand, and environmental needs. Drawing upon lessons learned from past MT efforts, the Energy Center of Wisconsin's guide for MT program developers¹⁵ suggests that the first step is not to set end-point definitions, progress metrics or goals. Rather, the first steps include forming a collaborative of key participants. As the Strategic Plan suggests, these may include municipal utilities, local governments, industry and business leaders, and consumers. Then, with the collective expertise of the collaborative, we can define markets, characterize markets, measure baselines with better access to historical data, and define objectives, design strategies and tactics, implement and then evaluate programs.

⁹ Rogers (1995) *Diffusion of Innovations*, 5th Ed.

¹⁰ Example in bottom chart of this graphic from the New York Times:
<http://www.nytimes.com/imagepages/2008/02/10/opinion/10op.graphic.ready.html>

¹¹ Sebold et al (2001) p. 6-5,

¹² Peters, J.S., Mast, B., Ignelzi, P., Megdal, L.M. (1998). *Market Effects Summary Study Final Report: Volume 1.* Available at <http://calmac.org/publications/19981215CAD0001ME.PDF>.

¹³ CPUC (2008) Strategic Plan, p. 5.

¹⁴ Nadel, Thorne, Saches, Prindle & Elliot (2003).

¹⁵ Pelosa & York, (1999).

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The collaborative will also provide insights that will set our collective expectations for the size of market effects we can expect, relative to the amount of resources we can devote to MT. No one organization in the collaborative will have all the requisite information and expertise for this huge effort. This truly needs to be a collaborative approach from the start.

Attitudinal change is an important part of any market transformation effort. This change may be tracked with a battery of questions that probes customer attitudes, knowledge and awareness (AKA) of energy efficiency. In order to gauge an attitudinal based metric for this sector a battery of questions probing AKA among customers would have to be created and used to scale AKA. Examples of AKA would include knowledge of energy efficiency lighting and other specific measures. Evaluators could also draw from customer surveys used in past program evaluation studies to determine whether any response patterns would be a useful indicator of market transformation, moving forward. The dimensions of any scale would need to be selected by the MT collaborative. The baseline response pattern to the AKA scale would need to be established early during the program cycle. Customers could be surveyed on an annual basis and changes in their AKA tracked along the scale. Responses of customers for a particular sub-program could be pulled out for separate analysis, as needed. In addition, the suggested metrics also include a behavioral metric.

In addition, behavioral change is an important part of any market transformation effort. This change may be tracked with a battery of questions that probes customer past behavior and intentions about energy efficiency. In order to gauge a behavioral based metric for this sector a battery of questions about energy efficient behaviors could be used to create a scale of Energy Behavior. Evaluators could also draw questions about specific behaviors from customer surveys used in past program evaluation studies to determine whether any response patterns would be a useful indicator of market transformation, moving forward. The dimensions of any scale would need to be selected by the MT collaborative. The behaviors that could be probed include maintenance behaviors to keep EE measures operating correctly, and behaviors that maximize energy efficiency of existing equipment. Customers could be surveyed early in the program cycle and their responses on the scale could serve as the baseline for subsequent behavioral change. Customers could be probed annually and their Energy Behavior change measured along the scale. Responses of customers for a particular sub-program could be pulled out for separate analysis, as needed.

Program Performance Metrics (PPMs)

The IOUs have evaluated 2010-2012 PPMs in Resolution E-4385 for applicability to the 2013-2014 program cycle and propose to work collaboratively with Energy Division to develop revised program targets and PPMs as appropriate for the 2013-2014 program cycle. The IOUs' will propose revisions in an advice letter, per additional guidance from Energy Division.

Table 3.1: Short-Term PPMs

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On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. The Commission gave each PPM a metric type which indicated the reporting frequency: Metric type 2a indicates that the IOUs should report on the metric on an annual basis (unless indicated otherwise). Metric type 2b indicates the IOUs should report on the metric at the end of the program cycle.

Below are the approved 2010-2012 PPMs and metric types for the Commercial Energy Efficiency Program (Resolution E-4385, Appendix A, pp 32-33):

SW PROGRAM / Sub-Program	PROGRAM PERFORMANCE METRIC (PPM)	Metric Type
COMMERCIAL / INDUSTRIAL / AGRICULTURAL COMBINED * Data to be reported in disaggregate form by SW program (commercial, industrial, and agricultural)		
	*1. Number and percent (relative to all eligible customers) of commercial, industrial and agricultural customers participating in sub-programs (NRA, Deemed, Calculated, and CEI) by NAICS code, by size (+/- 200 kW per yr or +/- 50K therms per yr), and by Hard to Reach (HTR)** ** "HTR" is as defined in the EE Policy Manual	2a
Continuous Energy Improvement (CEI)	*1. Number and percent of commercial, industrial, and agricultural CEI participants that meet short-term (2013-2014) milestones as identified by their long term energy plans.	2a
	*2. Lessons learned, best practices, and plan to ramp up the CEI program are developed. (Y/N)	2b
	*3. Number and percent of commercial, industrial and agricultural customers that created an energy plan via CEI will be tracked by program.	2a
Energy Advisor Program	*1. Number and percent of commercial, industrial, and agricultural customers receiving non-residential audits by NAICS and SIC code.	2b
	*2. For commercial, industrial, and agricultural customers who received audits, the number and percent of adopted audit-recommended technologies, processes and practices, (Report disaggregated data by type of audit - Basic, Integrated, and Retro-commissioning audit).** (1) **Data sources for reporting will come from (a) program tracking databases and (b) process evaluation to refine estimates. An audit completed in one portfolio may have measures implemented over several years and portfolios.	2b
Deemed Incentives	*1. Number and percent of new, improved, or ETP measures** installed in the commercial, industrial and agricultural programs. ** "ETP measure" defined as ET measures first introduced into the EE portfolio since January 1, 2006	2a

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SW PROGRAM / Sub-Program	PROGRAM PERFORMANCE METRIC (PPM)	Metric Type
Calculated Incentives	*1. Number and percent of new, improved, or ETP measures installed in completed calculated projects.	2a
	*2. Number, percent, and ex-ante savings from commercial, industrial and agricultural sector of projects with ETP measures** included. (Report disaggregated savings by measure and number of installations by measure.) ** “ETP measure” defined as ET measures first introduced into the EE portfolio since January 1, 2006	2b

COMMERCIAL		
Commercial Deemed	1. Number and percent of participating commercial customers receiving the “Integrated Bonus.”** ** “Integration Bonus” is an incentive mechanism to promote greater integration of DSM resources, available to customers who (a) sign up or are already signed up for a DSM program, and (b) purchase, install, and/are eligible to receive a rebate for an energy saving device.	2b
Commercial Direct Install	1. Number and percent of Direct Install participants that participate in other resource programs or OBF.	2a
	2. Number of and percent of participants that are hard to reach (HTR).** ** “HTR” is as defined in the EE Policy Manual	2a
Commercial Calculated Incentives (Savings By Design)	2. Percentage of committed participating Whole Building Approach projects that are expected to reach a minimum of 40% less energy than 2008 T24 codes requirements	2b

Table 3.2 Long Term PPMs

SoCalGas includes long term PPMs¹⁶ per Energy Division guidance received in December 2012. As stated in the Joint Utilities’ comments to the Commission in R. 09-11-014 dated November 21, 2011, and discussed between IOUs and ED on January 9, 2013, IOUs plan to finalize long term PPMs in further discussions with involved stakeholders and propose updates to Energy Division at a later date.

MTI Index#	RE-CATEGORIZED Metric (LTPPM - or SPI) [E-4385 Appendix B original text except for noted edits]	Unresolved Issues
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¹⁶ From the Energy Division’s file “Revised MTIs_10 27 11-formal-release-ED-May-2012.xlsx”

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CIA-1	<u>MT Indicator 1:</u> Number and percent of Calculated Incentive participants who go on to implement a long-term energy plan under the Continuous Energy Improvement program.	
CIA-3	<u>MT Indicator 3:</u> Number and percent of CEI Participants who achieve all scheduled milestones, as identified in their long-term energy plans.	
CIA-4b	<u>MT Indicator 4b:</u> Number and percent of CEI Participants that include greenhouse gas reduction measurement, monitoring and reduction strategies in their long-term energy plans.	
CIA-5	<u>MT Indicator 5:</u> Number and percentage of eligible customers participating in the CEI Program	
CIA-6	<u>MT Indicator 1:</u> Percent of NRA participants that implement non-incented measures recommended in the audit.	
CIA-16	<u>MT Indicator 2:</u> Percentage of commercial participants, tracked by NRA, Calculated and Deemed subprogram, who go on to implement a long-term energy plan.	Need to define "long term energy plan"; start with CEI program definitions.
NC-10	<u>MT 2. 2.</u> Percentage of all eligible projects sq footage that participate in commercial SBD (NRDC, p. 8).	
NC-11	MT Indicator 3: Percentage of completed CNC buildings California wide implementing Integrated Design/Whole Building approaches* *Integrated Design/WBA" is as defined in SBD program:- If project is >50% Design Development, it is too late for WBA/ID: then becomes a Systems project in SBD. A complete building model looks at interactive affects, day lighting, etc. Most likely non participant WB/ID will be identified by % > T24. For example, if project is 15% > T24, project most likely utilized ID/WBA. Revise to: Percentage of completed CNC buildings in IOU service territory that participated participated in an IOU commercial building design program	

b) Market Transformation Indicators (MTIs)

As stated above, market transformation draws heavily upon diffusion of innovation theory, with the state of a market characterized by adoption rate plotted against time on the well-known S-shaped diffusion curve. In practice, however, the diffusion curve of products may span decades. Market share tracking studies conducted 3, 5 or even 10 years after the start of an MT program may reveal only small market transformation effects. Therefore it is problematic, if not impractical, to offer internal annual milestones towards market transformation sectors and specific program activities.

As a consequence, it is not appropriate to offer more than broad and general projections. Any targets provided in the following table are nothing more than best guesstimates, and are subject to the effects of many factors and market forces outside the control of program implementers.

Per Resolution E-4385, a subset of market transformation indicators (MTIs) for statewide energy efficiency programs and subprograms were presented at a public workshop on

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November 7, 2011, to allow for public comments and discussion before being finalized. Per guidance from Energy Division received in December 2012, the approved Market Transformation Indicators for 2013-2014 are filed as a Joint IOU matrix, included as Appendix F.

c) Program Design to Overcome Barriers

The 2013-2014 Statewide Commercial Energy Efficiency Program builds on past program successes and best practices to overcome both common and unique barriers to efficiency in the segment.

Among commercial customers, there are many market barriers to energy efficiency offerings:

- Commercial customers are a highly diverse and geographically disperse customer class, which requires utilities to develop a large number of differentiated incentive offerings for a variety of distribution channels.
- There is a general lack of awareness of the benefits of energy efficiency, and uncertainty and skepticism over long-term energy and cost savings.
- Energy efficiency improvements are not perceived to add value and marketability of properties.
- Efficient design alternatives can be lost in low-cost bidding scenarios.
- Small business customers are less likely to install EE technologies than larger customers due to lack of time, resources, financial sophistication and familiarity with energy efficiency, among other reasons.
- Building owners, especially landlord owners¹⁷, tend to focus on minimizing capital costs associated with new construction, building renovation, tenant improvements and building retrofits.
- For multi-tenant buildings, property owners often have little incentive to pursue energy efficiency measures due to ubiquitous “triple net” leasing terms that pass through utility costs to tenants, while tenants may be deterred either by short lease terms relative to project payback or by contractual restrictions regarding leased space improvements.
- Institutional owners are often constrained by rigid boundaries separating capital development and operating budgets and are limited by lowest-bid regulations for capital projects.
- Some activities such as Healthcare and Biotech also face strong regulatory challenges with being integrated in energy efficiency offerings (for example: the Office of Statewide Health Planning and Development (OSHPD) and California Division of Occupational Safety and Health (CAL-OSHA).
- In some activities like High-Tech and Hospitality, international competition drives short-term survival attitudes versus a long-term continuous improvement approach. In addition franchises have additional barriers to overcome such as Franchise owner approval.

¹⁷ For properties where the landlord owns the equipment and the lessee pays the bills, there is currently minimal incentive for the customer or the landlord to invest in EE

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- Whole system opportunities are missed by individual equipment vendors, many of which are only specific equipment types or building systems.
- Customers are often not aware of efficiency degradation or failure in building systems or equipment.
- Customers may be reluctant to invest in new energy savings technologies over concerns regarding product quality, reliability or obsolescence.
- Performance issues resulting from improper equipment installation, maintenance and poor owner/operator education create customer dissatisfaction with energy efficiency measures.

By uniquely approaching constituent vertical market sub segments, this Commercial Energy Efficiency Program will better serve commercial customers while gaining efficiency and consistency in the delivery of the programs. This targeted and focused approach will mitigate the indicated EE adoption barriers as follows:

- Program applications and processes will be simplified and made more consistent. There will be a central core incentive/rebate offering, with service-specific riders added as needed. This will enable customers to better understand the program delivery process. Program verification processes will also be made more consistent so that the customer is touched fewer times for multiple offerings.
- When appropriate, IOUs will deliver information to customers in a way that bundles relevant EE, DR and other DSM programs and services. For example, the IOUs will develop print and electronic Case Studies that feature customers who have implemented integrated solutions in order to address their energy management needs. A package of program bundles will be made available so that typical offerings for a sub segment will be grouped together. This will minimize lost opportunities as a more comprehensive program and service offering will be readily available for customers.
- Marketing outreach efforts will be more focused on customer sub-segments rather than programs, which should lead to improved customer adoption for all programs. Utilities will continue to foster strategic partnerships with industry associations such as Building Owners and Managers Association (BOMA), Department of General Services (DGS), Green Building Council, Air-Conditioning, Heating, and Refrigeration Institute (AHRI), American Society of Heating, Refrigerating, and Air-conditioning Engineers (ASHRAE), Manufacturers Trade Associations, and specific sub-segment professional association as California Hospital Association (CHA), California Society for Healthcare Engineering (CSHE), International Society for Pharmaceutical Engineering (ISPE), to engage in a multi-faceted approach to marketing energy efficiency practices and programs to targeted users.
- Program bundling will be configured so that customers will have greater flexibility in how they enroll; however, the program bundles will be packaged so that customers will be encouraged to take a more comprehensive approach to EE.
- The utilities will consider one or more demonstrations of a comprehensive whole building approach (WBA) to commercial building energy efficiency. This approach may make available the tools and resources necessary for customer to

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pursue and integrate multiple customized measures. This approach may also include the deployment of energy management and information systems in demonstration projects that can be used to quantify and analyze energy savings based on various forms of performance data, including interval meter data.

- Multi-tenant buildings have a unique and significant barrier. Most typically referred to as the principal-agent or tenant-landlord split incentive, this issue is characterized by the natural separation of tenant energy efficiency savings and capital expenditures by building owners. The commercial program will incorporate market research and/or market tests to better understand potential programmatic offerings that can help reduce the barrier. Some examples of strategies that might warrant testing include combinations of education and creative tenant/landlord incentives or credits for centralized systems or building shell upgrades, incentives for sub-metering, and plug load control technologies.
- Because program offerings will be bundled, especially through the Continuous Energy Improvement Program, the program eligibility requirements will be made more consistent, leading to fewer areas where customers are not served.
- For public sector customers, existing federal and state programs and mandates will be leveraged.
- Utilities will expand the Statewide EE Finance Program, which offers unique benefits to government departments by allowing them to retain rebates and cost savings from EE projects without having to upstream these financial benefits to the General Fund.
- The Statewide Finance PIP includes plans to explore and develop additional finance tools to facilitate the adoption of integrated projects.
- Coordination with other parties will be enhanced so that related programs (e.g., water conservation, reduction in greenhouse gas (GHG emissions, LEED™) are clearly and concisely communicated to customers, which should improve participation in all offerings.
- During the 2013-2014 period, as part of AB 1103 requirements, utility data to be used for benchmarking buildings will be provided by the IOUs to the EPA for facility owners' use. The existing energy benchmarking offering will give customers the information required to understand how their buildings perform and how the improvements they make can be tracked.

d) Quantitative Program Targets

Table 5 - Program targets are provided at the sub-program level.

e) Advancing Strategic Plan goals and objectives

Many activities under the Commercial Statewide Portfolio advance the goals, strategies, and objectives of the California Long Term Energy Efficiency Strategic Plan (Strategic Plan). Details on these actions are provided in the tables found in the Commercial sub-program descriptions. The examples below highlight some of the Portfolio strategies that align with the Strategic Plan:

- **Integration:** To encourage greater use of IDSM, IOUs will

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- Offer customers solutions that integrate site-specific and optimized packages of comprehensive energy efficiency, demand response, solar and combined heat and power and thermal storage opportunities.
- Develop an active cooperation network among the different stakeholders, such as corporate and local managers, OSHPD, engineering firms, service companies, architects, and vendors.
- Create customized long-term plans with large corporations connecting corporate and local levels integrating energy efficiency, DR, self-generation and renewables.
- Implement integrated local integrated marketing campaigns that leverage multiple tactics and multiple communications to present customers with a holistic view of EE and other DSM programs and service offerings.
- **New energy efficiency delivery methods:** To take advantage of the significant opportunities offered by information, behavior-change strategies and training as delivery channels for increasing energy efficiency, utilities will:
 - Drive expanded involvement of the California Commissioning Collaborative in developing statewide measurement and verification protocols and professional training and accreditation programs for the retro-commissioning industry
 - Champion adoption of stringent codes and standards within the industry.
 - Publish baselines, best practices and calculation tools to facilitate the dissemination of information and to help customers select and evaluate energy efficient solutions.
- **Financing and Funds Leveraging:** To overcome cost barriers to energy efficiency, the IOUs will:
 - Create customer awareness and educate customers about standardized statewide EE financing and develop additional finance strategies for the commercial sector
 - Continue incentives for on-peak demand reduction related to retrofits and retro-commissioning.
 - Partner with integrators like Siemens, Trane to aggregate energy efficiency with other building improvements, such as security, safety, waste management, and IT.
 - Analyze the green vision of the corporations to align energy plans towards their objectives
- **Advanced Adoption of New Products:** IOUs will create demand for advanced, energy-saving products—such as lighting and HVAC—by expanding incentives to include both financial incentives and technical assistance while partnering closely with Emerging Technologies to bring new technologies through development to the market, and strengthening relationships with vendors.
- **Workforce Development:** To expand their role in creating and meeting the demand for a robust energy efficiency workforce, the IOUs will:
 - Support the development of new and innovative programs to influence commercial trade schools to teach about the financial incentives, tools,

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- protocols, partnerships, expert analysis, and implementation support services that promote commercial building energy efficiency and optimum load management.
- Engage various industry and energy-wise stakeholders to expand their current intellectual knowledge and coordinate education/training opportunities through the WE&T program, outreach through ME&O, and coordination with research and technology.
 - **ZNE Commercial Buildings:** To help make ZNE a reality in the commercial sector, utilities will:
 - Integrate successful ZNE strategies and activities proven through program and/or pilot projects during the 2010-2012 program cycle. The commercial program, particularly Savings By Design, will absorb and enhance existing programmatic elements aimed at delivering ZNE best practices to the market place, potentially including but not limited to:
 - Project consultations that pair projects with experts capable of driving unique designs to ZNE;
 - Provide education opportunities to key architectural, engineering, and other design professionals (see WE&T plans);
 - Continue successful design competition elements aimed at ZNE design in the student and professional communities; and
 - Explore cost effective ZNE solutions that consider the intersection of building and community energy use
 - Facilitate benchmarking and constant improvement by supporting the initiative recently launched by the DOE and Lawrence Berkeley Laboratory.
 - Explore joining or continue a leadership position in the national Office of the Future Consortium (“Consortium”) which was established to help shape and inform the research and product development of individual component products that have the ability to communicate with each other, are interoperable, and that create a system that will meet defined performance standards for a described office space type. The recent publication of the 25% Solution is intended to identify significant reductions in energy used by lighting, plug loads and HVAC systems using a comprehensive “Systems” approach that also improves lighting quality and air conditioning/heating performance. The efforts of the Consortium will be fully integrated into the Commercial Calculated and Deemed incentive programs to create a delivery mechanism that supports the path to ZNE buildings.

6. Program Implementation

a) Statewide IOU Coordination

- i. Program name:** Statewide Commercial Energy Efficiency Program
- ii. Program Delivery Mechanisms**
The Statewide Commercial Energy Efficiency Program will coordinate on a

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statewide level to ensure the program is continuously updated and enhanced throughout the 2013-2014 program cycle. In addition, the six Commercial sub-programs will be coordinated on a statewide level to align by program name, program delivery mechanisms, incentive levels, marketing and outreach plans, and IOU program interactions. (For a detailed description of each of these program aspects and how they will be coordinated statewide, please refer to the Commercial sub-program descriptions). The two coordination systems (one for the broad programmatic level and one designed for the sub-program level) will interact with and support one another. The broad, high-level coordination effort will be described below, focusing on how the IOUs will work together to effect the continuous improvement of the Statewide Commercial Energy Efficiency Program.

The Statewide IOU coordinated effort for the Statewide Commercial Energy Efficiency Program will be as follows:

- Designate an IOU Program “Lead” – The coordination process will begin with each IOU designating a Statewide Commercial Energy Efficiency Program “lead.” The IOU lead will represent one Commercial sub-program, investigating new innovations, special accomplishments, and challenges experienced by sub-program managers in all IOUs. Where such innovations or challenges show potential for impacting the Statewide Commercial Energy Efficiency Program across multiple sub-programs or the statewide program as a whole, the IOU lead will present such information to a quarterly Steering Committee meeting.
- Hold Periodic Steering Committee Meetings – The Commercial Steering Committee will be comprised of all designated IOU leads (including at least one lead for each of the six sub-programs), and possibly other contributing stakeholders identified by the IOUs. At the Steering Committee meetings, individual innovations, challenges, and accomplishments experienced in one IOU or by one sub-program will be transmitted to all IOUs. The Steering Committee will evaluate these individual IOU and sub-program experiences, hear ideas for course corrections and overcoming challenges, replicate successful innovations for consistency statewide, resolve differences in implementation to stay unified, and measure the Commercial Energy Efficiency Program’s progress against statewide metrics and goals.
- Adopt Program Enhancements – Once the Steering Committee agrees that a particular implementation policy or innovation has merit on a statewide level, each IOU lead will distribute the information to their sub-program managers for adoption and integration. Therefore, the IOU lead will act as a conduit, feeding sub-program information up to the statewide Steering Committee and distributing measures for adoption back to the sub-program managers. This feedback loop will assure consistency and unity in programmatic improvements across the IOUs. In some cases, it may be

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necessary to invite the sub-program managers to the Steering Committee meeting to get their feedback and ensure they receive the same message.

- Evaluate Program Enhancements Against Statewide Targets – To complete the adaptive management loop, the Steering Committee will track the program’s accomplishment of statewide targets and goals to ensure that adopted program enhancements are generating their intended results. The Steering Committee will determine whether further course corrections are needed, and if so, rely on the above coordination process to generate the improvements necessary to stay on track.

The high-level focus of this statewide coordination effort will enable the capture of new innovations and opportunities for program improvement, correct program weaknesses that reveal themselves during implementation, and ensure achievement of statewide targets across IOU service territories. Therefore, statewide focus on program unity and continuous program improvement over the course of the two year ‘transition period’ will be assured.

iii. Incentive Levels

Incentives for commercial customers will be provided through both prescriptive and customized approaches. Refer to the Commercial Deemed and Calculated Incentive sub-program descriptions for information regarding specific incentive levels.

iv. Marketing outreach plans

Local commercial marketing strategy will focus on helping customers understand the relevance of EE programs and services and enabling customers to take actions that are appropriate to their needs -- including one-time measures such as rebates as well as deeper retrofits. This local EE marketing strategy will be coordinated through a variety of channels and tactics, with the intent of reaching customers at the right place and at the right time to drive increased participation and ongoing engagement.

The IOUs will continue to develop an in-depth segmentation of the commercial market. The results of this customer segmentation will support the development of targeted integrated marketing and outreach plans outlining multiple delivery channels that target customers based on their needs. Such delivery channels will likely include increased customer outreach through trade and community-based associations, third parties, government partnerships and core IOU programs. More specific marketing information is provided in each of the commercial sub-program plans. Local outreach to SMB customers will also leverage a new Statewide ME&O campaign that will focus on creating awareness and educating customers about energy management and integrated DSM.

v. IOU program interactions with the California Energy Commission (CEC), Air Resources Board (ARB), Air Quality Management Districts, local

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government programs, other government programs as applicable

The Commercial Energy Efficiency Program will scan the programs offered by CEC, ARB, Air Quality Management Districts, and other government agencies to capitalize on opportunities to share program information and marketing collateral with commercial customers. Conventionally, each government agency and utility has operated natural resource and energy programs independently, missing opportunities to serve customers who must manage more than one resource type. Refer to the Commercial sub-program descriptions for more specific information on linkages with other government programs.

vi. Similar IOU and POU programs

Several of the initiatives described herein (i.e., California Advanced Lighting Controls Training Program and Office of the Future Consortium) are joint efforts with the other California IOUs and POUs, as well as other domestic and international utilities. In addition to these joint efforts, local third-party programs that address niche opportunities within the commercial market segmented will be implemented in each of the IOUs service territory. These various efforts will be coordinated to ensure a consistent approach in terms of program message, delivery and measure incentives (as appropriate).

b) Program delivery and coordination

i. Emerging Technologies program

The long-term energy efficiency vision of California can only be attained through the continuous development, verification, and acceptance of new technologies into the market. The achievement of long-term goals requires new technology as well as information, training and market development to maximize the EE benefits of cutting edge technologies. In recognition of the importance of emerging technologies, the program will consider higher initial incentives for emerging technologies being newly introduced to the market place. Once the new products have taken hold in the market, the incentives will be adjusted to reflect market conditions. The Commercial Energy Efficiency Program is currently working to support a diverse list of emerging technologies

ii. Codes and Standards

The commercial offering relies on the Codes and Standards program to help maintain an updated and relevant list of measures that will support savings. As codes and standards impact measures, the program will act to align itself with appropriate offerings. It is important to manage the measure life cycle to take full advantage of providing incentives before moving them into code. The program coordinate with the Codes and Standards Planning & Coordination sub-program. Planned enhancements to Title 20 and 24 will be reflected in incentive levels and eligible measures and services. As the market moves toward “low energy” or “zero net energy” buildings, specific changes to each element of the bundling will be made to ensure the latest cost effective technologies/services (e.g., LEDs)

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made available as these technologies transition from 1) R&D to 2) Emerging technologies to 3) Incubation to 4) Mainstream.

iii. WE&T Efforts

WE&T efforts support the education and training of a robust network of industry trade allies, vendors, engineers, design teams and others who can support the market transformation strategies of the Strategic Plan. For the Commercial Energy Efficiency Program, WE&T efforts will focus in the near term on supporting national ANSI Energy Management Certification and the ISO 50001 Energy Management System development efforts, as outlined in the Strategic Plan. Programs will closely coordinate with key stakeholders to ensure that California is poised to adopt this national standard and be a leader in this effort. Specifically, prerequisite trainings will be offered in DOE systems trainings to lay the groundwork for certification level trainings.

The education and training takes place through energy centers, technology test centers, and education and training program offerings.

iv. Program-specific marketing and outreach efforts

Integrated and program-specific marketing efforts will complement and work in coordination with statewide ME&O to increase awareness, provide education, and drive ongoing engagement and participation in DSM programs and services among nonresidential customers. When appropriate, individual programs will be targeted to customers or industries based on segmentation data and strategy, however, such individual program-specific efforts will be part of a larger integrated approach to customer outreach to Commercial customers.

The integrated Statewide ME&O effort will focus on creating awareness and educating

SMB customers about energy management and the local campaign will focus on the ways that customers can engage and take action to participate in EE as well as other integrated DSM offerings.

To address the diverse commercial customers segments, utilities will continue to foster strategic partnerships with trade association and industry groups to engage in a multi-faceted approach to marketing energy efficiency practices and programs to targeted users. Specific efforts will include:

- Attending trade association meetings and providing information in monthly newsletters.
- Close partnerships with key industry associations, and participation in their annual conferences, with an effort to develop conference speaking engagements.
- Targeted integrated education and training to specific market sectors to support peer-to-peer interactions and industry advancement.

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- Ads and articles, with program information and case studies, in trade magazines.
- Online content and integration of marketing materials and campaigns with online tools such as audits and other energy demand and usage.
- Targeted customer efforts through assigned account representatives, technical solutions engineers and program engineers, third parties, and government partnerships.
- Telephone and web-based customer support and outreach.
- Market sector specific collateral that drives customers to account representatives and websites for additional support.

v. Non-energy activities of program

Integrated Energy Audits (described in the Commercial Energy Advisor sub-program) and Continuous Energy Improvement are the primary vehicles to promote project solutions that look across the various IOU DSM program offerings, as well as complementary options available through other entities (e.g., water agencies).

vi. Non-IOU Programs

In addition to the interactions with local, state and national programs, there are a variety of programs that will be coordinated with and leveraged in support of the Program objectives. These include:

- Connecting customers with the CA Climate Action Registry
- AB32 support through CO2 tracking in program resources
- Regulatory program coordination, including EPA air quality standards, water quality standards, and new refrigerant regulations
- Non-utility financing resources, including from water utilities, industry and private banking, state and federal incentives, funds, grants, and loan products to support energy and other resource management objectives
- international energy management standards (see CEI section)

The Program will continue to engage with Air Quality Management Districts, CEC, CARB, DOE, water agencies, and other government agencies responsible for regulating the various aspects and operations of customer facilities participating in the programs, as appropriate and feasible.

1. CEC

As of June 2012, PIER no longer exists. However, the program will interact with the Emerging Technologies Program (ETP) to leverage new technologies to increase the list of measures available for energy efficiency projects. The portfolio staff actively works to incorporate promising emerging technologies and projects in coordination with the applied research of CEC.

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The program will also coordinate with the CEC on the BEARS tool development and launch.

2. CEC work on codes and standards

As indicated in Section 6.b.ii, planned enhancements to Title 20 and 24 will be reflected in incentive levels and in eligible measures and services.

3. Non-utility market initiatives

The Commercial Energy Efficiency Program will coordinate with applicable market initiatives to leverage market momentum and areas of mutual advantage. The Program will leverage the following efforts:

- California Green Building Initiative
- LEED
- Zero-net energy
- DOE
- AB1103
- AB758

c) Best Practices

As described in prior sections, the Commercial Energy Efficiency Program reflects the best of each utility program's successful components of statewide Commercial Energy Efficiency Program offerings, and introduces new elements from other utilities and national efforts as well. Best practices include:

- Benchmarking as an appropriate first step for customers to assess their energy baseline.
- Development of a prioritization process, leveraging the CEI sub program, that works to identify the most significant upgrade potential based on building and ownership characteristics. This process will help guide customers to a building integrated approach leveraging all of the available utility programs for a customer segment rather than only pursuing the "low hanging fruit". The utilities will continuously educate the various delivery channels on the importance of the building integrated approach and how to increase customer participation at a whole building level.
- Technical Assistance: The IOUs recognize the need for a personalized, full service approach when providing technical assistance to customers –from audits to design and technical assistance, presentation of recommendations, resources to develop a long term plan, and the potential of project management assistance with financial incentives.
- Vendor Partnerships: This strategy will be coupled with vendor support and educational workshops and classes to provide the full breath of support customers may need to influence their decision to implement energy efficient equipment and practices.

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- Statewide Coordination: The IOU program representatives will meet on a quarterly basis to improve program operations by sharing successes and areas of operational concerns.
- Leveraging Local Commercial sector: Resources such as industry associations, trade associations, and facility management associations will be leveraged.

d) Innovation

Significant innovative aspects of the Commercial Energy Efficiency Program offering include:

i. Integration

- Benchmarking will provide customers with an easy and low cost way to assess and monitor their energy use.
- Integrated Energy Assessments provide targeted customers with integrated solutions in efficiency, DR, and DG, and advise customers on other sustainability practices such as water conservation opportunities, CO2 reduction potential or other programs references.
- IOUs will link customers with the California Climate Registry to support carbon foot printing of a customer's plant.

ii. Marketing

- The Customer segmentation work currently underway will support development of new, super targeted integrated marketing and outreach plans outlining multiple delivery channels that target customers based on their needs.
- IOUs will examine opportunities in the "MUSH" segments (municipalities, universities, colleges, schools and hospitals) for focused offerings in conjunction with all the segmentation plans being deployed. Approximately 8% of SCG's portfolio incentive budget has historically gone to the MUSH markets. SCG's targets for percent of programs delivered to MUSH markets is expected to exceed the 8% for 2013-2014, This percentage is expected to increase in the 2013-2014 due to the additional focus on MUSH markets, especially with third party and local and regional government partnerships serving the MUSH markets.
- Closer coordination with third parties, government partnerships, core programs, and other delivery channels will optimize portfolio performance.
- Utilities will increase outreach to new trade and community-based associations, leveraging best practices identified in ACEEE study of utility Commercial Energy Efficiency Programs.
- Energy Design Resources, developed statewide by IOUs, will be expanded as a web-based hub of commercial and food processing best practice information, training, modeling and performance tracking tools.

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- Expanded workforce education and training efforts with vendors, design teams, industry association members and other key market actors will help overcome many customer informational and transactional barriers
- Training will be provided on modeling and quantifying savings opportunities through tools such as eQUEST and Energy Pro.

iii. Implementation

- Utilities will coordinate process improvements for statewide programs to ease participation barriers.
- SMB-targeted local marketing will leverage the heightened levels of awareness and education that the IOUs expect to result from the Statewide ME&O campaign.

iv. Deeper Energy Savings

- Utilities will seek to deliver deeper energy savings to our customers through bundling of measures, continuous energy improvement, innovative auditing, and/or whole approaches.
- Utilities will explore other mechanisms to more highly reward comprehensive energy management retrofits, e.g. premium incentives for bundled measures coupled with an energy audit.
- Utilities will enhance current finance offerings by standardizing statewide financing and exploring innovative tools to leverage additional funding sources.
- Utilities will evaluate approaches which bundle various equipment and technologies to encourage customer adoption of long and short-term payback IDSM measures.
- Utilities will seek to motivate owners and operators of large facilities to undertake improvements through presenting compelling return on investment (ROI) or Payback based business cases to top decision-makers, while strengthening the skills and knowledge of building operators.
- Utilities are considering a number of different, innovative approaches to achieve deeper energy savings; including a whole building approach that integrates both customized retrofit and retro-commissioning in a single, performance-based program offering.

Energy performance measuring and benchmarking assistance/services to customers will enable customers to compare themselves to “best in class” peers utilizing tools such as the U.S. EPA’s ENERGY STAR Benchmarking tool.

e) Integrated/coordinated Demand Side Management

An integrated portfolio is cost effective, captures program delivery efficiencies, and serves the needs and wants of customers, who prefer a single, informed utility point of contact who can help inform and prioritize their energy investment decisions based on their unique needs. To that end, the statewide utilities and the Statewide Commercial

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Energy Efficiency Program have made tremendous progress in advancing integrated solutions:

- **Marketing:** In marketing integration, the IOUs are placing major emphasis on getting the right message to the right customer at the right time. Advanced customer segmentation is being used to develop detailed integrated marketing and outreach plans which outline multiple tactics, delivery channels and key messages to target to specific customers based on their specific needs. The account representatives, who serve as the key customer point of contact, will be attending an integrated sales strategy and training program to ensure consistent delivery of portfolio offerings.
- **Education and training** – especially workshops organized around a customer segment – provides an ideal situation to integrate customer energy solutions. Utilities will build on past successes to provide integrated workshops to restaurants, retailers, office building facility managers, lodging, and warehouses. The workshop topics generally start with “analysis” resources and methods, and move on to “conservation”, “efficiency”, “demand response”, then “generation” topics and resources. These workshops provide opportunities for utilities to cross-sell solutions and share key information with other utility departments.
- As appropriate, Workforce Education and Training will also cover integrated energy and system solutions, which will be increasingly important as Critical Peak Pricing matures. For example, the California Advanced Lighting Controls Training Program addresses both the energy efficiency and demand response capabilities through the proper design, specification and installation of lighting system controls.
- The availability of a Continuous Energy Improvement approach, especially for the largest, most strategic customer accounts, will facilitate a thoughtful, integrated energy plan and will allow utilities to stay engaged in supporting the progress of that plan.
- Emerging Technologies and CEC collaboration is expected to include initiatives and market acceleration assistance for market-ready products in the general categories of day lighting, lighting, HVAC, controls, and building envelope improvements.

f) Integration across Resource Types

California’s Commercial sectors face a multitude of environmental, regulatory, and financial (Landlord owned, capital outlay) challenges that impede the adoption of new energy efficiency technologies. In addition, new regulations aimed at improving air quality, water quality and reducing toxic environmental pollutants are proving to be expensive and disruptive to business as usual, and in many cases will have the impact of increasing energy use in compliance.

The Commercial Energy Efficiency Program proposes to leverage these challenges to coordinate with the regulating agencies and the programs they are operating in order to support mutually advantageous program designs, customer incentives, marketing opportunities, and implementation opportunities.

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Utilities will pursue opportunities to partner with water agencies to offer joint energy and water incentives in support for projects that reduce both resources, which ultimately improves payback and decrease project costs.

Where applicable, the program will integrate topics like LEED certification into targeted customer workshops, marketing and communications, building on a strong track record from the 2006-8 program cycle.

Third party programs at the utilities will further integrate resources. These third party programs will focus on specific customer segments offering a complete project package that will include integration aspects.

g) Pilots

During the course of the two-year cycle, initiatives may be created based on the needs of the commercial customers.

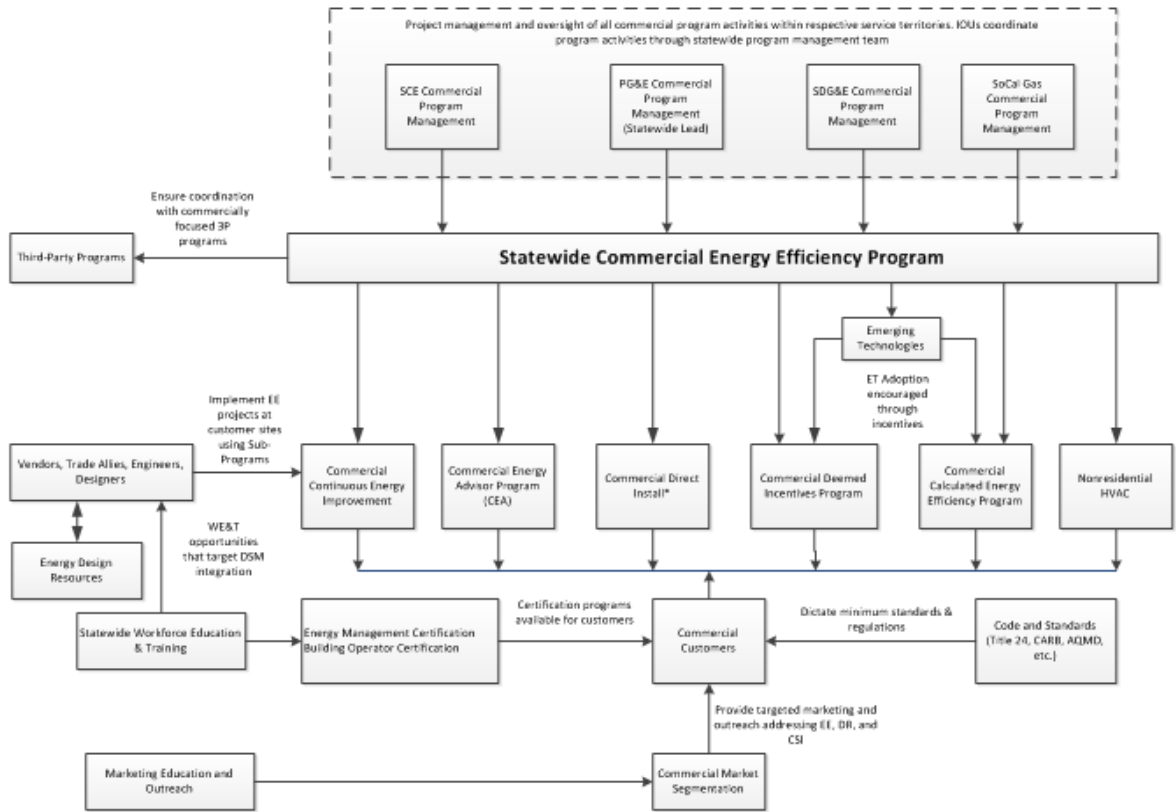
The IOU's intend on implementing methods to gather and retain more detailed performance and usage data on a pilot basis to determine more effective methods and to achieve savings. Exploring incentives for sub-metering is an option as is expanding the tool library in lieu of incentives.

h) EM&V

The utilities will work with the Energy Division to develop and submit a comprehensive EM&V plan for 2013-2014 cycle, after the program implementation plans are filed. This plan will include process evaluations and other program-specific studies within the context of broader utility and Energy Division studies. More details plans for process evaluation and other program-specific evaluation efforts will be developed collaboratively by the utilities and Energy Division. Development of these plans will occur after the final program design is approved by the CPUC, and in many case, after the program implementation has begun, since the plans need to be based identified program design and implementation issues.

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7. Diagram of Program

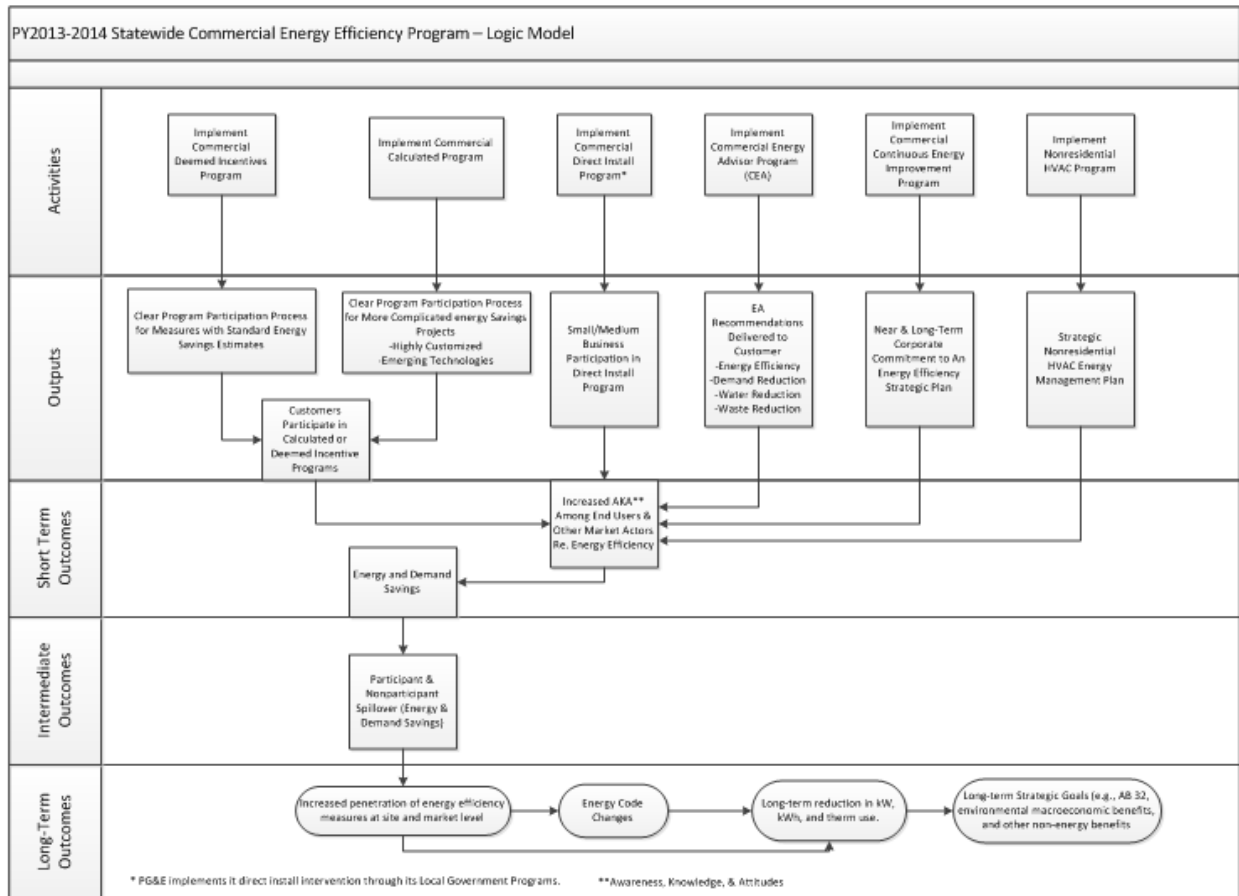


*PG&E and SCG deliver direct install through Local Government Programs and Third-Party Programs

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8. Program Logic Model

On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. In addition, this Resolution approved updated logic models for the statewide programs. Below is the approved logic model for the Commercial Energy Efficiency Program.



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- 1. Program Name:** Commercial Energy Advisor, Core Sub-program
Program ID: SCG3708
Program Type: Statewide Core Program

2. Projected Program Budget Tables

Table 1 – reference the overarching program for budget details

3. Projected Program Gross Impacts Table

Table 2 – reference the overarching program for savings details

4. Program Description

a) Describe Program

The Statewide Investor Owned Utilities (IOUs) have created the Commercial Energy Advisor sub-program (CEA) to bring together under one program all services offered to support customer education and participation in energy efficiency, demand response and self-generation energy reducing opportunities and benefits, along with awareness of greenhouse gas and water conservation activities.

CEA was created to provide a streamlined and coordinated assignment of right-sized customer solutions. The key is to start the process with an initial analysis of a customer's needs, determination from the analysis which audit will service the customer with the highest cost/benefit, identify additional program support and key indicators that will motivate the customer to implement energy saving recommendations

The utilities anticipate the restructuring of CEA will affect the way audits are provided. CEA will enhance the IOUs' ability to match customers' need(s) with the right audit service. This will result in an increased cost-effective delivery of these audit services with an increased expectation for customer adoption/installation of provided customer specific recommendations.

In its offerings, CEA will place an emphasis in deep energy saving measures and emerging technologies where appropriate. When the technologies and customer opportunities are correctly aligned, the customer will become more open to the benefits these technologies offer to their business and will therefore increase their acceptance and adoption.

Together the CEA offerings will work to support the achievement of Strategic Plan objectives across all non-residential segments.

The IOUs believe this approach is the best way to influence market transformation, serve customers' needs, and increase adoption of DSM solutions.

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The CEA package consists of six (6) distinct offerings:

- **Benchmarking** is the first step for a customer to begin to understand the energy use of their building. Benchmarking is an initiative designed to educate and motivate customers to measure and track the energy use of their facilities, educate customers of the benefits of benchmarking their facilities and how they can track the impact of energy savings after implementing energy saving measures. To support the customer's efforts, the IOUs will offer technical support, hands-on workshops that will provide customers with information on how to benchmark, how benchmarking can be used as an energy management tool and what to do next after benchmarking.

The IOUs will develop or continue benchmarking initiatives that supports the customers' ability to comply with AB1103's benchmarking requirements (upon its implementation), utilizing ENERGY STAR Portfolio Manager and IOU supported Automated Benchmarking Services.

The IOUs will also continue to offer customers technical support ranging from email and phone hotlines, hands-on workshops and web-based benchmarking educational and instructional materials.

Support will continue to identify, evaluate and make information disposable about other benchmarking tools available.

The primary focus for benchmarking activities will continue to be centered on commercial buildings (in alignment with the target building type of AB 1103).

- **Online Energy Audit Tool (Small Business):** The online audit tool is an enhanced, customer friendly "do-it-yourself" web-based audit tool targeting small business customers. The online audit tool offers an integrated auditing approach providing energy efficiency, demand response and self-generation recommendation and education.¹⁸

With large numbers of small business customers in each IOU's service territory, it is necessary to offer and test different cost-effective strategies that can help small business customers maximize their energy use.

The IOUs will confirm their implementation timelines and once their tool is rolled out, they will initiate a continuous improvement cycle to ensure the benefits and features of the tool are meaningful for customers use. As the timing is appropriate, the IOUs will initiate marketing campaigns to raise small business customer awareness of the tool's availability and benefits.

¹⁸ The online energy audit tool is a continuation of the Universal Energy Audit Tool (UEAT) from the 2010-2012 program cycle and is also referred to in the Commercial Energy Efficiency Program logic diagram)

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Per the Final Transition Period Decision, IOU implementation timelines occurring beyond 2012 are listed below. Note: PG&E implemented its Residential tool, in compliance with CPUC directives, in Q1 2012.

Audit Type	Description	IOU	Small Business	Residential
Online Energy Audit Tool	The web-based energy audit tool (also known as the Progressive Energy Audit Tool) provides Small Business and Residential customers with a customized audit designed to help customers understand their business and/or home energy use. The tool provides concrete customer suggestions about ways to maximize their energy efficiency (EE), demand response (DR) and distributed-generation opportunity.	SCG	Q2 2013	Q4 2012
		SDG&E	Q2 2013	Q4 2012
		PG&E	Q4 2012	Q1 2012
		SCE	Q1 2012	Q1 2012

- Continuous Energy Improvement (CEI)** Continuous Energy Improvement (CEI) is a consultative service aimed at helping customers (utilities will target CEI services in line with market segment potential in their service territories and resource availability) engage in long-term, strategic energy planning. Corporate energy management is not currently part of normal business operations for the majority of utility customers. With current economic pressures forcing customers to reduce costs and focus more on their core business, it is likely to be further marginalized. CEI proposes to reintroduce the importance of energy management by transforming the market (and reducing energy intensity) through a comprehensive approach that addresses both technical and management opportunities and creates sustainable practices which address energy savings, reduction of greenhouse gas emissions and water conservation, through high-level energy commitments from executive and board-level management.

CEI offers customers the pinnacle of audit offerings guiding executive management to levels of energy management self-actualization that makes energy and environmental issues a consideration in all management/business operational decisions and in long term energy planning. For additional information about CEI, please consult the CEI Program Implementation Plan.

- Non-Residential Audits (NRA)** for the Transition Period will provide Integrated Comprehensive Energy Audits (ICEA) that focus on customer energy savings, cost/benefits, and the targeted delivery of financial and technical assistance. Audit information must communicate complex information in a simple and understandable way to enable customers in identifying energy efficiency, demand

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response and distributed generation opportunities. Audits use “ex ante” deemed and calculated methodologies for energy savings analysis information.

As stated above, NRA offers two (2) categories of audits – basic and integrated.

Audit Type	Description	Detail	SCG	SDG&E	PG&E	SCE
Integrated Customer Energy Audit	The ICEAT audit is a customized audit specifically designed to help customers understand and identify their facility’s energy use and provide concrete suggestions to maximizing energy efficiency (EE) demand response (DR), and distributed-generation opportunity as defined by the customer’s need.	Phone	YES	YES	YES	YES
		Online (Web-Based)	YES	YES	YES	YES
		Onsite	YES	YES	YES	YES

This program cycle, emphasis will be given on meeting requirements of the California Long Term Energy Efficiency Strategic Plan (Strategic Plan), streamlining the audit process increasing its efficiency, lessening complexity, and increasing the effectiveness of influencing customer implementation actions through actions such as integration of the demand response technical audit component directly into NRAs offerings. In addition, the IOUs will investigate ways to implement meaningful financial measurements such as return on investment (ROI) and/or simple payback metrics. The key is ensuring financial tools selected provide the customers with meaningful information by ensuring cost assumptions are appropriate to the customer. Also, NRA will assume the audit and budget responsibilities for Demand Response’s technical audit services, as applicable. It is intended that these audits will be a critical component of the integrated comprehensive audit service offering.

- **Pump Efficiency Services** is designed to help commercial customers make informed decisions about improving inefficient pumping systems and operations through recommendations derived from pump test audit or direct observations of processes. Pumping of water is estimated to account for more than 80% of the electric load and 73% of the natural gas requirement in California in the agricultural segment, and this load is growing as the state’s water users increase their reliance on pumping water to meet their needs. Pumping is also estimated to account for 20 to 25% of energy usage within the nation.

The Pump Efficiency Services program element, implemented by a team of trained in house or third party contractors, aims to overcome key informational, technical, and financial barriers to pump optimization by offering pump tests, retrofit incentives, and targeted education, training and technical support for

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customers and pump companies. Each IOUs database of pump test results will be used in the near-term to target pumps in need of retrofit as a means to capture savings. However, pump performance data aggregation at the statewide level will contribute to the development of metrics and targets for pump improvements, in support of a statewide pumping focus across segments, in agriculture, commercial and industrial, supporting their strategies and objectives.

The IOUs will continue to offer pump testing services at no or low cost and pumping system efficiency workshops through their energy education centers or other event opportunities.

- **Retro-commissioning:** The IOUs are planning to continue and enhance their core Retro-commissioning (RCx) programs. RCx is a systematic process for optimizing an existing building or system's performance by identifying operational deficiencies and making necessary adjustments.

The RCx element is designed to optimize existing building or system performance by identifying operational deficiencies and making necessary adjustments to correct the deficiency. RCx is offered to agricultural, commercial and/or industrial customers based on the market segment potential and resources of the respective IOU. The range of projects may involve measures which reset, repair or replace existing system controls and components. Simple paybacks for these measures are usually short in duration and must meet customer expectations. Through the RCx assessment report, comprehensive projects are identified and referred to other sub-programs for completion (i.e., Commercial Calculated and Deemed Incentives). Energy savings from projects identified through RCx will be claimed in the Commercial Calculated Incentives sub-program.

Enhanced RCx program elements will explore and may include but not be limited to:

- a. Innovative approaches to measure identification, automated baseline capabilities, and savings quantification;
- b. Continuous commissioning and monitoring-based commissioning;
- c. Solutions for small and medium commercial customers;
- d. Strategies to drive savings persistence;
- e. Appropriate alignment with retrofit activities;
- f. Overall program incentives, targeting, and delivery.

The RCx program is a key offering in the Commercial Calculated sub-program and a more detailed description of the program is provided.

The CEA strategy focuses on simplifying the way audits are provided to customers. Through various assessment functions, the IOUs will work with the customer to identify the best, most cost-effective solution and the one with the

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greatest potential to motivate the customer to implement energy saving solutions (i.e. primarily EE, DR, and SG).

It is anticipated CEA will allow the expansion of audit serves across diverse class of customers, potentially across all segments and will interconnect the customer with the wide and diverse range of programs offered. From a customer perspective, the impact on customer time and resources will be reduced, the audit analyses will include DSM, greenhouse gas reduction information, provide water conservation recommendation all in a single report. The resulting report will identify comprehensive solutions that will simplify the customer decision-making process.

The primary program objectives for 2013-2014 are:

- Support the Strategic Plan by offering integrated audits across a wide selection that address the full spectrum of energy solutions, including energy efficiency, demand response, and distributed generation (California Solar Initiative and distributed generation) focusing on customer facilities as defined by each IOU's market potential and resource availability.
- Provide a focus on the "MUSH" market (municipalities, universities, colleges, schools, and hospitals) to test ideas for deeper energy savings efforts. Commercial sub-programs that will address this effort include the Commercial Calculated Incentives, Commercial Deemed Incentives, Energy Advisor,
- SCG will enhance its current program and product offerings of energy efficiency in 2013-2014 through: (1) additional financing options; (2) additional third party and LGP solicitations and contracts; (3) increased focus on the hard-to-reach small and medium commercial markets, (4) new incentives trials to motivate MUSH customers to bundle DSM measures that enhance each other and create deeper energy savings. It is not possible to predict the number of additional Third Party contracts that may result from new Third Party solicitations in 2013-2014.
- The continuation of delivering high value audit reports to the customer. Audit reports will be designed in such a way that they will provide the customer with information which motivates them to implement energy efficiency, demand response and consider renewable generation options.
- Enhance efforts to identify and provide financial analyses focused on deeper energy savings and technologies. Identify ways different financial metrics, such as return on investment (ROI) and/or simple payback, can be provided where the values presented have meaning to the customer.
- The IOUs will explore and evaluate the potential of enhanced customer incentive options that are contingent on a customer's receiving an audit prior to applying to incentive programs.
- Incorporate new and/or emerging technologies appropriate for the customer's facility.

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- Develop and implement enhancements to current benchmarking workshops (targeting commercial buildings) and continue providing benchmarking and AB 1103 technical support through established and new delivery channels.
- Encourage statewide consistency by offering a similar energy audits with the ultimate goal of offer customers the best energy management practices and technologies.
- Review and evaluate the CEC's Building Energy Asset Rating System tool (BEARS) once the CEC has completed developing the tool. The successful implementation of testing the new BEARS audit tool will depend on its timely release. BEARS is currently slated for completion at the end 2012. If the release of the BEARS tool is significantly delayed then the implementation of a successful pilot will also be delayed.
- Enhance the CEA' offerings by including activities such as, but not limited to:
 1. The highlighting of emerging technologies and deep energy savings opportunities and providing education on long term energy planning/project management strategies (in coordination with the Commercial CEI program).
 2. Will continue existing water saving services and develop Leak detection services and strategies which will offer the service to customers in all customer segments as determined by the IOUs to provide customer benefits and cost-effective to administer. The services will, be offered through the use of audit teams, in house and/or contracted, and may be required as a service in the delivery of all integrated comprehensive audits.
 3. CEA will play a key role in exploring options regarding identifying deep energy savings, promotion of emerging technologies and providing the proper support to those customers who take advantage of more than three (3) measures from Commercial Deemed Incentive subprogram.
 4. CEA will develop processes to assist energy audit teams and customers identify facilities and services that will provide the greatest return on benefits from the audit. The IOUs may explore leveraging tools to complete energy audits, usage analysis, assessments and/or building performance benchmarking as the first step in determining a customer's need.
 5. CEA may also enhance tracking and audit component capabilities to support customer needs analysis, reduce program application barriers, maximize recommendation follow up and streamlined audit report generation.

b) List of Measures

The CEA primarily offers non-resource, auditing services. It does not offer incentives, but ultimately influences the customer's implementation of energy efficiency, demand

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response, and self-generation opportunities in combination with incentive from the core commercial incentive programs (refer to the Commercial Deemed and Calculated Incentives sub-programs for specific information). However, each utility reserves the ability to offer incentives specific to CEA's individual service offerings.

c) List Non-incentive Commercial Energy Advisor Services

The Commercial Energy Advisor (CEA) sub-program is designed to deliver a coordinated and customer specific service. CEA features a statewide integrated demand side management customer specific solution that promotes energy efficiency, demand response, distributed generation and emerging technologies as appropriate to the customer's need(s).

Such activities include, but are not limited to: energy management assessments, energy planning, marketing and outreach, baselining and benchmarking, project implementation support, technical support, energy savings calculations, process evaluations and report generation, and web-based energy resources.

5. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Indicators (MTIs)

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

See Attachment A - Table 3 – refer to the overarching program for quantitative baseline metrics

b) Market Transformation Indicators (MTIs)

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics and goals are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

c) Program Design to Overcome Barriers

CEA offers services that address corporate/management cultures that prevent successful implementation of comprehensive energy policies. These offerings help overcome customers' lack of awareness of DSM opportunities by providing a customer focused, comprehensive package of energy solutions designed specifically to motivate the customer to implement recommendations. Information such as cost/benefit analysis (i.e. ROI or simple payback) and identification of appropriate IOU incentive and/or finance programs can significantly enhance the financial benefit of the energy saving recommendation. CEA also provides customers with tools to measure the effects of implemented energy savings actions on their bottom line.

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CEA brings together audits and related services to implement energy saving activities.

d) Quantitative Program Targets

The targets provided herein are best estimates, but nonetheless are forecasts.

Table 5

	Program Target by 2013	Program Target by 2014
Number of Audits	635	790

e) Advancing Strategic Plan goals and objectives

The CEA is designed to promote DSM coordination and the integration strategies of the Strategic Plan. Foremost are recognition of the linkage between energy and environmental policy and the importance of integrating energy efficiency, demand response and distributed generation to support California’s plan to reduce greenhouse gas emissions.

Specific near-term strategies proposed by the Strategic Plan that are addressed by the CEA include:

- Facilitate all State-Owned and Leased Buildings having a Retro-Commissioning option

By offering a dedicated retro-commissioning program a mechanism is created whereby IOUs can facilitate the achievement of this goal as a coordinated effort with the IOU Government and Institutional Partnership Programs.

- Strengthen Tools and Practices for Building Commissioning

Based on the IOUs' experience with managing the Retro-commissioning program, lessons learned and best practices can be integrated into the 2013-2014 offering. To increase market adoption of these program best practices, the IOUs will work in cooperation with the California Commissioning Collaborative to disseminate relevant information to the retro-commissioning community and services may be extended to all segments as deemed appropriate by each IOU.

- Identify New and Improved Tools and Strategies to Reduce Energy Consumption in commercial facilities

Starting with energy conservation and proceeding to distributed generation and demand response opportunities, the benchmarking, CEI, NRA and RCx, demonstrate to the customer a comprehensive, site-wide solution for near and longer term energy consumption and clearly state the positive greenhouse gas effects of their actions. Addressing customer energy needs through long-term

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solutions allows consideration of technologies and projects that benefit the state and planet for a decade or longer (e.g., HVAC systems, commercial customer processes and equipment, facility envelope upgrades and enhancements). Recommendations for retrofit opportunities within existing facilities contribute to California's zero net energy goals. Once implemented, recommendations for operation and maintenance (O&M) practices on on-going commissioning will ensure that customer facilities continue to operate in an efficient manner.

- State/Local Governments and Major Corporations Commit to Achieve EE Targets

CEA's offerings will seek to (1) gain corporate level commitment to energy efficiency as a core business operation; (2) develop corporate energy policies that establish measurable goals; (3) develop an actionable plan to achieve these goals; (4) guide customers to IOU programs that can help implement cost-effective EE projects; and (5) provide a feedback loop to measure performance. This codified process is designed to support the significantly greater energy efficiency performance desired by the Strategic Plan.

- Develop Tools to Reduce Energy in Commercial Facilities

As part of the implementation of specific CEA offerings, the IOUs will partner with energy industry peers, industry associations, and DOE/CPUC-sponsored labs and consultants to enhance the use of existing tools and explore new tools to help commercial customers reduce initial energy usage at their facilities, then continue to operate their facilities in an efficient manner. Current tools used for benchmarking tools and resources include those developed by the EPA for ENERGY STAR and by Lawrence Berkeley National Lab (LBNL) with CEC funding:

- EPA EnergyStar Portfolio Manager Benchmarking Tool.
- Management Standard for Energy SME2000-2008.
- DOE Superior Energy Performance.
- ISO-50001.

- Develop Business Models to Deliver Energy Management Solutions

CEA's offerings will address the fundamental purpose to influence decision making practices from commercial customers to consider energy usage and sustainability as a core part of their daily operations. This level of commitment will help achieve greater penetration of energy efficiency in the agricultural market sector.

In addition, CEA's offerings promote acceptable practices of accounting, auditing, and evaluation by:

- Offering integrated and focused audits, benchmarking, savings calculation assistance for retrofit and retro-commissioning opportunities, and

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simplifying the audit-to-project documentation process to bridge the gap between educating customers about energy solutions to environmental issues and taking action.

- Guiding and supporting customers as they implement technologies, processes and practices to achieve deeper energy efficiency savings.
- Long term energy planning support.

6. Program Implementation

- a) Assess and identify the best way to support the use of CEC's BEARS tool.
- b) Enhanced current benchmarking workshops and continue providing benchmarking and AB 1103 technical support through established and new channels.
- c) Emphasize and support integration in emerging technologies and deeper energy savings opportunities.
- d) In coordination with incentive programs, identify ways to streamline the end to end process for customers wanting to participate in utility energy saving programs.
- e) Continuation of Statewide IOU coordination

a) Statewide IOU Coordination

i. Program name: Commercial Energy Advisor

ii. Program delivery mechanisms

CEA will employ a variety of delivery mechanisms or channels. Most of CEA's offering will use IOU customer energy efficiency staff and contractors, service and sales representatives, website and/or marketing and outreach efforts. Other delivery channels may also be developed.

In addition, where applicable, Utility customer account representatives or program management staff will support this activity within the statewide commercial sector, as well as third parties, government partnerships, and local programs.

iii. Incentive levels

Not applicable.

iv. Marketing and outreach plans

A comprehensive audit marketing plan will be aligned and coordinated with the marketing plans for each of the IOUs in order to maximize effectiveness, integrate offerings, and as appropriate refer customers to relevant DSM programs.

Additionally, IOUs may investigate piloting alternative channel marketing, such as social media tools, and outreach options that might include community-based organizations and/or third parties to recruit small businesses and influence them to take actions that result in energy efficiency improvements. IOUs may investigate

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and test efforts to leverage relationships with trade associations as a way to increase cost effectiveness of reaching customer groups.

v. IOU program interactions with CEC, ARB, Air Quality Management Districts, local government programs, other government programs as applicable

CEA's energy recommendations will continue to recognize the regulations required by other bodies. For example, information about GHG reductions resulting from AB 32 may be incorporated into the customer recommendations and to factor into the project's cost-effectiveness and water conservation information will be included in the reports as appropriate.

Program offerings will collaborate and support the CEC's AB 1103 mandate by assisting customer with technical and awareness activities. CEA will advance the introduction of the BEARS and California Rating Tool where reasonable.

CEA recognizes the efforts of the CEC's Green Building Initiative programs, DOE's "ISO plant certification" programs, EPA EnergyStar Portfolio Manager benchmarking, EPA Building Performance with Energy Star and other programs, USGBC LEED certification, and local and other government incentive programs and will leverage such activities to the customer's benefit.

b) Program delivery and coordination

The sub-program will be coordinated with the following activities, as applicable:

i. Emerging Technologies (ET) Program

The IOU CEA Management Team will stay abreast of and incorporate relevant emerging technologies into audit recommendations as appropriate.

ii. Codes and Standards Program

CEA implementation will include information about pending new codes and standards that may affect planning or prioritization of retrofit or new construction projects. Audits reports will include customer recommendations that are consistent with current governing codes.

iii. WE&T efforts

CEA implementation will integrate with WE&T efforts, as needed, by providing CSI process, lessons learned, and case study input to energy engineering curriculum designers for community colleges and universities. This activity will be coordinated through the Statewide WE&T program team and will ultimately be integrated into the web portal that team is now developing. IOUs will assess and support specialized WE&T training to help target working energy management professionals, industry professionals, and those pursuing education in universities and colleges.

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IOUs will also continue with WE&T coordination to bridge the linkages and integrate sector strategy approaches, as required.

iv. Program-specific marketing and outreach efforts (budget provided in Table 1)

A comprehensive audit marketing plan will be aligned and coordinated with the marketing plans for each of the IOUs in order to maximize effectiveness, integrate offerings, and as appropriate refer customers to relevant DSM programs.

Additionally, IOUs may investigate piloting alternative channel marketing, such as social media tools, and outreach options that might include community-based organizations and/or third parties to recruit small businesses and influence them to take actions that result in energy efficiency improvements. IOUs may investigate and test efforts to leverage relationships with trade associations as a way to increase cost effectiveness of reaching customer groups.

v. Non-energy activities of the program

Integrated audits are a key tool for identifying non-energy opportunities for specific customers. These opportunities will be pursued whenever possible.

vi. Non IOU programs

CEA reports will include information on Non-IOU Programs to expose customers to funding, such as from air or water agencies, to support integrated efforts. CEA will partner with programs offered by CEC, ARB, Air Quality Management Districts, ENERGY STAR, and other government and quasi-governmental agencies to capitalize on opportunities to develop co-branded program information and marketing collateral target to commercial sector customers, as opportunities present themselves.

With respect to water conservation, utility program managers will continue to partner with the local water districts to co-brand marketing collateral, attend trade shows, co-release notices, for programs with interactive water and energy effects (ESPM, BEARS, California Rating Tool, Water Agencies and others).

vii. CEC

CEA implementation will continue collaboration efforts with the CEC and seek to promote adoption of new technologies developed through the CEC's processes and to educate customers to demonstration, research and/or pilot projects. Specific EA offerings will encourage recommendations addressing new technologies, processes, and methods, as identified in CEC projects, which will enable customers to achieve energy efficiency "stretch" goals that produce significant energy savings beyond an established baseline in a cost-effective manner.

viii. CEC work on codes and standards

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CEA will not be implemented with a direct linkage to codes and standards efforts. Although CEA will reflect code and standards regulation in its energy savings calculations as deemed appropriate.

ix. Non-utility market initiatives

Education about federal tax incentives for energy efficiency investments is an example of non-utility information and guidance that CEA offerings will provide to customers. In addition, the IOUs will participate in state and national efforts to develop and/or improve benchmarking tools and services that can be used by customers to better facilitate their adoption of sustainable energy management practices.

c) Best Practices

The IOUs will continue to leverage best practices and lessons learned at regularly scheduled statewide program management meetings. These meetings are forums to discuss program design and implementation issues, and as appropriate provide statewide collaborated guidance in RFP solicitations and awareness of program offerings so customers operating multiple facilities across IOU service territories receive the same customer experience.

Other best practices approaches apply the principles of well-known business continuous improvement programs, such as Lean Six Sigma and ISO standards, to facility and plant energy management, in order to achieve widespread adoption of long-lasting sustainable energy management practices in the market sectors. As stated above, these principles are: (1) Commitment, (2) Assessment, (3) Planning, (4) Implementation, (5) Evaluation, and (6) Modification. This approach will continue through the two-year program cycle for 2013-2014, allowing longer-term and deeper project development engagement with customers.

d) Innovation

For 2013-2014, the IOUs are identifying and evaluating program processes to increase effectiveness, simplification and increase the benefits the program delivers. Each IOUs set of lessons learned from these efforts will be shared and implemented to enhance energy savings benefits to all California IOU customers.

CEA will engage in a process of continuing improve as a new standard way of packaging energy efficiency, demand response and self-generation products and services, aimed at helping customers engage in long-term, strategic energy planning. It proposes to transform the market and reduce energy intensity through a comprehensive approach that includes addressing both technical and management opportunities.

Depending on the outcome of the 2012 process evaluation, CEI may consider customer incentives to accelerate project implementation (including IDSM projects), and reward customer for implementing strategic energy management.

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e) Integrated/Coordinated Demand Side Management

CEA will provide a comprehensive approach for integrated audit services. Its services will have the flexibility of meeting every level of a customer's audits needs from integrated comprehensive audits to targeted or focused audits, which centers on specific systems or processes, to assessments or general walk through audits or online "do-it-yourself" audits (currently for small business customers), which when properly applied can assist in identifying the areas of a customer's greatest energy interest, financial capabilities of the customer's ability to invest in improving its energy use, and identification of other programs that can be brought into the discussion to motivate a customer to move forward with the energy saving plan.

The scope of services offered can coordinate the audit to look for retrofit or retro-commissioning opportunities; with benchmarking tools, or long term planning. Audit reports can present a truly integrated analysis to customers, seamlessly providing them with information and recommendations regarding energy efficiency, distributed-generation, demand response, greenhouse gas emissions and water energy savings, Customers will be referred to other IOU programs that will help them implement the recommendations resulting from the audit report and thus will be given a complete picture of their energy usage and options for reducing costs and using energy more efficiently.

f) Integration Across Resource Types

CEA will focus on DSM integration.

CEA implementation will include information on Non-IOU programs to expose customers to funding, such as from air or water agencies, to support integrated efforts. IOU EA managers will partner with the appropriate programs, when applicable, with government agencies to capitalize on opportunities to share program information, marketing collateral, and financial incentive analysis with customers.

Conventionally, each government agency and utility has operated natural resource and energy programs independently, missing opportunities to serve customers who must manage more than one resource type. For customers who are regulated by or interested in more than one resource issue, CEI will provide information about the mutual benefit of combining complementary resource programs.

In the effort to promote CEA offerings, IOUs will seek out customers interested in complementary resource programs such as provided by water and air quality agencies. With respect to water conservation, utility program managers will collaborate with the local water districts to produce marketing collateral, attend trade shows, and co-release brochures, for programs with interactive water and energy effects.

g) Pilots

CEA services may consider the development of test markets especially in the introduction of new energy benchmarking or saving tools.

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h) EM&V

The utilities will work with the Energy Division to develop and submit a comprehensive EM&V plan for 2013-2014 cycle, after the program implementation plans are filed. This plan will include process evaluations and other program-specific studies within the context of broader utility and Energy Division studies. More details plans for process evaluation and other program-specific evaluation efforts will be developed collaboratively by the utilities and Energy Division. Development of these plans will occur after the final program design is approved by the CPUC, and in many case, after the program implementation has begun, since the plans need to be based identified program design and implementation issues.

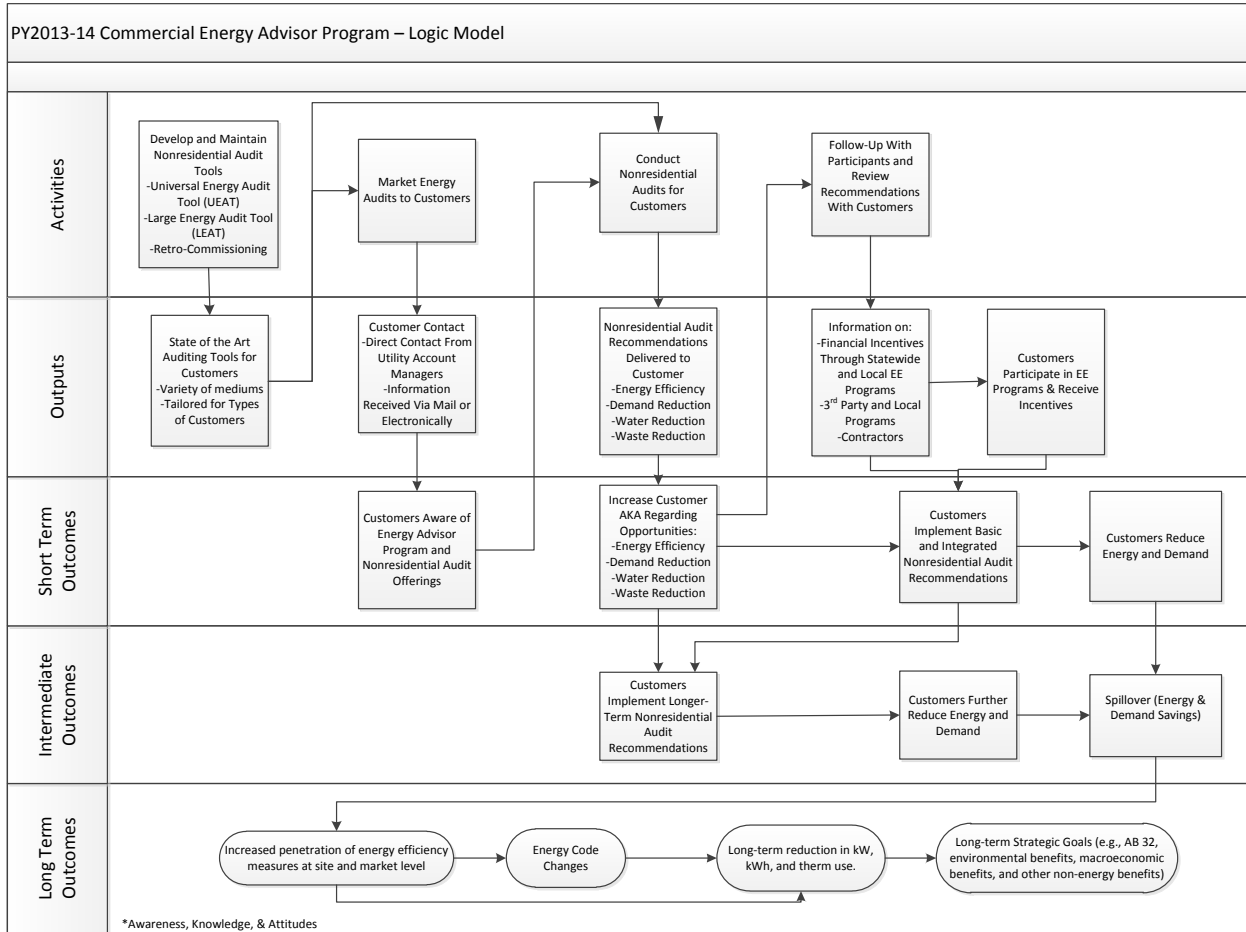
7. Diagram of Program

Please see the core program diagram.

8. Program Logic Model

On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. In addition, this Resolution approved updated logic models for the statewide programs.

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- 1. Program Name:** Commercial Calculated Incentives, Core Sub-program
Program ID: SCG3710
Program Type: Statewide Core Program

- 2. Projected Program Budget Table**

Table 1 – reference the overarching program for budget details

- 3. Projected Program Gross Impacts Table**

Table 2 – reference the overarching program for savings details

- 4. Program Description**

- a) **Describe Program**

The statewide Commercial Calculated Incentives sub-program provides customers technical and calculation assistance, as well as incentives based on calculated savings, to influence the design and installation of energy efficient equipment and systems in both retrofit and added load applications.

The Commercial Calculated Incentives sub-program is utilized for projects where a rebate is not available through the statewide Deemed program, where project conditions require customized calculations to provide the most accurate savings estimates, or where a project has interactive effects that are best captured through whole building or whole system modeling. Because calculated savings estimates are based on actual customer operating conditions, pre-inspections (for retrofit projects) and post-inspections are typically required as part of each utility's project documentation.

An important element of the Commercial Calculated Incentives sub-program is the design assistance and calculation assistance provided by the IOUs to influence customers to select the most efficient design and equipment options. For both retrofit and added load projects, IOUs work with the customer and their project team to evaluate their proposed projects and provide a report recommending efficient design alternatives and detailing energy savings, CO2 reductions, and calculated incentives available for exceeding Title 24 code or industry standard practice baselines as appropriate. This information is also available to customers through the nonresidential Audit offering. The combination of technical support and the availability and commitment of approved utility incentive funds is an essential driver to overcome key customer barriers, including lack of technical resources and lack of capital for energy efficiency projects.

Customers and project sponsors (contractors, design teams, vendors, ESCOs) participating in the Commercial Calculated Incentives sub-program may also opt to complete their own calculations for submittal to the IOUs for review and approval. For this purpose, consistent statewide calculators are publically available to customers for use if desired. The statewide utility-created and maintained CCT Calculator can be used for

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retrofits and is available online and through CDs. For whole building construction projects, IOUs accept both Energy Pro, available for license, and the utility-sponsored EQEST, available for free on the statewide Energy Design Resources website www.energydesignresources.com.

Depending on whether a project is a retrofit or added load project, and on whether Title 24 is triggered for a particular project, different baselines are applied to capture appropriate project savings. For retrofit projects, incentives are capped at 50% of the total project costs. For added load projects, incentives are capped at 50% of the total project cost.

b) List of Measures

A broad range of measures is eligible for the Commercial Calculated Incentives Program. The current incentives are summarized in the following table. The incentives for these measures are standard across the utilities participating in the statewide Commercial Calculated Incentives Program.

The following measure categories are eligible for Calculated Incentives:

- Equipment Modernization
- Process Improvement
- Retro-Commissioning Measures
- Miscellaneous Gas measures

c) List Non-incentive Commercial Energy Advisor Services

The Commercial Calculated Incentives sub-program is primarily an incentive program designed to achieve energy savings through measure implementation; however it does provide such non-incentive measures as technical and calculation assistance to help customers navigate through the application process. This assistance ensures that the sub-program captures lost opportunities by not allowing projects to fall behind schedule simply because the customer does not have the resources to shepherd the project through the process.

5. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Indicators (MTIs)

Market Transformation has not been a major focus of the California energy efficiency programs since the energy crisis. Consequently, relatively little attention has been given in recent years to identifying and gathering data on indicators of change towards market transformation. For some programs or sub-programs that promote a single end use or measure, there may be some data available for this purpose, probably from industry sources, that we have not yet identified. For many of the programs, however, this kind of long-term, consistent, and expensive data collection has not been done in California.

The utility program planners have worked closely with their respective EM&V staffs and with each other to identify available information and propose potential metrics. Each utility and each program has some data available, but attempts to distill the limited

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available information into a common set of agreed-upon metrics have proved far more difficult to accomplish. Offering metrics in which there is not confidence would not be productive. Therefore, the utilities respectfully exclude “draft” metrics at this time and instead suggest a means of developing meaningful indicators.

The utilities are beginning to develop meaningful baseline and market transformation concepts and metrics for programs that do not currently have them, and then propose to design and administer studies to gather and track consistent, reliable and valid baseline and market effects data. We would propose to use the program logic models and The California Evaluation Framework (2004) as guides, and to begin this work after approval of the Application, using funding provided for Evaluation, Measurement & Verification.

We expect that the baseline studies should (1) adequately describe the operation of markets that are targeted by a program, (2) confirm our tentative identification of measurable parameters that would indicate changes towards greater efficiency in the market(s) and that are likely to be affected by the program, and (3) gather the current values of those parameters, to serve as baselines against which future market movement can be tracked.

b) Market Transformation Indicators (MTIs)

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics and goals are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

Table 4 – Refer to the overarching program for market transformation metrics (See Section 1a.5.a)

c) Program Design to Overcome Barriers

The Statewide Commercial Calculated Incentives sub-program offers customers incentives to implement energy efficiency measures that have been identified primarily through standard utility energy efficiency audits, in-depth facility/process assessments or retro-commissioning studies.

Other avenues used to identify energy efficiency opportunities include Programs that provide Education and Outreach, Workforce Education and Training, or through IOU Emerging Technologies Programs.

The Commercial Calculated Incentives Sub-program addresses and eliminates a significant number of barriers to energy efficiency for commercial customers such as:

- A high percentage of the time, developers, building owners, building managers and building contractors build or retrofit to current standards (i.e., Title 24). On the Architect and Engineering Firm side, design engineers specify what they know or what they are familiar with. The Commercial Calculated Incentives sub-program encourages or rewards developers, building owners, building managers,

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contractors, and A&E Firms to “push the efficiency envelope” and exceed Title 24 requirements, or to exceed industry accepted baseline standards when retrofitting existing buildings or systems by providing up-to-date information on emerging technologies and providing incentives to bridge the “chasm” which typically prevent emerging technologies from being adopted by the market.

- In several instances, high efficiency Emerging Technologies are viable, but are unknown to facility owners and system designers and thus, are slow to penetrate the market, causing energy efficiency opportunities to be “lost.” The Commercial Calculated Incentives sub-program helps speed market penetration and associated energy savings for Emerging Technologies by offering, when appropriate, “premium” incentives for emerging technologies that are “proven” but not widely employed in the markets for which they are intended (e.g., solid state lighting, advanced lighting controls).
- Across all nonresidential customer segments, a significant barrier mentioned is “Access to Information”. This can be a lack of awareness of operating “best practices”, lack of awareness of energy efficiency opportunities, difficulty accessing industry relevant technical assistance, inadequate availability of qualified industry specialists or lack of personnel resources to fully assess a building, system or process. Also, in many instances, customers are not sure of how a specific energy efficiency project will impact their emissions, resource consumption or waste discharge streams.
- Multi-tenant buildings have a unique and significant barrier. Most typically referred to as the principal-agent or tenant-landlord split incentive, this issue is characterized by the natural separation of tenant energy efficiency savings and capital expenditures by building owners. The commercial program will incorporate market research and/or market tests to better understand potential programmatic offerings that can help reduce the barrier. Some examples of strategies that might warrant testing include combinations of education and creative tenant/landlord incentives or credits for centralized system or building shell upgrades.

These barriers are overcome by providing:

- Highly skilled Energy Management Professionals that perform basic and integrated facility assessments;
- IOU Workforce Education and Training seminars through the Energy Centers;
- Web-based information and energy management tools that assist with identifying DSM opportunities;
- In-depth plant or system assessments such as the assessments jointly provided by the IOU’s and the U.S. Department of Energy (DOE), that focus on improving production and optimizing energy efficiency;
- Incentives based on energy savings quantified through technical assessments or basic audits that help customers overcome internal financial hurdle rates;
- Incentive mechanisms that reward implementation of advanced technologies;
- Integrated solutions that conserve energy and reduce GHG emissions; and

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- Statewide CCT Estimator that provides energy savings calculation for most popular and common retrofit projects and measures, assists in filling out program applications, and simplifies its processing.

The Commercial Calculated Incentives sub-program delivers a consistent message statewide to commercial customers about the benefits, energy savings and GHG reductions that efficient technologies and “best operating practices” offer. This eliminates the barrier often run into by commercial customers of getting incorrect or out-of-date information from local networks.

The Commercial Calculated Incentives sub-program not only brings IOU incentive information to customers, but in many instances also provides additional information about other opportunities for project assistance, such as State or Federal funds available for energy efficiency projects, Tax incentives or other local sources of project funding.

d) Quantitative Program Targets

The targets provided herein are best estimates, but nonetheless are forecasts.

Table 5

Program Name	Program Target by 2013	Program Target by 2014
Projects	70	70

e) Advancing Strategic Plan Goals and Objectives

The unifying objective of the Strategic Plan is to employ market transforming strategies to encourage marketplace adoption of energy efficient measures to a point that public investment in energy efficiency is no longer necessary (Section 1, page 4). The Calculated Incentives sub-program will support this effort by employing two of the five market transformation policies identified in the Strategic Plan. Specifically, the Program will offer “carrots” in the form of financial incentives to help pull the marketplace towards energy efficiency. The Calculated Incentives sub-program will also provide education and informational resources through marketing and program outreach efforts. Therefore, these program elements will work in concert to transform the market towards sustained, long-term energy savings.

The program will help to achieve the following near-term strategic goals as identified in Chapter 3 of the Strategic Plan:

- 2-3: Ensure compliance with minimum Title 24 codes – The Calculated Incentives sub-program only provides incentives for projects that exceed current Title 24 minimum baselines. Incentive mechanisms will be created to ensure deeper levels of energy reductions, potentially including implementation of the Office of the Future Consortium’s Phase 2 recommendations, “The 25% Solution”, which seek to reduce energy usage 25 percent below Title 24-2005 baselines.

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- 2-5: Develop tools and strategies to reduce energy consumption in commercial buildings – The Calculated Incentives sub-program directly supports this effort by collecting data and conducting energy use and efficiency studies that, when collected over multiple IOU service territories, will be very helpful in supporting statewide efforts to establish a robust and useful knowledge base for the commercial sector.
- 2-7: Develop business models that deliver integrated energy management solutions – The Calculated Incentives sub-program will implement incentive mechanisms that will reward comprehensive energy management and “energy efficiency projects” such as incentives for reaching certain stretch goals that produce significant energy savings beyond an established baseline.
- 2-8: Improve utilization of plug load technologies – The existing incentive structure pays for energy reductions through plug load measures.

6. Program Implementation

a) Statewide IOU Coordination

The Statewide IOU Coordination process, described in detail in the Statewide Commercial Energy Efficiency Program, will ensure continuous improvement and consistent implementation of all of the sub-programs. The discussion below will focus on how the IOUs will coordinate the Commercial Calculated Incentives sub-program specifically.

The Statewide IOU Coordination process for the Commercial Calculated Incentives sub-program will be as follows:

- Hold Regular Program Manager Meetings – The Commercial Calculated Sub-program managers from each of the IOUs will meet on a regular basis. The sub-program managers will unify, to the extent possible, the implementation of program aspects such as Program name, Program delivery mechanisms, Incentive levels, Marketing and outreach plans, and IOU program interactions. The sub-program managers will also discuss new innovations and develop solutions to overcoming implementation challenges. Therefore, the regular meetings will focus on issues specific to the Commercial Calculated Sub-program only.
- Designate an IOU Program “Lead” – One of the sub-program managers that participates in the regular meetings will be the designated Calculated Program IOU “Lead”. The IOU lead will represent the sub-program at the regular Statewide Steering Committee meetings.
- Participate in Regular Steering Committee Meetings – The IOU lead will be responsible for attending the regular Steering Committee Meetings and sharing Calculated Incentives sub-program innovations, experiences and challenges that have the potential to impact multiple sub-programs or the core Commercial Energy Efficiency Program as a whole.
- Adopt Program Enhancements - Once the Steering Committee agrees that a specific innovation or implementation policy has merit on a statewide level; the IOU lead will distribute the information to the Commercial Calculated Sub-

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program managers by email or at the next regular meeting for adoption and integration. Therefore, the IOU lead will act as a conduit feeding Commercial Calculated Sub-program-specific information up to the statewide Steering Committee and distributing measures for adoption back to the Commercial Calculated Sub-program managers.

- Evaluate Program Enhancements – To complete the adaptive management loop, the Commercial Calculated Sub-program managers will track the success of the adopted statewide enhancement or implementation policy and report any challenges or concerns at the regular Commercial Calculated Incentives sub-program meeting. The IOU lead will report any challenges that transcend the Commercial Calculated Incentives sub-program to the Steering Committee, who will determine whether further course corrections are needed.

By following the process stated above, the Calculated Incentives sub-program managers will play a critical role in ensuring unified implementation on a statewide level over the course of the three year implementation cycle. Sub-program innovations and challenges will also feed productively into the higher-level Steering Committee process, where the IOU lead will act as participant and conduit between both statewide coordination systems.

The coordination and unity of all program aspects, such as Program name, Program delivery mechanisms, incentive levels, marketing and outreach plans, and IOU program interactions, will be handled through this statewide coordination framework. However, these aspects will start off at a high level of statewide consistency. In rare cases, there will be IOU-specific deviations. Such instances where one IOU will favor a different approach than the other IOUs will be called out in italicized text throughout the Calculated Incentives sub-program.

Additional areas of program coordination include:

- i. Program Name :** Commercial Calculated Incentives
- ii. Program Delivery Mechanisms**
The Commercial Calculated Incentives sub-program for will be delivered consistently across IOUs using the same application materials and energy savings calculation to ensure consistency. Both retrofit and added load projects for commercial customers are eligible for incentives.
- iii. Incentive Levels**
Incentives will be at \$1.00/therm, capped at 50% of project cost.

The IOUs are exploring innovative means of improving the Calculated Incentive sub-program based on Energy Division and market direction. One possible method to comply with the Energy Division’s guidance to “achieve deeper energy savings retrofits and packages of measures” is to institute a scaled incentive

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mechanism that would provide higher incentives for more comprehensive projects. SCG plans to solicit input from stakeholders for changes to the incentive structure for gas-only measures. Potential changes may include measure incentive rate changes, possible bonuses, including a comprehensiveness bonus and a small business participation bonus, and a scaled incentive mechanism.

iv. Marketing and outreach plans

In 2013-2014, the IOUs will continue to target customers for calculated incentives based upon segmentation research and messaging. Large Commercial customers make up a significant portion of the audience for Calculated Incentives and these customers will not be targeted by the SW ME&O campaign. Due to the complexity of aligning Calculated Incentives with customer operations and highly individualized energy management needs, the sales cycle for these deeper retrofit measures tends to be longer and require significant one-to-one contact at the local level. Customer workshops and other account management support are all important parts local marketing and the consultative selling process for Commercial Calculated Incentives.

The Commercial Calculated Incentives sub-program will be marketed through IOU Account Executives, as well as through third-party programs, trade allies, educational, outreach and other marketing activities. Marketing activities will target business customers, ESCOs, trade associations, local business groups and government entities to generate interest and program participation. In addition, direct customer contact by Account Executives, phone and e-mail support will be provided.

The IOUs plan to monitor and optimize local marketing campaigns and when possible, will share best practices and coordinate efforts for statewide consistency.

v. IOU program interactions

The Commercial Calculated Incentives Sub-program managers will partner with the appropriate programs offered by CEC, ARB, Air Quality Management Districts, and other government agencies to capitalize on opportunities to co-brand program information and marketing collateral with this sector's customers. Conventionally, each government agency and utility has operated natural resource and energy programs independently, missing opportunities to serve customers who must manage more than one resource type. For customers who are regulated by or interested in more than one resource issue, comprehensive information that discusses all resource efficiency issues will benefit the customer to the mutual advantage of the single resource programs.

With respect to water conservation, utility program managers will partner with the local water districts to co-brand marketing collateral, attend trade shows, and co-release notices, for programs with interactive water and energy effects. Similarly, with ARB and Air Quality Management Districts, IOUs will offer customers

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Commercial Calculated Sub-program incentives for energy efficient equipment that may also reduce air and GHG emissions.

vi. Similar IOU and POU programs

The IOUs will be delivering many third-party programs that utilize the Commercial Calculated Incentives infrastructure. This will ensure a consistent delivery of measure incentives to ensure that programs do not cannibalize each other and detract from achieving cost-effective energy savings.

b) Program Delivery and Coordination

The program will be coordinated with the following activities:

i. Emerging Technologies program

The long-term EE vision of California can only be attained through the long-term and continuous development, verification, and acceptance of new technologies into the market. The achievement of long-term goals requires new technology as well as information, training and market development to maximize the EE benefits of cutting edge technologies. In recognition of the importance of emerging technologies, the sub-program will consider higher initial incentives for technologies being newly introduced to the market place through the Emerging Technologies Program. Once the new products have taken hold in the market, the incentives will be adjusted to reflect market conditions. In addition, portfolio staff actively works to incorporate promising emerging technologies from IOU or CEC-funded projects.

ii. Codes and Standards program

The program relies on the Codes and Standards program to maintain an updated and relevant list of measures that will support savings. As Codes and Standards impact measures, the program will act to align itself with appropriate offerings. It is important to manage the measure life cycle to take full advantage of providing incentives before moving them into codes and standards. Programs will include new offerings that will allow flexibility in adapting to changes in codes and standards, market trends, and technologies. Planned enhancements to Title 24 will be reflected in incentive levels and eligible measures and services. As the market moves toward “low energy” or “zero net energy” buildings, specific changes to each element of the bundling will be made to ensure the latest cost effective technologies/services made available as these technologies transition from research and development to the mainstream program offerings.

iii. WE&T

WE&T is a portfolio of education and training programs that showcase energy efficient equipment found on the list of measures offered in the program. The education and training takes place through energy centers, technology test centers, and education and training program offerings. In addition to providing the education and training the classes also address how customers engage the energy

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efficiency program offerings relative to the class. An Energy Efficiency representative will be present at appropriate classes to provide detailed information on the application process to the relevant Energy Efficiency program.

Specific workforce development efforts supporting the Commercial Calculated Incentives sub-program which include training on topics, not limited to as follows:

- Audits – Development of training is underway to promote a consistent approach and format for facility audits.
- Financing
- Soft skills and Business training (including customer service, sales, and marketing).
- Benchmarking
- Program-specific training – Training will be developed to promote increased familiarity with the program’s eligibility requirements, application, processes, etc).
- IDSM

The IOUs are exploring voluntary incentive-based approaches to encourage contractors and other industry professionals to complete the full bundle of Commercial – Calculated workforce development training. For professionals who complete the pre-requisite courses and pass a high-road skill standards test, such approaches may include (as applicable):

- Allowing marketing or advertising differentiation;
- An incentive bonus; and/or
- Providing preference to these professionals during bid evaluation process.

Commercial – Calculated workforce development training will be coordinated with the statewide IOU WE&T program. In addition to the trainings described above, SW IOU WE&T programs will continue to offer building-block courses that educate professionals on the concepts that form the foundation of Commercial calculated programs. Those concepts include:

- Green building techniques;
- Codes and standards (Title-24);
- Lighting and HVAC technologies;
- Energy cost management; and
- Food service equipment.

Contractor recruitment efforts will be conducted primarily by SW WE&T program implementers through:

- The network of contractors already participating in EE programs;
- Direct outreach through industry organizations with locally active memberships (e.g. IHACI, U.S.G.B.C., IFMA, AIA, BOMA, etc.);

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- Workforce development departments (to target unemployed general contractors); and
- Community Based Organizations with a proven track-record of effective outreach to the hard-to-reach workforce.

iv. Program-specific marketing and outreach efforts

Market outreach to raise awareness of EE programs available will use a number of strategies, including:

- Account representatives will make a regular and consistent customer calling effort to key customers within this sector;
- Utility representatives, Energy Efficiency program management representatives, and field engineers will be available to provide additional expertise;
- Participation and membership in one or two key trade associations affiliated with each high priority sub-segment within the Commercial Market Sector;
- Attendance at the key trade shows for each high priority sub-segment within the Commercial Market Sector;
- Utility-sponsored training events at the IOUs Customer Training Centers and other convenient locations within the IOUs service territory;
- Online content and integration of marketing materials and campaigns with online tools such as audits and other energy demand and usage assessments
- Hosting of utility-sponsored Webinars that provide sub-segment training and program adoption; and
- Written collateral pieces that provide an overview of the IOUs Energy Efficiency programs will be linked into the appropriate IOU DSM web page.

v. Non-energy activities of program

Integrated Energy Audits (described in the Commercial Energy Advisor sub-program) is the primary vehicle to promote project solutions that look across the various IOU DSM program offerings, as well as complementary options available through other entities (e.g., water agencies).

vi. Non-IOU Programs

The Program will continue to engage with Air Quality Management Districts, CEC, ARB, DOE, water agencies, and other government agencies responsible for regulating the various aspects and operations of customer facilities participating in the programs, as appropriate and feasible.

vii. CEC

As of June 2012, PIER no longer exists. However, the program will interact with the Emerging Technologies Program to leverage new technologies to increase the list of measures available for energy efficiency projects. The portfolio staff

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actively works to incorporate promising emerging technologies and projects in coordination with the CEC.

viii. CEC work on codes and standards

Planned enhancements to Title 20 and 24 will be reflected in incentive levels and in eligible measures and services.

ix. Non-utility market initiatives

The program will support, educate customers, and facilitate such initiatives as AB32, renewables, ANSI certification, facility benchmarking, Continuous Energy Improvement, ISO 50001 California Green Building Initiative, and other initiatives as directed. The IOUs will remain engaged in these efforts and work to influence the development of increasingly higher standards.

c) Best Practices

IOUs will continue working collaboratively on modifications to program Policies and Procedures to address ongoing changes in customer expectations, market conditions and program flexibility. Such changes have been and will be targeting ease of program understanding and participation, measures eligibility, increase of customer economic benefits and policy restrictions that will be identified as barriers to participation. IOUs are implementing such process based on market studies conducted on the subject and preceding discussion of the policy change. Among modifications that would be potentially discussed and implemented are incentive caps, redesign of measure/equipment early retirement according to the CPUC concept and other.

IOUs are exploring appropriate consolidation of various calculating software such as CCT Calculator. Engage and other measure specific calculating tools to standardize our calculating methodology. This will ensure that calculations will be more uniformed and consistent amongst all stakeholders. This will not limit the use of nationally recognized standard DOE toolsets for certain measures. The IOUs also plan to continue exploration of emerging software tools that have the potential to enable significant advances in comprehensive energy efficiency at both the system and whole building levels.

IOUs are also planning to elaborate and utilize positive experience obtained using Savings By Design and Energy Design Resources tools and extend it to energy efficiency retrofit projects. Such tools substantially reduce application processing and review time, minimize number of hand-offs, not sacrificing accuracy of energy saving calculations.

Leveraging best practices from past program cycles, the Commercial Calculated Incentives sub-program information will also be made available through industry organizations such as The Building Owners and Managers Association (BOMA), and through advertising in industry and trade publications. Trade associations and vendor allies have historically delivered substantial energy savings through previous calculated program models.

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d) Innovation

Innovative aspects of the program are aiming major program performance indicators such as accuracy of energy saving calculation, higher realization rate, overcoming energy efficiency barriers, reducing application processing time and administrative costs, and integrated energy management.

For the new program cycle California IOUs have implemented a new incentive structure that emphasizes peak demand reduction, addresses current economic downturn and better motivates customers to participate in energy efficiency incentive programs. During 2013-2014 program cycle new incentive structure will be periodically evaluated and necessary changes may be made in order to enhance program benefits and performance.

An additional example of innovation is aimed at the strategic plan's transformational vision and goals around energy user behavior, market transformation and deeper energy savings. SCG intends to provide upfront payments for installation of system-level controls (e.g. lighting, HVAC etc.) and/or energy management and information systems (EMIS). Customers receiving the payments would be enrolled in a statistically based pre- and post-measurement evaluation of data, using whole building measurement and verification protocols, from which savings will be determined and claimed. Where possible, IOUs will use integrated approach to addressing DSM opportunities. Innovative aspects such as merging energy efficiency and demand response analysis and converting recommendations to projects under Retro-commissioning and/or Calculated program, processing and reviewing energy efficiency and demand response measures in a single application, providing analytical information about applicable distributed generation solutions will maximize customer adoption rates for most cost-effective energy management opportunities.

The IOUs are planning to continue and enhance their core Retro-commissioning (RCx) program in multiple target markets. RCx is a systematic process for optimizing an existing building or system's performance by identifying operational deficiencies and making necessary adjustments. Measures may involve resetting, repair or replacement of existing system controls and components, and in general are low-cost projects with simple payback periods of less than 4 years.

The RCx program is a key offering in the Calculated Sub-program. The audit components of the RCx program are also described in the non-residential audit section above.

Enhanced RCx program elements will explore and may include but not be limited to:

- Innovative approaches to measure identification, automated baseline capabilities, and savings quantification;
- Continuous commissioning and monitoring-based commissioning;
- Solutions for small and medium commercial customers;
- Strategies to drive savings persistence;
- Appropriate alignment with retrofit activities;
- Overall program incentives, targeting, and delivery.

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After energy audit is complete and applicable no-cost/low-cost measures are identified the scope of work will be handed-off to RCx implementer who, in-turn, will follow RCx program protocols, execute the scope of work (measure implementation, M&V plan, incentive payment for energy savings) and report final results to the core program office.

e) Integrated/coordinated Demand Side Management

As the primary incentive vehicle that customers have for implementing efficiency projects, the Commercial Calculated Incentives sub-program is the logical choice for implementing greater demand side integration. Appropriate incentive mechanisms will be developed and implemented during the 2013-2014 program cycle to reward customers who implement comprehensive DSM programs.

The first step on the path towards DSM integration may be to introduce incentives for kW demand reduction, which as shown in Section 4.b. This will provide additional incentives for demand reduction strategies such as lighting controls.

f) Integration Across Resource Types

Integration across resource types (e.g., energy, water, and air quality) will be explored. Examples include working with Water Agencies to co-promote Food Service appliances that save water and energy and working with Air Quality Management Districts to co-promote Boilers and Water Heating measures that save energy and improve air quality.

Water/Energy Nexus Strategy

SoCalGas supports improving the efficiency of water systems as one of the most critical strategies to capture water/energy nexus benefits in the energy efficiency programs. SoCalGas plans to focus its efforts in areas that use gas engines as the energy source to deliver and treat water. For water agencies within SoCalGas' territory, we plan to issue an RFP to utilize a contractor to implement leak-loss detection and remediation and pressure management services applicable to storage, pumping and distribution through SoCalGas' core or Third Party Program. SoCalGas will explore new project ideas for the water/energy nexus, as well as the calculation of ancillary water benefits (e.g. "embedded" energy savings). SoCalGas will accelerate the expansion of cost-effective water-energy nexus programs by coordinating with the other utilities, water agencies, and municipalities to study the cost effectiveness and the embedded energy savings for water/energy efforts. Our intent is to continue to offer measures and services to the water sector through the "calculated" and audit programs. SCG will also explore for new direct energy measures that can be incented under the calculated program. Additionally, we will increase our efforts to capture the water-energy nexus and sustainability in the agriculture, industrial, and commercial segments.

g) Commercial New Construction – Savings By Design

As a single fuel utility, SoCalGas will work collaboratively in conjunction with the other IOUs and MOUs to implement the SBD offerings statewide where SoCalGas jointly shares service territories. SoCalGas will not offer a standalone Whole Building Approach.

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The Savings By Design (SBD) component aims for significant energy efficiency improvements in the nonresidential new construction industry, and is designed to overcome customer and market barriers to designing and building high performance facilities. Since 1999, SBD has provided statewide consistency, program stability and savings. SBD seeks to protect and preserve natural resources by advancing the design and construction of sustainable communities and promoting green building practices. The program is designed to overcome customer and market barriers to designing and building high performance facilities.

California's Title 24 requirements set some of the most stringent energy regulations in the nation. Exceeding these standard energy performance levels requires a high degree of design expertise, technical knowledge, and motivation. The requirements also can be complex and sometimes confusing. Because many in the design field are unaware of the potential savings from energy efficient design or perceive budgetary constraints, they are reluctant to implement energy-efficiency strategies. As a result, energy efficiency is often a lost consideration, abandoned in favor of pursuing the "lower initial cost" option. SBD strives to avoid lost opportunities by assisting customers in moving beyond initial cost considerations and towards the realization of long-term energy cost savings.

Through an integrated design approach (a whole building approach that encourages performance significantly better than Title 24 code by offering a variety of financial incentives) as well as a systems approach for simpler facilities where integrated opportunities are limited, SBD encourages energy efficiency and green building practices in new commercial buildings. These financial incentives are supplemented by a variety of other support activities, including feasibility studies and pilot projects, training and education, conferences and workshops, scholarships, and program marketing activities. In the 2013-2014 portfolio period, SBD will advance a broader palette of technical and financial resources to aid the proactive design of new facilities in accordance with the most cost-effective energy and resource efficiency standards. SBD will incorporate several new approaches towards integrated design and green building certification in support of the Strategic Plan.

SBD provides the nonresidential new construction industry with a broad palette of technical and financial resources to aid the design of new facilities in the most cost-effective energy and resource efficiency standards.

The SBD program will continue to offer two existing program components to its customers with new construction or major remodel/renovation projects, and will add a simplified approach for smaller projects.

- Whole-Building Approach or WBA (Integrated Design) - existing
- Systems Approach - existing
- Simplified Approach - new

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SBD will offer financial support for design teams to undertake an integrated design process. Additionally, sustainability incentives will be offered to building owners to perform building commissioning during design and construction, and monitor building performance through End Use Monitoring. These sustainability incentives are designed to encourage new buildings to be as well designed as possible, be built as well as they are designed, and be operated as well as they are built.

The program will continue to incorporate new approaches for 2013-2014 to advance integrated design and green building certification in support of the Strategic Plan.

Tools and Expertise: California's Title 24 requirements establish some of the most stringent energy regulations in the nation. Exceeding these standard energy performance levels requires a higher level of design, technical assistance, and motivation. The requirements also can be very confusing. SBD provides the assistance, tools and expertise necessary to help customers and designers exceed compliance with the requirements and achieve long-term energy- and cost-savings.

Zero Net Energy Design Assistance: To date there are very few Zero Net Energy Buildings in California. According to study published by the New Buildings Institute¹⁹, only twenty one buildings in the United States have a measured performance of zero energy. This information provides ample proof that ZNE buildings are extremely challenging to achieve and will continue to require substantial support from utility incentive programs. Savings By Design is best positioned to accomplish this task by encouraging higher levels of energy efficiency through higher levels of incentives. When successful, these buildings can be labeled as Zero Energy Capable Buildings (ZECB) that is one step from ZNE status. The missing component then is the self-generation component that is encouraged through other programs offered by the utilities. To get buildings to this ZEC state, Savings By Design will offer a soup to nuts whole building integrated design assistance, which would include analysis on natural ventilation, through energy efficiency, Computerized Fluid Dynamics, self-generation cost analyses, plug load analysis, building compliance analyses, and whole building energy modeling services.

Long-Term Energy-Efficiency: It has been firmly established in SBD program evaluations that the integrated design process, when implemented correctly, can lead to highly cost-effective energy savings for most projects. Because many in the design field are unaware of the potential savings, do not understand the design process, or perceive budgetary constraints, they are reluctant to implement energy-efficiency strategies. As a result, energy efficiency is often a lost consideration, abandoned in favor of pursuing the "lower initial cost" option. SBD strives to avoid lost opportunities by assisting customers in moving beyond initial cost considerations and towards the realization of long-term energy cost savings.

¹⁹ Getting to Zero 2012 Status Update: A First Look at the Costs and Features of Zero Energy Commercial Buildings

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Energy Design Resources: Another key component of Savings By Design is Energy Design Resources (EDR). Energy Design Resources offers a valuable palette of energy design tools and resources that help make it easier to design and build energy-efficient commercial and industrial buildings in California. The goal of this effort is to educate architects, engineers, lighting designers, and developers about techniques and technologies that contribute to energy efficient nonresidential new construction. Additionally, design tools that reduce the time spent evaluating the energy use impact of design decisions are provided here at no cost.

Comprehensive Integrated Building Design Training: In conjunction with the Workforce Education and Training program, Savings By Design will proactively offer integrated building design training to architects, engineers and other design professionals. Training might encompass highly technical building modeling techniques for use in the selection of cost effective energy efficient measures. In addition, SBD will offer “lunch and learn” sessions to architectural and engineering firms interested in learning about utility energy efficiency programs.

List of Measures

The Savings By Design Program aims to achieve the deep levels of market transformation described in California’s Strategic Plan, primarily by offering meaningful financial incentives directly to key participants in the building community. Incentives and/or assistance may be targeted to builders, designers, and energy analysts. Various organizations involved in developing green building and sustainability standards may also be actively supported.

In addition to providing the traditional sliding-scale incentives calibrated to energy savings exceeding standard energy performance code, SBD will offer a flat incentive for peak kW reduction and financial support for design teams to undertake an integrated design process. Additionally, sustainability incentives will be offered to building owners to perform building commissioning after construction, and/or establish and follow a building measurement and verification (M&V) plan after occupancy. These sustainability incentives are designed to encourage new buildings to be as well designed as possible, be built as well as they are designed, and be operated as well as they are built.

Program Performance Metrics (PPMs)

On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and sub-programs. The Commission gave each PPM a metric type which indicated the reporting frequency: Metric type 2a indicates that the IOUs should report on the metric on an annual basis (unless indicated otherwise). Metric type 2b indicates the IOUs should report on the metric at the end of the program cycle.

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Below are the approved PPMs and metric types for the Savings by Design Sub-program of the New Construction Statewide Program

Table 3 – Program Performance Metrics

Sub-program: Savings By Design

PROGRAM PERFORMANCE METRIC (PPM)	Metric Type
2. Percentage of committed participating Whole Building Approach projects that are expected to reach a minimum of 40% less energy than 2008 T24 codes requirements	2b

Market Transformation Information

Description of the non-residential new construction market

Non-residential new construction is one of the BBEES programmatic initiatives to accelerate market transformation toward greater adoption of energy efficiency. Successful market transformation efforts in the commercial building market must occur at multiple levels across the design and construction supply chain and through building owners and building occupants. This transformation must establish the relevance of energy efficiency among market actors and institutionalize the high efficient building practices²⁰.

According to a 2001 study on energy efficiency in new construction²¹, the non-residential building industry is a series of linked industries arrayed along a value chain. The study identified the following six major industry groups involved in this highly diverse market—providers of capital, developers, design delivery firms, community/political/regulatory interests, real estate service providers, and users. The market structure reflected in this study remains relevant for today’s non-residential new-construction market. An emerging group in this market structure is the design build firm. The design build firm offers a complete design and construction package to the entity pursuing a new project. The building development process brings these groups together to deliver a building product that meets capital, land, and user requirements. Developers orchestrate the development process and bring together the disparate groups during the various phases of the project build. Community, political, and regulatory interests shape what can be built through zoning, codes, review and other public processes. Real estate service providers offer marketing, sales, produced by architects, engineers, and contractors in the design and delivery group. The leasing, investment, management, and operations services represent the interests of many market actors. Building users are the

²⁰ http://eec.ucdavis.edu/ACEEE/2002/pdfs/panel04/15_239.pdf

²¹ Market Structure and Energy Efficiency: The Case of New Commercial Buildings by Loren Lutzenhiser and Nicole Woolsey Biggart July 2001

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firms and organizations that occupy the buildings on lease or owner-occupied bases.

The complex and interrelated linkages of the market participants need to be studied further as recommended by a recent SCE Savings By Design Market Characterization Study²² (“CADMUS Study”). The utilities are interested in engaging in such work during this and subsequent program cycles. The utilities also draw upon available information, past Savings By Design evaluation studies, and the long experience of the program managers and staff to articulate the market transformation process for the non-residential new construction market.

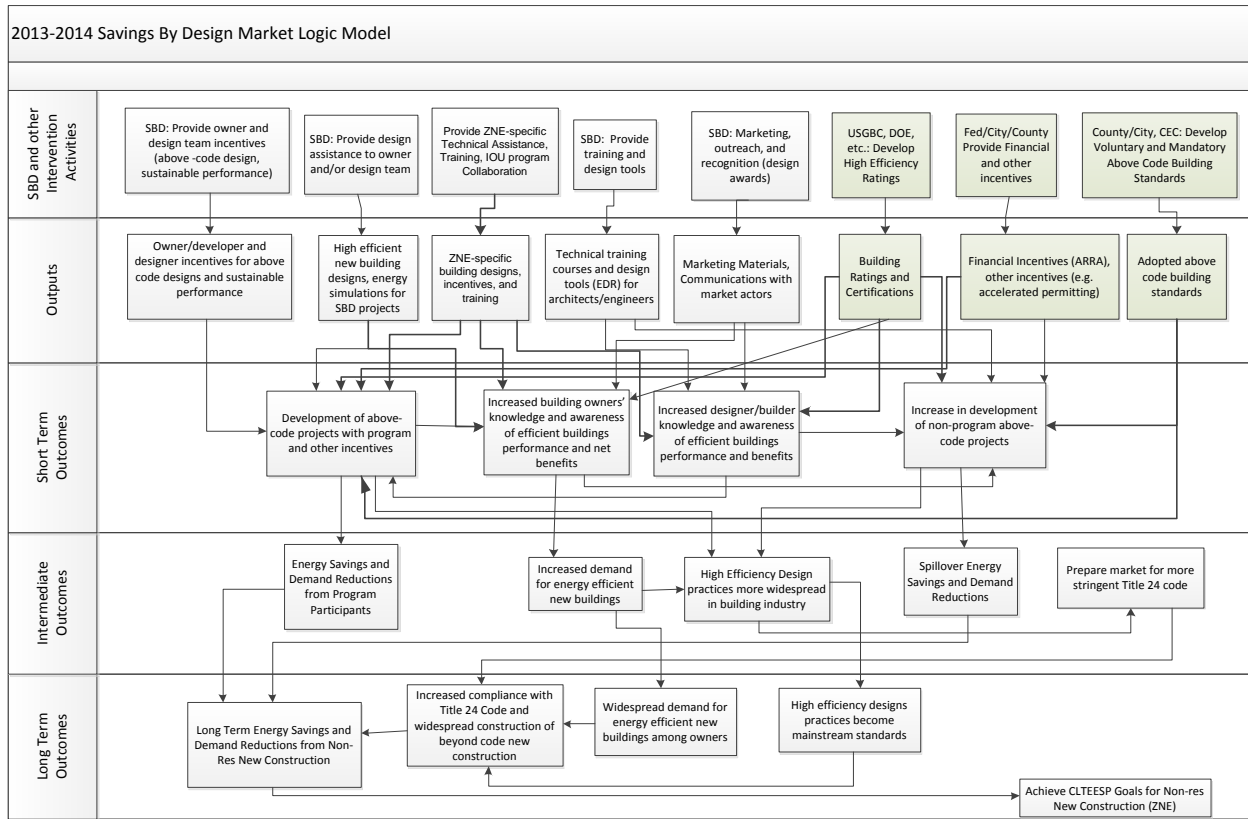
Finally, the new construction market value chain is slowly showing signs of interest in Zero Net Energy. As indicated earlier in the SBD PIP, New Buildings Institute (NBI) has found very few buildings in the nation that can be labeled as Zero Net Energy. NBI also found that a slightly larger number, although also very few as compared to existing building stock, can be labeled as ZNE capable (ZECB) buildings. From this perspective, Savings By Design will face ever increasing needs for expert consultations in unique ZNE projects, like Computerized Fluid Dynamics that analyzes a design for its effectiveness in a natural ventilation scenario. The emergence of ZNE in the commercial space will undoubtedly spawn new challenges and barriers in the new construction market.

Program Logic model

Developing a program logic description can assure that everyone concerned with the program has a clear understanding of what the program seeks to achieve. Included below is the program logic that addresses specific program interventions related to market barriers, while acknowledging that multiple interactions in the market of various entities and market actors makes the non-residential new construction market quite complex. The full market depiction for the purpose of understanding the market transformation of this market will need to be developed with the input from the market stakeholders, CPUC, and other entities.

²² Commercial Building Market Characterization for Savings by Design Program Final Report June 20, 2011
Study ID: SCE0312.01

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Evaluation plans, market transformation indicators and PPMs

Due to the need to comply with the Decision’s timeline for filing the 2013-2014 PIP, and our desire to comply with earlier Decisions that call for gathering stakeholder input in informing market transformation efforts, we suggest that a full market effects statewide evaluation plan be developed during the formulation of the Joint EM&V Plan as described in section “18.1. Evaluation Budget” in Decision R.09-11-014. Until then, we suggest the following approach:

Summative evaluation: Market Effects. The market transformation program’s theory and logic model will be used to guide the evaluation efforts. The scope of the market effects study should be defined by the MT program’s scope. The timeline for specific market effects that are to be evaluated should be defined by the MT program theory. Among other indicators, the program theory may specify changes in market characteristics that can be evaluated, such as 1) Spillover, 2) attitudes, awareness and knowledge, 3) reductions in specific market barrier, 4) current pricing and product availability, and 5) other market milestones. We will make the following distinction between program “spillover” and market effects: spillover is energy savings not directly tracked by the program, whereas market effects are broader and would include spillover as well as meaningful changes in the structure or functioning of the market.

The formative evaluation of a market transformation program is typically performed at the intervention (i.e. program) level. The methods are the same as would be used in a

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program process evaluation, and would include interviews with program staff, participants and non-participants as well as an assessment of the program's direct outputs.

Market Transformation Indicators (MTIs)

Per Resolution E-4385, a subset of market transformation indicators (MTIs) for statewide energy efficiency programs and subprograms were presented at a public workshop on November 7, 2011, to allow for public comments and discussion before being finalized. Per Energy Division Guidance on June 19, 2012, the MTIs to be found in "Attachment H" are approved for this sub-program as applicable.

Attribution: Outside of California, most guidelines for evaluating market transformation acknowledge that it is very difficult to attribute market effects to any single program, and nearly impossible to partition out the respective contributions of several coordinated programs on market effects and market transformation. In California, the Framework (Sebold et al., 2001) emphasized that attribution of market effects to programs bears further research. Others (Rosenberg & Hoefgen, 2009; Keating & Pahl (MT Workshop, Nov 2011) suggest that declaring the program's strategic intent through the market transformation initiative's theory and logic model is key to establishing future claim on transformation effects. The methods proposed by Rosenberg & Hoefgen (2009) for attributing market effects to individual programs include a number of approaches, all of them qualitative: self-report of spillover and free ridership; cross-sectional comparisons with other geographic regions; structured expert judging; and case studies. But attribution using a "preponderance of evidence" approach would likely be expensive and still yield arguable results. Attribution by nature focuses on individual program efforts, and we believe the market transformation evaluation discourse should be focused on the overlapping synergy among all programs and influences in the market. We realize we all have a "Shared Mission" of meeting the CPUC's very aggressive Strategic Plan goals. We do not wish to not invest resources in teasing apart which program entity contributed how much, but instead will plan to focus on whether all the market forces across the State of California have succeeded in transforming the market.

The building industry in California continues to be pinned down in one of the worst slumps in decades. In a buyer's market, builders are looking to differentiate themselves from competition. This presents a great opportunity for Savings By Design to assist builders in overcoming cost barriers, minimizing lost opportunities, and working collaboratively to meet the state's and utilities' goals for the reduction of greenhouse gas emissions and utility source demand.

Other SBD best practices include the following:

Systems Approach

The systems approach is a performance-based method utilizing energy analysis tools for energy modeling to analyze efficiency choices. This approach is used for projects that do

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not present sufficient opportunities to warrant the labor intensive assistance services offered through the WBA. The systems approach is designed to make it easy for designers to look at the interaction of systems within their project, rather than individual equipment or fixtures. The systems approach is used for simple facilities where integrated opportunities are limited, as well as projects where program intervention may come in too late in the design phase to effect sweeping programmatic changes to the design.

For 2013-2014, SBD will continue to offer the same incentives by measure end-use as the non-residential calculated retrofit program (known in 2006-2008 as Standard Performance Contract, or SPC).

Traditional Incentives

For 2013-2014, the statewide owner's incentives will be capped at 75% of incremental cost or \$150,000, whichever is lower. For a limited number of projects, Utilities may decide to pay larger incentives if the projects are deemed worthy to receive the larger incentive.

If SBD provides design assistance services to a project that achieves high performance without incurring incremental equipment cost (due to the intrinsic benefits of the integrated design process), an owner incentive will not be awarded due to the incremental cost cap. In these cases, SBD will still claim the resulting energy and demand savings.

h) Local Element (Negotiated Incentive Option)

SoCalGas will provide a local component which will include incentives for energy-efficient retrofits, systems new construction, or replacements of existing equipment at SoCalGas customer sites. Participants may be either customers or energy-efficiency service providers (EESP's) acting as project sponsors for activities at customer sites. To qualify, a project must save a minimum of 1,000,000 therms per year. Associated energy, resource such as water, sewerage and emissions, and Greenhouse gas (GHG) emissions savings will be considered when evaluating a project for funding. A project may consist of a single project at a single site, or may be aggregated from multiple projects belonging to a single customer, and may include a variety of measures.

This local element is designed to serve the largest non-residential customers within the SoCalGas service territory. Non-residential customers in this group are comprised of but not limited to the following industry sub-segments: Government/Utilities, Manufacturing/Processing Industries and Institutional. Each sub-segment has distinct energy use patterns, differences in equipment and facility design, and various management structures and decision-making processes. Because each industry sub-segment is unique, this option will use a customized, customer-focused approach. Participating customers, taking into account their individual energy and resource conservation opportunities as well as internal hurdle rates, will propose or "bid" to SoCalGas the incentive level needed to enable large EE and Resource savings projects. This ensures that this option will be adaptable to the unique needs of each market segment.

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The program is designed to be flexible and cost effective: The project sponsor proposes a project and desired incentives. Incentives may cover up to 50% of the incremental project costs less any additional funding received from other sources. Measurement and verification (M&V) is required for all projects. As a performance-based incentive program, the approved M&V report will ultimately determine the energy savings for each project. The total sum of incentives paid for a project may not exceed the amount “bid” by the customer and agreed to by SoCalGas.

i) Pilots

Not applicable

j) EM&V

The utilities will work with the Energy Division to develop and submit a comprehensive EM&V plan for 2013-2014 cycle, after the program implementation plans are filed. This plan will include process evaluations and other program-specific studies within the context of broader utility and Energy Division studies. More details plans for process evaluation and other program-specific evaluation efforts will be developed collaboratively by the utilities and Energy Division. Development of these plans will occur after the final program design is approved by the CPUC, and in many case, after the program implementation has begun, since the plans need to be based identified program design and implementation issues. However, a brief description of the current, preliminary plans is provided below:

- Conduct evaluation to track the all proposed key metrics,
- Conduct specific process evaluation to improve program design, implementation and market effectiveness.

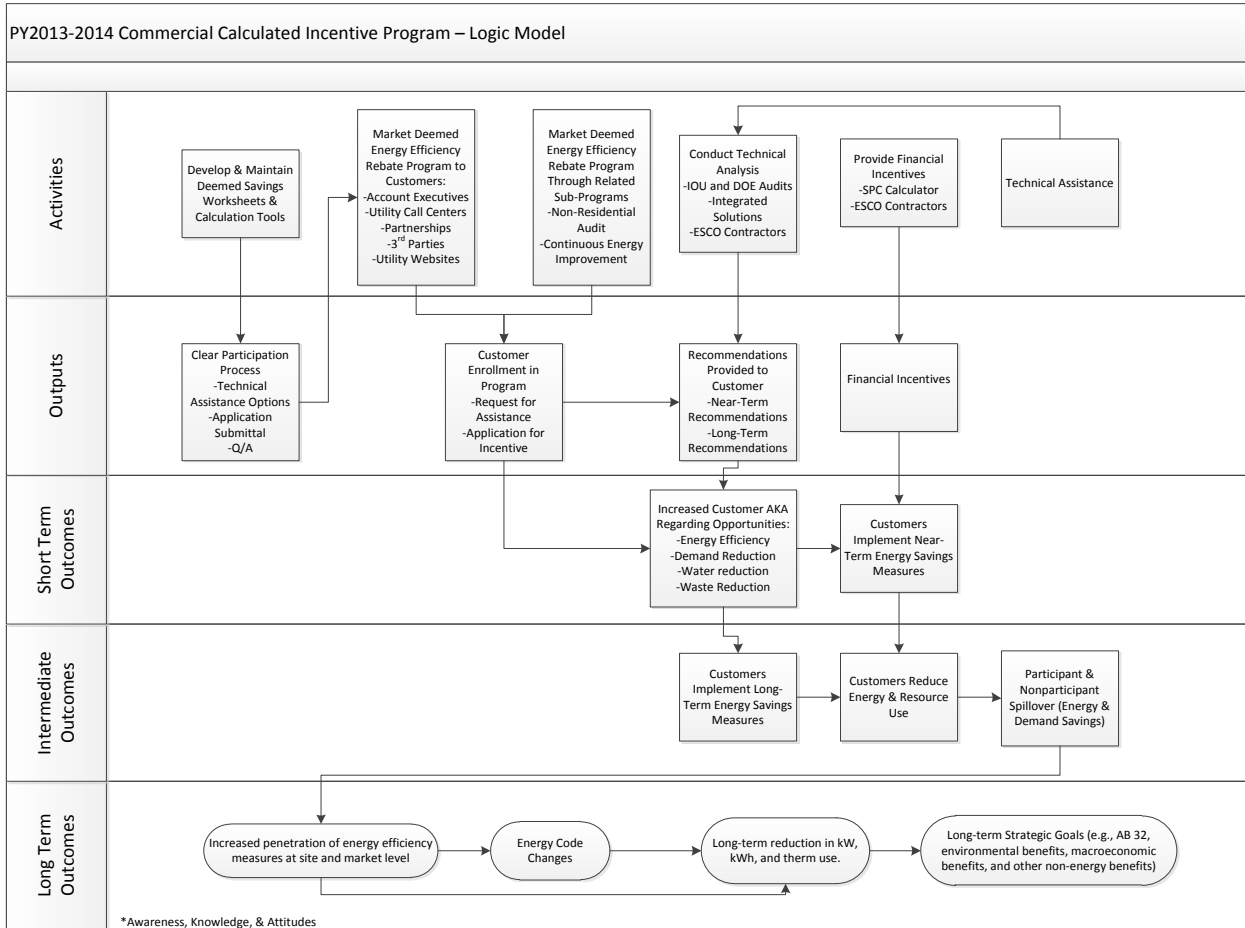
7. Diagram of Program

Please see the core program diagram.

8. Program Logic Model

On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. In addition, this Resolution approved updated logic models for the statewide programs. As there were no revisions to the original logic model for the Commercial Calculated Incentives Program, this logic model is left unchanged.

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- 1. Program Name:** Commercial Deemed Incentives, Core Sub-program
Program ID: SCG3711
Program Type: Statewide Core Program

2. Projected Program Budget Table

Table 1 – reference the overarching program for budget details

3. Projected Program Gross Impacts Table

Table 2 – reference the overarching program for savings details

4. Program Description

a) Describe program

The statewide Commercial Deemed Incentives sub-program provides rebates for the installation of new energy efficient equipment. Deemed retrofit measures have prescribed energy savings and incentive amounts and are generally intended for projects that have well defined energy and demand savings estimates (i.e., T12 to T8 replacements). The Commercial Deemed Incentive mechanism is designed to help influence the installation of energy efficient equipment and systems in both retrofit and added load applications by reducing the initial purchase costs of such equipment and reducing the “hassle” of participating in utility rebate programs by offering a simple application process.

The Commercial Deemed Incentives sub-program directly addresses key market factors that lead to higher energy costs for California businesses. Providing a menu of prescribed common measures simplifies the process of reviewing project proposals and provides a "per-widgit" rebate that reduces the cost of retrofitting outdated and inefficient equipment. This sub-program makes it attractive for customers to spend money in the short-run in order to achieve lower energy costs in the long-run.

b) List of Measures

The following measure categories are eligible for Commercial Deemed Incentives:

- Food service equipment
- Insulation
- High efficiency water heating

Audits are an important tool for marketing and increasing the uptake of EE measures. Nonetheless, an audit is not a prerequisite for deemed incentives. In fact, deemed incentives are specifically designed for ease of use, and the goal is to decrease, rather than increase, any administrative burden on customers opting for deemed incentives.

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Deemed energy efficiency rebates for businesses will be part of the integrated strategy to promote energy efficiency with non-residential customers. The Statewide Commercial Deemed Team will hold regular conference calls and in-person meetings to share successes challenges, and best practices in delivering energy efficiency via deemed incentives. When appropriate, the Commercial, Industrial, and Agricultural segments will meet as a statewide entity to share successes challenges, and best practices in delivering energy efficiency to each market sector and associated sub-segments.

Commercial Deemed Incentives will work with the other sub-programs to design customer facing marketing materials that integrate EE offerings into a complete energy savings package that is focused on individual market segments.

c) List of Non-incentive Commercial Energy Advisor Services

The Commercial Deemed Incentives sub-program is primarily an incentive program designed to achieve energy savings through measure implementation; however it does provide such non-incentive measures as technical consultation and application preparation assistance to help customers navigate through the application process. This assistance ensures that the sub-program captures lost opportunities by not allowing projects to fall behind schedule simply because the customer does not have the resources to shepherd through the process.

5. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Indicators (MTIs)

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

See Attachment A - Table 3 – refer to the overarching program for quantitative baseline metrics

b) Market Transformation Indicators (MTIs)

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

See Attachment A - Table 4 – refer to the overarching program for quantitative baseline metrics

c) Program Design to Overcome Barriers

The Statewide Commercial Deemed Incentives sub-program offers customers rebates to implement energy efficiency measures that have been identified primarily through standard utility energy efficiency audits, in-depth facility/process assessments or retro-

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commissioning studies. The sub-program is designed to help commercial customers overcome barriers to adopting energy efficiency program measures by reducing financial costs to the customers for the implementation of energy efficient measures that address major end-uses (e.g., lighting, HVAC, plug loads). Additionally, the easy-to-use online and paper application process reduces that hassle and transaction costs generally associated with commercial deemed incentives, where engineering calculations and pre- and post-monitoring may be required.

Furthermore, to ensure equity to all business customer segments, this program will continue to offer statewide-consistent, cost-offsetting itemized rebates to help customers with the cost of installing new energy efficient equipment.

Incentives and savings payouts will be based upon deemed measures in the DEER database or through work papers.

The Commercial Deemed Incentives sub-program delivers a consistent message statewide to commercial customers about the benefits, energy savings and GHG reductions that efficient technologies and “best operating practices” offer. This eliminates the barrier often run into by commercial customers of getting incorrect or out-of-date information from local networks.

The Commercial Deemed Incentives sub-program not only brings IOU incentive information to customers, but in many instances also provides additional information about other opportunities for project assistance, such as State or Federal funds available for energy efficiency projects, Tax incentives or other local sources of project funding.

In several instances, high efficiency Emerging Technologies are viable, but are unknown to facility owners and system designers and thus, are slow to penetrate the market, causing energy efficiency opportunities to be “lost.” The Commercial Deemed Incentives sub-program helps speed market penetration and associated energy savings for Emerging Technologies by offering “premium” incentives for emerging technologies that are “proven” but not widely employed in the markets for which they are intended (e.g., solid state lighting, advanced lighting controls).

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d) Quantitative Program Targets

The targets provide herein are best estimates, but nonetheless are forecasts.

Table 5

Program Name	Program Target by 2013	Program Target by 2014
Projects	500	500

e) Advancing Strategic Plan goals and objectives

The unifying objective of the Strategic Plan is to employ market transforming strategies to encourage marketplace adoption of energy efficient measures to a point that public investment in energy efficiency is no longer necessary (Section 1, page 4). The Deemed Incentives sub-program will support this effort by employing two of the five market transformation policies identified in the Strategic Plan. Specifically, the Program will offer “carrots” in the form of financial incentives to help pull the marketplace towards energy efficiency. The Deemed Incentives sub-program will also provide education and informational resources through marketing and program outreach efforts. Therefore, these program elements will work in concert to transform the market towards sustained, long-term energy savings.

The program will help to achieve the following near-term strategic goals as identified in Chapter 3 of the Strategic Plan:

- 2-3: Ensure compliance with minimum Title 24 codes – The Commercial Deemed Incentives sub-program only provides incentives for projects that exceed current Title 24 minimum baselines. Incentive rates will be created to encourage the implementation of advanced technologies (e.g., solid state lighting) to ensure deeper levels of energy reductions including implementation of the Office of the Future Consortium’s Phase 2 recommendations, “The 25% Solution”, which seek to reduce energy usage 25 percent below Title 24-2005 baselines.
- 2-5: Develop tools and strategies to reduce energy consumption in commercial buildings – The Commercial Deemed Incentives sub-program directly supports this effort by collecting data and conducting energy use and efficiency studies that, when collected over multiple IOU service territories, will be very helpful in supporting statewide efforts to establish a robust and useful knowledge base for the commercial sector.
- 2-7: Develop business models that deliver integrated energy management solutions – The Commercial Deemed Incentives sub-program will implement incentive mechanisms that will “reward comprehensive energy management retrofits” such as incentives for reaching certain stretch goals that produce significant energy savings beyond an established baseline. Additionally the iBonus concept (see Section 6.e) will further encourage integrated solutions.

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- 2-8: Improve utilization of plug load technologies – The existing incentive structure pays for energy reductions through plug load measures. Additional incentives that encourage greater penetration of plug load technologies may be required and will be developed to support technologies recommended by CEC, the Office of the Future Consortium.

6. Program Implementation

a) Statewide IOU Coordination

The Statewide IOU Coordination process, described in detail in the Statewide Commercial Energy Efficiency Program, will ensure continuous improvement and consistent implementation of all of the sub-programs. The discussion below will focus on how the IOUs will coordinate the Commercial Deemed Incentives sub-program specifically.

The Statewide IOU Coordination process for the Commercial Deemed Incentives sub-program will be as follows:

- Hold Regular Program Manager Meetings – The Deemed sub-program managers from each of the IOUs will meet on a regular basis. The sub-program managers will unify, to the extent possible, the implementation of program aspects such as Program name, Program delivery mechanisms, Incentive levels, marketing and outreach plans, and IOU program interactions. The sub-program managers will also discuss new innovations and develop solutions to overcoming implementation challenges. Therefore, the regular meetings will focus on issues specific to the Deemed sub-program only.
- Designate an IOU Program “Lead” – One of the sub-program managers that participates in the regular meetings will be the designated Deemed Program IOU “Lead”. The IOU lead will represent the sub-program at the regular Statewide Steering Committee meetings.
- Participate in Regular Steering Committee Meetings – The IOU lead will be responsible for attending the regular Steering Committee Meetings and sharing Commercial Deemed Incentives sub-program innovations, experiences and challenges that have the potential to impact multiple sub-programs or the core Commercial Energy Efficiency Program as a whole.
- Adopt Program Enhancements - Once the Steering Committee agrees that a specific innovation or implementation policy has merit on a statewide level; the IOU lead will distribute the information to the Deemed sub-program managers by email or at the next regular meeting for adoption and integration. Therefore, the IOU lead will act as a conduit feeding Deemed sub-program-specific information up to the statewide Steering Committee and distributing measures for adoption back to the Deemed sub-program managers.
- Evaluate Program Enhancements – To complete the adaptive management loop, the Deemed sub-program managers will track the success of the adopted statewide enhancement or implementation policy and report any challenges or concerns at the regular Commercial Deemed Incentives sub-program meeting.

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The IOU lead will report any challenges that transcend the Commercial Deemed Incentives sub-program to the Steering Committee, who will determine whether further course corrections are needed.

By following the process stated above, the Commercial Deemed Incentives sub-program managers will play a critical role in ensuring unified implementation on a statewide level over the course of the three year implementation cycle. Sub-program innovations and challenges will also feed productively into the higher-level Steering Committee process, where the IOU lead will act as participant and conduit between both statewide coordination systems.

The coordination and unity of all program aspects, such as Program name, Program delivery mechanisms, incentive levels, marketing and outreach plans, and IOU program interactions, will be handled through this statewide coordination framework. However, these aspects will start off at a high level of statewide consistency. In rare cases, there will be IOU-specific deviations. Such instances where one IOU will favor a different approach than the other IOUs will be called out in italicized text throughout the Deemed Incentives sub-program.

i. Program name: Deemed Incentives

ii. Program delivery mechanisms

Deemed Incentives will be primarily delivered via paper or online application. Measures and incentive levels will be the same across IOUs, unless markets in the individual IOUs require adjustments based on research, communication with industry, and/or changes in the economic landscape.

iii. Incentive Levels

Incentive levels vary by measure type, but will be offered consistently across IOU service territory except where local market conditions necessitate different amounts. Higher incentive levels will be provided for Emerging Technologies to spur traction in the market as feasible. The level of increased incentive for emerging technologies will be evaluated on a measure by measure basis dependent on kW, kWh, therms, equipment cost, other market factors and cost effectiveness.

iv. Marketing and outreach plans

The Deemed Incentives sub-program will be marketed through IOU account executives, as well as through third-party programs, trade allies, educational, outreach and other marketing activities. Marketing activities will target business customers, ESCOs, trade associations, local business groups and government entities to generate interest and program participation. In addition, direct customer contact by account executives, Demand Response Program outreach, phone and e-mail support will be provided.

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In 2013-2014, the IOUs will implement segmentation research and messaging. Marketing campaigns will provide a wide range of action-oriented solutions targeted to “personas” identified through segmentation research. In addition, marketing efforts will be “bundled.” That is, a menu of demand response, energy efficiency and conservation programs will provide customers a full array of EE and DR options. By providing packaged energy management solutions for each industry segment, the IOUs will be better able to communicate with and serve customers.

Marketing efforts will incorporate a variety of marketing tactics and activities to promote the solutions in the Deemed Incentives sub-program. Education, awareness and outreach efforts will rely on a combination of mass media and targeted communication channels to ensure that messages reach the intended audiences with enough frequency to motivate attitude and behavior changes. The marketing strategies may include, but are not limited to, a mix of print, direct mail, e-mail, personal contact, trade shows, trade association meetings, customer workshops and seminars, energy-related and other community events and partnerships with business and industry organizations, specialized collateral, case studies, website links and information with regular updates, bill inserts, press releases, and newspapers.

Additionally, IOUs may investigate piloting alternative channel marketing and outreach options that utilize community-based organizations and/or third parties to recruit small businesses and influence them to take actions that result in energy efficiency improvements. Local government partnerships, regional and community entities tend to interface with small businesses with some regularity; therefore, partnering with these organizations could prove to be a viable delivery option. A marketing and outreach campaign with Business Improvement Districts through our Local Government Partnerships, will serve to educate and increase engagement in a segment that is hard to reach.

v. IOU program interactions

The Deemed Incentives sub-program managers will partner with the programs as appropriate offered by CEC, ARB, Air Quality Management Districts, and other government agencies to capitalize on opportunities to co-brand program information and marketing collateral with this sector’s customers, to the extent possible. Conventionally, each government agency and utility has operated natural resource and energy programs independently, missing opportunities to serve customers who must manage more than one resource type. For customers who are regulated by or interested in more than one resource issue, comprehensive information that discusses all resource efficiency issues will benefit the customer to the mutual advantage of the single resource programs.

With respect to water conservation, utility program managers will partner with the local water districts to co-brand marketing collateral, attend trade shows, and co-

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release brochures, for programs with interactive water and energy effects. Similarly, with ARB and Air Quality Management Districts, IOUs will offer customers Deemed sub-program incentives for energy efficient equipment that may also reduce air and GHG emissions.

vi. Similar IOU and POU programs

The IOUs will be delivering many third-party programs that utilize the Deemed Incentives sub-program infrastructure. This will help ensure a consistent delivery of measure incentives and protect programs from undermining each other and detracting from achieving cost-effective energy savings.

b) Program delivery and coordination

i. Emerging Technologies program

To meet California's future energy efficiency goals, both in terms of overall usage and peak demand usage, new technologies and new applications of technology are needed. The Commercial Deemed Incentives sub-program will seek support from ETP's incubation and development of new technologies to meet the needs of the marketplace. ETP provides the pipeline of new technologies that the Commercial Deemed Incentives sub-program looks to incorporate to maintain a robust selection of energy savings equipment. The program will look to ETP to provide customers with technology information, validating effectiveness as an unbiased and neutral expert.

Deemed incentives will be primarily delivered via paper or online application. Measures will be the same across IOUs and incentive levels will also be aligned, unless markets in the individual IOUs require adjustments based on research, communication with industry, and/or changes in the economic landscape.

ii. Codes and Standards program

The Commercial Deemed Incentives sub-program relies on Codes and Standards to help maintain an updated and relevant list of measures that support savings. As codes and standards impact measures, the Commercial Deemed sub-program will act to align itself with appropriate offerings. It is important to manage the measure life cycle to take full advantage of providing incentives before moving them into codes and standards. Programs will include new offerings that will allow flexibility in adapting to changes in codes and standards, market trends, and technologies. Planned enhancements to Title 24 will be reflected in incentive levels and eligible measures and services. As the market moves toward "low energy" or "zero net energy" buildings, specific changes to each element of the bundling will be made to ensure the latest cost effective technologies/services (e.g., LEDs) are made available as these technologies transition from research and development to the mainstream.

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iii. WE&T

WE&T is a portfolio of training and information programs that showcase energy efficient equipment found on the list of measures offered in the Commercial Deemed Incentives sub-program. Dissemination of information takes place through energy centers, technology test centers, and information and training program offerings. During classes, time is dedicated to energy efficiency programs and how to participate. In 2013-2014, a program representative will be available to deliver the EE message and answer questions.

iv. Program-specific marketing and outreach plans

The Deemed Incentives sub-program will be marketed through IOU Account Executives, as well as through third-party programs, educational, outreach and other marketing activities. Marketing activities will target business customers, ESCOs, trade associations, local business groups and government entities to generate interest and program participation. In addition, direct customer contact by Account Executives, phone and e-mail support will be provided.

The IOUs will continue to build on and refine marketing plans and strategies used in past portfolios in the 2013-2014 cycle. This will involve developing marketing plans to deliver targeted messages to specific customers that resonate with their values and needs with the goal of increasing the market uptake of deemed incentives. These plans will coordinate and create timelines for activities, present strategic campaigns, establish targets and metrics, and include a performance monitoring strategy.

The following will be used as marketing and outreach channels:

- Non-contracted equipment vendors are a key delivery channel of the Commercial Deemed Incentives sub-program. Emphasis will be placed on building awareness with more vendors in the territory and training vendors on how to participate effectively in the program.
- Community-based organizations (CBOs), faith-based organizations (FBOs), non-profit organizations, and non-government organizations (NGOs) with unique access and following are expected to be emphasized as delivery channels.
- Trade associations and industry networks
- Enabling partners (financial institutions, trade associations, service providers, law firms, environmental organizations)
- Unique channels that offer complementary value propositions from the customers' perspective (e.g., energy, water, materials management, recyclables, corporate citizenry).

The ideal marketing mix will be assessed for maximum awareness and participation. Marketing and outreach coordination will be coordinated among the IOUs utilizing the statewide coordination process described above.

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v. Non-energy activities of program

Integrated Energy Audits (described in the nonresidential Audit sub-program) is the primary vehicle to promote project solutions that look across the various IOU DSM program offerings, as well as complementary options available through other entities (e.g., water agencies). The results of the ongoing Water Efficiency Pilot Program will identify potential opportunities to reduce water use and the potential for associated Energy Efficiency savings. Since some customers within the program sectors are major water users, this sector is well positioned to realize linked water/electricity benefits through the Water Efficiency Pilot Programs.

vi. Non-IOU program interactions

The Commercial Deemed Incentives sub-program managers will partner with the programs offered by CEC, ARB, Air Quality Management Districts, and other government agencies to capitalize on opportunities to co-brand program information and marketing collateral with this sector's customers. Conventionally, each government agency and utility has operated natural resource and energy programs independently, missing opportunities to serve customers who must manage more than one resource type. For customers who are regulated by or interested in more than one resource issue, comprehensive information that discusses all resource efficiency issues will benefit the customer to the mutual advantage of the single resource programs.

With respect to water conservation, utility program managers will partner with the local water districts to co-brand marketing collateral, attend trade shows, co-release notices, for programs with interactive water and energy effects. Similarly, with ARB and Air Quality Management Districts, IOUs will offer customers Commercial Deemed Incentives sub-program incentives for energy efficient equipment that may also reduce air and GHG emissions.

vii. CEC

As of June 2012, PIER no longer exists. However, the Program will interact with the Emerging Technologies Program to leverage new technologies to increase the list of measures available for energy efficiency projects. The portfolio staff actively works to incorporate promising emerging technologies and project in coordination with the applied research of CEC..

viii. CEC work on codes and standards

Planned enhancements to Title 20 and 24 will be reflected in incentive levels and in eligible measures and services.

ix. Non-utility market initiatives

The sub-program will support, educate customers, and facilitate such initiatives as AB32, renewables, ANSI certification, facility benchmarking, Continuous Energy Improvement, California Green Building Initiative, and other initiatives as

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directed. The IOUs will remain engaged in these efforts and work to influence the development of increasingly higher standards.

c) Best Practices

To maximize program effectiveness, best practices in Program Design and Implementation will be employed and shared amongst IOUs. Areas of best practices for the Commercial Deemed Incentive sub-program approach include:

- Best practices in Program Design:
 - Regular communication amongst IOUs is critical to effective program design.
 - Identify qualifying products simply and effectively (Examples; ENERGY STAR®, CEE).
 - Seek input from industry in the development of new programs. The IOU programs are trying to change how an industry operates from manufacturer design to the customers purchasing and maintenance practices.
 - Industry participation increases program volume and speeds market transformation.
- Best practices in Program Implementation:
 - Strive to simplify messaging and participation for the customer. (Look for the ENERGY STAR label, purchase from a qualifying products list)
 - Understand the key motivators that drive an industry and use that information to market your program. Make certain outreach efforts make your program visible to your customers and the market that is catering to your customers.
 - Always communicate program marketing and advertising plans in advance to appropriate industry channels. Advanced notice allows industry partners an opportunity to leverage off of utility marketing efforts and reinforce the messaging we are trying to get across.
 - Statewide coordination is important as it makes it easier for national chains and manufacturers to understand and support IOU rebate programs. Statewide coordination also includes regular meetings to share industry contacts, marketing strategies and lessons learned. Coordinated statewide participation at relevant industry events has reduced administrative expenses through cost sharing arrangements.

d) Innovation

Innovative aspects of the program for 2013-2014 include persistent integration of new and emerging technologies into the program processes. This will manifest itself in an increased emphasis on plug load technologies (in support of the Strategic Plan) and by aligning rebates with the recommendations of the Office of the Future Consortium to help make their “25% Solution” a reality.

Additionally, incentive mechanisms that emphasize peak demand reduction, addresses current economic downturn and better motivate customers to participate in energy

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efficiency incentive programs will be pursued. During 2013-2014 program cycle new incentive structures will be periodically evaluated and necessary changes may be made in order to enhance program benefits and performance, including measure bundling incentives. The IOUs will explore offering an audit to customers considering three or more measures in an effort to determine if the audit itself leads to implementation of deeper energy savings.

Where possible, IOUs will use integrated approach to addressing DSM opportunities. Innovative aspects such as merging energy efficiency and demand response analysis and converting recommendations to projects under Retro-commissioning and/or nonresidential Audits, processing and reviewing energy efficiency and demand response measures in a single application, providing analytical information about applicable distributed generation solutions will maximize customer adoption rates for most cost-effective energy management opportunities.

e) **Integrated/coordinated Demand Side Management**

Over the last few years, traditional DSM programs have learned that successful customer participation in one program leads to a likelihood of repeat participation in the same program. Additionally, this successful participation makes these customers likely candidates for other similarly related types of programs. While a successful program experience leads to repeat participation, there has been difficulty in cross pollinating similarly related types of programs with these candidates due to program-specific silos. To overcome the historic siloing of DSM, the Deemed Incentives sub-program will leverage lessons learned from SDG&E's DSM efforts by offering comprehensive, coordinated marketing and program delivery.

A primary issue when integrating energy efficiency and demand response programs is that the two programs are at financial odds with one another, as both programs often reduce the potential for each other's financial incentives. For example, energy efficiency may reduce the overall baseline by which the demand response program's incentives are based upon. Since benefits from long term energy savings derived from technological measures outweigh the temporary demand reduction benefits derived from behavioral actions, the program will offer additional incentives for energy efficiency measures that enable demand response when customers enroll, or are already enrolled, in demand response programs. In so doing, the program seeks to maximize the potential for both types of programs.

A secondary issue when integrating energy efficiency and demand response programs is that communications of both types of DSM program are often non-coordinated, since energy efficiency is typically technology based and demand response is often focused on behavior. Also, demand response efforts often happen prior to the summer "event season" and wane throughout the remainder of the year. To overcome these differences, the program will offer Integrated and coordinated year-round marketing through consolidated applications, collateral, web sites, and events, where applicable. Through bundling program elements and offering one program application, customers will have the

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opportunity to enroll in demand response programs in addition to energy efficiency programs.

The integration of energy efficiency and demand response programs presents several issues and, as stated previously, the sub-program seeks to overcome these issues by focusing on several tactics:

- Promotion and incentivizing of demand response enabling energy efficiency measures to ensure that energy efficiency is completed first to maximize potentials;
- Integrated and coordinated year-round marketing (e.g., applications, collateral, web sites, and events);
- Linking of program eligibility requirements (e.g., customer size);
- Provide unified technical assistance through enhanced EE/DR Audits through the TA/TI Program to allow for cross-harvesting opportunities;
- Integrated presence on utility websites; and
- Regular coordination meetings between energy efficiency and demand response program management.

f) Integration Across Resource Types

Integration across resource types (e.g., energy, water, and air quality) will be explored. Examples include working with Water Agencies to co-promote Food Service appliances that save water and energy and working with Air Quality Management Districts to co-promote Boilers and Water Heating measures that save energy and improve air quality.

g) Pilots

Not applicable

h) EM&V

The utilities are proposing to work with the Energy Division to develop and submit a comprehensive EM&V plan for 2013-2014 cycle, after the program implementation plans are filed. This plan will include process evaluations and other program-specific studies within the context of broader utility and Energy Division studies. More details plans for process evaluation and other program-specific evaluation efforts will be developed collaboratively by the utilities and Energy Division. Development of these plans will occur after the final program design is approved by the CPUC, and in many case, after the program implementation has begun, since the plans need to be based identified program design and implementation issues.

Detailed plans for process evaluations and other evaluation efforts specific to this program will be developed after the final program design is approved by the CPUC and program implementation has begun, since final plans will be based on identified program design and implementation issues and questions. However, a brief description of the current, preliminary plans is provided below:

- Conduct evaluation to track the all proposed key metrics,
- Conduct specific process evaluation to improve program design, implementation and market effectiveness.

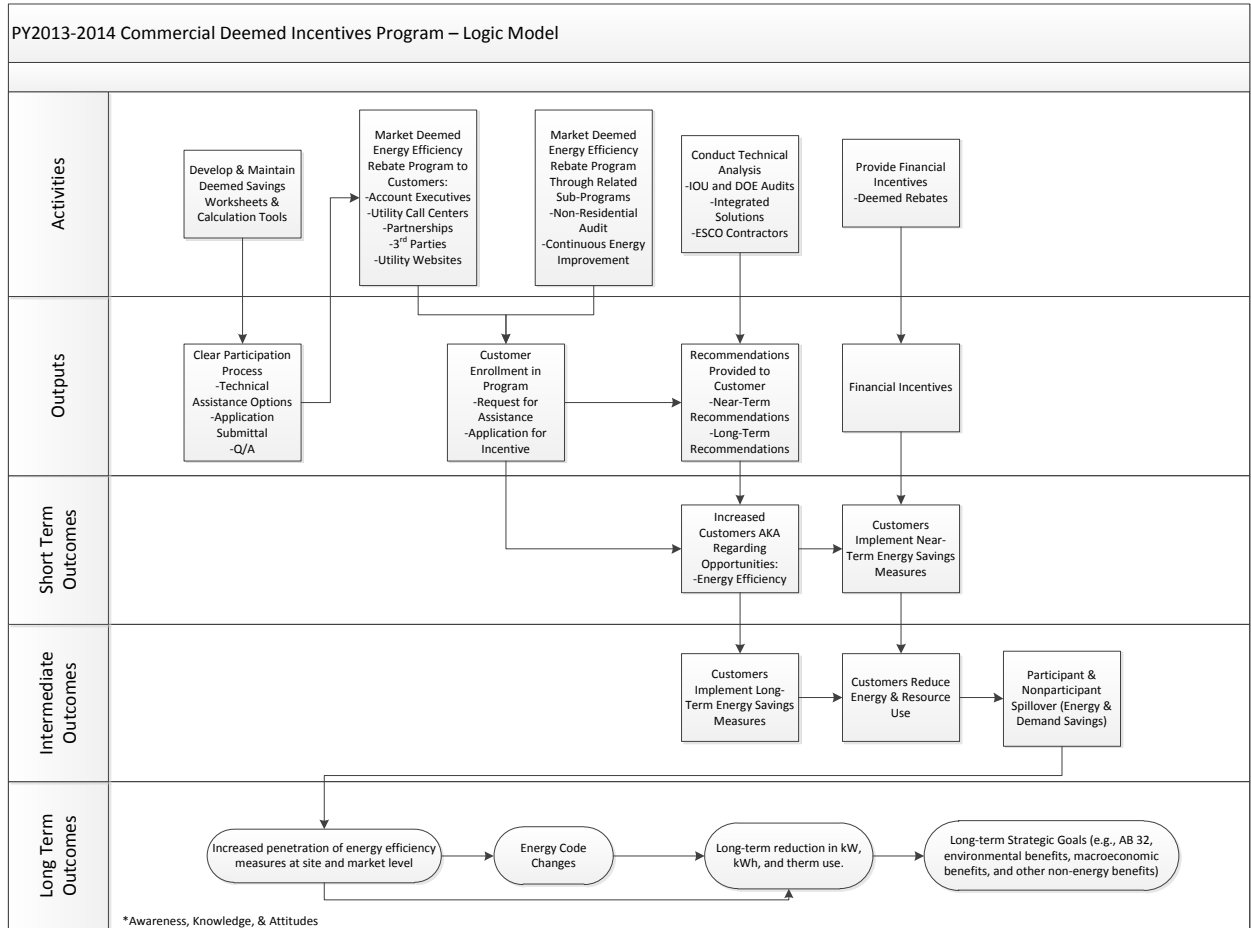
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7. Diagram of Program

Please see the core program diagram.

8. Program Logic Model

On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. In addition, this Resolution approved updated logic models for the statewide programs. As there were no revisions to the original logic model for the Commercial Deemed Incentives Program, this logic model is left unchanged.



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- 1. Program Name:** Continuous Energy Improvement, core sub-program
Program ID: SCG3709
Program Type: Statewide Core Program

2. Projected Program Budget Table

Table 1 – reference the overarching program for budget details

3. Projected Program Gross Impacts Table

Table 2 – reference the overarching program for savings details

4. Program Description

a) Describe Program

The Commercial Continuous Energy Improvement (CEI) is a consultative service aimed at helping commercial customers engage in long-term, strategic energy planning. Corporate energy management is not currently part of normal business operations for the majority of utility customers. With current economic pressures forcing customers to reduce costs and focus more on their core business, it is likely to be further marginalized. CEI proposes to reintroduce the importance of energy management by transforming the market (and reducing energy intensity) through a comprehensive approach that addresses both technical and management opportunities and creates sustainable practices through a high-level energy commitment from executive and board-level management. CEI applies the principles of well-known business continuous improvement programs, such as Six Sigma and International Standards Organization (ISO) standards, to facility and plant energy management. These principles are: (1) Commitment; (2) Assessment; (3) Planning; (4) Implementation; (5) Evaluation; and (6) Modification. At each stage of customer engagement, a variety of complementary utility and non-utility products and services can be customized to fit different customer profiles and optimize the cost-effectiveness of the delivered energy management solution.

In 2013-14, CEI will be expanded to include select group of mid-sized non-residential customers. Available options to help target these customers may include an individualized, a small group, or a mass-market, remote deployment approach.

CEI will coordinate its services with the Commercial Energy Advisor sub-program offerings. CEI offers customers what can be considered the pinnacle of audit offerings guiding senior management to instill energy considerations in all management/business operational decisions and in long term energy planning.

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Commitment

CEI begins with a high-level management commitment to improving energy performance, which increasingly can be combined with other environmental and regulatory commitments that energy users are developing in response to market and political pressures. A corporate commitment sends the top-down message to employees, partners, shareholders and vendors that energy is a priority issue requiring attention – like safety – and also paves the way for establishing the required company resources required to implement the steps of CEI. These resources can include capital, personnel like energy champions or teams, or technical systems and software required for energy management.

Gaining true customer commitment can take time, but is critical. In implementation, utilities will formalize the Commitment phase with more intensive customers through a CEI participation agreement, which outlines the utility CEI services being offered as well as minimum customer expectations.

Assessment

Following Commitment, a comprehensive assessment is critical to identifying not only technical opportunities, but also systemic energy management practices and cultural shifts that can improve overall facility management practices and sustain continuous improvements towards long-term company targets. A component to the assessment will also include tools to help identify Energy Efficiency (EE) and Distributed Generation (DG) opportunities.

Based on screening criteria, utilities will offer comprehensive energy assessment services using vetted sources like (but not limited to) those described below, to develop a customer specific strategic energy plan.

- ENERGY STAR's Guidelines for Energy Management, housed on the ENERGY STAR website, provide step-by-step guidelines to support CEI in general, and also guide customers to ENERGY STAR's numerous assessment tools. This option is a low-cost resource for smaller and medium customers interested in CEI.
- Energy Management Assessment Tools such as Envinta's One-To-Five, Achiever, or Challenger software products offer professionally facilitated energy management assessment with company decision makers and explores management practices and company priorities to develop a CEI roadmap for energy goals and actions.
- Integrated Energy Audits provide an inventory of technical facility end-uses and energy efficiency, and self-generation investment opportunities. For a full description, see the Commercial Energy Advisor sub-program plan.

Benchmarking can measure the energy performance of a company, building, process, or piece of equipment against industry standards or comparable groupings. Benchmarking is a natural first step for the CEI process. Customers with multiple facilities find benchmarking useful to prioritize efficiency projects, track progress toward energy or GHG improvement goals or drive competition among similar benchmarked facilities. Units of measurement vary widely; for commercial buildings, the unit is energy

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used/square foot for a unit of time. Benchmarking can also be applied to other resources and environmental issues such as water use, CO₂, and emissions.

CEI Planning

Strategic energy planning involves setting energy goals and action plans around energy efficiency, demand response, and generation as appropriate. Planning for customers will typically involve Account Representatives and/or consultants. As is discussed in the Strategic Plan and in the Statewide Integration PIP, strategic planning can also include complementary non-energy considerations as well, such as GHG reduction, water efficiency, and waste-stream minimization, all which have embedded energy components.

Data and findings from a comprehensive customer assessment are critical in developing any comprehensive energy plan, including the results from technical audits or assessments, facility benchmarks, energy management assessments, and assessments of company priorities. This information is analyzed and used to develop realistic and achievable company goals and prioritized shorter-term tactics needed to achieve them. Energy plans should be living documents revisited and revised regularly.

Energy goals can vary widely and include elements such as resource utilization (“Company X will reduce its overall energy intensity by 3% over the next 3 years”), carbon reduction goals (“Company X will be carbon neutral by 2014”), or management oriented goals (“Company X will implement energy teams by 2013”). Goals can be stated in internal documents or can be made public through press releases as part of larger sustainability plans, which is increasingly important for large and public companies.

CEI will assist customers in developing and implementing action plans to execute the prioritized near-term activities in support of their company’s energy goals, as well as the resources, staff and schedule for tracking. Action plans typically includes activities such as:

- Prioritizing process systems or facilities based on benchmarking or company drivers,
- Identifying internal resources required to implement plans, and
- Developing project justification and incentive application documentation lists and detailed schedules.

CEI Implementation

In the implementation stage, utilities partner with customers to identify technical support and utility and non-utility resources available to support implementation of projects, such as rebates, incentives, third party and government partnership programs, and state and national resources, including:

- Statewide Commercial Deemed Incentives
- Statewide Commercial Calculated incentives for new construction/tenant improvement, retrofit and retro-commissioning and/or repair

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- Third-Party and Government Partnership programs (described in the statewide and local third-party filings)
- IOU and non-IOU financing options
- External and Internal engineer support

CEI Evaluation and Modification

In any continuous improvement program, evaluation is an ongoing process of comparing actual performance against company goals, targets and action plans. It may include:

- Repeating the benchmarking and system or facility baseline process annually,
- Assessing advancements in organizational and management practices that facilitate energy management improvements, or
- Evaluating cost savings per unit of product.

Regular evaluation will inform changes to goals and action plans moving forward.

b) List of Measures

CEI does not provide incentives to customers, but ultimately facilitates the customer's implementation of energy efficiency projects through incentive programs. However, depending on the outcome of the 2012 process evaluation, customer incentives may be offered.

c) List Non-incentive Commercial Energy Advisor Services

CEI is a non-resource program that provides comprehensive strategic energy planning and consulting services for commercial customers. These services include: energy management assessments, energy planning, baselining and benchmarking, project implementation support, customer recognition (e.g., "corporate sustainability awards"), and web-based energy resources.

5. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Information

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics and goals are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

See Attachment A for Table 3 – Refer to the overarching program for metrics

b) Market Transformation Indicators (MTIs)

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics and goals are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

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Table 4 – Refer to the overarching program for market transformation metrics

c) Program Design to Overcome Barriers

CEI is intended to address several market barriers that prevent wider adoption of energy efficiency practices. These barriers and the strategies to overcome them include:

1. Lack of information – The CEI evaluation and modification process provides data that customers can use to reevaluate their commitment and/or modify their energy goals.
2. Performance uncertainties – Through CEI’s comprehensive baselining and benchmarking assistance, customers will have access to real-time data that demonstrates how their facility is performing relative to their established goals.
3. Organizational customs – The high-level customer commitment that is at the core of CEI increases the likelihood that corporate cultures that prevent successful implementation of comprehensive energy policies.

d) Quantitative Program Targets

The targets provided herein are best estimates, but nonetheless are forecasts.

Table 5

Program Name	Program Target by 2013	Program Target by 2014
Number of Engagements	2	2

e) Advancing Strategic Plan goals and objectives

The program will help to achieve the following near-term strategic goals as identified in the Commercial chapter of the Strategic Plan:

- 2-1: State/Local Governments and Major Corporations Commit to Achieve EE Targets

CEI seeks to (1) gain corporate level commitment to energy efficiency as a core business operation; (2) develop corporate energy policies that establish measurable goals; (3) develop a actionable plan to achieve these goals; (4) guide customers to IOU programs that can help implement cost-effective EE projects; and (5) provide a feedback loop to measure performance. This codified process is designed to support the significantly greater energy efficiency performance desired by the Strategic Plan.

- 2-2: Develop Tools to Reduce Energy in Commercial Buildings

As part of the implementation of CEI, the utilities will partner with energy industry peers, industry associations and Department Of Energy/CPUC sponsored labs and consultants, to enhance the use of existing tools, and develop new tools

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to assist commercial customers reduce initial energy usage at their facilities, then continue to operate their facilities in an efficient manner. Current tools used for benchmarking tools and resources include those developed by the EPA for ENERGY STAR and by Lawrence Berkeley National Lab (LBNL) with CEC funding:

- ENERGY STAR Portfolio Manager Commercial Benchmarking: Benchmarks customer facility against a national database of similar NAICS codes for an ENERGY STAR score (0-100), kBtu/sq ft-yr, lbs CO₂/yr.
 - Management Standard for Energy SME2000-2008
 - DOE Superior Energy Performance
 - ISO-50001
- 2-3: Develop Business Models to Deliver Energy Management Solutions

CEI's fundamental purpose is to achieve corporate level commitments from commercial customers to change their existing business models to consider energy usage and sustainability as a core part of their daily operations. This level of commitment will help achieve greater penetration of energy efficiency in the commercial market sector.

6. Program Implementation

a) Statewide IOU Coordination

The Statewide IOU Coordination process will ensure continuous improvement and consistent implementation of all sub-programs. The discussion below will focus on how the IOUs will coordinate the CEI sub-program specifically. The Statewide IOU Coordination process for the CEI sub-program will be as follows:

- **Hold Regular Sub-program Manager Meetings** – The CEI sub-program managers from each of the IOUs will meet on a regular basis. The sub-program managers will unify, to the extent possible, the implementation of program aspects such as program name, program delivery mechanisms, incentive levels, marketing and outreach plans, and IOU program interactions. The sub-program managers will also discuss new innovations and develop solutions to overcoming implementation challenges.
- **Input to Program Sector Lead Meetings** – The CEI sub-program managers will communicate to their Program Sector Leads the CEI sub-program innovations, experiences, and challenges that have the potential to impact multiple sub-programs or the Program as a whole. When a specific innovation or implementation policy has merit on a Statewide-level, the Sector Lead will distribute the information to the CEI sub-program managers by e-mail for adoption and integration.
- **Evaluate Program Enhancements** – To complete the adaptive management loop, the CEI sub-program managers will track the success of the adopted

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Statewide enhancement or implementation policy and report any challenges or concerns at the monthly CEI sub-program meeting.

By following the process stated above, the CEI sub-program managers will play a critical role in ensuring unified implementation on a statewide level over the course of the 2013-2014 program cycle. Sub-program innovations and challenges will also feed productively into the higher-level Program Steering Committee process, where the IOU lead will act as participant and conduit between both statewide coordination systems.

The coordination and unity of all program aspects will be handled through this statewide coordination framework. However, these aspects will start off at a high-level of statewide consistency. In some cases, there will be local IOU-specific deviations. Instances where certain IOUs favor a different approach than the other IOUs will be called out in italicized text.

i. Program name: Commercial Continuous Energy Improvement Program

ii. Program delivery mechanisms

As with other information and education sub-programs, CEI will be primarily delivered by IOU customer energy efficiency staff and contractors, service and sales representatives, website and marketing and outreach efforts. Other delivery channels may also be developed.

Where applicable, the Utility's account representatives will support this activity within the statewide industrial sector, as well as third parties, government partnerships, and Utility local programs.

iii. Incentive levels - N/A. (CEI is a non-resource program).

iv. Marketing and outreach plans, e.g. research, target audience, collateral, delivery mechanisms

CEI will be available to all commercial customers meeting certain eligibility criteria to justify the cost of the offering. Criteria will include, but not be limited to, customer energy use, complexity, number of facilities, energy decision-making structure, and environmental commitment or demonstrated motivation. Collateral materials such as fact sheets, how-to documents, Power Point slides, case studies, etc., will be produced and distributed during sales calls, public events, association meetings, and/or trade shows. In addition, sponsoring and/or holding recognition events that present customers with awards for achieving specific levels of efficiency, sustainability and/or integration will be explored as a means to promote greater levels of participation.

v. IOU program interactions with CEC, ARB, Air Quality Management Districts, local government programs, other government programs as applicable

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CEI will include the CEC's Green Building Initiative program, DOE's "ISO plant certification" programs, EPA EnergyStar Portfolio Manager benchmarking, EPA Building Performance with Energy Star and other programs, USGBC LEED certification, and local and other government incentive programs as applicable.

vi. Similar IOU and POU programs

Over the next two years, the IOUs will seek to increase their interactions with the POUs as applicable to promote the CEI concept throughout the state. This may involve the creation of periodic California energy efficiency program summits that seek to increase awareness of the Strategic Plan and how programs could/should be designed to help meet its aggressive targets.

b) Program delivery and coordination

CEI includes the following coordination efforts:

i. Emerging Technologies (ET) program

CEI implementation will include identification and project development at specific customer sites with potential for Emerging Technologies program participation and demonstrations.

ii. Codes and Standards program

CEI implementation will include information about pending new Codes and Standards program that may affect planning or prioritization of retrofit or new construction projects.

iii. WE&T efforts

CEI implementation will integrate with WE&T efforts by providing CEI process, lessons learned, and case study input to energy engineering curriculum designers for community colleges and universities. This activity will be coordinated through the Statewide WE&T program team and will ultimately be integrated into the web portal that team is now developing. IOUs will assess and support specialized **WE&T** training to help target working energy management professionals, industry professionals, and those pursuing education in universities and colleges.

IOUs will also continue with **WE&T** coordination to bridge the linkages and integrate sector strategy approaches. Program costs will be shared with WE&T.

iv. Program-specific marketing and outreach efforts

CEI will be marketed through utility account executives, as well as through educational, outreach and other marketing activities. Marketing activities will target business customers, ESCOs, trade associations, local business groups and government entities to generate interest and program participation. In addition, direct customer contact by account executives, outreach, phone and e-mail support will be provided.

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In 2013-2014, marketing campaigns will provide a wide range of action-oriented solutions targeted to “personas” identified through segmentation research. In addition, marketing efforts will be “bundled.” That is, a menu of demand response, energy efficiency and conservation programs will provide customers a full array of EE and DR options. By providing packaged energy management solutions for each industry segment the IOUs will be better able to communicate with and serve customers.

Marketing efforts will incorporate a variety of marketing tactics and activities to promote the CEI sub-program. Education, awareness and outreach efforts will rely on a combination of mass media communication channels and targeted communication channels to help the messages reach the intended audiences with enough frequency to motivate attitude and behavior changes. The marketing strategies may include, but are not limited to, a mix of print, direct mail, e-mail, personal contact, trade shows, trade association meetings, customer workshops and seminars, energy-related and other community events and partnerships with business and industry organizations, specialized collateral, case studies, website links and information with regular updates, bill inserts, press releases, and newspapers.

The ideal marketing mix will be assessed for maximum awareness and participation. Marketing and outreach will be coordinated among the IOUs utilizing the statewide coordination process described above.

v. Non-energy activities of program

CEI implementation will include non-energy activities such as recognition awards, local area or sector competitions, awareness campaigns, education about non-energy related LEED points and definitions, and use of computerized financial analysis tools and cost estimating and forecasting tools.

vi. Non-IOU Programs

CEI implementation shall include information on Non-IOU Programs to expose customers to funding, such as from air or water agencies to support integrated efforts. The utility managers will partner with programs offered by CEC, ARB, Air Quality Management Districts, and other government agencies to capitalize on opportunities to develop co-branded program information and marketing collateral target to commercial-sector customers. Conventionally, each government agency and utility has operated natural resource and energy programs independently, missing opportunities to serve customers who must manage more than one resource type. Closer alignment with these other programs will be achieved in order to deliver the customer a more comprehensive solution. With respect to water conservation, utility program managers will partner with the local water districts to co-brand marketing collateral, attend trade shows, and co-release notices, for programs with interactive water and energy effects. Similarly, with

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ARB and Air Quality Management Districts, IOUs will offer customers Commercial Calculated sub-program incentives for energy efficient equipment that may also reduce air emissions.

vii. CEC Collaboration

CEI implementation shall continually seek to promote the adoption of new technologies developed through the CEC research process and to expose customers to demonstration, research and/or pilot projects. The continuous improvement process envisioned by CEI will provide new equipment/processes, and methods that will enable customers to achieve energy efficiency “stretch” goals in a cost-effective manner.

viii. CEC work on codes and standards

The program will not be implemented with a direct linkage to codes and standards efforts. However, see Section 6.b.ii., above.

ix. Non-utility market initiatives

CEI will support Energy Management certification efforts (ANSI, ISO), engaging at the material level. Non-utility market initiatives such as education about federal tax incentives for energy efficiency investments is an example of a non-utility information and guidance that CEI sub program will provide customers.

c) Best Practices

CEI's approach applies the principles of well-known business continuous improvement programs, such as Lean Six Sigma and ISO standards, to facility and plant energy management, in order to achieve widespread adoption of long-lasting sustainable energy management practices in the commercial market sector. As stated above, these principles are: (1) Commitment, (2) Assessment, (3) Planning, (4) Implementation, (5) Evaluation, and (6) Modification. This approach can now be successfully implemented given the two-year program cycle for 2013-2014, allowing longer-term and deeper project development engagement with customers.

d) Innovation

CEI is a new way of packaging energy efficiency, demand response and self-generation products and services, aimed at helping customers engage in long-term, strategic energy planning. It proposes to transform the market and reduce energy intensity through a comprehensive approach that includes addressing both technical and management opportunities.

Depending on the outcome of the 2012 process evaluation, CEI may consider customer incentives to accelerate project implementation (including IDSM projects), and reward customer for implementing strategic energy management.

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e) Integrated/coordinated Demand Side Management

CEI includes project analysis and implementation support of recommendations of Statewide Integrated Energy Audits which provide customers with an inventory of facility end-use breakdown and energy efficiency, demand response and self-generation investment opportunities. Over the last few years, traditional DSM programs have learned that successful customer participation in one program leads to a likelihood of repeat participation in the same program. Additionally, this successful participation makes these customers likely candidates for other similar related programs, but because of siloing – thinking of programs as separate, unrelated efforts – this has proved difficult. To overcome the historic this, the CEI sub-program will leverage lessons learned from IDSM efforts by offering comprehensive, coordinated marketing and program delivery.

CEI is recognized as an integrated element by supporting the statewide IDSM program's goals and objectives, and the IOUs will increase IDSM messaging and coordination within CEI.

f) Integration Across Resource Types

CEI implementation shall include information on Non-IOU Programs to expose customers to funding, such as from air or water agencies to support integrated efforts. IOU CEI sub-program managers will partner as appropriate with CEC, ARB, Air Quality Management Districts, and other government agencies to capitalize on opportunities to share program information, marketing collateral and financial incentive analysis with customers. Conventionally, each government agency and utility has operated natural resource and energy programs independently, missing opportunities to serve customers who must manage more than one resource type. For customers who are regulated by or interested in more than one resource issue, CEI will provide information about the mutual benefit of combining complementary resource programs.

In the effort to promote CEI, IOUs will seek out customers interested in complementary resource programs such as provided by water and air quality agencies. With respect to water conservation, utility program managers will partner with the local water districts to produce co-branded marketing collateral, attend trade shows, and co-release brochures, for programs with interactive water and energy effects.

g) Pilots

N/A

h) EM&V

The utilities are proposing to work with the Energy Division to develop and submit a comprehensive EM&V Plan for 2013-2014 after the program implementation plans are filed. This may include process evaluations and other program-specific studies within the context of broader utility and Energy Division studies. More detailed plans for process evaluation and other program-specific evaluation efforts cannot be developed until after the final program design is approved by the CPUC and in many cases after program

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implementation has begun, since plans need to be based on identified program design and implementation issues.

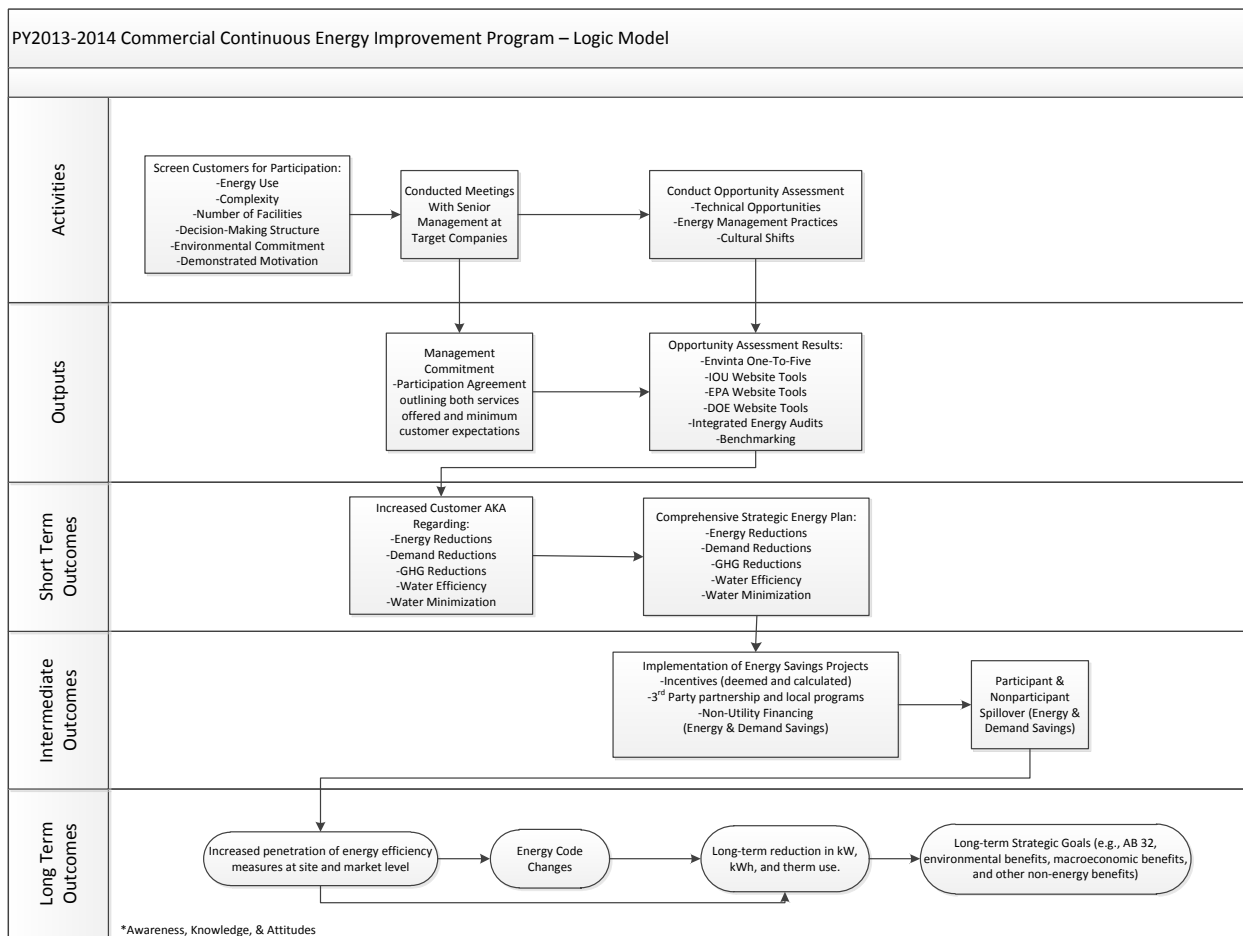
Once results of the 2010-2012 evaluations are ready, recommendations will be reviewed for modifying the CEI PIP accordingly.

7. Diagram of Program

Please see the core program diagram.

8. Program Logic Model

On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. In addition, this Resolution approved updated logic models for the statewide programs. Below is the approved logic model for the Continuous Energy Improvement Sub-program.



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- 1. Program Name:** Commercial Nonresidential HVAC, core sub-program
Program ID: SCG3712
Program Type: Statewide Core Program

2. Projected Program Budget Table

Table 1 – reference the overarching program for budget details

3. Projected Program Gross Impacts Table

Table 2 – reference the overarching program for savings details

4. Program Description

a) Describe program

The Nonresidential HVAC Sub-program is a statewide program that will continue the transformation process of California’s HVAC market to ensure that:

- HVAC technology, equipment, installation, and maintenance are of the highest quality;
- Quality installation and maintenance practices are easily recognized and requested by customers;
- The HVAC value chain is educated and understands their involvement with energy efficiency and peak load reduction; and
- HVAC market business models for installing and maintaining heating and cooling systems change from commodity-based to value-added service business.

The IOUs are building towards this vision for HVAC by implementing a comprehensive set of strategies that builds on existing program, education, and marketing efforts and leverages relationships within the HVAC industry to transform the market towards a sustainable, quality driven market. Through this state-wide HVAC Sub-program and the Western HVAC Performance Alliance group of industry stakeholders, we will continue to gain a better understanding of the market response to our programs as well as the behavioral implications of the various market participants, and then actively revise/update strategies and programs accordingly, as guided by the California Long Term Energy Efficiency Strategic Plan (Strategic Plan).

Market transformation and direct energy savings and demand reductions will be achieved through a series of Sub-program elements that are summarized below:

Upstream HVAC Equipment Distributor Incentive

This sub-program element offers incentives to upstream market actors who sell qualifying high efficiency HVAC equipment. The logic that underscores this sub-program’s design is that a small number of upstream market actors are in a position to impact hundreds of thousands of customers and influence their choice of equipment by

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increasing the stocking and promotion of high efficiency HVAC equipment. The upstream model cost-effectively leverages this market structure and existing relationships. The sub-program element also provides an online rebate application system to facilitate program participant sales and invoice tracking, which further reduces administrative costs as compared with paper application processing.

The upstream sub-program element is designed to adapt to market changes, and therefore the IOUs will continue working with relevant industry players to continually enhance the program to include new beyond-code upstream incentives.

Nonresidential Quality Installation

This sub-program element is applicable to installations of packaged HVAC systems, with a rated capacity up to 760,000 BTU/H. This sub-program element is based on the assumption that energy and demand savings are achievable through the application of QI in accordance with appropriate industry standards (e.g., ACCA, SMACNA and ASHRAE) applied to new commercial HVAC equipment.

This sub-program element intends to:

- Collaborate with EM&V efforts to quantify potential savings;
- Develop and implement a sub-program element focused on comprehensive, continuously improving installation activities that capture those savings and provide a high return on investment (ROI) to the end-user, thus driving the intense level of market transformation of the HVAC industry envisioned by the Strategic Plan.

Nonresidential Quality Maintenance

This sub-program element may represent one of the more creative aspects of the HVAC “Big Bold Energy Efficiency Strategy.” It is based on the assumption that there are energy and demand savings achievable through the regular application of quality maintenance (QM) procedures applied to existing nonresidential HVAC equipment. This sub-program element intends to implement a commercial maintenance program focused on comprehensive, continuously improving O&M activities that capture those savings and provide a high return on investment (ROI) to the end-user, thus driving the intense level of market transformation of the HVAC industry envisioned by the Strategic Plan.

Equipment efficiencies are improved by applying diagnostic methods and the detailed HVAC inspection and maintenance tasks of American National Standards Institute (ANSI)/American Society of Heating, Refrigerating and Air Conditioning (ASHRAE)/Air Conditioning Contractors of America (ACCA) Standard 180.

The QM sub-program element is driven by Service Agreements between customers and contractors. The program incorporates training, marketing and incentives to help contractors understand and communicate the value of HVAC quality maintenance and energy efficiency. The program is also supported by commercial customer referrals from utility Sales and Service Representatives.

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The 2013-14 HVAC QM efforts will focus on continuous improvement, design enhancements, implementation barriers and collecting program data to help improve savings estimates.

b) List of Measures

To achieve energy savings and the market transformation desired by the Strategic Plan, a variety of appropriate incentives is required to influence specific market actions. Incentives will be targeted to all levels of the HVAC value chain and will be available for equipment (Upstream) and services (Quality Installation and Quality Maintenance).

Additionally, in coordination with the Emerging Technologies Program, the Nonresidential HVAC QM program will continue to consider higher initial incentives for any HVAC emerging technologies that may be newly introduced to the marketplace via this sub-program. Once the new products have taken hold in the market place, any such incentives would be adjusted to reflect market conditions.

Upstream HVAC Equipment Incentive

Eligible measures may include packaged and split system air conditioners and heat pumps and other commercial HVAC equipment. Packaged units less than 65,000 Btu/hour are rated according to seasonal energy-efficiency rating (SEER) and steady state energy efficiency rating (EER). Units greater than 65,000 Btu/hour are rated according to EER and integrated part-load value (IEER). See the tables available on the program website www.cainstantrebates.com for current minimum qualifying efficiency ratings for each size category and corresponding incentive values.

Measure Category	Incentive Level (Not to Exceed)
Air-Cooled Packaged and Split Systems < 5.4 Tons of Cooling Capacity	\$40 - \$450/ton
Air-Cooled Packaged and Split Systems >= 5.4 Tons of Cooling Capacity	\$20 - \$150/ton
Water- or Evaporative-Cooled Systems >= 5.4 Tons of Cooling Capacity	\$100 - \$300/ton
Air-Cooled Chiller Equipment	\$25 - \$90/ton
Water-Cooled Chiller Equipment	\$100 - \$300/ton
Variable Refrigerant (VRF/VRV) Equipment	\$100 - \$1,530/ton

Additional gas savings measures may be included in the program upon further evaluation of their viability and cost-effectiveness. New offering development evaluations will occur through ongoing IOU product development efforts and such continuous national efforts as the Consortium for Energy Efficiency's Commercial HVAC efforts.

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Nonresidential Quality Installation

At this point, providing a list of measures and incentive levels is premature, as a valid Quality Installation based Sub-program must be more fully planned and vetted through the Western HVAC Performance Alliance (WHPA), and since EM&V research under discussion through the HVAC EM&V Project Coordination Group (PCG) is needed to clarify a market-realistic baseline for the level of quality of HVAC installation services. This Sub-program will continue to be designed in 2013 for the 2013-2014 program cycle and therefore will not be providing incentives, at least not initially.

Nonresidential Quality Maintenance

SCG will work in coordination with IOUs and POUs where cost effective programs can be delivered. Under those circumstances, the following may be offered.

Measure	Purpose	Incentive Level
Customer Service Agreement Incentive	Decrease customer's additional cost to upgrade to a QM Service Agreement. Keep the Service Agreement in place and units maintained by Contractor for 3 years	Up to \$3,836 per HVAC unit covered by agreement
Contractor Service Agreement Incentive	Compensate Contractors' for overhead costs related to Service Agreement sale and unit inventory.	\$75
Contractor QM Tasks Incentive	Reduce some of the additional costs of minor repairs that are required but don't receive incentives.	\$50
Contractor EE Tasks Incentive	Compensate Contractors' for completion of a specific set of tasks (see 4.1) required to bring the unit to minimum performance level (within 6 months of Service Agreement approval). EE Tasks Eligible for Incentives Coil cleaning Fan Maintenance Refrigerant system test Refrigerant system service Economizer functional test Integrate economizer wiring Replace damper motor Replace controller/sensor Renovate linkage & other components Decommission economizer Replace thermostat Adjust thermostat schedule	Up to \$2,425 per HVAC unit

c) **List of Non-incentive Commercial Energy Advisor Services**

The Nonresidential HVAC sub-program will include a variety of non-incentive program services intended to support customers and contractors in achieving greater energy

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efficiency from HVAC upgrades and quality installations and quality maintenance The list of such service includes:

- Education of the market on the value of selecting high-efficiency systems.
- Reports for customers of estimated energy savings, cost savings and carbon reductions for their HVAC systems treated under the program.
- Training for contractors on HVAC industry standards, sales and marketing of the value of those standards, and their implementation in the field.
- Education for customers on how HVAC industry standards can help them compare bids of contractor services and select those with high-road skills.
- Customer education about the benefits of establishing a long-term trust relationship with a qualified contractor, which can lead to future energy and cost savings, such as from better planning for future HVAC system replacements and the quality installation of those systems when replaced.
- Participating contractors can receive new business sales leads from utility company customer representatives.
- Improved comfort and indoor air quality for customers.

5. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Information

The Nonresidential HVAC subprogram is a market transformation oriented program. See Section 7. below for market transformation information about the subprogram for 2013-2014 that replaces and enhances sections 5.a., 5.b. and 5.c. of the HVAC Program plan from 2010-2012, which had covered quantitative baseline and market transformation information, as well as program design to overcome barriers.

b) Market Transformation Information

See Section 7. below.

c) Program Design to Overcome Barriers

See Section 7. below.

d) Quantitative Program Targets

As a single fuel utility, SCG's Commercial HVAC program will strive to achieve the following program targets working in a gas only environment. Attempts to achieve savings with natural gas only units has proved to be less than successful. SCG intends to work in conjunction with other IOUs and POUs to extend the reach of the SCG non-residential HVAC program. Once measures with quantifiable savings are established and a working partnership with SCE is solidified, SCG will make every effort to achieve enhanced forecasted targets more aligned with those of SCE.

Table 5

	Program Target for 2013	Program Target for 2014
Upstream HVAC Distributor Equipment Incentive		
Tons of Equipment Natural Gas Cooling Capacity Incentivized	0	0

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Nonresidential Quality Installation (QI)		
Participating Contractors	2	4
Nonresidential Quality Maintenance		
Commercial HVAC Systems Serviced	20	35
QM-Standard Service Agreements Signed	5	10
Participating Contractors that Sign at Least One QM-Standard Service Agreement	3	6

e) Advancing Strategic Plan Goals and Objectives

Upstream HVAC Equipment Incentive

- Support for Strategic Plan, HVAC Goal 1 to improve code compliance (and related SB454, which is now codified at Public Utilities Code Section 399.4)

HVAC distributors and manufacturers are not directly involved in the relevant code compliance market processes. However, they are supplying and helping with training contractors who are in the best position to ensure that quality installations occur, and who are often in a central role regarding permit compliance. The program will continue to engage these market actors for ideas and possible program modifications to enhance support of quality installations and permit compliance.

- Support for Strategic Plan, HVAC Goal 4 to improve market penetration of new climate-appropriate HVAC technologies

The Upstream HVAC sub-program element can serve as an incubator program for increasing the market penetration of promising HVAC technologies, in coordination with HVAC elements of the Emerging Technologies program.

The sub-program element will support improvement to HVAC equipment by providing incentives for various high-efficiency HVAC equipment categories. The eligible equipment categories are based primarily on the Consortium for Energy Efficiency HVAC specifications, which have multiple tiers designed to increase the market share of high-efficiency equipment. Furthermore, by leveraging the geographic area of the Upstream HVAC sub-program throughout California and other parts of the West, the result will be increased participation, which will lead to increased market share of high-efficiency equipment sufficient to argue for standards changes.

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Both SMUD and NV Energy currently offer a similar Upstream HVAC program. The California Upstream HVAC Program will look to leverage these existing relationships in addition to engaging the DOE, Southwest Energy Efficiency Project (SWEET), Western Cooling Efficiency Center (WCEC), Western HVAC Performance Alliance (WHPA) and manufacturers to create a regional strategy to develop and increase the commercialization of new climate-appropriate HVAC technologies.

Nonresidential Quality Installation

The program will help to achieve the following near-term strategic goals as identified in Chapter 6 of the Strategic Plan:

- 2-3: Provide expanded QI/QM training – In order to participate in the program, contractors will be required to attend specific training sessions that introduce them to the appropriate industry standards.
- 2-4: Implement contractor accreditation program – Additional support will be made available through the sub-program to reinforce the WE&T Program's efforts toward increasing the level of technician certification.

Nonresidential Quality Maintenance

The program will help to achieve the following near-term strategic goals, as identified in Chapter 6 of the Strategic Plan:

- 2-1: Create a Statewide QI/QM Brand – QM will support the Energy Upgrade California branding as applicable.
- 2-2: Launch Statewide Brand – QM will support the Energy Upgrade California branding as applicable.2-3: Provide expanded QI/QM training –HVAC service technicians will continue to be fully trained on the delivery of the measures promoted by the Program. Furthermore, feedback mechanisms will be utilized to continually evaluate technician performance to ensure that they are applying the information they are being taught in the QI/QM training. Nearly all economists and government leaders agree that negative impacts of the current worldwide financial crisis are likely to linger for years. Thus, the IOUs will work closely with the industry to reduce (and wherever possible eliminate) the direct costs of this transformative training to technicians and contractors who are willing and able to apply their skills and new tools to the task at hand.2-4: Implement contractor accreditation program – Efforts will be made to promote NATE certification.
- 2-5: Develop standards for on-board diagnostic functionality – Evaluating the use of hand-held and other types of diagnostic systems in the field will help determine viable protocols for commercial applications.
- 2-6: Prioritize in-field diagnostic approaches – Conducting the appropriate level of research into existing diagnostic and verification approaches will provide the IOUs and the HVAC industry with the information necessary to target future efforts based on quantifiable energy efficiency benefits.

6. Program Implementation

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a) Statewide IOU Coordination

The IOUs will jointly participate in California’s nonresidential HVAC efforts to achieve real market transformation. In order to accomplish this task, the IOUs will use the principles of adaptive management and follow a structured process to continuously update and enhance the program throughout the two-year implementation cycle. The process will be as follows:

- Designate an IOU Program Lead – The process for adaptive management will begin with each IOU designating an HVAC Program Lead. The lead will be the conduit through which information between IOUs will flow and will investigate new innovations, special accomplishments and challenges faced by sub-program managers and the managers of cross cutting statewide programs within their own IOU. Where such innovations or challenges intersect HVAC and show potential for improving the HVAC program, the Program Lead will present such information to a quarterly HVAC Program Management Team meeting.
- Hold HVAC Program Management Team Meetings – Meetings will be held at least quarterly, individual innovations and accomplishments experienced in one IOU will be transmitted to all IOUs. The HVAC Program Management Team will evaluate the innovations and accomplishments of the individual IOUs, hear ideas for course corrections and overcoming challenges, measure the HVAC program’s progress against statewide metrics and goals and prepare summations for presentation to the Western HVAC Performance Alliance.
- Adopt Program Enhancements – Once the HVAC Program Management Team agrees that a particular idea or innovation has merit on a statewide-level, each IOU program lead will distribute the information to their sub-program element managers for adoption and integration as appropriate. In some cases, it may be necessary to invite the sub-program element managers to the HVAC Program Management Team to get their feedback and ensure they receive the same message.
- Evaluate Program Enhancements Against Statewide Targets – To complete the adaptive management loop, the HVAC Program Management Team will track the program’s accomplishment of statewide targets and goals to ensure that adopted program enhancements are generating their intended results²³. The HVAC Program Management Team will determine whether future course corrections are needed, and if so, “activate” a fresh start of the adaptive management cycle to generate the improvements necessary to stay on track.

Additional areas of program coordination include:

- i. Program name:** Nonresidential HVAC Sub-program
- ii. Program delivery mechanisms**

The Nonresidential HVAC Sub-program is the umbrella activity that encompasses the three sub-program elements summarized above in Section 4.a. The IOUs will

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deliver the Sub-program through a combination of third-party vendors and internal administrative staff. The Sub-program will be delivered in collaboration with existing industry infrastructures in order to increase its overall effectiveness. Program guidance will be provided to the CPUC/IOUs through the Western HVAC Performance Alliance as described below. The program will be targeted to consumers, contractors and distributors to create a push/pull dynamic that influences sustained market changes.

iii. Incentive levels

See Section 4.b above for more information on sub-program measures.

iv. Marketing and outreach plans

Specific outreach efforts will be made to the industry to keep them engaged with IOU programs and in the Strategic Plan process. On a macro level, this outreach will occur through the Western HVAC Performance Alliance. On a micro level, each sub-program element has specific tactics in place to engage the industry in its own particular demand reduction, energy savings and market transformation objectives

The Upstream sub-program element will explore outreach activities to upstream market actors in other geographic areas that ship into and across service territories and will continue communication with the industry to see where additional collaboration can occur to maximize marketing and outreach resources.

The IOUs will continue to develop common outreach materials, with feedback from market actors to enhance their effectiveness. These marketing materials will only be available to participating contractors, and will leverage IOU and other statewide branding efforts.

v. IOU program interactions

The IOUs are engaged in ongoing collaboration with the CEC and other agencies via the Codes and Standards process and will be able to coordinate and communicate voluntary programs and incentives with mandatory codes that become enacted for the future. Increasing the communication regarding the Strategic Plan will allow all entities to move and plan towards the same objectives.

In order to support the need for increased code compliance, the sub-program will continue to cooperate with CEC training and other compliance support activities targeted at local building departments. Such activities will also be used to promote the economic and performance benefits of QI/QM. The sub-program will also continue to coordinate its activities with IOU local government partnerships, third-party programs and Codes and Standards activities to ensure that code compliance becomes fully integrated into these programs.

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vi. Similar IOU and POU programs

As mentioned in Section 5.e. above, the three IOUs and SMUD implement the same or very similar Upstream HVAC Equipment Incentive Program.

As a result of increased federal equipment efficiency standards, many utilities across the country have begun to offer service-based programs that independently offer measures such as RCA and Duct Sealing. It is expected that the HVAC QM Program could stimulate a paradigm shift by delivering a comprehensive suite of maintenance services that comply with ASHRAE/ACCA/ANSI Standard 180, designed to address the full range of efficiency measures available for commercial HVAC systems.

POUs manage many different types of HVAC programs. However, none of them seek to accomplish the aggressive market transformation goals being proposed by the IOUs. Via the Western HVAC Performance Alliance, the IOUs will continue seek to increase their interactions with the POUs to better align IOU and POU HVAC programs. This may involve increasing awareness of the Strategic Plan and how programs could/should be designed to help meet its aggressive targets.

b) Program Delivery and Coordination

The program will be coordinated with the following activities:

i. Emerging Technologies program

The program is expected to interact extensively with the ET Program to ensure the proper focus on remote and on-board diagnostic equipment and the advancement of energy efficient climate-appropriate HVAC technologies.

ii. Codes and Standards program

The responsibility for HVAC codes and standards issues has been given to the Statewide Codes and Standards Program. This ensures that the code-based solutions are consistent with that program's other activities. The Codes and Standards PIP describes the specific actions that the Program will employ to address HVAC.

As technologies advance and market penetration increases to an acceptable level, the minimum threshold for eligibility in California can increase to lock in the higher efficiency levels and continue an upward level of efficiency for HVAC equipment.

Coordination of HVAC, Codes and Standards and Emerging Technologies activities will be realized through regular interactions of statewide program teams to discuss program integration and implementation issues.

iii. WE&T efforts

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The workforce education and training needs for the HVAC industry will be managed through the Statewide IOU Workforce Training and Education (WE&T) Program umbrella. However, the WE&T activity will be coordinated with the statewide HVAC Sub-program activity to ensure that the individual efforts are complementary.

Participating contractors in the HVAC sub-program will be required to attend program-specific QM training in order to participate in the programs.

The IOUs will leverage relationships with upstream market actors established through this sub-program to extend the delivery of training modules developed through the HVAC elements of the statewide WE&T Program.

iv. Program-specific marketing and outreach efforts

The primary outreach vehicle between the Upstream sub-program element and program participants is via the website: www.cainstantrebates.com and other electronic communication (e.g., e-mail and newsletters). The cost of operating this website is shared between the participating IOUs and POUs. Additional marketing and outreach activities exist through personal contact between the program staff and program participants. Targeted QI/QM marketing materials can be distributed to contractors via these established upstream channels.

Marketing support will be available for participating HVAC service contractors in order to promote the Statewide QI/QM efforts. Such support may include exclusive promotion on IOU websites, brochures and other leave-behind materials that contractors can use to promote QI/QM and their involvement with the sub-program.

The Nonresidential HVAC sub-program will coordinate marketing activities with other offerings within the Commercial program to create a seamless customer experience.

v. Non-energy activities of program

The direct energy benefits of the program result from promotion of high efficiency HVAC systems and the quality installation and maintenance of new and existing systems. Other activities will be required to support these energy savings goals. These activities include significant efforts in program design enhancements and coordination, technology evaluation and integration, contractor training and consumer marketing.

The program will continue to be active in a number of non-resource and market transformation activities that are required to ensure that the HVAC industry is fully involved in the development and implementation of the many tactics required to address the short and long term goals of the Strategic Plan. One such activity is the Western HVAC Performance Alliance (WHPA). The WHPA is

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necessary to keep the industry engaged in the Strategic Plan process and to provide guidance and support for the implementation of the various tactics required to transform the industry. Mindful that HVAC industry organizations are not traditionally structured, staffed or allocate resources to contribute the level of involvement envisioned by the Strategic Plan, the HVAC Convener's Report concluded that: *"The agencies and utilities should work together to ensure the working group is adequately funded to meet its responsibilities"*

The WHPA involves high-level HVAC industry stakeholders—such as manufacturers, distributors, contractors, associations, organized labor and influential end user/customers—to coordinate industry sponsorship of and participation in HVAC strategies. Membership also includes and is targeted at other key players, such as the CPUC, California Energy Commission, utilities, building owners/managers, university researchers, consumers, and the Federal Government.

As a communication and coordination entity for HVAC energy-saving collaboration among IOUs, ED, other state and local government entities, and a broad set of HVAC industry and market stakeholders, the WHPA is chartered 1) to champion (coordinate, guide, prioritize, track and facilitate the implementation and evolution of) the HVAC Action Plan in support of the Strategic Plan and 2) to provide thoughtful input into IOU HVAC Energy Efficiency (EE) Program efforts.

vi. Non-IOU Programs

The Upstream sub-program element, in collaboration with the ET Program, will leverage its involvement with the U.C. Davis Western Cooling Efficiency Center and other industry and academic efforts to continually evaluate and include new equipment technologies as they become more commercially viable.

The IOUs will take an active role in Consortium for Energy Efficiency (CEE) activities to ensure that California's quality needs are appropriately reflected in the ongoing CEE specification-setting efforts.

The program will interact with the HVAC industry to develop and introduce increasingly stronger QM standards that ensure systems are operating in their most efficient state.

The Program will remain engaged with CEC, CARB, DOE and other government agencies responsible for regulating various aspects of HVAC equipment, services and training.

vii. CEC

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The Program will interact extensively with the ET Program to ensure the proper focus on remote and on-board diagnostic equipment and climate-appropriate HVAC technology advancement and market adoption.

viii. CEC work on codes and standards

See Section 6.b.ii. above.

ix. Non-utility market initiatives

The tenets of QI and QM are being actively pursued by leaders in the HVAC industry itself. Air Conditioning Contractors of America (ACCA) has taken the lead in this national effort by developing various ANSI- recognized QI and QM standards. These standards have been widely adopted throughout the industry (e.g., AHRI, ASHRAE, CEE, ENERGY STAR, Utilities). Other organizations have also developed processes designed to improve the operating efficiency of HVAC systems (e.g., SMACNA, NCI). The IOUs will remain engaged in these efforts and work to influence the development of increasingly higher standards that drive increased energy savings for customers.

c) Best Practices

The Statewide HVAC Program demonstrates several examples of programmatic best practices. First, the Program involves the HVAC industry in all aspects of the program including public policy, program design and implementation – both formally through the Western HVAC Performance Alliance and informally through various ad-hoc working groups. Industry involvement is a crucial step in achieving the desired market transformation goals. Second, the Program uses an adaptive management process, as described in Section 6.a, to ensure that the Program is responsive to the changing market environment. Included under this process are inter-utility coordination meetings between HVAC, Emerging Technologies and Codes and Standards program managers to ensure these three programs are well coordinated and implemented consistent with the goals of the Strategic Plan. The Program includes the appropriate level of focus on technology issues through the close involvement with the Emerging Technologies program to advance the various technological and policy issues required to meet the deep energy savings and demand reduction goals desired by the Strategic Plan.

The use of industry-accepted design, construction and maintenance standards represents a quality-oriented best practice in air conditioning system installations and maintenance. Industry standards have been developed and vetted by national committees of industry experts and represent the best available information to use for program design. Additionally, networking through organizations such as CEE and the WHPA will provide opportunities for frequent feedback on QI and QM efforts being implemented within California and across the country.

In the Fall of 2007, ACEEE awarded the “Exemplary” Award to this Upstream sub-program element design. This essentially designated this Upstream program model as the

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highest performing program to promote HVAC equipment as compared to all programs across the United States.

d) Innovation

The Statewide Nonresidential HVAC Sub-program takes an innovative approach to program design through its implementation of a multi-faceted effort to engage all levels of the HVAC value chain. Each sub-program element under the umbrella and in those within the Residential HVAC Sub-program is designed to influence specific market changes. Within the sub-program elements, innovative techniques such as co-branded marketing and workforce training through existing industry channels will be employed to increase the program's effectiveness. In addition, technical innovation is achieved specifically through the HVAC sub-program's coordination with a dedicated advocacy effort to advance the state-of-the-art in vapor compression cooling and fault detection and diagnostics within the Emerging Technologies program.

A critical component of the Upstream sub-program element is its use of a web-based application and participation tool that provides transparency to both the program participants as well as the host IOU to be able to see what is occurring for applications that involve them. That this system allows participants to know the status in aggregate or down to a customer application level makes participation easy and efficient. For program participants, a paperless system is critical for ease of participation and for utilities there is reduction in cost per kWh saved from administrative costs over a paper review process. Designing and delivering the QI sub-program program element through active partnership with the industry will increase the likelihood of its success, as will the use of industry-accepted standards for QI as the foundation for activities.

The innovation of the QM sub-program element exists through the adoption of a comprehensive maintenance approach based on industry-accepted standards. A more comprehensive maintenance effort that delivers well-documented energy savings sets the standard for HVAC efficiency programs. Furthermore, delivering this program through active partnership with the industry will increase the likelihood of its success. Finally, innovation results through a continuous improvement process that will be employed to evaluate the viability of offering additional incentives for installations that exceed established program standards.

e) Integrated/coordinated Demand Side Management

As with most HVAC oriented programs, the primary source of integration exists between energy efficiency and demand response activities. At a minimum, all marketing materials developed to support QI and QM sub-program elements will cross promote DR to educate customers on the availability of IOU DR programs. Required contractor training will be designed to include a discussion on DR programs and participating contractors will be required to deliver DR information as part of their customer sales efforts. The IOUs will also explore combined EE and DR opportunities within various HVAC distribution channels.

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f) Integration Across Resource Types

The program can be designed to support CARB's efforts to regulate GHGs by providing consumer information on the phase-out of existing refrigerants and the move to zero ozone depletion potential (ODP) refrigerants with the customer's maintenance invoice. Such information will seek to influence the customer's adoption of newer equipment by explaining the likelihood of increased maintenance costs as existing refrigerants become less available.

g) Pilots

No pilot programs are planned as part of this sub-program effort, though activities associated with improving QI and/or QM may be piloted before full implementation to ensure more coherent market adoption on roll-out.

h) EM&V

The utilities will work with the Energy Division to develop and submit a comprehensive EM&V plan for 2013-2014 cycle, after the program implementation plans are filed. To support the continuous improvement envisioned by the adaptive management process and to fully address the intricacies of the program design, appropriate EM&V activities will be conducted as coordinated by the HVAC EM&V Project Coordination Group (PCG) and overseen by the CPUC.

Routine evaluation: the Upstream sub-program element will utilize the online incentive application system to track the sale of high-efficiency equipment from year to year. Reports can then be created to show the percent of equipment incentivized in tons based on SEER or EER. These reports will be prepared every year and compared to the previous accomplishments, and will determine whether the program is achieving goals.

7. Market Transformation Information

The Nonresidential HVAC sub-program is a market transformation oriented program. The following information replaces and enhances Sections 5.a., 5.b. and 5.c. above of the HVAC Program plan from 2010-2012, which had covered quantitative baseline and market transformation information, as well as program design to overcome barriers.

a) Summary of the market transformation objectives of the program:

The Nonresidential HVAC Sub-program will continue the transformation process of California's HVAC market to ensure that:

- HVAC technology, equipment, installation, and maintenance are of the highest quality;
- Quality installation and maintenance practices are easily recognized and requested by customers;
- The HVAC value chain is educated and understands their involvement with energy efficiency and peak load reduction; and
- HVAC market business models for installing and maintaining heating and cooling systems change from commodity-based to value-added service business.

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b) Description of the market, including identification of the relevant market actors and the relationships among them:

- The three central functions of heating, ventilating, and air-conditioning (HVAC) are interrelated, especially with the need to provide thermal comfort and acceptable indoor air quality within reasonable installation, operation, and maintenance costs. In modern buildings the design, installation, and control systems of these functions are integrated into one or more HVAC systems.
- The HVAC industry is a worldwide enterprise, with roles including operation and maintenance, system design and construction, equipment manufacturing and sales, and in education and research. The HVAC industry was historically regulated by the manufacturers of HVAC equipment, but regulating and standards organizations such as HARDI, ASHRAE, SMACNA, ACCA, Uniform Mechanical Code, and International Mechanical Code have been established to support the industry and encourage high standards and achievement.
- For very small buildings, contractors normally "size" and select HVAC systems and equipment on behalf of end-use customers. For larger buildings, building services designers and engineers, such as mechanical, architectural, or building services engineers analyze, design, and specify the HVAC systems, and specialty mechanical contractors build and commission them. Distributors stock equipment from manufacturers in local regions and sell HVAC systems to contractors or building services companies. Building permits and code-compliance inspections of the installations are normally required for all sizes of buildings.

c) Market characterization and assessment of the relationships/dynamics among market actors, including identification of the key barriers and opportunities to advance demand side management technologies and strategies:

Successful market transformation programs first and foremost need to be designed specifically to address market transformation. "The main reason that (most) programs do not accomplish lasting market effects is because they are not designed specifically to address this goal (often because of regulatory policy directions given to program designers.)²⁴" The Strategic Plan recognizes that regulatory policies are not yet in place to support the success of market transformation efforts²⁵, but also reflects the CPUC's directive to design energy efficiency programs that can lay the groundwork for either market transformation success or for codes and standards changes.

Above all else, the hallmark of a successful market transformation program is in the coordination of efforts across many stakeholders. The most successful market transformation programs have involved multiple organizations, providing overlapping market interventions²⁶. The Strategic Plan calls for coordination and collaboration throughout, and in that spirit the utilities will continue to work with the CPUC and all

²⁴ Peters, J.S., Mast, B., Ignelzi, P., Megdal, L.M. (1998). *Market Effects Summary Study Final Report: Volume 1.* Available at <http://calmac.org/publications/19981215CAD0001ME.PDF>.

²⁵ CPUC (2008) Strategic Plan, p. 5.

²⁶ Nadel, Thorne, Saches, Prindle & Elliot (2003).

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stakeholders to help achieve market transformation while meeting the immediate energy, demand, and environmental needs.

Provided that HVAC is allotted sufficient EM&V funds, the statewide team will build on the growing body of HVAC research in California to ensure the relationships/dynamics among market actors, including identification of the key barriers and opportunities to advance demand side management technologies and strategies have been studied to inform future program decision-making.

Key Barriers:

Lack of value proposition awareness

- Performance uncertainties: Previous research has been conducted on the energy savings achievable through HVAC system maintenance measures such as RCA and Duct Sealing, but despite all this research many performance uncertainties still exist, and furthermore, this research has not been able to effectively demonstrate the full energy savings benefits of QI/QM;
- End-use customers do not clearly recognize the loss of energy efficiency performance benefits of a HVAC system if it is not properly installed and maintained, and do not recognize without assistance the value over time of purchasing a high-efficiency system versus a standard-efficiency one.

Availability of higher-efficiency equipment

- Stocking patterns of equipment follow demand, and since customers do not yet well appreciate the value of energy efficiency, HVAC equipment stocking in local distribution centers tends toward lower price, standard-efficiency systems. Without program intervention until market transformation occurs, customers who want to purchase higher-efficiency systems suffer delays from waiting for systems to be shipped from other locations, or just select standard-efficiency systems to avoid delay.

Search costs for qualified QM and/or QI contractors

- Customers do not appreciate the energy efficiency benefits of QI and QM, and suffer from a lack of information, time, and resources to assess their own energy efficiency opportunities.

Commoditized business model practices

- Bounded rationality: It is logical to assume that the HVAC industry would want to take the necessary training required to deliver high quality service; however, market dynamics have not supported such logic as the industry has largely become commoditized and low price/low quality typically wins out. Equipment stocking patterns have followed this same dynamic, such that customers who may seek high-efficiency systems have had to wait for systems to be shipped from outside of California;

Organizational customs:

- The HVAC industry has largely become commoditized into an industry driven by low costs and quality where quality is assumed but not understood or valued by the customer. This is a result, in part, of contractors having minimal success in

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communicating the value of QI/QM to consumers and consumers not understanding the linkages between comfort and energy use.

d) Description of the proposed intervention(s) and its/their intended results, including which barriers the intervention is intended to address:

Historically, the nonresidential retrofit programs directed toward customers and contractors have had very low uptake rates on high-efficiency HVAC systems, plus there is very little understanding in the market of the value of quality maintenance and installation services. Consequently, the critical foundation required for achieving HVAC market transformation consists of two main strategies:

- Continue to leverage the high level of participation in the Upstream sub-program element to ensure availability in the market and drive sales of high-efficiency equipment, and
- Build customer and contractor participation in the HVAC Quality Maintenance program element, since it is designed to provide an evergreen foundation across a broad customer base of existing HVAC users for achieving deep energy savings across HVAC and other programs.
- The QM program element incorporates training, marketing and incentives to help contractors understand and communicate the value of HVAC quality maintenance and energy efficiency.
- This program element is driven by Service Agreements between customers and contractors, establishing an on-going relationship of trust that also then enables better decisions to be made about replacement of equipment with high-efficiency systems and the proper quality installation of those systems.
- The resulting increase in market share of high-efficiency equipment and quality installation and maintenance services then allows increased levels of customer, installer, and distributor/manufacturer knowledge and interest in these systems, which should then make it easier to achieve further increases in the market share of these energy saving practices.

Program Intervention to Overcome Barriers

Lack of value proposition awareness

- By quantifying the energy efficiency benefits of QI/QM, the benefits of QI/QM (as well as those “premium” HVAC services that prove to exceed the ANSI QI/QM standards) will be better understood by program participants. It is our goal to discover the evidence, and expected return on investment (ROI), that customers will require to authorize payment for these measures when subsidies are removed. Via the Upstream sub-program element, the delivery process of information about high-efficiency units is streamlined. Delivery from distributors and manufacturers through contractors will provide consistent information on the benefits of energy efficiency and reduces the need for end user analysis, thus allowing more customers to see the benefits of implementing energy efficiency projects/measures;

Performance uncertainties:

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- The innovative diagnostic methods and technologies used by the QM program element set it apart from tune-ups and other HVAC maintenance efforts. Program measures include a thorough site assessment and repairs well above and beyond routine HVAC unit maintenance. The methods provided allow contractors enrolled in the program to precisely evaluate commercial customers' HVAC units and subsequently improve unit efficiency and realize energy savings.

Availability of higher-efficiency equipment

- The Upstream incentives ensure product availability to influence the decision maker at the time of purchase or service.

Search costs for qualified QM and/or QI contractors

- By encouraging contractors to promote the concepts and value of quality maintenance at the time of system installation, customers will be more likely to regularly maintain the system and be assured that the energy efficiency performance benefits of their new system will continue throughout the life of their system.

Commoditized business model practices

- Bounded rationality: The sub-program incentives and promotion of qualified participating contractors encourage the HVAC industry to want to take the necessary training required to deliver high quality service;

Organizational customs:

- The program effort is designed to help demonstrate the value proposition of a high quality contracting business and educating consumers on the energy benefits of QI/QM. Additionally, incentives to upstream market actors encourage the development and promotion of new energy-efficiency technologies and tiered incentive structure to build towards meeting future codes and standards changes.

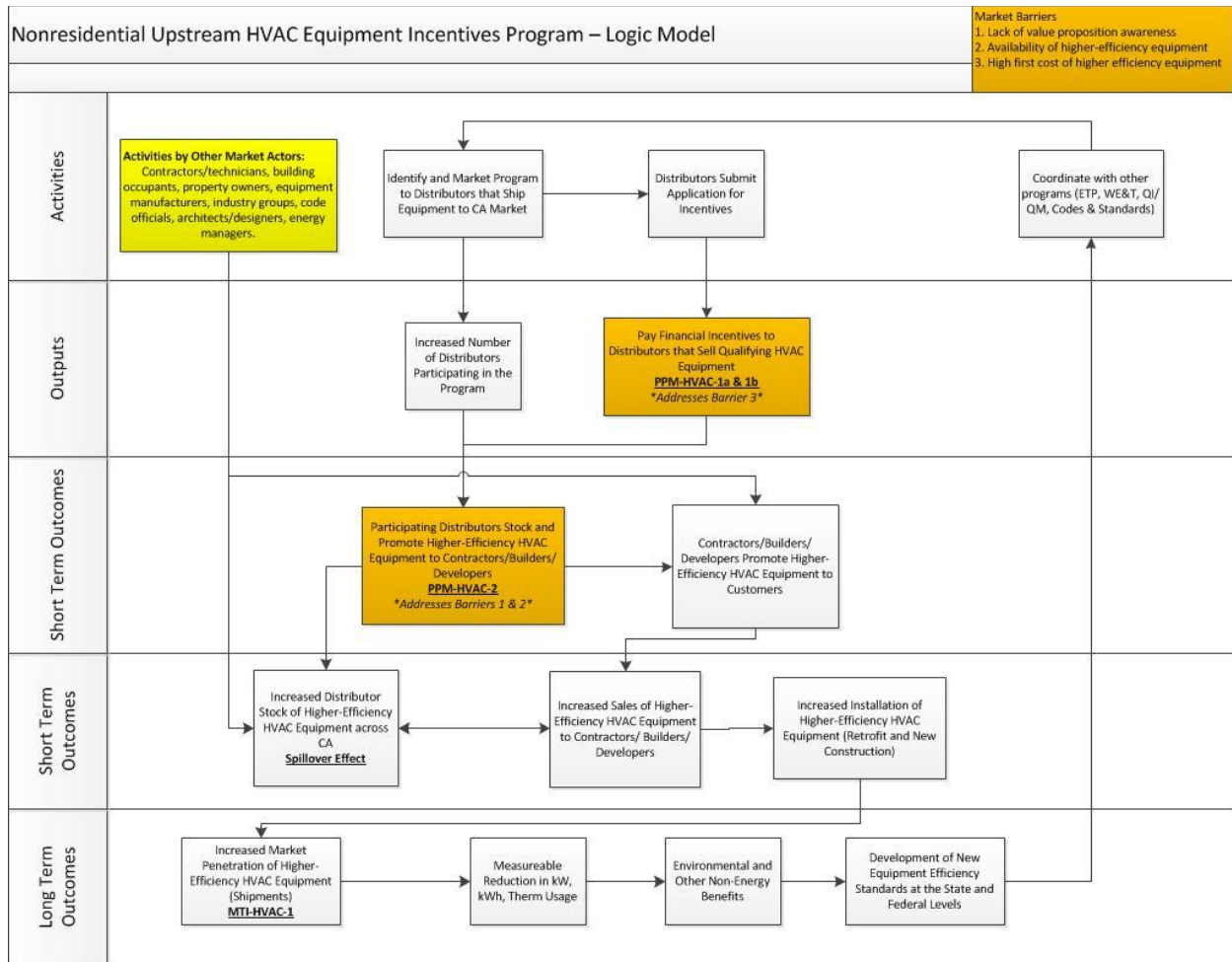
Additionally, several other issues could potentially influence sub-program design for Quality Installation, including:

- Other organizations have established processes and procedures for QI. These processes should be evaluated to determine how well they perform in comparison to minimum QI standards.
- Lack of industry consensus on QI standards and technical protocols
- Overcoming market barriers to exceeding Title 24 Standards
- Cost-effective constraints arising from limited savings for QI measures exceeding Title 24.
- Forging sustainable HVAC industry and market actor support.
- Addressing challenges in standard applicability across a range of commercial building types and HVAC systems.
- True energy savings measurement procedures.
- The WHPA “Road Map” noted that while of both the Title 24 and ACCA standards mandate distribution system evaluation and specify limits for allowable leakage, the Nonresidential QI committee concluded that:

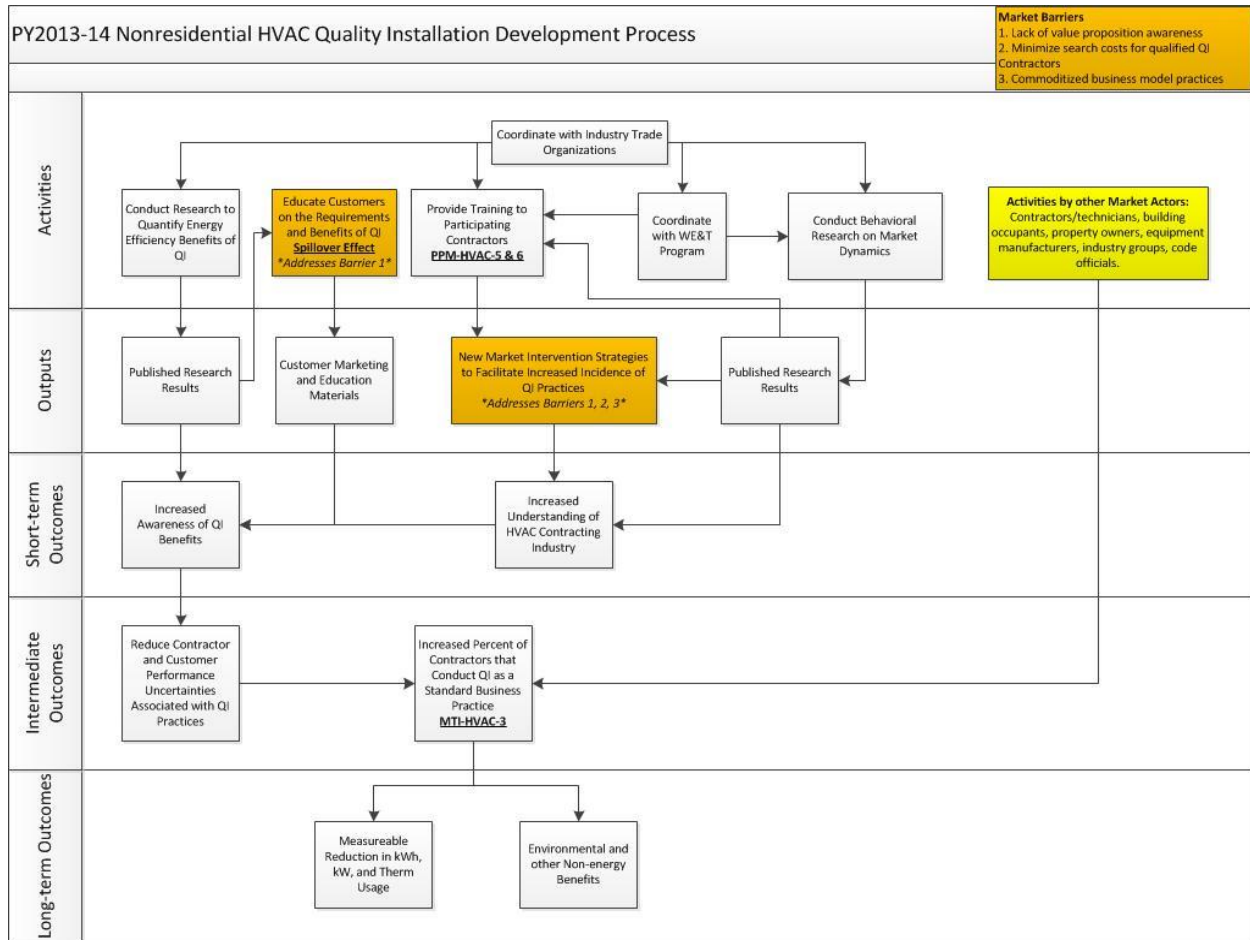
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- “To date, no satisfactory method for performing these examinations has been found for a wide range of non-residential installations.” (WHPA Non-Residential Quality Installation Road Map, 2010, p. 2)

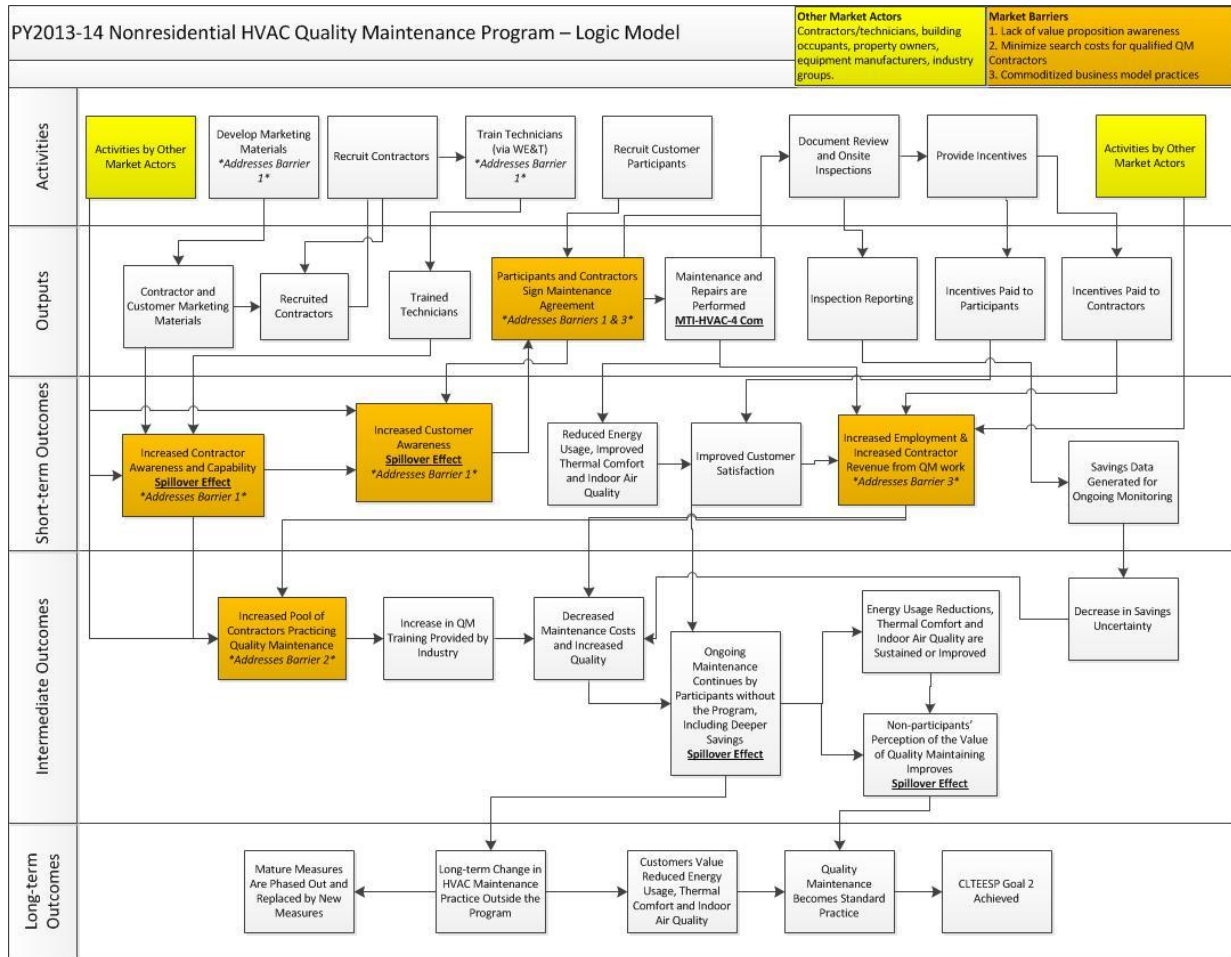
e) **Program or market logic model that ensures a solid causal relationship between the proposed intervention(s) and its/their intended results:**



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f) Evaluation plans and corresponding Market Transformation Indicators and Program Performance Metrics based on the program logic model:

On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and sub-programs. The Commission gave each PPM a metric type which indicated the reporting frequency: Metric type 2a indicates that the IOUs should report on the metric on an annual basis (unless indicated otherwise). Metric type 2b indicates the IOUs should report on the metric at the end of the program cycle.

Below are the approved PPMs and metric types for the three elements of the Nonresidential HVAC Sub-program (Resolution E-4385, Appendix A, pp 35-36):

Table 3 – Refer to the overarching program for quantitative baseline metrics

Program	Metric	Metric Type
		2a

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		2b
		2a

Market Transformation metrics should neither be used for short-term analyses nor for specific program analyses; rather, should focus on broad market segments. Market transformation is embraced as an ideal end state resulting from the collective efforts of the energy efficiency field, but differing understandings of both the MT process and the successful end state have not yet converged. The CPUC defines the end state of MT as “Long-lasting sustainable changes in the structure or functioning of a market achieved by reducing barriers to the adoption of energy efficiency measures to the point where further publicly-funded intervention is no longer appropriate in that specific market.”²⁷ The Strategic Plan recognizes that process of transformation is harder to define than its end state, and that new programs are needed to support the continuous transformation of markets around successive generations of new technologies²⁸.

Markets are social institutions²⁹, and transformation requires the coordinated effort of many stakeholders at the national level, directed to not immediate energy savings but rather to intermediary steps such as changing behavior, attitudes, and market supply chains³⁰ as well as changes to codes and standards. Resource acquisition programs rely upon the use of financial incentives, but concerns have been raised that these incentives distort true market price signals and may directly counter market transformation progress³¹. According to York³², “Market transformation is not likely to be achieved without significant, permanent increases in energy prices. From an economic perspective, there are three ways to achieve market transformation: (1) fundamental changes in behavior, (2) provide proper price signals, and (3) permanent subsidy.”

Resolution E-4385 identified a preliminary list of objectives and market transformation indicators (MTIs) for statewide energy efficiency programs and subprograms, and these MTIs were presented at a public workshop to allow for public comments and discussion before being finalized. Consistent with the outcome of that public workshop, MTIs for this subprogram are below.

Table 4 – Market Transformation Indicators

²⁷ California Public Utilities Commission Decision, D.98-04-063, Appendix A.

²⁸ California Public Utilities Commission (2008) *California Long Term Energy Efficiency Strategic Plan*, p. 5. Available at <http://www.californiaenergyefficiency.com/docs/EEStrategicPlan.pdf>

²⁹ Blumstein, C., Goldstone, S., & Lutzenhiser, L. (2001) “From technology transfer to market transformation”. Proceedings of the European Council for an Energy Efficient Economy Summer Study. Available at http://www.eceee.org/conference_proceedings/eceee/2001/Panel_2/p2_7/Paper/

³⁰ Sebold, F. D., Fields, A., Skumatz, L., Feldman, S., Goldberg, M., Keating, K., Peters, J. (2001) *A Framework for Planning and Assessing Publicly Funded Energy Efficiency*. p. 6-4. Available at www.calmac.org.

³¹ Gibbs, M., and Townsend, J. (2000). The Role of Rebates in Market Transformation: Friend or Foe. In *Proceedings from 2000 Summer Study on Energy Efficiency in Buildings*.

³² York, D., (1999). “A Discussion and Critique of Market Transformation”, Energy Center of Wisconsin. Available at <http://www.ecw.org/ecwresults/186-1.pdf>.

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HVAC-1	Market share of energy efficient climate appropriate HVAC equipment.
HVAC-3	Percentage of all California Commercial HVAC installation contractors using Quality Installation guidelines (weighted by size).
HVAC-4- Commercial	Percentage of Commercial HVAC units (systems) serviced in IOU service territory under a QM Service Agreement.

The utilities will work with the Energy Division to develop and submit a comprehensive EM&V plan for 2013-2014 cycle, after the program implementation plans are filed. To support the continuous improvement envisioned by the adaptive management process and to fully address the intricacies of the program design, appropriate EM&V activities will be conducted as coordinated by the HVAC EM&V Project Coordination Group (PCG) and overseen by the CPUC.

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- 1. Program Name:** Commercial Direct Install
Program ID: N/A
Program Type: Statewide Core Program

2. Projected Program Budget Table

Noted: PG&E's and SCG's Direct Install efforts are or may be delivered by third party bidders whose efforts are included in their 3rd Party Program implementation plans.

3. Projected Program Gross Impacts Table

Note: PG&E's and SCG's Direct Install efforts are or may be delivered by third party bidders whose efforts are included in the 3rd Party Program implementation plans.

4. Program Description

a) Describe Program

The Direct Install sub-program delivers free and low cost energy efficiency hardware retrofits through installation contractors to reduce peak demand and energy savings for small commercial customers. The program targets small businesses in a staged delivery approach that provides program services in specific geographic areas at different times allowing for a more concentrated, directed, and yet comprehensive program.

Note: PG&E's and SCG's Direct Installed (DI) sub-program is delivered through LGP and Third Party Channels. Specific descriptions and details of its DI program and offerings can be found in its respective LGP and Third Party PIPs.

b) List of Measures

Direct Install will implement selected measures at reduced or no or low cost to the customer. Low cost measure opportunities will be targeted to small commercial customers. Eligible measure types include but are not limited to:

- Gas Measures

c) List Non-incentive Commercial Energy Advisor

The sub-program provides a complete turnkey solution for the customer, including equipment purchasing, installation, clean-up and disposal. In addition, information about the installed measures is provided to the customer that explains the energy efficiency benefits they received and proper operation and maintenance practices to ensure sustained performance.

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5. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Indicators (MTIs)

Market Transformation has not been a major focus of the California energy efficiency programs since the energy crisis. Consequently, relatively little attention has been given in recent years to identifying and gathering data on indicators of change towards market transformation. For some programs or sub-programs that promote a single end use or measure, there may be some data available for this purpose, probably from industry sources, that we have not yet identified. For many of the programs, however, this kind of long-term, consistent, and expensive data collection has not been done in California.

The utility program planners have worked closely with their respective EM&V staffs and with each other to identify available information and propose potential metrics. Each utility and each program has some data available, but attempts to distill the limited available information into a common set of agreed-upon metrics have proved far more difficult to accomplish. Offering metrics in which there is not confidence would not be productive. Therefore, the utilities respectfully exclude “draft” metrics at this time and instead suggest a means of developing meaningful indicators.

The utilities will develop meaningful baseline and market transformation concepts and metrics for programs that do not currently have them, and then propose to design and administer studies to gather and track consistent, reliable and valid baseline and market effects data. We would propose to use the program logic models and The California Evaluation Framework (2004) as guides, and to begin this work after approval of the Application, using funding provided for Evaluation, Measurement & Verification.

We expect that the baseline studies should (1) adequately describe the operation of markets that are targeted by a program, (2) confirm our tentative identification of measurable parameters that would indicate changes towards greater efficiency in the market(s) and that are likely to be affected by the program, and (3) gather the current values of those parameters, to serve as baselines against which future market movement can be tracked.

b) Market Transformation Indicators (MTIs)

See Section 1a.5.a.

c) Program Design to Overcome Barriers

Small businesses are a significant source of untapped energy-efficiency potential. The primary barriers to participation include limited capital resources, lack of expertise and understanding of the benefits of energy efficiency, a suspicion of the “free offer” and its legitimacy, and language and cultural barriers.

In addition, the majority of these customers occupy short-term leased facilities. Consequently, there is also a split incentive barrier to adoption of energy efficiency improvements. Split incentives occur when the customer and owner do not own the same

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equipment they pay bills for (e.g., the landlord owns the HVAC equipment and the customer pays utility bills for it, or vice versa). The program makes every effort to address this situation with both the owner/property management company and the tenant to communicate the benefits and gain approval for program services. The no cost offering makes this acceptance of the retrofit easier for the tenant.

While these small customers may be eligible for other elements such as the itemized retrofit incentive, the primary barriers beyond some cost reduction to participation by very small and small commercial customers are not addressed by that program. The No-Cost/Low Cost Installation element addresses these barriers by providing all equipment and installation services at no or very little charge to the customer.

The program utilizes a collaborative team of internal and external stakeholders to conduct strategic program outreach and marketing. Working with our External Affairs Outreach group the Direct Install program has worked actively with a number of Business Improvement Districts and local governments during the current cycle to increase local community involvement and raise the program's profile among BID businesses. This effort will continue during the 2013-2014 cycle with a concerted effort to partner with Local Government Programs and multiple BIDs to increase the number of BID customers involved in the Direct Install program.

Additionally, the program has team members fluent in the languages spoken and familiar with the cultures in its territory to pro-actively working to bridge cultural and language barriers to understanding the benefits of energy efficiency, overcoming the suspicion of the "free offer" and its legitimacy.

d) Quantitative Program Targets

The Commercial Direct Installation Program has program targets defined within each direct install vendor contract.

e) Advancing Strategic Plan goals and objectives

In accordance with the Strategic Plan, this sub-program advances comprehensive energy efficiency, including:

- Integrating marketing and outreach to the commercial customer sector
- Integrating the approach to better maximize savings and minimize lost opportunities
- Identifying the most promising technologies that can play a role of providing multiple solutions, for energy efficiency.
- Cross-promoting other energy efficiency (e.g., Workforce, Education & Training) and demand response programs.

6. Program Implementation

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a) Statewide IOU Coordination

All California IOUs offer The Direct Install efforts. Specific areas of coordination include:

i. Program name: Commercial Direct Install

ii. Program delivery mechanisms

Third-party contractors will be used to perform program services such as customer outreach, survey existing equipment, explain and promote retrofits, and perform retrofit installations for customers and coordinates services performed by the Community-Based Organizations (CBOs).

iii. Incentive levels

The sub-program does not pay a rebate or incentive to the direct install customer. Payments are made to the direct install vendor who employs said incentives to reduce the cost of delivering energy efficiency services. The products and installation of products are at reduced cost or free to the customer.

iv. Marketing and outreach plans

The sub-program is designed to increase the adoption of energy-efficient measures by small and hard-to-reach commercial customers through offering energy efficiency assessments, energy efficient equipment and installation to small business customers at no or low cost. Marketing efforts undertaken will be targeted based on customer size and demographics. Program interactions include working closely with Faith Based and Community Based Organizations as job development partners, creating and providing jobs in addition to the contract deliverables. This provides a partnership in the community that otherwise would not have engaged.

Additionally, the Program utilizes a collaborative team of internal and external stakeholders to conduct strategic program outreach and marketing. Working with our External Affairs Outreach group the Direct Install program has worked actively with a number of Business Improvement Districts and local governments during the current cycle to increase local community involvement and raise the program's profile among BID businesses. This effort will continue during the 2013-2014 cycle with a concerted effort to partner with Local Government Programs and multiple BIDs to increase the number of BID customers involved in the Direct Install program.

v. IOU program interactions

The sub-program will coordinate its activities with local government partnerships and External Affairs in order to leverage existing infrastructures (e.g., Chambers of Commerce and Business Improvement Districts) that provide outreach to small business customers.

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vi. Similar IOU and POU programs

Not applicable

b) Program delivery and coordination

Direct Install contractors are selected using a competitive bid process to ensure cost-effective delivery of services. All customer outreach, existing equipment surveys, explanation and promotion of retrofits and installation of retrofits for customers will be delivered by the contractors.

The IOU Program Management staff provides a customer contact list to the Direct Install contractors. Using this list the contractors will contact the customer to set up an appointment to assess and install the recommended measures at no cost to the customer. In cases where a customer name is not shown on the list (for example, a new business that opened after the list was generated), the contractor confirms their eligibility before performing a survey. Contractors have the main responsibility for contacting eligible customers, but also work with appropriate CBO/FBO and local government partnerships to reach customers.

After completing the energy survey, the contractors must discuss the recommendations with the customer and explain which measures are recommended for upgrade and/or replacement. The contractor must then ask the customer whether to proceed with the retrofit:

The contractor typically installs the equipment within a few days of obtaining permission to proceed. After completing the installation, the contractor must do two things:

1. Perform an on-site post-verification of the installation. The test must ensure that all retrofit work is completed and in compliance with all applicable statutes, acts, ordinances, regulations, codes and standards of the federal, state and local governmental agencies having regulatory jurisdiction.
2. If a customer has any complaint about work done through the Program, the Contractor is ultimately responsible for handling it.

Any advertising or marketing material that the contractor uses must be approved by the Program manager in advance. All customer communications must be presented in the customer's primary language whenever possible and appropriate categories).

i. Emerging Technologies program

Not applicable; this program does not seek to influence emerging technologies.

ii. Codes and Standards program

Not applicable; this program is not directly involved with the Codes and Standards, but is indirectly involved insofar as Title 20/24 requirements dictate minimum efficiency standards.

iii. WE&T efforts

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Direct Install contractors will be required to provide customers with informational materials on statewide and local WE&T opportunities. In addition, the Direct Install program (through its contractor delivery network) offers an opportunity for achieving one of the primary goals of Workforce Education & Training – providing energy efficiency jobs for low income and disadvantaged workers. The linkage between Direct Install and the Statewide WE&T efforts will be made stronger as the WE&T program coalesces.

iv. Program-specific marketing and outreach efforts

Program outreach occurs by working closely with local governments, Faith Based and Community Based Organizations. Marketing and outreach efforts focus on the energy efficiency benefits of the equipment installed, proper operation and maintenance and cross-promotion of DR activities. (Specific IOU budget information for this marketing activity is provided in Table 1.)

v. Non-energy activities of program

As a turnkey program, Direct Install contractors are responsible for outreach efforts, equipment specification, equipment procurement, equipment installation, job-site clean-up, equipment disposal and post-installation inspection.

vi. Non-IOU Programs

Direct Install will leverage the efforts of other philanthropic, faith-based and community-based organizations to achieve additional energy savings. These efforts will be further defined as the program design details are developed and third-party contracts are negotiated.

vii. CEC

Not applicable; see Section 6.b.i.

viii. CEC work on codes and standards

Not applicable; see Section 6.b.ii.

ix. Non-utility market initiatives

Not applicable

c) Best Practices

Direct Install Programs were successfully offered during the 2010-2012 program cycle. Best practices were derived from these programs and include:

- Keep messaging and participation simple for the customer.
- Understand the key motivators that drive an industry and use that information to market the program.
- Make the program visible to targeted customers.
- Contact targeted customers through identified organizations and associations,
- Maintain a high level of customer service by providing customers with assistance with vendor management and other no cost, low cost recommendations.

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- Identify qualifying products simply and effectively.

d) Innovation

As the market matures with information regarding energy efficiency, many small businesses are expressing an interest in the adoption of emerging technologies, such as solid state lighting, and demand response enabling technologies. The IOU Direct Install Program Management team will continually evaluate these technologies and incorporating them into the program delivery model including potential customer co-pay into the program.

IOUs will explore offering an audit to customers considering three or more measures in an effort to determine if the audit itself leads to implementation of deeper savings.

e) Integrated/coordinated Demand Side Management

The Direct Install model provides a great opportunity to market other DSM (i.e., CSI) to traditionally hard-to-reach customers. The program will make every effort to do so; however, it is acknowledged that these small business customers likely do not have the resources (both financial and personnel) to actively pursue participation in such programs (especially CSI). To help bridge this resource gap, DSM promotional materials will describe all known non-IOU programs that offer tax credits/rebates/financing for solar PV systems. Information on DR programs and rate alternatives/changes appropriate to the small-business customer class will also be provided.

f) Integration across resource types

Promotional materials described in Section 6.e will also include information on water energy savings. In addition, such water savings measures (e.g., low flow faucets) may be evaluated for inclusion in the program delivery.

g) Pilots

Not applicable

h) EM&V

The utilities will work with the Energy Division to develop and submit a comprehensive EM&V plan for 2013-2014 cycle, after the program implementation plans are filed. This plan will include process evaluations and other program-specific studies within the context of broader utility and Energy Division studies. More details plans for process evaluation and other program-specific evaluation efforts will be developed collaboratively by the utilities and Energy Division. Development of these plans will occur after the final program design is approved by the CPUC, and in many case, after the program implementation has begun, since the plans need to be based identified program design and implementation issues. However, a brief description of the current, preliminary plans is provided below:

- Conduct evaluation to track the all proposed key metrics,
- Conduct specific process evaluation to improve program design, implementation and market effectiveness.

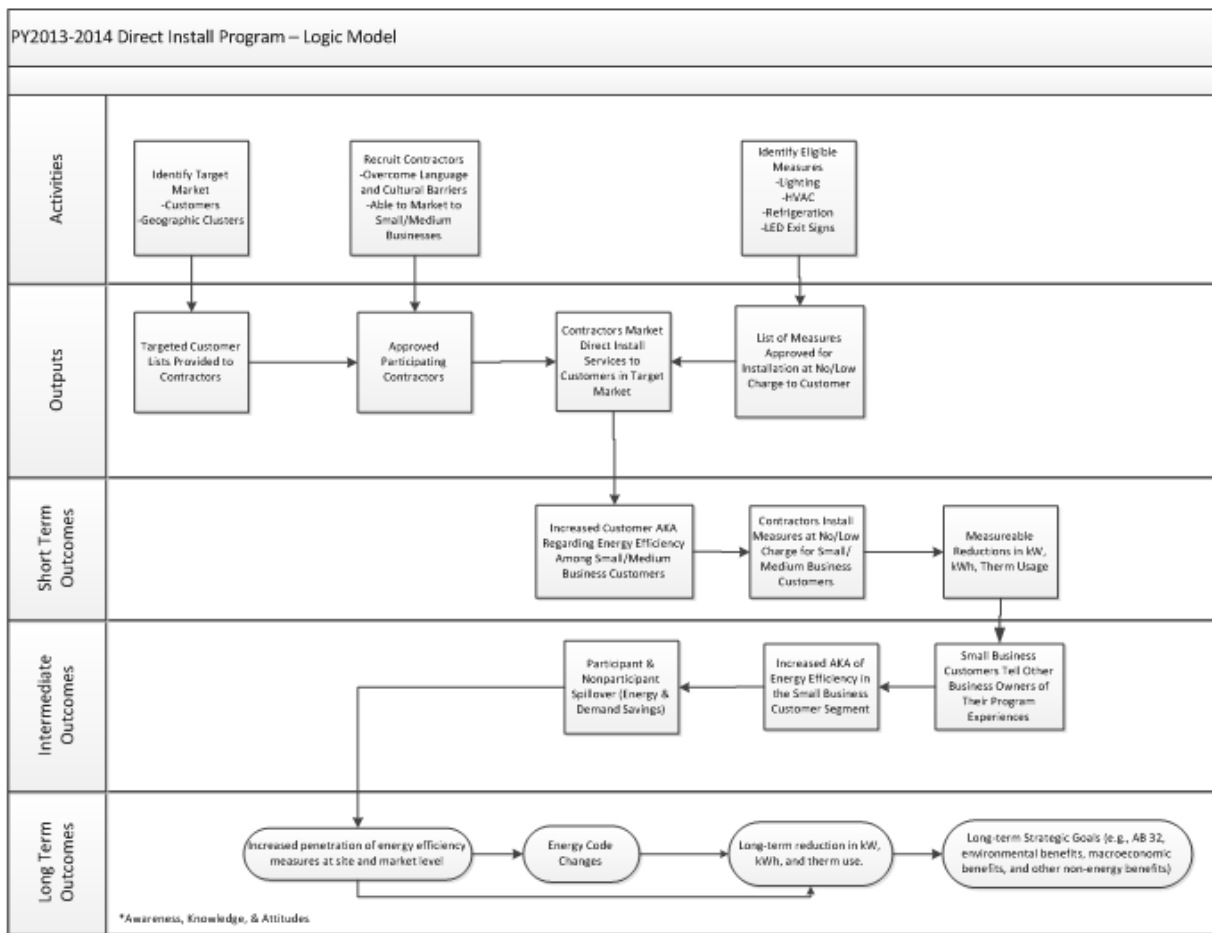
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7. Diagram of Program

Please see the core program diagram.

8. Program Logic Model

On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. In addition, this Resolution approved updated logic models for the statewide programs. Below is the approved logic model for the Direct Install Sub-program.



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- 1. Program Name:** Statewide Industrial Energy Efficiency Program
Program ID: SCG3713 – SW-IND-Energy Advisor
 SCG3714 – SW-IND-CEI
 SCG3715 – SW-IND-Calculated Incentives
 SCG3716 – SW-IND-Deemed Incentives
Program Type: Statewide Core Program

2. Projected Program Budget Table

Table 1: Total Projected Program Budget by Category

Program #	Main/Sub Program Name	Administrative Amount	Marketing Amount	Direct Implementation Amount	Incentive Amount	Total Program Budget Amount
	SW Industrial Energy Efficiency Programs					
3713	SW-IND-Energy Advisor	\$79,591	\$0	\$1,136,416	\$0	\$1,216,007
3714	SW-IND-CEI	\$35,237	\$20,000	\$590,762	\$0	\$645,999
3715	SW-IND-Calculated	\$1,646,752	\$1,441,019	\$8,928,870	\$13,241,552	\$25,258,193
3716	SW-IND-Deemed	\$329,367	\$213,047	\$1,127,942	\$413,176	\$2,083,532
	TOTAL:	\$2,090,946	\$1,674,065	\$11,783,990	\$13,654,728	\$29,203,731

3. Projected Program Gross Impacts Table

Table 2: Total Projected Program Savings by Subprogram

Program #	Main/Sub Program Name	2013-2014 Gross kW Savings	2013-2014 Gross kWh Savings	2013-2014 Gross Therm Savings
	SW Industrial Energy Efficiency Program			
3713	SW-IND-Energy Advisor	0	0	0
3714	SW-IND-CEI	0	0	0
3715	SW-IND-Calculated Incentives	0	0	21,902,488
3716	SW-IND-Deemed Incentives	0	0	2,947,836
	TOTAL:	0	0	24,850,324

4. Program Description

a) Describe program

The purpose of the Statewide Industrial Energy Efficiency Program is to provide services to improve the energy efficiency of industrial facilities in California. The primary services provided to industrial customers include:

- Energy audits covering energy efficiency and demand management opportunities;
- Technical assistance in measures specification, procurement, and project management;
- Post-installation inspection and analysis to verify performance;
- Continuous energy improvement consultation; and
- Financial incentives and project financing for installed measures

Financial incentives will be based on:

- Deemed energy savings by per unit of equipment; and

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- Calculated energy savings by per unit of energy

The significance of the industrial sector in energy use in California is evident by recognizing that it is responsible for a third of energy consumption in the state, as shown in the table below, taken from the California Long-Term Energy Efficiency Strategic Plan.

Contribution of the Industrial Sector	(% of total in CA)
Electricity use	16
Natural gas use	33
Energy use	22
End-use CO ₂	20

There are several factors unique to the industrial sector, as compared to the residential and commercial sectors, that present challenges to achieving energy efficiency and greenhouse gas (GHG) goals for the state. As taken from the Strategic Plan, these factors include:

- Industry uses a large quantity of energy and other resources via complex proprietary processes to create and bring products to market. Products, to varying degrees, have embedded energy that traditionally cannot be “zeroed out.”
- Industrial facilities are increasingly managed by corporations that reside outside of the state or the country, and that view these facilities as mobile assets in a competitive global marketplace.
- Industry is highly diverse in type, size, and operation. Customer types include the full range of industries from assembly plants, beverage manufacturing, and chemical production to water and wastewater treatment. Thus, uniform programs often will not match corporate or facility needs.
- Industries are subject to multiple policies and rules in resource areas (e.g. air quality, water quality, energy efficiency, GHG reductions, solid waste management), where compliance can raise competing objectives and outcomes.

To address these factors and challenges, the Statewide Industrial Energy Efficiency Program offers California’s industrial segment a statewide-consistent suite of products and services designed to:

- meet customer needs;
- overcome market barriers to energy management;
- enhance adoption of integrated demand-side management (IDSMS) practices; and
- advance the industry toward achieving the goals of the California Long Term Energy Efficiency Strategic Plan.

The program overcomes barriers through policies that:

- provide integrated solutions for the customer;
- create heightened awareness through education and outreach;

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- foster continuous energy improvement (CEI);
- promote the use of commonly accepted standards; and
- support training to create a highly skilled energy efficiency workforce that is accessible to industry.

The Statewide Industrial Energy Efficiency Program includes four statewide sub-program elements that together comprise the core product and service offerings. Each of the four investor-owned utilities in the state also offers local programs that complement and enhance the core offerings in their region. The local portfolio mix of SoCalGas is specifically designed to enhance energy efficiency and DSM opportunities for industrial customers, including financial solutions.

Together, these offerings are designed to not only overcome the traditional market barriers to energy efficiency, but also use efficiency to advance demand response (DR) and distributed generation (DG) opportunities (including solar and renewables) uniquely suited to the industrial segment.

The four statewide sub-programs are summarized below.

- Industrial Energy Advisor: Brings together under one program all audit services offered to support the customer's (1) education; (2) participation in energy efficiency, demand response and self-generation energy reducing opportunities and benefits; and (3) awareness of greenhouse gas and water conservation activities. These services include Benchmarking, Online Energy Audit Tool, Continuous Energy Improvement (CEI) (see CEI sub-program PIP), Nonresidential Audits, Pump Efficiency Services, and retrocommissioning (RCx).
- Industrial Calculated Energy Efficiency Program: Features incentives based on calculated energy savings for measures installed as recommended by comprehensive technical and design assistance for customized and integrated energy efficiency/DR initiatives in new construction, retrofit, and RCx projects. Because it presents a calculation method that can consider system and resource interactions, the program will become the preferred approach for supporting the integrated, whole system, and multi-resource management strategies of the Strategic Plan.
- Industrial Deemed Energy Efficiency Program: Features rebates per unit measure for installed energy-saving projects. It provides IOU representatives, equipment vendors, and customers an easy-to-use mechanism to cost-effectively subsidize and encourage adoption of mass market efficiency measures through fixed incentive amounts.
- Industrial Continuous Energy Improvement Program: Features a consultative service which targets long-term and strategic energy planning. CEI is designed to reintroduce the importance of energy management by transforming the market and to help reduce energy intensity through a comprehensive energy management approach. CEI will address technical and management opportunities for commercial customers while creating sustainable practices through a high-level

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energy commitment from executive and board-level management. CEI applies the principles of well-known business continuous improvement programs, such as Six Sigma and International Standards Organization (ISO) standards, to facility and plant energy management. These principles are: (1) Commitment; (2) Assessment; (3) Planning; (4) Implementation; (5) Evaluation; and (6) Modification. At each stage of customer engagement, a variety of complementary IOU and non-IOU products and services can be customized to fit different customer profiles and optimize the cost-effectiveness of the delivered energy management solution.

The IOUs and CPUC have worked collaboratively to define a set of Program Performance Metrics (PPM) to measure progress made by the programs and sub-programs towards their short term goals and Market Transformation. Statewide coordination and planning will facilitate inter-IOU sharing of successes, lessons learned, and best practices in the pursuit of those targets and metrics.

Statewide coordination and planning between IOU program planning staff, IOU functional departments, government agencies, and other key partners and stakeholders will also be critical to the advancement of the Strategic Plan. In addition, leveraging national and state initiatives, tools, and resources to manage energy, use and protection of natural resources and environmental impacts will be key to optimizing the potential for California's industrial segment. The Statewide Industrial Energy Efficiency Program includes the staged integration and coordination with existing initiatives and regulations today, and later will drive or support advancements in integrated resource planning, energy management certification, industry benchmarking, workforce education and training, and sharing of industry best practices towards a goal of optimized energy utilization.

An integrated approach should be an effective way to help customers meet overall economic and green goals. In alignment with California's preferred loading order, however, the IOUs will continue to aggressively market and support energy efficiency first as the most cost-effective energy resource through education and training, as well as when pursuing strategic energy planning with customers.

b) List measures

The key end-use technology categories addressed through the Statewide Industrial Energy Efficiency Program are pumping, engines, heat recovery systems, process steam, loads, and heating, air compressors, hot water systems, and insulation.

c) List non-incentive Industrial Energy Advisor Services

Non-incentive Industrial Energy Advisor offered through the Statewide Industrial Energy Efficiency Program will include the following:

Industrial Energy Advisor

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- Remote energy audits
- Integrated energy audits Retrocommissioning audits
- Benchmarking
- Pump tests and pumping systems technical support
- Water leak detection services

Continuous Energy Improvement (CEI)

- Energy management assessments
- Energy planning consulting
- Energy use baselines establishment
- Facility/customer benchmarking
- CEI education and training
- Customer recognition
- Plant certification

Education and Training

- System-assessment DOE training
- Basic, Intermediate and Specialist Training (in support of ANSI Certification) in industrial pumps, motors, compressed air, and steam
- Other system-specific training
 - Steam system and process heating seminar
 - Air systems
 - Industry-specific integrated energy management workshops and seminars developed by the IOUs
 - Control systems
 - Energy management systems

Workforce Education and Training (WE&T)

- Training to build team of highly skilled personnel to perform plant certification and assessment.

5. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Information

Market transformation is embraced as an ideal end state resulting from the collective efforts of the energy efficiency field, but differing understandings of both the MT process and the successful end state have not yet converged. The CPUC defines the end state of MT as “Long-lasting sustainable changes in the structure or functioning of a market achieved by reducing barriers to the adoption of energy efficiency measures to the point where further publicly-funded intervention is no longer appropriate in that specific market.”¹ The Strategic Plan recognizes that process of transformation is harder to define

¹ California Public Utilities Commission Decision, D.98-04-063, Appendix A.

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than its end state, and that new programs are needed to support the continuous transformation of markets around successive generations of new technologies².

Market transformation programs differ from resource acquisition programs on 1) objectives, 2) geographical, dimensions 3) temporal dimensions, 4) baselines, 5) performance metrics, 6) program delivery mechanisms, 7) target populations, 8) attribution of causal relationships, and 9) market structures³. Markets are social institutions⁴, and transformation requires the coordinated effort of many stakeholders at the national level, directed not to immediate energy savings but rather to intermediary steps such as changing behavior, attitudes, and market supply chains⁵, as well as changes to codes and standards. Resource acquisition programs rely upon the use of financial incentives, but concerns have been raised that these incentives distort true market price signals and may directly counter market transformation progress⁶. According to York⁷, “Market transformation is not likely to be achieved without significant, permanent increases in energy prices. From an economic perspective, there are 3 ways to achieve market transformation: (1) fundamental changes in behavior, (2) provide proper price signals, and (3) permanent subsidy.”

The question of what constitutes successful transformation is controversial because of a Catch-22: Market transformation is deemed successful when the changed market is self-sustaining, but that determination cannot be made until after program interventions are ended. Often, however, the need for immediate energy and demand savings or immediate carbon-emissions reductions will mean that program interventions may need to continue, which would interfere with the evaluation of whether MT is self-sustaining. Market transformation success has also been defined in terms of higher sales of efficient measures than would have otherwise occurred against a baseline absent of program interventions. The real world, however, provides no such control condition. Evaluators must estimate these baselines from quantitative factors, such as past market sales, that may be sparse and/or inaccurate - particularly for new products. Evaluations must also defer to expert judgments on what these baselines may have been as well as on the degree

² California Public Utilities Commission (2008) *California Long Term Energy Efficiency Strategic Plan*, p. 5. Available at <http://www.californiaenergyefficiency.com/docs/EEStrategicPlan.pdf>.

³ Pelozo, J., and York, D. (1999). “Market Transformation: A Guide for Program Developers.” Energy Center of Wisconsin. Available at: <http://www.ecw.org/ecwresults/189-1.pdf>.

⁴ Blumstein, C., Goldstone, S., & Lutzenhiser, L. (2001) “From technology transfer to market transformation”. Proceedings of the European Council for an Energy Efficient Economy Summer Study. Available at http://www.ecee.org/conference_proceedings/ecee/2001/Panel_2/p2_7/Paper/

⁵ Sebold, F. D., Fields, A., Skumatz, L., Feldman, S., Goldberg, M., Keating, K., Peters, J. (2001) *A Framework for Planning and Assessing Publicly Funded Energy Efficiency*. p. 6-4. Available at www.calmac.org.

⁶ Gibbs, M., and Townsend, J. (2000). The Role of Rebates in Market Transformation: Friend or Foe. In *Proceedings from 2000 Summer Study on Energy Efficiency in Buildings*.

⁷ York, D., (1999). “A Discussion and Critique of Market Transformation”, Energy Center of Wisconsin. Available at <http://www.ecw.org/ecwresults/186-1.pdf>.

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of successful market transformation⁸. Due to the subjective nature of these judgments, it is imperative that baselines as well as milestone MT targets be determined and agreed upon through collaborative discussion by all stakeholders, and these targets may need periodic revision as deemed necessary by changing context.

Market transformation draws heavily upon diffusion of innovation theory⁹, with the state of a market usually characterized by adoption rate plotted against time on the well-known S-shaped diffusion curve. In practice, however, the diffusion curve of products may span decades¹⁰. Market share tracking studies conducted 3, 5 or even 10 years after the start of an MT program may reveal only small market transformation effects¹¹. The ability to make causal connections between these market transformation effects and any particular program's activities fades with time, as markets continually change and other influences come into play.

These challenges mentioned above are in reference to programs that were specifically designed to achieve market transformation; and these challenges are only compounded for programs that were primarily designed to achieve energy and demand savings. However, since the inception of market transformation programs almost two decades ago, many lessons have been learned about what the characteristics of successful MT programs are. First and foremost, they need to be designed specifically to address market transformation. "The main reason that (most) programs do not accomplish lasting market effects is because they are not designed specifically to address this goal (often because of regulatory policy directions given to program designers).¹²" The Strategic Plan recognizes that regulatory policies are not yet in place to support the success of market transformation efforts¹³, but also reflects the CPUC's directive to design energy efficiency programs that can lay the groundwork for either market transformation success or for codes and standards changes.

Above all else, the hallmark of a successful market transformation program is in the coordination of efforts across many stakeholders. The most successful MT programs have involved multiple organizations, providing overlapping market interventions¹⁴. The Strategic Plan calls for coordination and collaboration throughout, and in that spirit the IOUs look forward to working with the CPUC and all stakeholders to help achieve market transformation while meeting all the immediate energy, demand, and

⁸ Nadel, S., Thorne, J., Sachs, H., Prindle, B., and Elliot, R.N. (2003). "Market Transformation: Substantial Progress from a Decade of Work." American Council for an Energy-Efficient Economy, Report Number A036. Available at: <http://www.aceee.org/pubs/a036full.pdf>.

⁹ Rogers (1995) Diffusion of Innovations, 5th Ed.

¹⁰ Example in bottom chart of this graphic from NYTimes:

<http://www.nytimes.com/imagepages/2008/02/10/opinion/10op.graphic.ready.html>.

¹¹ Sebold et al (2001) p. 6-5.,

¹² Peters, J.S., Mast, B., Igelzi, P., Megdal, L.M. (1998). *Market Effects Summary Study Final Report: Volume 1.* Available at <http://calmac.org/publications/19981215CAD0001ME.PDF>.

¹³ CPUC (2008) Strategic Plan, p. 5.

¹⁴ Nadel, Thorne, Saches, Prindle & Elliot (2003).

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environmental needs. Drawing upon lessons learned from past MT efforts, the Energy Center of Wisconsin's guide for MT program developers¹⁵ suggests that the first step is not to set end-point definitions, progress metrics or goals. Rather, the first step includes forming a collaborative of key participants. As the Strategic Plan suggests, these may include municipal utilities, local governments, industry and business leaders, and consumers. Then, with the collective expertise of the collaborative, we can (1) define and characterize markets, (2) measure baselines with better access to historical data, (3) define objectives, (4) design strategies and tactics, (5) implement programs and (6) evaluate programs. The collaborative will also provide insights that will set our collective expectations for the size of expected market effects, relative to the amount of resources we can devote to MT. No one organization in the collaborative will have all the requisite information and expertise for this huge effort. This truly needs to be a collaborative approach from the start.

Attitudinal change is an important part of any market transformation effort. This change may be tracked with a battery of questions that probes customer attitudes, knowledge and awareness (AKA) of energy efficiency. In order to gauge an attitudinal based metric for this sector, a battery of questions probing AKA among customers would have to be created and used to scale AKA. Examples of AKA would include knowledge of energy efficiency lighting and other specific measures. Evaluators could also draw from customer surveys used in past program evaluation studies to determine whether any response patterns would be a useful indicator of market transformation, moving forward. The dimensions of any scale need to be selected by the MT collaborative. The baseline response pattern to the AKA scale would need to be established early during the program cycle. Customers could be surveyed on an annual basis and changes in their AKA tracked along the scale. Responses of customers for a particular sub-program could be pulled out for separate analysis, as needed.

In addition, behavioral change is an important part of any market transformation effort. This change may be tracked with a battery of questions that probes customer past behavior and intentions about energy efficiency. In order to gauge a behavioral based metric for this sector, a battery of questions about energy efficient behaviors could be used to create a scale of Energy Behavior. Evaluators could also draw questions about specific behaviors from customer surveys used in past program evaluation studies to determine whether any response patterns would be a useful indicator of market transformation, moving forward. The dimensions of any scale need to be selected by the MT collaborative. The behaviors that could be probed include maintenance behaviors to keep EE measures operating correctly, and behaviors that maximize energy efficiency of existing equipment. Customers could be surveyed early in the program cycle and their responses on the scale could serve as the baseline for subsequent behavioral change. Customers could be probed annually and their Energy Behavior change measured along

¹⁵ Pelozo & York, (1999).

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the scale. Responses of customers for a particular sub-program could be pulled out for separate analysis, as needed.

Program Performance Metrics (PPMs)

The IOUs have evaluated 2010-2012 PPMs in Resolution E-4385 for applicability to the 2013-2014 program cycle and propose to work collaboratively with Energy Division to develop revised program targets and PPMs as appropriate for the 2013-2014 program cycle. The IOUs' will propose revisions in an advice letter, per additional guidance from Energy Division.

Table 3.1: Short-Term PPMs

On December 2, 2010, the Commission issued Resolution E-4385 approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. The Commission gave each PPM a metric type which indicated the reporting frequency: Metric type 2a indicates that the IOUs should report on the metric on an annual basis (unless indicated otherwise). Metric type 2b indicates the IOUs should report on the metric at the end of the program cycle.

Below are the approved PPMs and metric types for the Industrial Energy Efficiency Program (Resolution E-4385, Appendix A, pp. 32-33):

SW PROGRAM / Sub-Program	PROGRAM PERFORMANCE METRIC (PPM)	Metric Type
COMMERCIAL / INDUSTRIAL / AGRICULTURAL COMBINED		
* Data to be reported in disaggregate form by SW program (commercial, industrial, and agricultural)		
	*1. Number and percent (relative to all eligible customers) of commercial, industrial and agricultural customers participating in sub-programs (NRA, Deemed, Calculated, and CEI) by NAICS code, by size (+/- 200 kW per yr or +/- 50K therms per yr), and by Hard to Reach (HTR)** ** "HTR" is as defined in the EE Policy Manual	2a
<i>Continuous Energy Improvement (CEI)</i>	*1. Number and percent of commercial, industrial, and agricultural CEI participants that meet short-term (2010-2012) milestones as identified by their long term energy plans.	2a
	*2. Lessons learned, best practices, and plan to ramp up the CEI program are developed. (Y/N)	2b
	*3. Number and percent of commercial, industrial and agricultural customers that created an energy plan via CEI will be tracked by program.	2a
<i>Energy Advisor(EA)</i>	*1. Number and percent of commercial, industrial, and agricultural customers receiving non-residential audits by NAICS and SIC code.	2b
	*2. For commercial, industrial, and agricultural customers who received audits,	2b

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SW PROGRAM / Sub-Program	PROGRAM PERFORMANCE METRIC (PPM)	Metric Type
	<p>the number and percent of adopted audit-recommended technologies, processes and practices. (Report disaggregated data by type of audit - Basic, Integrated, and Retro-commissioning audit.) **(1)</p> <p>**Data sources for reporting will come from (a) program tracking databases and (b) process evaluation to refine estimates.</p> <p>(1) – An audit completed in one portfolio may have measures implemented over several years and portfolios.</p>	
<i>Deemed Incentives</i>	<p>*1. Number and percent of new, improved, or ETP measures** installed in the commercial, industrial and agricultural programs.</p> <p>** “ETP measure” defined as ET measures first introduced into the EE portfolio since January 1, 2006.</p>	2a
<i>Calculated Incentives</i>	<p>*1. Number and percent of new, improved, or ETP measures installed in completed calculated projects.</p>	2a
INDUSTRIAL		
	<p>*2. Number, percent, and ex-ante savings from commercial, industrial and agricultural sector of projects with ETP measures**included. (Report disaggregated savings by measure and number of installations by measure.)</p> <p>** “ETP measure” defined as ET measures first introduced into the EE portfolio since January 1, 2006.</p>	2b
<i>Industrial</i>	<p>1. Number and percent of first-time** participants in energy efficiency programs. (Report disaggregate data by sub-program.</p> <p>** “First Time” means customer has not participated in energy efficiency programs since December 31, 2005.</p>	2a

Table 3.2 Long Term PPMs

SoCalGas includes long term PPMs¹⁶ per Energy Division guidance received in December 2012. As stated in the Joint Utilities’ comments to the Commission in R. 09-11-014 dated November 21, 2011, and discussed between IOUs and ED on January 9, 2013, IOUs plan to finalize long term PPMs in further discussions with involved stakeholders and propose updates to Energy Division at a later date.

MTI Index#	RE-CATEGORIZED Metric (LTPPM - or SPI) [E-4385 Appendix B original text except for noted edits]	Unresolved Issues
CIA-1	<p><u>MT Indicator 1</u>: Number and percent of Calculated Incentive participants who go on to implement a long-term energy plan under the Continuous Energy Improvement program.</p>	

¹⁶ From the Energy Division’s file “Revised MTIs_10 27 11-formal-release-ED-May-2012.xlsx”

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CIA-3	<u>MT Indicator 3:</u> Number and percent of CEI Participants who achieve all scheduled milestones, as identified in their long-term energy plans.	
CIA-4b	<u>MT Indicator 4b:</u> Number and percent of CEI Participants that include greenhouse gas reduction measurement, monitoring and reduction strategies in their long-term energy plans.	
CIA-5	<u>MT Indicator 5:</u> Number and percentage of eligible customers participating in the CEI Program	
CIA-6	<u>MT Indicator 1:</u> Percent of NRA participants that implement non-incented measures recommended in the audit.	
CIA-16	<u>MT Indicator 2:</u> Percentage of commercial participants, tracked by NRA, Calculated and Deemed subprogram, who go on to implement a long-term energy plan.	Need to define "long term energy plan"; start with CEI program definitions.
Ind-1	<u>MT Indicator 1:</u> The number and percentage of participants in the Industrial programs who go on to implement an energy plan under the Continuous Energy Improvement subprogram	

b) Market Transformation Indicators (MTIs)

Per Resolution E-4385, a subset of market transformation indicators (MTIs) for statewide energy efficiency programs and subprograms were presented at a public workshop on November 7, 2011, to allow for public comments and discussion before being finalized. Per guidance from Energy Division received in December 2012, the approved Market Transformation Indicators for 2013-2014 are filed as a Joint IOU matrix, included as Appendix F.

c) Program Design to Overcome Barriers

There are a multitude of significant barriers to achieving technical and economic potential for energy efficiency in the industrial sector according to the Strategic Plan (p. 46). While primarily institutional and behavioral, rather than technical, these barriers include:

- Lack of awareness of energy efficiency opportunities;
- Difficulty in accessing industry-specific technical assistance;
- Inadequate availability of plant and management personnel to foster energy efficiency;
- Prioritization of production over energy management;
- Aversion to the risk of investing in new technologies and processes with unknown impacts to industrial output or quality; and
- Limited capital and inhibiting internal investment rates.

Further, the industrial sector faces an array of barriers common to all nonresidential customers:

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- A high percentage of building developers, owners, managers, and contractors build or retrofit to current standards (Title 24). Likewise, architects and engineering (A&E) firms tend to specify known and familiar equipment and designs.
- Because viable high efficiency emerging technologies are unknown to facility owners and system designers, these technologies are slow to penetrate the market, causing lost energy efficiency opportunities.
- Insufficient access to information creates barriers associated with:
 - operating best practices;
 - energy efficiency opportunities;
 - impacts of an energy efficiency project on emissions, resource consumption, or waste discharge streams;
 - difficulty in obtaining technical assistance; and
 - inadequate availability of qualified industry specialists, which can all impede adoption of energy efficiency.

The SoCalGas Industrial Energy Efficiency Program will employ all four strategies listed in the Strategic Plan to address the barriers. These strategies include:

- Integrated solutions
- Education and outreach
- Branding and certification
- Workforce training.

The Statewide Finance PIP includes plans to explore and develop additional finance tools to facilitate the adoption of integrated projects.

d) Quantitative Program Targets

Table 5 - Program targets are provided at the sub-program level.

e) Advancing Strategic Plan goals and objectives

The SoCalGas Industrial Energy Efficiency Program supports all three goals in the Strategic Plan for the Industrial Sector.

Goal 1: Support California industry's adoption of energy efficiency by integrating energy efficiency savings with achievement of GHG goals and other resource goals.

To address this goal, the strategy adopted, in line with the Strategic Plan, is to develop an interagency framework that could combine energy efficiency incentives to achieve measured performance improvements in resource management, including water, air quality, GHG emissions, and energy efficiency. This first goal focuses on developing a minimum regulatory energy efficiency requirement for individual company or industrial sub-sectors as a whole. One example is to

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integrate AB32 requirements to allow industries to use energy efficiency to meet or exceed regulatory requirements for GHG emission reductions. An IOU – CARB AB32 team will be formed to study the feasibility of implementing negotiated agreements between agencies SoCalGas.

Goal 2: Build market value and demand for continuous improvement in industrial efficiency through branding and certification.

This second goal focuses on companies that want to exceed a minimum regulatory requirement by actively managing their energy use over time. To this end, this program offers CEI options that include participation in a recognized national effort to certify industrial facilities for energy efficiency. Industrial customers will then be able to reach their GHG emission reductions targets via a supported, structured program based on best practices and develop worldwide recognition for their efforts through third-party certification e.g. DOE’s SEP program, based on proven best practices. The IOUs will be partnering with DOE Industrial Technologies Program or EPA Technologies program, for example, to gain access to highly skilled professionals in energy management systems.

Goal 3: Provide centralized technical and public policy guidance for California industrial energy and resource efficiency.

The primary interest with this goal is to provide a clearinghouse of technical knowledge and information so that industry personnel can access information on emerging technology and industry-specific research. The clearinghouse will leverage extensive knowledge on energy efficiency developed by other organizations like DOE and EPA. In alignment with the Strategic Plan, the statewide team will be developing this clearinghouse on the EDR website, which is an existing statewide resource.

6. Program Implementation

a) Statewide IOU coordination

i. **Program name:** Statewide Industrial Energy Efficiency Program

ii. **Program delivery mechanisms**

The Statewide Industrial Energy Efficiency Program will be coordinated on a statewide level to ensure the program is continuously updated and enhanced throughout the two year transition period and beyond. In addition, each of the four sub-programs in the Industrial Energy Efficiency Program will be coordinated on a statewide level to unify the implementation of program aspects such as program name, program delivery mechanisms, incentive levels, marketing and outreach plans, and IOU program interactions. A detailed description of each of these program aspects and how they will be coordinated statewide is provided

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in sub-program descriptions. The two coordination systems, one for the core program and one for the sub-program level, will interact with and support one another. The broad, high-level coordination effort for the core program will be described below, focusing on how the IOUs will work together to effect the continuous improvement of the Statewide Industrial Program.

The Statewide IOU Coordination process for the Statewide Industrial Program will be as follows:

1. **Designate an IOU Program Lead**
The coordination process will begin with each IOU designating a Statewide Industrial Energy Efficiency Program “lead”. The IOU lead will represent one industrial sub-program, investigating new innovations, special accomplishments, and challenges experienced by sub-program managers in all IOUs. Where such innovations or challenges show potential for impacting the Statewide Industrial Energy Efficiency Program across multiple sub-programs or the Statewide program as a whole, the IOU lead will present such information to a quarterly Steering Committee meeting.
2. **Hold Periodic Steering Committee Meetings**
The Industrial Steering Committee will comprise all designated IOU leads (including at least one lead for each of the four sub-programs), and possibly other contributing stakeholders identified by the IOUs. At the periodical steering committee meeting, individual innovations, challenges, and accomplishments experienced in one IOU or by one sub-program will be transmitted to all IOUs. The steering committee will evaluate these individual IOU and sub-program experiences, hear ideas for course corrections and overcoming challenges, replicate successful innovations for consistency statewide, resolve differences in implementation to stay unified, and measure the Industrial program’s progress against statewide metrics and goals.
3. **Adopt Program Enhancements**
Once the steering committee agrees that a particular implementation policy or innovation has merit on a statewide level, each IOU lead will distribute the information to their sub-program managers for adoption and integration. Therefore, the IOU lead will act as a conduit, feeding sub-program information up to the statewide steering committee and distributing measures for adoption back to the sub-program managers. This feedback loop will assure consistency and unity in programmatic improvements across the IOUs. In some cases, it may be necessary to invite the sub-program managers to the Steering Committee meeting to get their feedback and ensure they receive the same message.

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4. Evaluate Program Enhancements Against Statewide Targets

To complete the adaptive management loop, the steering committee will track the program's accomplishment of statewide targets and goals to ensure that adopted program enhancements are generating their intended results. The steering committee will determine whether further course corrections are needed, and if so, rely on the above coordination process to generate the improvements necessary to stay on track.

The high-level focus of this statewide coordination effort will enable the capture of new innovations and opportunities for program improvement, correct program weaknesses that reveal themselves during implementation, and ensure achievement of statewide targets across IOU service territories. Therefore, statewide focus on program unity and continuous program improvement over the course of the three-year implementation cycle will be enabled. The details of actual implementation of these coordination activities are to be determined by the IOU's industrial program managers.

iii. Incentive levels

Details on the incentive levels are discussed with each of the four sub-programs.

iv. Marketing and outreach plans, e.g. research, target audience, collateral, delivery mechanisms

The IOUs will continue to develop an in-depth segmentation of the industrial market. The results of this customer segmentation will support the development of targeted integrated marketing and outreach plans outlining multiple delivery channels that target customers based on their needs and preferences. Such delivery channels will likely include increased customer outreach through trade and community-based associations, third parties, government partnerships and core IOU programs. More specific marketing information is provided in each of the industrial sub-program plans.

To reach out to the diverse customer segments, IOUs will continue to foster strategic partnerships with industry and community groups, as well as trade professional associations, to engage in a multi-faceted approach to marketing energy efficiency practices and programs to targeted users. Specific efforts will include:

- Participation in trade association meetings to market the industrial program;
- Close partnerships with key industry associations, and participation in their annual conferences, with an effort to develop conference speaking engagements;
- Targeted integrated education and training to specific market sectors to support peer-to-peer interactions and industry advancement;

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- Ads and articles, with program information and case studies, in trade magazines;
- Targeted customer efforts through IOU account representatives, program engineers, third parties, and government partnerships;
- Phone and web-based customer support and outreach;
- Development of coordinated industrial resources into a centralized “one stop shopping” clearinghouse; and
- Development of marketing collateral that drives customers to account representatives and websites for additional support.

The IOUs will raise awareness of energy efficiency programs available using a number of strategies, including:

- IOU representatives will make a regular and consistent customer calling effort to key customers within this sector; and
- IOU representatives, Energy Efficiency program management representatives, and field engineers will be available to provide additional expertise.

To help ensure that IOUs are marketing the right products to the right customer at the right time through the right channels, the IOUs need to be able to segment customers based upon their individual characteristics and energy needs. The IOU’s efforts to collect this customer data will guide the development and implementation of its IDSM marketing and outreach activities.

This customer segmentation will help the IOUs develop an understanding of customers’ needs and respond accordingly with products and services that customers want. The segmentation analysis looks at what the customer requires and how the customer is engaged with each IOU. This foundational segmentation will evolve with incremental insight into customer mindsets, behaviors, responses and motivations to achieve the most effective level of energy use. Based upon this evolving segmentation, the IOUs will be able to identify what integrated product offerings are specific to individual customer needs, and offer those products through the most relevant channels.

Based on the segmentation analysis, the IOUs will be able to focus on providing consistent marketing and overall messaging focused on the customer’s:

- Business/personal goals;
- Unique needs; and
- Green/global climate change goals

v. IOU program interactions with CEC, ARB, Air Quality Management Districts, local government programs, other government programs as applicable

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The Statewide Industrial Energy Efficiency Program will leverage the programs offered by CEC, ARB, Air Quality Management Districts, and other government agencies to capitalize on opportunities to share program information and marketing collateral with commercial customers, as appropriate. Conventionally, each government agency and IOU has operated natural resource and energy programs independently, missing opportunities to serve customers who must manage more than one resource type. The sub-program descriptions provide more specific information on linkages with other government programs.

vi. Similar IOU and POU programs

Some initiatives, such as the California Advanced Lighting Controls Training Program, are joint efforts with the other California IOUs and publicly owned utilities (POUs), as well as other domestic and international utilities. In addition to these joint efforts, local third-party programs that address niche opportunities within the commercial market will be implemented in each of the IOUs service territory. These various efforts will be coordinated to ensure a consistent approach in terms of program message, delivery and measure incentives.

b) Program delivery and coordination

i. Emerging Technologies (ET) program

The long-term energy efficiency vision of California can be attained through the long-term and continuous development, verification, and acceptance of new technologies into the market. The achievement of long-term goals requires new technology as well as information, training, and market development to maximize the energy efficiency benefits of cutting-edge technologies. In recognition of the importance of emerging technologies, the program will consider higher initial incentives for emerging technologies being newly introduced to the market place. Once the new products have taken hold in the market, the incentives will be adjusted to reflect market conditions.

ii. Codes & Standards program

The industrial offering relies on the Codes and Standards program to help maintain an updated and relevant list of measures that will support savings. As codes and standards impact measures, the program will act to align itself with appropriate offerings. It is important to manage the measure life cycle to take full advantage of providing incentives before moving them into code. The program will coordinate with the Codes and Standards Planning & Coordination subprogram. Programs will include new offerings that will allow flexibility in adapting to changes in codes and standards, market trends, and technologies. Planned enhancements to Title 20 and 24 will be reflected in incentive levels and eligible measures and services. As the market moves toward “low energy” or “zero net energy” buildings, specific changes to each element of the bundling will ensure that the latest cost-effective technologies/services (e.g., LEDs) are made

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available as these technologies transition from 1) R&D to 2) Emerging technologies to 3) Incubation to 4) Mainstream.

iii. WE&T efforts

Workforce Education & Training efforts support the education and training of a robust network of industry trade allies, vendors, engineers, design teams and others who can support the market transformation strategies of the Strategic Plan. In the Industrial Energy Efficiency Program, WE&T efforts will focus in the near term on supporting national ANSI Energy Management Certification development efforts, as outlined in the Strategic Plan. Programs will closely coordinate with key stakeholders to ensure that California is poised to adopt this national standard and be a leader in this effort. Specifically, prerequisite trainings will be offered in DOE systems trainings to lay the groundwork for certification level trainings. These education and training offerings will take place through IOUs energy centers and technology centers. In general, the Statewide Industrial Energy Efficiency Program will interface with the Workforce Education and Training Program Implementation Plan to serve the goals of the Strategic Plan.

iv. Program-specific marketing and outreach efforts (provide budget)

In addition to the general efforts listed above in 6.a.iv., specific marketing and outreach efforts for sub-programs are found in the sub-program documents.

Integrated and program-specific marketing efforts will complement and work in coordination with statewide ME&O to increase awareness, provide education, and drive ongoing engagement and participation in DSM programs and services among nonresidential customers. The statewide effort will provide the first level with IOU-specific programs providing reinforcement at a local level.

v. Non-energy activities of program

Integrated comprehensive energy audits (described in the Industrial Energy Advisor sub-program) that look across the various energy efficiency program offerings, as well as complementary options available through other entities (e.g., water agencies) will be used to identify the opportunities to be recommended to the specific commercial customer.

The SoCalGas Industrial Energy Efficiency Program will offer information to customers about the non-energy benefits associated with recommended measures, such as improved safety, productivity, indoor air quality, comfort, and appearance.

vi. Non-IOU programs

A variety of programs to be determined will be coordinated and leveraged to support program objectives. These include:

- Connecting customers with the CA Climate Action Registry;

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- AB32 support through CO₂ tracking in program resources;
- Regulatory program coordination, including EPA air quality standards, water quality standards, and new refrigerant regulations;
- Non-IOU financing resources, including from water utilities, industry and private banking, state and federal incentives, funds, grants, and loan products to support energy and other resource management objectives;
- Water/Energy efforts within California;
- ANSI standards (see CEI section); and
- ISO international energy management standards (see CEI section).

The program will continue to engage with Air Quality Management Districts, CEC, CARB, DOE, water agencies, and other government agencies responsible for regulating the various aspects and operations of customer facilities participating in the programs, as appropriate and feasible.

vii. CEC

As of June 2012, PIER no longer exists. However, the Program will interact with the Emerging Technologies Program to leverage new technologies to increase the list of measures available for energy efficiency projects. The portfolio staff actively works to incorporate promising emerging technologies and project in coordination with the applied research of CEC.

viii. CEC work on C&S

As indicated in Section 6.b.ii, planned enhancements to Title 20 and in eligible measures and services.

ix. Non-utility market initiatives

The program will support, educate, and/or enforce such initiatives as AB32, renewables, ANSI certification, facility benchmarking, Continuous Energy Improvement, California Green Building Initiative, and other initiatives as directed. The IOUs will remain engaged in these efforts and work to influence the development of increasingly higher standards.

The Program will leverage the following efforts:

- California Green Building Initiative
- LEED
- Zero-net energy
- DOE
- AB1103
- AB758

c) Best Practices

The SoCalGas Statewide Industrial Energy Efficiency Program reflects the best of each IOU program's successful components of statewide Industrial program offerings, and

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introduces new elements from other utilities and national efforts as well. Best practices include:

- **Continuous Energy Improvement:** This approach proposes to transform the market and reduce energy intensity through addressing technical and management opportunities.
- **Technical Assistance:** Recognizing the need for personalized assistance for customers, the IOUs will offer a full-service approach starting from audits/pump tests to design and technical assistance, presentation of recommendations, resources to develop a long term plan, and potential of project management assistance, with financial incentives.
- **Vendor Partnerships:** This strategy will be coupled with vendor support and educational workshops and classes to provide the full breadth of support customers may need to influence their decision to implement energy efficient equipment and practices.
- **Statewide Coordination:** In order to take advantage of the statewide implementation of the program, the IOU program representatives will meet on a quarterly basis to improve program operations by sharing successes and areas of operational concerns.
- **Leveraging Industry-Specific Resources:** We will make full use of resources available, such as industry trade and professional associations.

d) Innovation

One innovation is that the program focuses on energy efficiency savings through not just hardware installation but also documented permanent changes in operations. Further, it covers all energy resources including energy efficiency, demand response, energy storage, combined heat and power, distributed generation, renewables, and emerging technologies.

The products and services are bundled in an integrated fashion to serve the customer's need and are geared towards a value creation solution that helps customers realize that they can run their operations efficiently and also meet their business and regulatory objectives. This approach brings to market a more customer-centric energy solution that takes into account their short- and long-term energy usage management and planning and helps overcome some of the barriers to making energy efficiency a priority. It also helps industrial customers identify, develop and document energy efficiency improvements and their economic benefits.

With the introduction of the new CEI product and services, customers now play a more active role in managing their energy usage and GHG reduction. Bundling the program offerings (energy audits, calculated energy savings, deemed energy savings, and continuous energy improvement) makes it easier for customers to participate in a one-stop shop program. Integrated offerings will also garner significant gains in energy efficiency and make the goals envisioned in California's long-term energy efficiency Strategic Plan a reality.

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In addition, this approach will enable industry to integrate AB32 requirements such that industrial facilities can use energy efficiency to meet and exceed regulatory requirements for GHG emissions and can also aid in water conservation, waste disposal and air quality improvement. It also moves the program towards a more holistic approach in managing all energy resources utilization, which includes energy efficiency, demand response, energy storage, combined heat and power, distributed generation, renewables and emerging technologies.

Another innovation used in the program design is the creation of the infrastructure for a statewide centralized technical resource to enable customers to seek energy efficiency information and best practices to manage their energy resource. It provides a resource otherwise unavailable due to business resource limitations.

A web-based technical resource is envisioned that includes tools to help customers calculate their energy savings. Also web-based training may be offered in energy efficiency and energy management. It would also link the customer to industry sites that may offer industry-specific information e.g., the latest trends in industry for energy efficiency.

This resource center will be developed on the existing EDR (Energy Design Resource) website and will be readily available to customers. It is another avenue to increase awareness of energy efficiency opportunities by customers, industry consultants and suppliers that was identified as a barrier to the adoption of energy efficiency.

Some of the outcomes from this innovative program approach are listed below:

- IOUs establish a stronger presence with trade associations and community groups, enabling a deeper understanding of customer needs and how energy efficiency can be a part of their solution to their primary concerns. This will enable a deeper and more effective penetration of energy efficiency solutions to a broader base of customers.
- Integrated Energy Efficiency Assessments are offered to provide targeted Industrial, food processing, and water customers with a holistic approach to maximizing energy efficiency, maximizing investment efficiency and maximizing GHG reductions.
- IOU assistance makes customers aware of renewable energy opportunities, with emphasis on system available for California Solar Initiative, Renewable Generation, Department of Industrial and other incentives, grants and rebates.
- Web-based services, including energy efficiency information, training, and modeling tools, are available to help customers with retrofit or new construction projects, via a new enhanced “Energy Design Resources” website.
- Training is designed to strategically target internal personnel, vendors and trade associations, and customers in a focused alignment, which will create a

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synergistic effort that will overcome many informational and transactional barriers.

- Seminars are offered to train customers on how to identify energy efficiency opportunities at their facility/in their process. Classroom software tool training is available on modeling and quantifying savings opportunities. IOUs may also provide a PDA energy efficiency tool or tools from the statewide IOU tool lending library that customers can use at their sites.
- Energy measuring and benchmarking assistance/services are offered to customers so they can see how their facility/process measures up to “best in class” systems utilizing tools such as the U.S. EPA’s Energy Star Benchmarking tool.
- Information on “green” energy opportunities is provided when doing basic audits or in-depth assessments. Education and training on green and renewable energy opportunities will be available on the EDR website.
- Assistance is offered to help customers quantify the carbon emissions savings that EE opportunities identified during audits and assessments offer.
- A web link will be developed between customers and the California Climate Registry to document a plant’s carbon footprint.
- Trained personnel help (a) identify, assess and make available to customers an integrated assessment tool and (b) train customers on the use of the tool, empowering customers to identify the best EE opportunities at their facilities.
- An application process improved for statewide consistency makes it easier for customers to participate in the program.

e) Integrated/coordinated Demand Side Management

Integrating the portfolio of IOU offerings to include energy efficiency, demand response and distributed generation—as well as other resources, such as air and water as they connect to energy—supports future cost-effectiveness of the portfolio and the CA loading order instituted by the California Energy Action Plan. Integration serves the needs and wants of our customers, who are interested in any energy solution that solves their problems and meets their business needs. It also advances significantly the goals of the Strategic Plan. On a broader scale IDSM also includes the integration of Third-Party programs and Local Government Partnerships (LGP) delivery channel with the statewide industrial program.

Customers prefer a single IOU point of contact that understands multiple options. They benefit from a single, coordinated planning process that helps them prioritize integrated investment decisions based on their unique needs. To that end, the statewide IOUs have made tremendous progress in advancing integrated solutions. These include:

- Marketing
In marketing integration, the IOUs are placing major emphasis on getting the right message to the right customer at the right time. Advanced customer segmentation is being used to develop detailed integrated marketing and outreach plans which outline multiple tactics, delivery channels and key messages to target to specific

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customers based on their specific needs. The account representatives, who serve as the key customer point of contact, will be trained to ensure consistent delivery of portfolio offerings.

- Education and training
Workshops organized around a customer segment provide an ideal situation to integrate customer energy solutions. Building on past successes of providing integrated workshops to customers, the IOUs will offer workshops that provide opportunities, cross-sell solutions and share key information from other IOU departments. As appropriate, Workforce Education and Training will also cover integrated energy and system solutions, which will be increasingly important as Critical Peak Pricing matures.
- Integrated audits
These will combine funds and resources of energy efficiency and demand response programs. They will provide integrated recommendations to customers that emphasize energy management in proper sequence, as supports the CA Loading Order, which calls for permanent reductions through energy efficiency before implementing demand response. Incentives from both programs can help reduce payback cost and support advanced energy management decisions. Demand response opportunities will be targeted in the larger facilities, particularly as part of monitoring-based retro-commissioning efforts, where controls to facilitate demand response efforts would be installed.

Integrated audits combine funds and resources of energy efficiency and demand response programs to provide integrated recommendations to customers that emphasize energy management in proper sequence, in support of the California Loading Order. Incentives from both programs can help reduce payback cost and support advanced energy management decisions. Demand response opportunities will be targeted in the larger facilities, especially as part of monitoring-based retro-commissioning efforts where the controls to facilitate demand response efforts would be installed. Additionally, any energy efficiency audits required for participation in distributed generation programs will be expanded to include DR opportunities when appropriate and thus address the three facets of DSM integration.

As required, IOU distributed generation programs require that customers receive an energy audit before being eligible to receive solar audits.

- Emerging Technologies and CEC
Program collaboration with Emerging Technologies and CEC is expected to include pilot projects and market acceleration assistance for market-ready products in the general categories of day lighting, lighting, HVAC, controls, and building envelope improvements.

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Over the last few years, traditional DSM programs have shown that successful customer participation in one program often leads to repeat participation in the same program or other similarly related types of programs. Nonetheless, cross-marketing DSM programs with these customers remains a challenge, due to program-specific silos. To eliminate these silos, the Program will leverage lessons learned from past program experience and offer comprehensive, coordinated marketing and program delivery.

A primary issue when integrating energy efficiency and demand response programs is that these two efforts are at odds with each other, as both programs reduce the potential for each other's financial incentives to the customer. For example, energy efficiency may reduce the overall baseline that serves as the basis for the demand response program's incentives. Also, benefits from long-term energy savings derived from technological measures often outweigh the temporary demand reduction benefits derived from behavioral actions. To overcome this barrier and maximize the potential of both programs, additional incentives will be paid for energy efficiency measures that enable demand response

A secondary issue when integrating energy efficiency and demand response programs is that communication messages for both types of DSM programs are often not coordinated, since energy efficiency is typically technology based and demand response is often focused on behavior. Also, demand response efforts often happen prior to the summer "event season" and wane throughout the remainder of the year. To overcome these differences, the program will offer integrated and coordinated year-round marketing through consolidated applications, collateral, web sites, and events, where applicable. Through bundling program elements and offering one program application, customers will have the opportunity to enroll in demand response, as well as energy efficiency, programs.

In summary, the program seeks to overcome the many issues raised by integration of energy efficiency and demand response by focusing on several tactics:

- Promoting and setting incentives for demand response in a way that helps ensure that energy efficiency is completed first to maximize potentials;
- Integrating and coordinating year-round marketing (e.g. applications, collateral, web sites, and events);
- Linking of program eligibility requirements (e.g., customer size);
- Providing unified technical assistance through enhanced energy efficiency and demand response audits through the TA Program to allow for cross-harvesting opportunities;
- Integrating presence on IOU websites; and
- Coordinating regular meetings between energy efficiency and demand response program management.

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During the current cycle, funding for energy efficiency and demand response must remain non-commingled; therefore payments will be split between the two programs, as appropriate.

f) Integration across resource types (energy, water, air quality, etc)

California's industrial sector faces a multitude of environmental and regulatory challenges that affect their competitiveness and, in some cases, survival. New regulations aimed at improving air quality, water quality and reducing toxic environmental pollutants are proving to be expensive and disruptive to business as usual, and in many cases will have the impact of increasing energy use in compliance.

To help deal with these challenges, the industrial program will coordinate with the regulating agencies and the programs they are operating to support mutually advantageous program designs, customer incentives, marketing opportunities, and implementation opportunities. IOUs will continue to offer targeted trainings to customers who share common regulatory challenges, in an effort to educate customers on impending regulatory requirements for their business operation and the most efficient solution options to consider for compliance. Future workshops may look at wastewater treatment options, steam system upgrades, and energy efficiency to meet AB32 industrial targets.

IOUs will pursue opportunities to partner with water agencies to offer joint energy and water conservation incentives to support projects that would reduce both resources. Partnering with other utilities will help reduce administrative cost and has a greater impact on societal benefits.

Where applicable, the Program will integrate topics such as GHG reduction and water conservation into targeted customer workshops, and marketing and communications, building on a strong track record from the past program cycle. Marketing and communications material will include savings opportunities and messaging.

g) Pilots

The Statewide Industrial Energy Efficiency Program will coordinate on a statewide level to ensure the program is continuously updated and enhanced throughout the two-year implementation cycle. Pilots may be developed at that time in response to customer's needs or to further advance the goals of the Strategic Plan.

The IOUs intend to implement methods to gather and retain more detailed performance and usage data on a pilot basis. This will determine the more effective methods and achieve savings. Exploring incentives for sub-metering is an option, as is expanding the tool library in lieu of incentives.

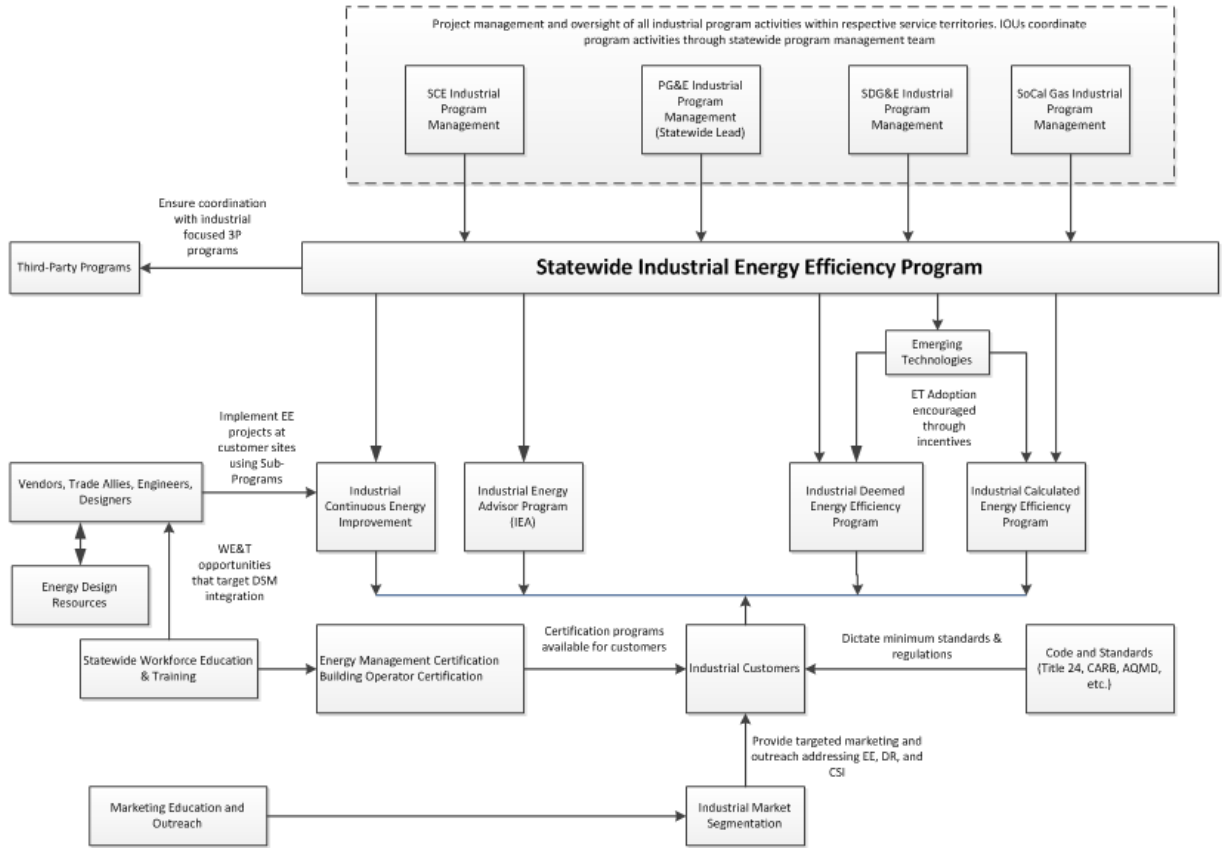
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h) EM&V

SoCalGas is proposing to work with the Energy Division to develop and submit a comprehensive EM&V Plan after the program implementation plans are filed. This plan will include process evaluations and other program-specific studies within the context of broader IOU and Energy Division studies. More detailed plans for process evaluation and other program-specific evaluation efforts will be developed collaboratively by the IOUs and Energy Division. Development of these plans will occur after the final program design is approved by the CPUC and, in many cases, after program implementation has begun, since the plans need to be based on identified program design and implementation issues.

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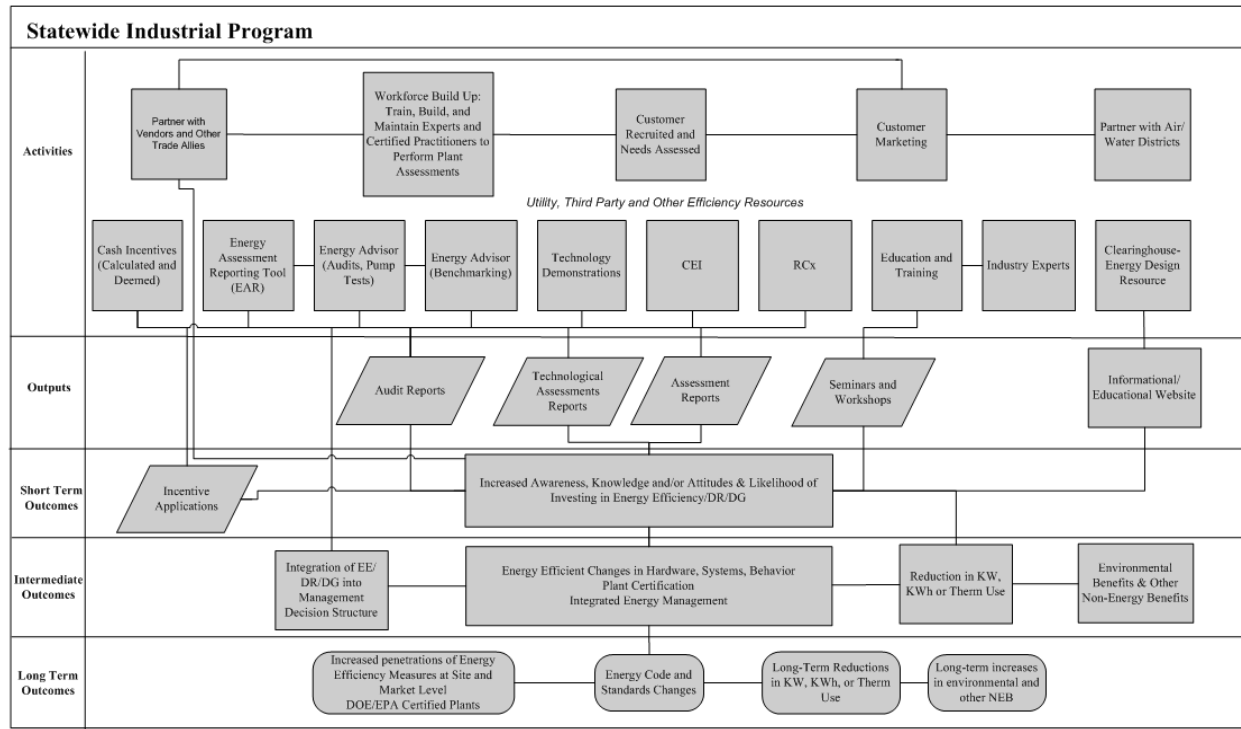
7. Diagram of Program



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8. Program Logic Model

Note: On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statement energy efficiency programs and subprograms. In addition, this Resolution approved updated logic models for the statewide programs. Below is the approved logic model for the Statewide Industrial Energy Efficiency Program.



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1. **Program Name:** Industrial Energy Advisor, Core Sub-Program
Program ID: SCG3713
Program Type: Statewide Core Program

2. **Projected Program Budget Table**

Table 1 – See the overarching program for budget details.

3. **Projected Program Gross Impacts Table**

Table 2 - See the overarching program for savings details.

4. **Program Description**

- a) **Describe program**

The Statewide Investor Owned Utilities (IOUs) have created the Industrial Energy Advisor (IEA) to bring together SoCalGas under one program all services offered to support customer education and participation in energy efficiency, demand response and self-generation energy reducing opportunities and benefits, along with awareness of greenhouse gas and water conservation activities.

IEA was created to provide a streamlined and coordinated assignment of right-sized customer solutions. The key is to start the process with an initial analysis of a customer's needs, determination from the analysis which audit will service the customer with the highest cost/benefit, and identify additional program support and key indicators that will motivate the customer to implement energy saving recommendations.

The IOUs anticipate the restructuring of IEA will affect the way audits are provided. IEA will enhance the IOUs' ability to match customer need(s) with the right audit service. This will result in an increased cost-effective delivery of these audit services with an increased expectation for customer adoption/installation of provided customer specific recommendations.

In its offerings, IEA will place an emphasis in deep energy saving measures and emerging technologies, where appropriate. When the technologies and customer opportunities are correctly aligned, customers will become more open to the benefits these technologies offer to their business and will therefore increase their acceptance and adoption.

Together the IEA offerings will work to support the achievement of Strategic Plan objectives across all segments (agriculture, commercial and industrial).

The IOUs believe this approach is the best way to influence market transformation, serve customers' needs, and increase adoption of DSM solutions.

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The Industrial EA package consists of five distinct offerings:

- **Benchmarking** is the first step for a customer to begin to understand the energy use of their building. Benchmarking is an initiative designed to educate and motivate customers to measure and track the energy use of their facilities, to educate customers of the benefits of benchmarking their facilities and to show them how they can track the impact of energy savings after implementing energy saving measures. To support the customer's efforts, the IOUs will offer technical support, hands-on workshops that will provide customers with information about how to benchmark, how benchmarking can be used as an energy management tool and what to do next after benchmarking.

The IOUs will develop or continue Benchmarking initiatives that support the customers' ability to comply with AB1103 benchmarking requirements (upon its implementation), utilizing ENERGY STAR Portfolio Manager and IOU supported Automated Benchmarking Services.

The IOUs will also continue to offer customers technical support ranging from email and phone hotlines, hands-on workshops and web-based benchmarking educational and instructional materials.

They will continue their support to identifying, evaluation and make information about other benchmarking tools available.

The primary focus for benchmarking activities will continue to be centered on commercial buildings (in alignment with the target building type of AB 1103).

- **Industrial Continuous Energy Improvement (CEI)** is a consultative service aimed at helping industrial customers (IOUs will target CEI services inline with market segment potential in their service territories and resource availability) engage in long-term, strategic energy planning. Corporate energy management is not currently part of normal business operations for the majority of IOU customers. With current economic pressures forcing customers to reduce costs and focus more on their core business, it is likely to be further marginalized. CEI proposes to reintroduce the importance of energy management by transforming the market (and reducing energy intensity) through a comprehensive approach that addresses both technical and management opportunities and creates sustainable practices which address energy savings, reduction of greenhouse gas emissions and water conservation, through high-level energy commitments from executive and board-level management.

CEI offers customers the pinnacle of audit offerings, guiding executive management to levels of energy management self-actualization that make energy and environmental issues a consideration in all management/business operational

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decisions and in long term energy planning. For additional information about CEI, please consult the Industrial CEI Program Implementation Plan.

- **Non Residential Audits (NRA)** The Transition Period will provide Integrated Comprehensive Energy Audits (ICEA) that focus on customer energy savings, cost/benefits, and the targeted delivery of financial and technical assistance. Audit information must communicate complex information in a simple and understandable way to enable customers to identify energy efficiency, demand response and distributed generation opportunities. Audits use “ex ante” Deemed and Calculated methodologies for energy savings analysis information.

As stated above, NRA offers ICEA. In Appendix A, each IOU defines the sub-categories of ICEA that they provide.

In this program cycle, emphasis will be given to meeting requirements of the California Long Term Energy Efficiency Strategic Plan (Strategic Plan), streamlining the audit process, increasing its efficiency, lessening complexity, and increasing the effectiveness of influencing customer implementation actions through actions such as integration of the demand response technical audit component directly into NRAs offerings. In addition, the IOUs will investigate ways to implement meaningful financial measurements, such as return on investment and/or simple payback metrics, and to be effective, the financial tool selected should ensure cost assumptions are appropriate to the customer to provide meaningful information. Also, NRA may assume the audit and budget responsibilities for Demand Response’s technical audit services, as applicable. It is intended that these audits will be a critical component of the integrated comprehensive audit service offering.

- **Pump Efficiency Services** is designed to help industrial customers make informed decisions about improving inefficient pumping systems and operations through recommendations derived from pump test audit or direct observations of processes.

The Pump Efficiency Services program element, implemented by a team of trained in house or third party contractors, aims to overcome key informational, technical, and financial barriers to pump optimization by offering pump tests, retrofit incentives, and targeted education, training and technical support for customers and pump companies. Each IOUs database of pump test results will be used in the near-term to target pumps in need of retrofit as a means to capture savings. However, pump performance data aggregation at the statewide level will contribute to the development of metrics and targets for pump improvements. This will support a statewide pumping focus across segments, in agriculture, commercial and industrial, supporting their strategies and objectives.

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The IOUs will continue to offer pump testing services at no or low cost and pumping system efficiency workshops through their energy education centers or other event opportunities during the Transition Period.

- **Retrocommissioning:**

The IOUs will continue to enhance their core Retrocommissioning (RCx) programs. RCx is a systematic process for optimizing an existing building or system's performance by identifying operational deficiencies and making necessary adjustments.

The RCx element is designed to optimize existing building or system performance by identifying operational deficiencies and making necessary adjustments to correct the deficiency. RCx is offered to industrial customers, based on the market segment potential and resources of the respective IOU. The range of projects may involve measures which reset, repair or replace existing system controls and components. Simple payback for these measures is usually short in duration and must meet customer expectations. Through the RCx assessment report, comprehensive projects are identified and referred to other sub-programs for completion (i.e., Calculated and Deemed sub-programs). Energy savings from projects identified through RCx will be claimed in the Industrial Calculated Energy Efficiency Program.

Enhanced RCx program elements will explore and may include but not be limited to:

- Innovative approaches to measure identification, automated baseline capabilities, and savings quantification;
- Continuous commissioning and monitoring-based commissioning;
- Strategies to drive savings persistence;
- Appropriate alignment with retrofit activities; and
- Overall program incentives, targeting, and delivery.

The RCx program is a key offering in the Industrial Calculated Sub-Program and a more detailed description of the program is provided.

The Transition Period will be used to develop and test the EA design strategy. The strategy focuses on simplifying the way audits are provided to customers. Through various assessment functions, the IOUs will work with the customer to identify the best, most cost-effective solution and the one with the greatest potential to motivate the customer to implement energy saving solutions (i.e. primarily EE, DR, and SG).

It is anticipated that IEA will allow the expansion of services across diverse class of customers, potentially across all segments and will interconnect the customer with the wide and diverse range of programs offered. From a customer

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perspective, the impact on customer time and resources will be reduced. The audit analyses will include DSM, greenhouse gas reduction information and will provide water conservation recommendation all in a single report. The resulting report will identify comprehensive solutions that will simplify the customer decision-making process.

The primary program objectives for 2013-2014 are:

- Support the Strategic Plan by offering integrated audits across a wide selection that address the full spectrum of energy solutions, including energy efficiency, demand response, and distributed generation (California Solar Initiative and distributed generation) focusing on industrial facilities as defined by each IOU's market potential and resource availability.
- Continue to deliver high value audit reports to the customer. Audit reports will be designed in such a way that they will provide the customer with information which motivates them to implement energy efficiency, demand response and consider renewable generation options.
- Enhance efforts to identify and provide financial analyses focused on deeper energy savings and technologies. Identify ways different financial metrics, such as return on investment and/or simple payback, can be provided where the values presented have meaning to the customer.
- Explore and evaluate the potential of enhanced customer incentive options that are contingent on a customer's receiving an audit prior to applying to incentive programs.
- Incorporate new and/or emerging technologies appropriate for the customer's facility.
- Develop and implement enhancements to current Benchmarking workshops (targeting industrial buildings) and continue providing Benchmarking and AB1103 technical support through established and new delivery channels.
- Encourage statewide consistency by offering similar energy audits with the ultimate goal of offering customers the best energy management practices and technologies.
- Enhance the IEA offerings by including activities such as, but not limited to:
 - Highlighting emerging technologies and deep energy savings opportunities and providing education on long-term energy planning/project management strategies (in coordination with CEI program).
 - Continuing existing water saving services, leak detection services, and strategies which will be offered to customers in all customer segments, as determined by the IOUs to provide customer benefits and cost-effective administration. The services will be offered through the use of audit teams, in house and/or contracted, and may be required as a service in the delivery of all integrated comprehensive audits.
- IEA will play a key role in exploring options for identifying deep energy savings, promoting emerging technologies and providing proper support to customers who

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take advantage of more than three measures from Industrial Deemed Incentive subprogram.

- IEA will develop processes to assist energy audit teams and customers identify facilities and services that will provide the greatest return on benefits from the audit. The IOUs may explore leveraging tools to complete energy audits, usage analysis, assessments and/or building performance benchmarking as the first step in determining a customer's need.
- IEA may also enhance tracking and audit component capabilities to support customer needs analysis, reduce program application barriers, maximize recommendation follow up and streamlined audit report generation.

b) List measures

The IEA primarily offers non-resource, auditing services. It does not offer incentives, but ultimately influences the customer's implementation of energy efficiency, demand response, and self-generation opportunities in combination with incentive from the core incentive programs (refer to the Industrial Deemed and Calculated sub-programs for specific information). However, each IOU reserves the ability to offer incentives specific to IEA's individual service offerings.

c) List non-incentive Industrial Energy Advisor Services

The Industrial Energy Advisor (IEA) is designed to deliver a coordinated and customer specific service. IEA features a statewide integrated demand side management customer specific solution that promotes energy efficiency, demand response, distributed generation and emerging technologies as appropriate to the customer's need(s).

Such activities include, but are not limited to: energy management assessments, energy planning, marketing and outreach, baselining and benchmarking, project implementation support, technical support, energy savings calculations, process evaluations and report generation, and web-based energy resources.

5. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Information

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

Table 3 – Refer to the overarching program for quantitative baseline metrics

b) Market Transformation Information

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics and goals are proposed at the program

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level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

c) Program Design to Overcome Barriers

The IEA offers services which change corporate/management cultures that prevent successful implementation of comprehensive energy policies. These offerings help overcome customers' lack of awareness of DSM opportunities by providing a customer focused, comprehensive package of energy solutions designed specifically to motivate the customer to implement recommendations. Information such as cost/benefit analysis (i.e. ROI, or simple payback) and identification of appropriate IOU incentive and/or finance programs, can significantly enhance the financial benefit of the energy saving recommendation. IEA also provides customers with tools to measure the effects of implemented energy savings actions on their bottom line.

IEA brings together audits and related services to implement energy saving activities.

d) Quantitative Program Targets

The targets provided herein are best estimates, but nonetheless are forecasts.

Table 4

	Program Target by 2013	Program Target by 2014
Number of Audits	402	445

e) Advancing Strategic Plan goals and objectives

The IEA is designed to promote DSM coordination and the integration strategies of the Strategic Plan. Foremost are recognition of the linkage between energy and environmental policy and the importance of integrating energy efficiency, demand response and distributed generation to support California's plan to reduce greenhouse gas emissions.

Specific near-term strategies proposed by the Strategic Plan that are addressed by the IEA include the following:

- Facilitate all State-Owned and Leased Buildings having a Retrocommissioning option.

By offering a dedicated retrocommissioning program, a mechanism is created whereby IOUs can facilitate the achievement of this goal as a coordinated effort with the IOU Government and Institutional Partnership Programs.

- Strengthen Tools and Practices for Building Commissioning.

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Based on the IOUs' experience with managing the Retrocommissioning program, lessons learned and best practices can be integrated into the 2013-2014 offering. To increase market adoption of these program best practices, the IOUs will work in cooperation with the California Commissioning Collaborative to disseminate relevant information to the retrocommissioning community. Services may be extended to all segments as deemed appropriate by each IOU.

- Identify New and Improved Tools and Strategies to Reduce Energy Consumption in industrial facilities.

Starting with energy conservation and proceeding to distributed generation and demand response opportunities, the benchmarking, CEI, NRA and RCx demonstrate to the customer a comprehensive, site-wide solution for near and longer term energy consumption and clearly state the positive greenhouse gas effects of their actions. Addressing customer energy needs through long-term solutions allows consideration of technologies and projects that benefit the state and planet for a decade or longer (e.g., HVAC systems, industrial/ agricultural processes and equipment, facility envelope upgrades and enhancements). Recommendations for retrofit opportunities within existing agricultural facilities contribute to California's zero net energy goals. Once implemented, recommendations for operation and maintenance (O&M) practices on on-going commissioning will ensure that customer facilities continue to operate in an efficient manner.

- Encourage State/Local Governments and Major Corporations to Commit to Achieve EE Targets

IEA's offerings will seek to (1) gain corporate level commitment to energy efficiency as a core business operation; (2) develop corporate energy policies that establish measurable goals; (3) develop an actionable plan to achieve these goals; (4) guide customers to IOU programs that can help implement cost-effective EE projects; and (5) provide a feedback loop to measure performance. This codified process is designed to support the significantly greater energy efficiency performance desired by the Strategic Plan.

- Develop Tools to Reduce Energy in Industrial Facilities.

As part of the implementation of specific IEA offerings, the IOUs will partner with energy industry peers, industry associations, and DOE/CPUC-sponsored labs and consultants to enhance the use of existing tools and explore new tools to help industrial customers reduce initial energy usage at their facilities, then continue to operate their facilities in an efficient manner. Current tools used for benchmarking tools and resources include those developed by the EPA for ENERGY STAR and by Lawrence Berkeley National Lab (LBNL) with CEC funding:

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- Management Standard for Energy SME2000-2008;
 - DOE's Superior Energy Performance; and
 - ISO-50001.
- Develop Business Models to Deliver Energy Management Solutions.

IEA's offerings will address the fundamental purpose to influence decision-making practices from Industrial customers to consider energy usage and sustainability as a core part of their daily operations. This level of commitment will help achieve greater penetration of energy efficiency in the agricultural market sector.

In addition, IEA's offerings promote acceptable practices of accounting, auditing, and evaluation by:

- Offering integrated and focused audits, benchmarking, savings calculation assistance for retrofit and retrocommissioning opportunities; and simplifying the audit-to-project documentation process to bridge the gap between educating customers about energy solutions to environmental issues and taking action.
- Guiding and supporting customers as they implement technologies, processes and practices to achieve energy efficiency savings.
- Long term energy planning SoCalGas support.

6. Program Implementation

- Assessment and identification of the best way to support the use of the BEARS tool
- Enhancement of current Benchmarking workshops and continuation of Benchmarking and AB1103 technical support through established and new channels
- Emphasis and support of integration in emerging technologies and deeper energy measure opportunities
- In coordination with incentive programs, identification of ways to streamline the end-to-end process for customers wanting to participate in IOU energy saving programs

- **Statewide IOU coordination**

- i. **Program name:** Industrial Energy Advisor

- ii. **Program delivery mechanisms**

- SoCalGas IEA will employ a variety of delivery mechanisms or channels. Most of IEA's offering will use IOU customer energy efficiency staff and contractors, service and sales representatives, website and/or marketing, and outreach efforts. Other delivery channels may also be developed.

- In addition, where applicable, IOU customer SoCalGas account representatives or program management staff will support this activity within

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the statewide industrial sector, as well as third parties, government partnerships, and SoCalGas local programs.

iii. Incentive levels

Not applicable.

iv. Marketing and outreach plans

A comprehensive audit marketing plan will be aligned and coordinated with the marketing plans for each of the IOUs, in order to maximize effectiveness, integrate offerings, and as appropriate refer customers to relevant DSM programs.

Additionally, IOUs may investigate piloting alternative channel marketing, such as social media tools, and outreach options that might include community-based organizations and/or third parties to recruit small businesses and influence them to take actions that result in energy efficiency improvements. IOUs may investigate and test efforts to leverage relationships with trade associations as a way to increase cost-effectiveness of reaching customer groups.

The IOUs will continue to develop an in-depth segmentation of the industrial market. The results of this customer segmentation will support the development of targeted integrated marketing and outreach plans outlining multiple delivery channels that target customers based on their needs and preferences. Such delivery channels will likely include increased customer outreach through trade and community-based associations, third parties, government partnerships and core IOU programs.

v. IOU program interactions with CEC, ARB, Air Quality Management Districts, local government programs, other government programs as applicable

IEA's energy recommendations will continue to recognize the regulations required by other bodies. For example, information about GHG reductions resulting from AB32 and water conservation efforts may be incorporated into the customer recommendations and factored into the project's cost-effectiveness, as appropriate.

Program offerings will collaborate and support the CEC's AB1103 mandate by assisting customers with technical and awareness activities. IEA will advance the introduction of the BEARS and California Rating Tool where reasonable.

IEA recognizes the efforts of the CEC's Green Building Initiative programs, DOE "ISO plant certification" programs, EPA Energy Star Portfolio Manager

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benchmarking, EPA Building Performance with Energy Star and other programs, USGBC LEED certification, and local and other government incentive programs. IEA will leverage such activities to the customer's benefit.

a) **Program delivery and coordination**

The sub-program will be coordinated with the following activities, as applicable:

i. Emerging Technologies (ET) program

The IOU IEA Management Team will stay abreast of and incorporate relevant emerging technologies into audit recommendations as appropriate.

ii. Codes & Standards program

IEA implementation will include information about pending new codes and standards that may affect planning or prioritization of retrofit or new construction projects. Audit reports will include customer recommendations that are consistent with current governing codes.

iii. WE&T efforts

IEA implementation will integrate with WE&T efforts, as needed, by providing CSI process, lessons learned, and case study input to energy engineering curriculum designers for community colleges and universities. This activity will be coordinated through the Statewide WE&T program team and will ultimately be integrated into the web portal that team is now developing. IOUs will assess and support specialized WE&T training to help target working energy management professionals, industry professionals, and those pursuing education in universities and colleges.

IOUs will also continue with WE&T coordination to bridge the linkages and integrate sector strategy approaches, as required.

iv. Program-specific marketing and outreach efforts

In 2013-2014, SoCalGas' IEA marketing campaigns will provide a wide range of action-oriented solutions targeting specific segments and sub-segments of business customers. In addition, IEA marketing efforts will be "bundled" as a menu of demand response, energy efficiency and conservation programs providing customers with a full array of EE and DR opportunities. By providing packaged energy management solutions for each industry segment, the IOUs will be better able to communicate with and serve customers.

Marketing activities will target business customers and select effective channels to reach entities such as trade associations, local business groups, and government entities to generate interest and program participation. In addition, direct

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customer contact by account executives, phone and e-mail support may be utilized.

Marketing collateral and messages for energy efficiency will be integrated with other IOU programs. Through additional market segmentation and feedback from customers, IOUs will further adjust approaches based on the varied needs of targeted customers. Additional sub-program marketing will be accomplished by leveraging local third-party programs. Specific IOU marketing budgets are provided in Table 1 of the core industrial program.

Integrated and program-specific marketing efforts will complement and work in coordination with statewide ME&O to increase awareness, provide education, and drive ongoing engagement and participation in DSM programs and services among nonresidential customers. The statewide effort will provide the first level with IOU-specific programs providing reinforcement at a local level.

v. Non-energy activities of program

The IOU IEA team will participate in Statewide and national efforts to develop and enhance audit, benchmarking and retro-commissioning, and continuous energy improvement tools and practices. Such activities will likely occur in conjunction with ongoing industry efforts managed by the California Energy Commission (CEC), Consortium for Energy Efficiency (CEE), ENERGY STAR and the California Commissioning Collaborative (CCC).

CEI implementation will include non-energy activities such as recognition awards, local area or sector competitions, awareness campaigns, education about non-energy-related LEED points and definitions, and use of computerized financial analysis tools and cost estimating and forecasting tools

vi. Non-IOU programs

IEA reports will include information on Non-IOU Programs to expose customers to funding, such as from air or water agencies, to support integrated efforts. IEA will partner with programs offered by CEC, ARB, Air Quality Management Districts, ENERGY STAR, and other government and quasi-governmental agencies to capitalize on opportunities to develop co-branded program information and marketing collateral targeted to industrial sector customers, as opportunities present themselves.

With respect to water conservation, IOU program managers will partner with the local water districts to co-brand marketing collateral, attend trade shows, and co-release notices for programs with interactive water and energy effects (ESPM, BEARS, California Rating Tool, Water Agencies and others).

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vii. CEC work on PIER

Not applicable.

viii. CEC work on C&S

IEA will not be implemented with a direct linkage to codes and standards efforts. However, IEA will reflect code and standards regulation in its energy savings calculations, as deemed appropriate.

ix. Non-utility market initiatives

Education about federal tax incentives for energy efficiency investments is an example of non-IOU information and guidance that IEA offering SoCalGas will provide to customers. In addition, the IOUs will participate in state and national efforts to develop and/or improve benchmarking tools and services that can be used by customers to better facilitate their adoption of sustainable energy management practices.

b) Best Practices

The IOUs will continue to leverage best practices and lessons learned at regularly scheduled statewide program management meetings. These meetings are forums to discuss program design and implementation issues, and as appropriate provide statewide collaborated guidance in RFP solicitations and awareness of program offerings. This will ensure that customers operating multiple facilities across IOU service territories will receive the same customer experience.

Other best practices approaches apply the principles of well-known business continuous improvement programs, such as Lean Six Sigma and ISO standards, to facility and plant energy management, in order to achieve widespread adoption of long-lasting sustainable energy management practices in the industrial market sectors. As stated above, these principles are: (1) Commitment, (2) Assessment, (3) Planning, (4) Implementation, (5) Evaluation, and (6) Modification. This approach will continue through the two-year program cycle for 2013-2014, allowing longer-term and deeper project development engagement with customers.

c) Innovation

For 2013-2014, the IOUs are identifying and evaluating program processes to increase effectiveness, simplification and increase the benefits the program delivers. Each IOU's set of lessons learned from these efforts will be shared and implemented to enhance energy savings benefits to all California IOU customers.

IEA will continue to improve as a new standard for packaging energy efficiency, demand response and self-generation products and services, aimed at helping customers engage in long-term, strategic energy planning. It proposes to transform the market and reduce energy intensity through a comprehensive approach that includes addressing both technical and management opportunities.

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Depending on the outcome of the 2012 process evaluation, CEI may consider customer incentives to accelerate project implementation (including IDSM projects), and reward customers for implementing strategic energy management. Other IEA offerings may also consider specialized incentive approaches based on delivery, target markets and/or other opportunities.

d) Integrated/Coordinated Demand Side Management

IEA will provide a comprehensive approach for integrated audit services. Its services will have the flexibility of meeting every level of a customer's audits needs from integrated comprehensive audits to targeted or focused audits (which center on specific systems or processes), to assessments or general walk-through audits or online "do-it-yourself" audits (currently for small business customers). When properly applied, these audits can assist in identifying the areas of the customer's greatest energy interest, the customer's financial ability to invest in improving its energy use, and other programs that can be discussed to motivate a customer to move forward with the energy saving plan.

IEA services can coordinate the audit with retrofitting or retrocommissioning opportunities, benchmarking tools, or long-term planning. Audit reports can present a truly integrated analysis to customers, seamlessly providing information and recommendations regarding energy efficiency, distributed-generation, demand response, greenhouse gas emissions and water energy savings. Customers will be referred to other IOU programs that will help them implement the recommendations resulting from the audit report. As a result, they will receive

e) Integration Across Resource Types

IEA will focus on DSM integration.

IEA implementation will include information on Non-IOU Programs to expose customers to funding, such as from air or water agencies, to support integrated efforts. IOU IEA managers will partner with the appropriate programs, when applicable, with government agencies in order to capitalize on opportunities to share program information, marketing collateral, and financial incentive analysis with customers.

Conventionally, each government agency and utility has operated natural resource and energy programs independently, missing opportunities to serve customers who must manage more than one resource type. For customers who are regulated by or interested in more than one resource issue, CEI will provide information about the mutual benefit of combining complementary resource programs.

In the effort to promote IEA offerings, IOUs will seek out customers interested in complementary resource programs such as provided by water and air quality agencies. With respect to water conservation, IOU program managers will collaborate with the

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local water districts to produce marketing collateral, attend trade shows, and co-release brochures, for programs with interactive water and energy effects.

f) SoCalGas Pilots

IEA services may consider the development of test markets especially in the introduction of new energy benchmarking or saving tools.

g) EM&V

SoCalGas is proposing to work with the Energy Division to develop and submit a comprehensive EM&V Plan after the program implementation plans are filed. This will include process evaluations and other program-specific studies within the context of broader IOU and Energy Division studies. More detailed plans for process evaluation and other program-specific evaluation efforts cannot be developed until after the final program design is approved by the CPUC and in many cases after program implementation has begun, since plans need to be based on identified program design and implementation issues.

7. Diagram of Program

Please see the core program diagram.

8. Program Logic Model

Please see the Commercial Energy Advisor program logic model.

Statewide Audit Type Matrix

Audit Type	Detail	SCG	SDG&E	PG&E	SCE
Integrated Customer Energy Audits	Phone	Yes	Yes	Yes	Yes
	Online (Web-Based)	Yes	Yes	Yes	Yes
	Onsite	Yes	Yes	Yes	Yes

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1. **Program Name:** Industrial Calculated Incentives Program
Program ID: SCG3715
Program Type: Statewide Core Program

2. **Projected Program Budget Table**

Table 1 – reference the overarching program for budget details

3. **Projected Program Gross Impacts Table**

Table 2 - reference the overarching program for savings details

4. **Program Description**

- a) **Describe program**

The purpose of the Statewide Industrial Calculated Energy Efficiency Program is to provide services to improve the energy efficiency of industrial facilities in California, including financial incentives based on calculated energy savings. The energy savings are calculated for measures installed as recommended by comprehensive technical and design assistance for customized projects. Integrated projects are encouraged to combine energy efficiency and demand response. Eligible projects include new construction, retrofit, and retrocommissioning.

The Calculated Energy Efficiency Program is part of a suite of programs within the Statewide Industrial Energy Efficiency Program. The Calculated Energy Efficiency Program is utilized for projects where:

- a rebate is not available through the statewide Deemed Energy Savings Program,
- customized calculations provide the most accurate savings estimates, or
- interactive effects between measures are best captured through whole building or whole system modeling.

Because it presents a calculation method that can consider system and resource interactions, the program will become the preferred approach for supporting the integrated, whole system, and multi-resource management strategies of the California Long Term Energy Efficiency Strategic Plan (Strategic Plan).

Key features in the process include:

- Energy audits of facilities and processes with recommendations for energy efficiency, demand response, distributed generation technologies as well as opportunities for greenhouse gas reductions;
- Calculations/estimates of energy savings for exceeding Title 24 code or industry standard practice baselines;
- Technical assistance from IOUs through SoCalGas energy audits, facility walk-through surveys and calculated savings analyses that consider specific projects;

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- Submission of project proposal for SoCalGas review and approval;
- Pre-inspection by SoCalGas for the preliminary approval of retrofit projects;
- Post-inspections on approved and completed projects to verify performance; and
- Payment of incentives from SoCalGas.

Energy audits may be completed by customers directly or authorized participants. Authorized participants may include contractors, design teams, vendors, and energy service companies. The completed audit may then be submitted for review and approval.

For the energy audit feature, statewide consistent calculators are publicly available. The statewide IOU-created and maintained SPC Calculator can be used for retrofits and some new construction applications and is available online.

Retrocommissioning (RCx) is also eligible in the program for delivering energy savings. RCx is a systematic process to identify and correct operational problems or inherent repair and maintenance deficiencies that lead to excessive energy use. Unlike retrofits, which focus on equipment replacement, or operations and maintenance, which deal with routine maintenance, RCx focuses on identifying and correcting problems that may not be readily identified by a standard energy audit.

O&M items with an effective useful life greater than three years can also be identified through this assessment. Additionally, opportunities often exist to optimize existing systems to operate more efficiently than originally designed with minimal new capital outlay.

RCx will be offered as a bundle of products/services. RCx providers will perform several tasks to identify measures. These tasks include, but are not limited to:

- Initial benchmarking;
- Collecting data to quantify the owner's operational requirements;
- Performing detailed on-site audits to evaluate operational deficiencies and/or operational optimization opportunities, inclusive of improved and enhanced preventive maintenance and repair programs;
- Defining measures, quantifying implementation costs and savings;
- Assisting customers with measure implementation;
- Verifying completion of measures;
- Providing post installation documentation and training as well as other persistence techniques; and
- Posting project benchmark.

b) List measures

A broad range of measures is eligible for the Calculated Energy Savings Program. The current incentives are summarized in the following table. The incentives for these measures are standard across the IOUs participating in the statewide Industrial Calculated Energy Efficiency Program.

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The following measure categories are eligible for Calculated Incentives:

- Equipment Modernization
- Process Improvement
- Miscellaneous Gas measures

c) List non-incentive Industrial Energy Advisor Services

The Industrial Calculated Energy Efficiency Incentives Program is primarily an incentive program designed to achieve energy savings through measure implementation; however it does provide such non-incentive measures as technical and calculation assistance to help customers navigate through the application process. This assistance ensures that the sub-program captures lost opportunities by not allowing projects to fall behind schedule simply because the customer does not have the resources to shepherd the project through the process.

5. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Information

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

Table 3 – Refer to the overarching program for quantitative baseline metrics

b) Market Transformation Information

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics and goals are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

Table 4 – Refer to the overarching program for market transformation metrics

c) Program Design to Overcome Barriers

The Industrial Calculated Energy Efficiency Program includes numerous features designed to overcome these barriers, as identified and discussed below.

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Integrated Demand Side Management Approach

The program offers California's industrial segment a statewide suite of products and services to overcome market barriers to optimize energy management and meet the goals of the Strategic Plan. It overcomes multiple barriers through the implementation of strategies that provide an integrated solution to the customer, offer education and outreach to create awareness and promote continuous energy efficiency improvement. The program also enables a facility to attain resource management levels that exceed industry standards and gain them market and worldwide recognition.

CEI Program Offering

The Continuous Energy Improvement (CEI) program compliments the Industrial Calculated Energy Efficiency Program by helping customers implement energy efficiency measures that have been identified through energy efficiency audits or in-depth facility/process assessments. Such assessments may be jointly provided by the IOUs and the U.S. Department of Energy (DOE) or ANSI. It focuses on improving production and optimizing energy efficiency and provides integrated resource management solutions including greenhouse gas reduction. This approach overcomes such barriers as lack of awareness of energy efficiency opportunities and provides a highly skilled workforce educated towards energy efficiency, process optimization, and resource management.

Marketing and Outreach

To increase awareness of the program, a statewide centralized clearinghouse will be developed to give customers access to information on operating best practices in energy efficiency, industry relevant technical assistance, baselines, case studies, tools and computer based training. This clearinghouse addresses the issue of availability of information and qualified industry specialists to fully assess a building, system or process and help customers understand how energy efficiency can impact their emissions, resource consumption or waste discharge streams. It helps alleviate the problem often run into by non-residential customers of getting incorrect or out-of-date information from some local networks. It will also enable design engineers to specify energy efficient measures to exceed industry accepted baseline standards when constructing new or retrofitting existing buildings or systems, instead of specifying only what they know or what they are familiar with.

The program's information and services will be delivered primarily through account representatives, IOU call centers hotlines, local government partnerships, third parties, and IOU internet sites. Information will also be made available through industry events, such as the Plant Engineering Expo, through industry organizations, such as the California Manufacturing Association and the Building Owners and Managers Association (BOMA); and through advertising in industry and trade publications. Other avenues to reach out to customers and identify energy efficiency opportunities include non-resource programs such as Education and Outreach, Workforce Education and Training, or through Emerging Technologies Programs.

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Education and Training

Highly skilled Energy Management Professionals may conduct technical training and seminars to educate the public as well as develop a highly trained energy efficiency workforce that is accessible to industry.

Emerging Technologies (ET)

In collaboration with ET and the CEC, ET may conduct studies, pilots, and demonstrations to prove the viability of promising emerging technologies and lower the risk of investment which in turn will speed up market penetration.

Financial Assistance

Rebates and incentives properly priced and based on energy savings quantified through technical assessments or basic audits, can help customers overcome internal financial hurdle rates. Skilled energy efficiency personnel may also assist customers and provide additional information about other opportunities for project assistance, such as State or Federal funds available for energy efficiency projects, tax incentives or other local sources of project funding.

d) Quantitative Program Targets

The targets provided herein are best estimates, but nonetheless are forecasts.

Table 5

	Program Target by 2013	Program Target by 2014
Projects	70	70

e) Advancing Strategic Plan goals and objectives

The Statewide Industrial Energy Efficiency Program supports all three goals in the Strategic Plan for the Industrial Sector. General advancement of the goals is presented in the program implementation plan for the Statewide Industrial Energy Efficiency Program. More specific support of the goals is presented here.

Goal 1: Support California Industry’s adoption of energy efficiency by integrating energy efficiency savings with achievement of GHG goals and other resource goals.

Strategy 1.1: Develop coordinated energy and resource management program for CA’s industrial sector, to enhance use of energy efficiency.

Near-term: Establish CARB AB32 Industry Team

The Calculated sub-program infrastructure is designed to facilitate the customer’s implementation of large-scale projects that are supported by detailed energy calculations. There is an opportunity to augment the various tools used for preparing such calculations with GHG emission information that will allow customers to immediately quantify these benefits. This activity will be managed through the IOU CARB AB32

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Industry Team, which is proposed as part of the core Industrial Energy Efficiency Program.

Goal 2: Build market value and demand for continuous improvement in industrial efficiency through branding and certification.

Strategy 2.2: Implement certification

Near-term: Plan pilot and recruit host sites (8-10 facilities)

The program will seek out opportunities to recruit host sites for the certification program by surveying project submittals for potential candidates.

Goal 3: Provide centralized technical and public policy guidance for California industrial energy and resource efficiency.

Strategy 3.1: Compile technical and resource management regulatory materials into centralized assistance repository.

Near-term: 1) Identify and incorporate priority energy and other data; 2) Develop clearinghouse or integration system.

The Calculated Energy Efficiency Program will give support by providing information on results and experience in the program, including case studies of innovative projects.

6. Program Implementation

a) Statewide IOU coordination

i. **Program name:** Industrial Calculated Energy Efficiency Program

ii. **Program delivery mechanisms**

Program delivery mechanisms for SoCalGas will include account representatives, technical services personnel, incentives processing staff, and inspection officials. Also important to program delivery will be customer facility owners and managers; energy efficient equipment manufacturers, distributors, and service contractors; industry trade associations; and others in the energy efficiency equipment value chain.

Industrial Calculated Energy Efficiency Program will be coordinated on a statewide level to unify the implementation of program aspects such as program name, program delivery mechanisms, incentive levels, marketing and outreach plans, and IOU program interactions. The Industrial Calculated Energy Efficiency Program will coordinate with the core Industrial Energy Efficiency Program to provide mutual support.

The high-level focus of this statewide coordination effort will enable the capture of new innovations and opportunities for program improvement, correct program weaknesses that reveal themselves during implementation, and ensure achievement of statewide targets across IOU service territories. Therefore,

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statewide focus on program unity and continuous program improvement over the course of the implementation cycle will be enabled.

SoCalGas account representatives support this activity within the statewide industrial sector, as well as third parties, government partnerships, and SoCalGas local programs.

iii. Incentive levels

Incentives will be at \$1.00/therm, capped at 50% of project cost.

The IOUs are exploring innovative means of improving the Calculated Incentive sub-program based on Energy Division and market direction. One possible method to comply with the Energy Division's guidance to "achieve deeper energy savings retrofits and packages of measures" is to institute a scaled incentive mechanism that would provide higher incentives for more comprehensive projects. SCG plans to solicit input from stakeholders for changes to the incentive structure for gas-only measures. Potential changes may include measure incentive rate changes, possible bonuses, including a comprehensiveness bonus and a small business participation bonus, and a scaled incentive mechanism.

iv. Marketing and outreach plans, e.g. research, target audience, collateral, delivery mechanisms

The Industrial Calculated Energy Efficiency Program will be marketed through IOU's Account Executives, as well as through trade allies, education, outreach and other marketing activities. Marketing activities will target business customers, ESCOs, trade associations, local business groups and government entities to generate interest and program participation. In addition, direct customer contact by Account Executives, Demand Response Program outreach, phone and e-mail support will be provided.

Marketing campaigns will provide a wide range of action-oriented solutions targeted to "personas" identified through segmentation research. In addition, marketing efforts will be "bundled." That is, a menu of demand response, energy efficiency and conservation programs will provide customers a full array of EE and DR options. By providing packaged energy management solutions for each industry, IOUs will be better able to communicate with and serve customers.

Marketing efforts will incorporate a variety of marketing tactics/activities to promote the solutions in the program. Education, awareness, and outreach efforts will rely on a combination of mass media communication channels and targeted communication channels to ensure the messages reach the intended audiences with enough frequency to motivate attitude and behavior changes. The marketing strategies may include, but are not limited to, a mix of print, radio, TV, direct mail, e-mail, personal contact, trade shows, trade association meetings, customer workshops and seminars, energy related and other community events and

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partnerships with business and industry organizations, specialized collateral, case studies, website links and information with regular updates, bill inserts, press releases, and newspapers.

Market outreach to raise awareness of available EE programs will use a number of strategies, as follows:

- Providing a regular and consistent customer calling effort to key customers within this sector through account representatives;
- Providing additional expertise from IOU representatives, program management representatives, and field engineers;
- Participation and membership in one or two key trade associations affiliated with each high priority sub-segment within the industrial market sector;
- Attendance at the key trade shows for each high priority sub-segment within the industrial market sector;
- Hosting IOU-sponsored training events at the IOU's Customer Training Centers and other convenient locations within the IOU's service territory;
- Hosting IOU-sponsored webinars that provide sub-segment training and program adoption; and
- Linking written collateral pieces that give an overview of the IOU's Energy Efficiency programs to the appropriate IOU DSM web page.

The ideal marketing mix will be assessed for maximum awareness and participation. Marketing and outreach coordination will be coordinated, to the extent possible, among the IOUs utilizing the statewide coordination process described above. Furthermore, industrial facilities are recognized as large energy and water consumers. IOUs will develop proposals, as appropriate, to facilitate water-energy nexus projects.

The IOUs will continue to develop an in-depth segmentation of the industrial market. The results of this customer segmentation will support the development of targeted integrated marketing and outreach plans outlining multiple delivery channels that target customers based on their needs and preferences. Such delivery channels will likely include increased customer outreach through trade and community-based associations, third parties, government partnerships and core IOU programs.

v. IOU program interactions with CEC, ARB, Air Quality Management Districts, local government programs, other government programs as applicable

The Industrial Calculated Energy Efficiency Program will leverage the programs offered by CEC, ARB, Air Quality Management Districts, and other government agencies to capitalize on opportunities to share program information and marketing collateral with industrial customers, to the extent possible.

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Conventionally, each government agency and IOU has operated natural resource and energy programs independently, missing opportunities to serve customers who must manage more than one resource type.

With respect to water conservation, IOU program managers will partner with the local water districts to co-brand marketing collateral, attend trade shows and release joint notices for programs with interactive water and energy effects. Similarly, with ARB and Air Quality Management Districts, IOUs will offer customers Calculated sub-program incentives for energy efficient equipment that may also reduce water and greenhouse gas emissions.

vi. Similar IOU and POU programs

The IOUs will be delivering many third-party programs that utilize the Industrial Calculated Energy Efficiency Program infrastructure. This will ensure a consistent delivery of measure incentives to ensure that programs do not cannibalize each other and detract from achieving cost-effective energy savings.

b) Program delivery and coordination

i. Emerging Technologies program

The long-term energy efficiency vision of California can only be attained through the long-term and continuous development, verification, and acceptance of emerging technologies into the market. The achievement of long-term goals requires new technology as well as information, training and market development to maximize the EE benefits of cutting edge technologies. In recognition of the importance of emerging technologies, the sub-program will consider higher initial incentives for emerging technologies being newly introduced to the market place. Once the new products have taken hold in the market, the incentives will be adjusted to reflect market conditions. In addition, portfolio staff actively works to incorporate promising emerging technologies from the ET program.

ii. Codes and Standards program

The program relies on the Codes and Standards program to help maintain an updated and relevant list of measures that will support savings. As codes and standards impact measures, the program will act to align itself with appropriate offerings. It is important to manage the measure life cycle to take full advantage of providing incentives before moving them into code. The program will coordinate with the Codes and Standards Planning & Coordination sub-program. Programs will include new offerings that will allow flexibility in adapting to changes in codes and standards, market trends, and technologies. Planned enhancements to Title 20 and 24 will be reflected in incentive levels and eligible measures and services. As the market moves toward “low energy” or “zero net energy” buildings, specific changes to each element of the bundling will be made to ensure the latest cost-effective technologies/services (e.g., LEDs) are made

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available as they transition from research and development to mainstream program offerings.

iii. **WE&T efforts**

Workforce Education & Training (WE&T) efforts support the education and training of a robust network of industry trade allies, vendors, engineers, design teams and others who can support the market transformation strategies of the Strategic Plan. In the Industrial Energy Efficiency Program, WE&T efforts will focus in the near term on supporting national ANSI Energy Management Certification development efforts, as outlined in the Strategic Plan. Programs will closely coordinate with key stakeholders to ensure that California is poised to adopt this national standard and be a leader in this effort. Specifically, prerequisite trainings will be offered in DOE systems trainings to lay the groundwork for certification level trainings. These education and training offerings take place through IOU's energy centers and technology centers.

iv. **Program-specific marketing and outreach efforts**

Marketing and outreach initiatives will include:

- Participation and membership in one or two key trade associations affiliated with each high priority sub-segment within the industrial sector, as appropriate;
- Attendance at key trade shows within the industrial sector;
- IOU-sponsored training events at the IOU's Customer Training Centers and other convenient locations within the IOUs service territory;
- Hosting of IOU-sponsored webinars that provide sub-segment training and program adoption; and
- Development of case studies, web pages, and marketing material that provide an overview of the IOUs' energy efficiency programs.

Integrated and program-specific marketing efforts will complement and work in coordination with statewide ME&O to increase awareness, provide education, and drive ongoing engagement and participation in DSM programs and services among nonresidential customers. The statewide effort will provide the first level with IOU-specific programs providing reinforcement at a local level.

v. **Non-energy activities of program**

The program provides a significant challenge to integrating DSM initiatives to non-energy activities due to the general industry structure, the nature of market sector resource use, limited resource savings potential with smaller businesses, and limits to small business owner and operator bandwidth. Therefore, integrated audits that look across the various energy efficiency program offerings, as well as complementary options available through other entities (e.g. water agencies), will be used to identify the opportunities to be recommended to the specific industrial customer.

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With respect to water conservation, IOU program managers will contact the local water districts to co-brand marketing collateral, attend trade shows and release joint notices for programs with interactive water and energy effects. Similarly, with ARB and Air Quality Management Districts, IOUs will offer customers incentives for energy efficient equipment that may also reduce water and GHG emissions.

In addition, the program will offer customers educational information about the non-energy benefits associated with energy efficiency measures, such as improved safety, indoor air quality, productivity, comfort, and appearance.

vi. Non-IOU programs

The program will continue to engage with Air Quality Management Districts, CEC, ARB, DOE, water agencies, and other government agencies responsible for regulating the various aspects and operations of customer facilities participating in the programs, as appropriate and feasible.

vii. CEC

As of June 2012, PIER no longer exists. However, the Program will interact with the Emerging Technologies Program to leverage new technologies to increase the list of measures available for energy efficiency projects. The portfolio staff actively works to incorporate promising emerging technologies and project in coordination with the applied research of CEC.

viii. CEC work on C&S

Planned enhancements to Title 20 and 24 will be reflected in incentive levels and in eligible measures and services.

ix. Non-utility market initiatives

The program will support and educate customers, and/or facilitate such initiatives as AB32, renewables, ANSI certification, facility benchmarking, Continuous Energy Improvement, California Green Building Initiative, and other initiatives as directed. The IOUs will remain engaged in these efforts and work to influence the development of increasingly higher standards.

c) Best Practices

The Industrial Calculated Energy Efficiency Program builds upon the more than 10 years of experience that IOUs have offered such a program¹⁷. Deeper penetration into industrial process loads will be achieved by closely aligning the sub-program with the Industrial Energy Advisor and Industrial Continuous Energy Improvement Programs to

¹⁷ Before 2009-2011, the Calculated Energy Efficiency Program was commonly referred to as the Standard Performance Program or “SPC.”

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ensure that there is an avenue for implementing a variety of customer projects. The infrastructure developed by the Industrial Calculated Energy Efficiency Program will also be used as the core processing backbone for targeted third-party programs in order to reduce the program administrative and processing costs of those programs.

d) Innovation

For the 2013-2014 program cycle, California IOUs will implement an incentive structure that emphasizes advanced controls that enable demand response motivating customers to participate in energy efficiency and demand response incentive programs as well as signing up demand response programs.

IOUs will continue working collaboratively on modifications to program Policies and Procedures to address ongoing changes in customer expectations, market conditions and program flexibility. Changes will (a) target ease of program understanding and participation, (b) measure eligibility, (c) increase of customer's economic benefits, and (d) identify policy restrictions that are barriers to participation. IOUs are implementing such process based on market studies conducted on the subject and preceding discussion of the policy change. Among other modifications that would be potentially discussed and implemented are incentive caps and redesign of measure/equipment early retirement according to the CPUC concept.

IOUs are planning to elaborate and utilize positive experience obtained using SBD Simplified tool and extend it to energy efficiency retrofit projects. Such tools substantially reduce application processing and review time, and minimize the number of hand-offs, without sacrificing accuracy of energy saving calculations.

Where possible, IOUs will use an integrated approach to addressing DSM opportunities. Innovative approaches will be used, such as merging energy efficiency and demand response analysis and converting recommendations to projects. In addition, streamlining programs through processing and reviewing energy efficiency and demand response measures in a single application, providing analytical information about applicable distributed generation solutions, will maximize customer adoption rates for most cost-effective energy management opportunities.

IOUs are planning to consolidate various calculating software such as SPC Software, Engage and other measure specific calculating tools to standardize our calculating methodology. This will ensure that calculations will be more uniform and consistent amongst all stakeholders. This will not limit the use of nationally recognized standard DOE toolsets for certain measures.

IOUs are planning to continue and expand their core RCx program in multiple target markets. RCx is a systematic process for optimizing an existing building or system's performance by identifying operational deficiencies and making necessary adjustments to correct the system. Measures may involve resetting, repair or replacement of existing

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system controls and components, and in general are low-cost projects with simple payback periods of less than four years.

After an energy audit is complete and applicable no-cost/low-cost measures are identified, the scope of work will be handed off to a RCx implementer who, in-turn, will follow RCx program protocols, execute the scope of work (measure implementation, EM&V plan, incentive payment for energy savings, etc.) and report final results to the core program office.

e) **Integrated/coordinated Demand Side Management**

Energy audits will include recommendations for not only energy efficiency, but also for demand response and other demand-side management opportunities. Participating customers will be encouraged to participate in other demand-side management opportunities, including demand response and distributed generation. Participating customers will also be encouraged to take a more comprehensive approach to demand-side management and strive for continuous improvement.

f) **Integration across resource types (energy, water, air quality, etc)**

California's industrial sector faces a multitude of environmental and regulatory challenges that affect their competitiveness and, in some cases, survival. New regulations aimed at improving air quality, water quality and reducing toxic environmental pollutants are proving to be expensive and disruptive to business as usual, and in many cases will have the impact of increasing energy use in compliance.

To help deal with these challenges, the industrial program will coordinate with the regulating agencies and the programs they are operating to support mutually advantageous program designs, customer incentives, marketing opportunities, and implementation opportunities. IOUs will continue to offer targeted trainings to customers who share common regulatory challenges in an effort to educate customers on impending regulatory requirements for their business operation, and the most efficient solution options to consider for compliance. Future workshops may look at small and medium sized water and wastewater treatment options, steam system upgrades, and energy efficiency to meet AB32 industrial targets.

IOUs will pursue opportunities to partner with water agencies to offer joint energy and water conservation incentives to support projects that would reduce both resources. Partnering with other utilities will help reduce administrative cost and has a greater impact on societal benefits.

Where applicable, the Program will integrate topics such as GHG reduction and water conservation into targeted customer workshops, and marketing and communications, building on a strong track record from the past program cycle. Marketing and communications material will include savings opportunities and messaging.

Water/Energy Nexus Strategy

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SoCalGas supports improving the efficiency of water systems as one of the most critical strategies to capture water/energy nexus benefits in the energy efficiency programs. SoCalGas plans to focus its efforts in areas that use gas engines as the energy source to deliver and treat water. For water agencies within SoCalGas' territory, we plan to issue an RFP to utilize a contractor to implement leak-loss detection and remediation and pressure management services applicable to storage, pumping and distribution through SoCalGas' core or Third Party Program. SoCalGas will explore new project ideas for the water/energy nexus, as well as the calculation of ancillary water benefits (e.g. "embedded" energy savings). SoCalGas will accelerate the expansion of cost-effective water-energy nexus programs by coordinating with the other utilities, water agencies, and municipalities to study the cost effectiveness and the embedded energy savings for water/energy efforts. Our intent is to continue to offer measures and services to the water sector through the "calculated" and audit programs. SoCalGas will also explore for new direct energy measures that can be incented under the calculated program. Additionally, we will increase our efforts to capture the water-energy nexus and sustainability in the agriculture, industrial, and commercial segments.

g) Local Element (Negotiated Incentive Option)

SoCalGas will provide a local component which will include incentives for energy-efficient retrofits, systems new construction, or replacements of existing equipment at SoCalGas customer sites. Participants may be either customers or energy-efficiency service providers (EESP's) acting as project sponsors for activities at customer sites. To qualify, a project must save a minimum of 1,000,000 therms per year. Associated energy, resource such as water, sewerage and emissions, and Greenhouse gas (GHG) emissions savings will be considered when evaluating a project for funding. A project may consist of a single project at a single site, or may be aggregated from multiple projects belonging to a single customer, and may include a variety of measures.

This local element is designed to serve the largest non-residential customers within the SoCalGas service territory. Non-residential customers in this group are comprised of but not limited to the following industry sub-segments: Government/Utilities, Manufacturing/Processing Industries and Institutional. Each sub-segment has distinct energy use patterns, differences in equipment and facility design, and various management structures and decision-making processes. Because each industry sub-segment is unique, this option will use a customized, customer-focused approach. Participating customers, taking into account their individual energy and resource conservation opportunities as well as internal hurdle rates, will propose or "bid" to SoCalGas the incentive level needed to enable large EE and Resource savings projects. This ensures that this option will be adaptable to the unique needs of each market segment.

The program is designed to be flexible and cost effective: The project sponsor proposes a project and desired incentives. Incentives may cover up to 50% of the incremental project costs less any additional funding received from other sources. Measurement and verification (M&V) is required for all projects. As a performance-based incentive

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program, the approved M&V report will ultimately determine the energy savings for each project. The total sum of incentives paid for a project may not exceed the amount “bid” by the customer and agreed to by SoCalGas.

h) Pilots

Not applicable.

i) EM&V

SoCalGas is proposing to work with the Energy Division to develop and submit a comprehensive EM&V Plan after the program implementation plans are filed. This plan will include process evaluations and other program-specific studies within the context of broader IOU and Energy Division studies. More detailed plans for process evaluation and other program-specific evaluation efforts will be developed collaboratively by the IOUs and Energy Division. Development of these plans will occur after the final program design is approved by the CPUC and, in many cases after program implementation has begun, since the plans need to be based on identified program design and implementation issues.

7. Diagram of Program

Please see the core program diagram.

8. Program Logic Model

Please see the Commercial Calculated Energy Efficiency Program logic model.

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1. **Program Name:** Industrial Deemed Incentives Program
Program ID#: SCG3716
Program Type: Statwide Core Program

2. **Projected Program Budget Table**

Table 1 – reference the overarching program for budget details

3. **Projected Program Gross Impacts Table**

Table 2 - reference the overarching program for savings details

4. **Program Description**

a) **Describe program**

The purpose of the statewide Industrial Deemed Energy Efficiency Program is to provide services to improve the energy efficiency of industrial facilities in California, including financial incentives based on deemed energy savings. The energy savings are deemed for measures installed. Integrated projects are encouraged to combine energy efficiency and demand response.

The Industrial Deemed Energy Efficiency Program is part of a suite of programs within the Statewide Industrial Energy Efficiency Program.

Key features of the program include:

- Information and technical assistance from SoCalGas on energy efficiency measures and savings potential;
- Application via mail, fax, internet and phone by customer for eligible measures;
- Reservation of financial incentives by SoCalGas, if requested by customer;
- Pre- and post-installation inspection by SoCalGas, as determined by SoCalGas based on prior participation and other factors; and
- Payment of incentives from SoCalGas.

b) **List measures**

Itemized retrofit measures have prescribed energy savings and incentive amounts. These measures are categorized under the following end uses:

- Food service
- Industrial Process
- Gas Measures

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c) List non-incentive Industrial Energy Advisor Services

The Industrial Deemed Incentives sub-program is primarily an incentive program designed to achieve energy savings through measure implementation; however it does provide such non-incentive measures as technical consultation, trade professional support, and application preparation assistance to help customers navigate through the application process. This assistance ensures that the sub-program captures lost opportunities by not allowing projects to fall behind schedule simply because the customer does not have the resources to shepherd through the process.

5. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Information

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

Table 3 – Refer to the overarching program for quantitative baseline metrics

b) Market Transformation Information

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics and goals are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

Table 4 – Refer to the overarching program for market transformation metrics

c) Program Design to Overcome Barriers

The Industrial Deemed Energy Efficiency Program is designed to overcome several barriers. The program directly addresses key market factors that lead to higher energy costs for California businesses. Providing a menu of prescribed common measures simplifies the process of reviewing project proposals and provides a "per-widgit" rebate that reduces the cost of retrofitting outdated and inefficient equipment. This element makes it attractive for customers to spend money in the short run in order to achieve lower energy costs in the long run.

Using itemized energy efficiency measures is intended to overcome barriers that prevent many business customers from adopting energy efficiency alternatives. The barriers are addressed by itemizing common energy efficiency measures and rebates, stimulating the supply of high efficiency equipment and products (through higher demand), and offering rebates that help offset higher start-up and down payment expenses for energy efficient retrofits.

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Furthermore, to ensure equity to all business customer segments, this program will continue to offer statewide-consistent, cost-offsetting itemized rebates to help customers with the cost of installing new energy efficient equipment.

d) Quantitative Program Targets

The targets provided herein are best estimates, but nonetheless are forecasts.

Table 5

	Program Target by 2013	Program Target by 2014
Projects	60	60

e) Advancing Strategic Plan goals and objectives

The Industrial Energy Efficiency Program supports all three goals in the Strategic Plan for the Industrial Sector. The Industrial Deemed Energy Efficiency Program supports at least two goals.

Goal 2: Build market value and demand for continuous improvement in industrial efficiency through branding and certification.

Strategy 2.5: Implement ME&O program to educate industry and consumers

Near-term: Form industrial collaboration mechanisms

The Deemed Energy Efficiency Program facilitates participation by allowing customers to apply for program participation in many ways, including mail, fax, internet and phone. SoCalGas will implement marketing and outreach activities through account executives, trade associations, and in numerous other ways to stimulate participation. It will encourage participants to adopt a policy of continuous improvement.

Goal 3: Provide centralized technical and public policy guidance for California industrial energy and resource efficiency.

Strategy 3.2: Conduct statewide marketing and education effort to create demand for industrial information clearinghouse.

Near-term: 1) Develop ME&O Plan; 2) Implement Plan

SoCalGas will participate in the development of the plan and then encourage industrial customers to use the clearinghouse as part of the implementation of the plan.

6. Program Implementation

a) Statewide IOU coordination

i. Program name: Industrial Deemed Energy Efficiency Program

ii. Program delivery mechanisms

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Program delivery mechanisms for SoCalGas will include account representatives, technical services personnel, incentives processing staff, and inspection officials. Also important to program delivery will be customer facility owners and managers; energy efficient equipment manufacturers, distributors, and services contractors; industry trade associations; and others in the energy efficiency equipment value chain.

At the statewide level, the Industrial Deemed Energy Efficiency Program will be coordinated to unify the implementation of program aspects such as program name, program delivery mechanisms, incentive levels, marketing and outreach plans, and IOU program interactions. The Industrial Deemed Energy Efficiency Program will coordinate with the core Industrial Energy Efficiency Program to provide mutual support.

The high-level focus of this statewide coordination effort will enable the capture of new innovations and opportunities for program improvement, correcting program weaknesses that reveal themselves during implementation, and ensuring achievement of statewide targets across IOU service territories. Therefore, statewide focus on program unity and continuous program improvement over the course of the two-year implementation cycle will be enabled.

iii. Incentive levels

Incentive levels are based on measure type and will be set at uniform amounts across the state. Higher incentive levels will be provided for Emerging Technologies (ET) to spur traction in the market as feasible. The scale of increased incentive for emerging technologies will be evaluated on a measure by measure basis dependent on kW, kWh, therms, equipment cost, other market factors and cost effectiveness.

iv. Marketing and outreach plans, e.g. research, target audience, collateral, delivery mechanisms

The Industrial Deemed Energy Efficiency Program will be marketed through IOU account executives, as well as through trade allies, education, outreach and other marketing activities. Marketing activities will target business customers, ESCOs, trade associations, local business groups and government entities to generate interest and program participation. In addition, direct customer contact by account executives, phone and e-mail support will be provided.

Marketing efforts will incorporate a variety of marketing tactics/activities to promote the solutions in the program. Education, awareness, and outreach efforts will rely on a combination of mass media communication channels and targeted communication channels to ensure the messages reach the intended audiences with enough frequency to motivate attitude and behavior changes. The marketing strategies may include, but are not limited to, a mix of print, radio, TV, direct mail, e-mail, personal contact, trade shows, trade association meetings, customer

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workshops and seminars, energy related and other community events and partnerships with business and industry organizations, specialized collateral, case studies, website links and information with regular updates, bill inserts, press releases, and newspapers.

Market outreach to raise awareness of energy efficiency programs available will use a number of strategies, as follows:

- Providing a regular and consistent customer calling effort to key customers within this sector through account representatives;
- Providing additional expertise from IOU representatives, program management representatives, and field engineers will be available to provide additional expertise;
- Participation and membership in one or two key trade associations affiliated with each high priority sub-segment within the industrial market sector;
- Attendance at the key trade shows for each high priority sub-segment within the industrial market sector;
- Hosting IOU-sponsored training events at the IOU's Customer Training Centers and other convenient locations within the IOU's service territory;
- Hosting of IOU-sponsored webinars that provide sub-segment training and program adoption; and
- Linking written collateral pieces that give an overview of the IOU's Energy Efficiency programs to the appropriate IOU's IDSM web page.

The ideal marketing mix will be assessed for maximum awareness and participation. Marketing and outreach coordination will be coordinated, to the extent possible, among the IOUs utilizing the statewide coordination process described above.

The IOUs will continue to develop an in-depth segmentation of the industrial market. The results of this customer segmentation will support the development of targeted integrated marketing and outreach plans outlining multiple delivery channels that target customers based on their needs and preferences. Such delivery channels will likely include increased customer outreach through trade and community-based associations, third parties, government partnerships and core IOU programs.

v. IOU program interactions with CEC, ARB, Air Quality Management Districts, local government programs, other government programs as applicable

The Industrial Deemed Energy Efficiency Program will leverage the programs offered by CEC, ARB, Air Quality Management Districts, and other government agencies to capitalize on opportunities to share program information and marketing collateral with industrial customers to the extent possible.

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Conventionally, each government agency and IOU has operated natural resource and energy programs independently, missing opportunities to serve customers who must manage more than one resource type.

With respect to water conservation, IOU program managers will partner with the local water districts to co-brand marketing collateral, attend trade shows and release joint notices for programs with interactive water and energy effects. Similarly, with ARB and Air Quality Management Districts, IOUs will offer customers program incentives for energy efficient equipment that may also reduce water and greenhouse gas emissions.

vi. Similar IOU and POU programs

The IOUs will be delivering many third-party programs that are permitted to use the Industrial Deemed Energy Savings Program infrastructure. This will ensure a consistent delivery of measure incentives to ensure that programs do not cannibalize each other and detract from achieving cost-effective energy savings.

b) Program delivery and coordination

i. Emerging Technologies program

The long-term energy efficiency vision of California may be attained through the long-term and continuous development, verification, and acceptance of emerging technologies (ET) into the market. The achievement of long-term goals requires new technology as well as information, training and market development to maximize the EE benefits of cutting-edge technologies. In recognition of the importance of emerging technologies, the program is poised to adopt the efficiency potential of new technologies through its programs. In addition, portfolio staff actively works to incorporate promising emerging technologies.

ii. Codes and Standards program

The program relies on the Codes and Standards program to help maintain an updated and relevant list of measures that will support savings. As codes and standards impact measures, the program will act to align itself with appropriate offerings. It is important to manage the measure life cycle to take full advantage of providing incentives before moving them into code. The program will coordinate with the Codes and Standards Planning & Coordination sub-program. Programs will include new offerings that will allow flexibility in adapting to changes in codes and standards, market trends, and technologies. Planned enhancements to Title 20 and 24 will be reflected in incentive levels and eligible measures and services. As the market moves toward “low energy” or “zero net energy” buildings, specific changes to each element of the bundling will be made to ensure the latest cost-effective technologies/services (e.g., LEDs) are made available as they transition from research and development to mainstream program offerings.

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iii. WE&T efforts

Workforce Education & Training (WE&T) efforts support the education and training of a robust network of industry trade allies, vendors, engineers, design teams and others who can support the market transformation strategies of the Strategic Plan. In the Industrial Energy Efficiency Program, WE&T efforts will focus in the near term on supporting national ANSI Energy Management Certification development efforts, as outlined in the Strategic Plan. Programs will closely coordinate with key stakeholders to ensure that California is poised to adopt this national standard and be a leader in this effort. Specifically, prerequisite trainings will be offered in DOE systems trainings to lay the groundwork for certification level trainings. These education and training offerings take place through IOU's energy centers and technology centers.

iv. Program-specific marketing and outreach efforts (provide budget)

Marketing and outreach initiatives will include:

- Participation and membership in key trade associations affiliated with each high-priority sub-segment within the industrial sector, as appropriate;
- Attendance at key trade shows within the industrial sector;
- Building awareness and training of vendors of energy equipment and systems about the program eligibility requirements and participation procedures;
- Educating community based organizations (CBOs), faith based organizations (FBOs), other non-profit organizations, and other non-government organizations (NGOs) with unique access to certain industry segments;
- Informing enabling partners, such as financial institutions, law firms, and environmental organizations;
- Approaching other organizations with complementary value propositions from the customers' perspective, such as energy, water, materials management, recyclables, and corporate social responsibility;
- IOU-sponsored training events at the IOU's customer training centers and other convenient locations within the IOU's service territory;
- Hosting of IOU-sponsored webinars that provide sub-segment training and program adoption; and
- Development of case studies, web pages, and marketing materials that provide an overview of the IOU's energy efficiency programs.

Integrated and program-specific marketing efforts will complement and work in coordination with statewide ME&O to increase awareness, provide education, and drive ongoing engagement and participation in DSM programs and services among nonresidential customers. The statewide effort will provide the first level with IOU-specific programs providing reinforcement at a local level.

v. Non-energy activities of program

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The program will offer customers educational information about the non-energy benefits associated with energy efficiency measures, such as improved safety, indoor air quality, productivity, comfort, and appearance.

vi. Non-IOU programs

The program will continue to engage with Air Quality Management Districts, CEC, ARB, DOE, water agencies, and other government agencies responsible for regulating the various aspects and operations of customer facilities participating in the programs, as appropriate and feasible.

vii. CEC

As of June 2012, PIER no longer exists. However, the Program will interact with the Emerging Technologies Program to leverage new technologies to increase the list of measures available for energy efficiency projects. The portfolio staff actively works to incorporate promising emerging technologies and project in coordination with the applied research of CEC.

viii. CEC work on codes and standards

Planned enhancements to Title 20 and 24 will be reflected in incentive levels and in eligible measures and services.

Non-utility market initiatives

The program will support, educate customers, and/or facilitate such initiatives as AB32, renewables, ANSI certification, facility benchmarking, Continuous Energy Improvement, California Green Building Initiative, and other initiatives as directed. The IOUs will remain engaged in these efforts and work to influence the development of increasingly higher standards.

c) Best Practices

To maximize program effectiveness, best practices in program design and implementation will be employed and shared amongst IOUs.

Best practices in Program Design include:

- Regular communication amongst IOUs, which is critical to effective program design.
- Identification of qualifying products simply and effectively (Examples; ENERGY STAR®, CEE, FSTC website).
- Seeking input from industry in the development of new programs. The IOU programs are trying to change how an industry operates from manufacturer design to the customers' purchasing and maintenance practices.
- Industry participation that increases program volume and speeds market transformation.

Best practices in Program Implementation include:

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- Striving to simplify messaging and participation for the customer. (Look for the ENERGY STAR label, purchase from a qualifying products list, etc.)
- Understanding the key motivators that drive an industry and using that information to market your program. Formulating certain outreach efforts that make your program visible to your customers and the market that is catering to your customers.
- Continuously communicating program marketing and advertising plans in advance to appropriate industry channels. Advanced notice allows industry partners an opportunity to leverage off of IOU marketing efforts and reinforce the messaging we are trying to deliver to our customers.

d) Innovation

Innovative aspects of the program include improving major program performance indicators, such as accuracy of energy saving calculation, higher realization rate, overcoming energy efficiency barriers, reducing application processing time and administrative costs, and integrated energy management.

For the new program cycle, California IOUs have implemented a new incentive structure that emphasizes peak demand reduction, addresses current economic downturn and better motivates customers to participate in energy efficiency incentive programs. During the 2013-2014 program cycle, the new incentive structure will be periodically evaluated and necessary changes may be made in order to enhance program benefits and performance, including measure bundling incentives. The IOUs will explore offering an audit to customers considering three or more measures in an effort to determine if the audit itself leads to implementation of deeper savings.

IOUs will continue working collaboratively on modifications to program Policies and Procedures to address ongoing changes in customer expectations, market conditions and program flexibility. Changes will (a) target ease of program understanding and participation, (b) measure eligibility, (c) increase of customer's economic benefits, and (d) identify policy restrictions that are barriers to participation. IOUs are implementing such process based on market studies conducted on the subject and preceding discussion of the policy change. Among other modifications that would be potentially discussed and implemented are incentive caps and redesign of measure/equipment early retirement according to the CPUC concept.

Where possible, IOUs will use an integrated approach to addressing DSM opportunities. Innovative approaches will be used, such as merging energy efficiency and demand response analysis and converting recommendations to projects under Retrocommissioning and/or Calculated program. In addition, streamlining programs through processing and reviewing energy efficiency and demand response measures in a single application, providing analytical information about applicable distributed generation solutions, will maximize customer adoption rates for most cost-effective energy management opportunities.

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e) **Integrated/coordinated Demand Side Management**

Once enrolled, participating customers will be encouraged to participate in other demand-side management opportunities, including demand response and distributed generation. Participating customers will also be encouraged to take a more comprehensive approach to demand-side management and strive for continuous improvement.

Integration across resource types (energy, water, air quality, etc)

California's industrial sector faces a multitude of environmental and regulatory challenges that affect their competitiveness and, in some cases, survival. New regulations aimed at improving air quality, water quality and reducing toxic environmental pollutants are proving to be expensive and disruptive to business as usual, and in many cases will have the impact of increasing energy use in compliance.

To help deal with these challenges, the industrial program will coordinate with the regulating agencies and the programs they are operating to support mutually advantageous program designs, customer incentives, marketing opportunities, and implementation opportunities. IOUs will continue to offer targeted trainings to customers who share common regulatory challenges in an effort to educate customers on impending regulatory requirements for their business operation, and the most efficient solution options to consider for compliance. Future workshops may look at small and medium sized water and wastewater treatment options, steam system upgrades, and energy efficiency to meet AB32 industrial targets.

IOUs will pursue opportunities to partner with water agencies to offer joint energy and water conservation incentives to support projects that would reduce both resources. Partnering with other utilities will help reduce administrative cost and has a greater impact on societal benefits.

Where applicable, the Program will integrate topics such as GHG reduction and water conservation into targeted customer workshops, and marketing and communications, building on a strong track record from the past program cycle. Marketing and communications material will include savings opportunities and messaging.

f) **Pilots**

Not applicable.

g) **EM&V**

The IOUs are proposing to work with the Energy Division to develop and submit a comprehensive EM&V Plan for 2013-2014 after the program implementation plans are filed. This plan will include process evaluations and other program-specific studies within the context of broader IOU and Energy Division studies. More detailed plans for process evaluation and other program-specific evaluation efforts will be developed collaboratively by the IOUs and Energy Division. Development of these plans will occur after the final program design is approved by the CPUC and, in many cases after program

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implementation has begun, since the plans need to be based on identified program design and implementation issues.

7. Diagram of Program

Please see the core program diagram.

8. Program Logic Model

Please see the Commercial Deemed Energy Efficiency Program logic model.

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1. **Program Name:** Industrial Continuous Energy Improvement Program
Program ID: SCG3714
Program Type: Statewide Core Program

2. **Projected Program Budget Table**

Table 1 – reference the overarching program for budget details

3. **Projected Program Gross Impacts Table**

Table 2 - reference the overarching program for savings details

4. **Program Description**

- a) **Describe program**

Continuous Energy Improvement (CEI) is a consultative service that is aimed at helping industrial customers engage in long-term, strategic energy planning. Corporate energy management is not currently part of normal business operations for the majority of IOU customers and with current economic pressures forcing customers to reduce costs and focus more on their core business, it is likely to be further marginalized. CEI proposes to reintroduce the importance of energy management by transforming the market (and reducing energy intensity) through a comprehensive approach that addresses both technical and management opportunities and creates sustainable practices through a high-level energy commitment from executive and board-level management. CEI applies the principals of well-known business continuous improvement programs, such as Six Sigma and International Standards Organization (ISO) standards, to facility and plant energy management: (1) Commitment; (2) Assessment; (3) Planning; (4) Implementation; and (5) Evaluation and Modification. At each stage of customer engagement, there are a variety of complementary IOU and non-IOU products and services that can be customized to fit different customer profiles and optimize the cost effectiveness of the delivered energy management solution.

In 2013-14, CEI will be expanded to include select group of mid-sized non-residential customers. Available options to help target these customers may include an individualized, small group, or mass-market remote deployment approach. CEI will coordinate its services with the Industrial Energy Advisor subprogram offerings. CEI offers customers what can be considered the pinnacle of audit offerings, guiding senior management to instill energy considerations in all management/business operational decisions and in long-term energy planning.

The CEI program implements the following steps:

1. **Commitment**

CEI begins with a high-level management commitment to improving energy performance, which increasingly can be combined with other environmental and

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regulatory commitments that energy users are developing in response to market and political pressures. A corporate commitment sends the top-down message to employees, partners, shareholders and vendors that energy—like safety—is a priority issue requiring attention. Corporate commitment also paves the way for establishing the required company resources required to implement the steps of CEI. These resources can include capital, personnel like energy champions or teams, or technical systems and software required for energy management.

Gaining true customer commitment can take time, but it is critical. In implementation, IOUs will formalize the Commitment phase with more intensive customers through a CEI participation agreement. This agreement outlines the IOU CEI services being offered as well as minimum customer expectations.

2. Assessment

Following Commitment, a comprehensive assessment is critical to identifying not only technical opportunities but also systemic energy management practices and cultural shifts. These can improve overall facility management practices and sustain continuous improvements towards long-term company targets. A component to the assessment will also include tools to help identify Energy Efficiency (EE), Distributed Generation (DG), and Demand Response (DR) opportunities.

There are many tools and resources – IOU and non-IOU, free and licensed – available to support comprehensive customer energy assessment. They include ENERGY STAR's Guidelines for Energy Management; customer energy management assessment software products like those developed by Envinta; benchmarking tools; Integrated Comprehensive Energy Audits; through the Industrial Energy Advisor sub-program, or local and third-party programs that can offer specialized technical expertise and assessment.

Based on screening criteria, IOUs will offer comprehensive energy assessment services utilizing, but not limited to, vetted sources like those described below, to develop a customer specific strategic energy plan.

- ENERGY STAR's Guidelines for Energy Management is housed on the ENERGY STAR website and provides step-by-step guidelines to customers to support CEI in general. It also guides customers to ENERGY STAR's numerous assessment tools. This option is a low-cost resource for smaller and medium customers interested in CEI.
- Energy Management Assessment Tools such as Envinta's One-To-Five, Achiever, or Challenger software products offer professionally facilitated energy management assessment with company decision makers. They also explore management practices and company priorities to develop a CEI roadmap for energy goals and actions.

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- Integrated Comprehensive Energy Audits provide an inventory of technical facility end-uses and energy efficiency, demand response and self-generation investment opportunities. For a full description, see the Industrial Energy Advisor sub-program plan.
- Benchmarking can measure the energy performance of a company, building, process, or piece of equipment to industry standards or comparable groupings. Benchmarking is a natural first step for the CEI process. Customers with multiple facilities find benchmarking useful to prioritize efficiency projects, track progress toward energy or greenhouse gas (GHG) improvement goals, or drive competition among similar benchmarked facilities. Units of measurement vary widely. For industrial buildings, the unit is energy used/square foot for a unit of time. Benchmarking can also be applied to other resources and environmental issues such as water use, CO₂, and emissions.

3. Planning

Strategic energy planning involves setting energy goals and action plans around energy efficiency, demand response, and generation, as appropriate. Planning for customers will typically involve Account Representatives and/or consultants. As discussed in the Strategic Plan and in Section 6.e below, strategic planning can also include complementary non-energy considerations, such as greenhouse gas (GHG) reductions, water efficiency, and waste-stream minimization, all of which have embedded energy components.

Data and findings from a comprehensive customer Assessment are critical in developing any comprehensive energy plan. These include the results from technical audits or assessments, facility benchmarks, energy management assessments, and assessments of company priorities. This information is analyzed and used to develop realistic and achievable company goals and the prioritized shorter-term tactics that are needed to achieve them. Energy plans should be living documents revisited and revised regularly.

Energy goals can vary widely and include elements such as resource utilization (“Company X will reduce its overall energy intensity by 3% over the next 3 years”), carbon reduction goals (“Company X will be carbon neutral by 2014”), or management-oriented goals (“Company X will implement energy teams by 2013”). Goals can be internal documents or can be made public through press releases as part of larger sustainability plans. Publicized goals are increasingly important for large and public companies.

CEI will assist customers in developing and implementing action plans to execute the prioritized near-term activities in support of their company’s energy goals, as well as the resources, staff and schedule for tracking. Action plans typically include activities such as (a) prioritizing process systems or facilities based on

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benchmarking or company drivers, (b) identifying internal resources required for plan implementation, and (c) developing project justification and incentive application documentation lists and detailed schedules.

4. Implementation

In the implementation stage, IOUs partner with customers to identify technical support and IOU and non-IOU resources available to support implementation of projects, such as rebates, incentives, third-party and government partnership programs, and state and national resources. These may include:

- Statewide Deemed rebates;
- Statewide Calculated incentives for new construction/tenant improvement, retrofit and retro-commissioning/repair;
- Third-Party and Government Partnership programs (described in the statewide and local third party filings);
- IOU and non-IOU financing options; and
- External and internal engineer support.

5. Evaluation and Modification

In any continuous improvement program, evaluation is an ongoing process of comparing actual performance against company goals, targets and action plans. It may include repeating the benchmarking and system or facility baseline process annually, assessing advancements in organizational and management practices that facilitate energy management improvements, or evaluating cost savings per unit of product. Regular evaluation will inform changes to goals and action plans moving forward.

b) List measures

CEI does not provide incentives to customers, but ultimately facilitates the customer's implementation of energy efficiency projects through incentive programs. However, depending on the outcome of the 2012 process evaluation, customer incentives may be offered.

c) List non-incentive Industrial Energy Advisor

CEI is a non-resource program that provides comprehensive strategic energy planning and consulting services for industrial customers. These services include energy management assessments, energy planning, baselining and benchmarking, project implementation support, customer recognition (e.g. "corporate sustainability awards"), and web-based energy resources.

5. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Information

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics are proposed at the program level. Please

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refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

Table 3 – Refer to the overarching program for quantitative baseline metrics

b) Market Transformation Information

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics and goals are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

Table 4 – Refer to the overarching program for market transformation metrics

c) Program Design to Overcome Barriers

CEI is intended to address several market barriers that prevent wider adoption of energy efficiency practices. These barriers include:

- Lack of information: The CEI evaluation and modification process provides data that customers can use to reevaluate their commitment and/or modify their energy goals.
- Performance uncertainties: Through CEI’s comprehensive baselining and benchmarking assistance, customers will have access to real-time data that demonstrates how their facility is performing relative to their established goals.
- Organizational customs: The high-level customer commitment that is at the core of CEI increases the likelihood that corporate cultures that prevent successful implementation of comprehensive energy policies will be changed.

d) Quantitative Program Targets

In keeping with the direction provided from the Commission, the numbers for the Industrial CEI program include a plan to increase the number of mid-sized non-residential customers. SCG and SCE are exploring opportunities to work together to target customers in their common service territories. The targets provided herein include a combination of large and mid-sized engagements. The targets are best estimates, but nonetheless are forecasts.

Table 5

	Program Target by 2013	Program Target by 2014
Number of Engagements	10	10

e) Advancing Strategic Plan goals and objectives

The Industrial Energy Efficiency Program supports all three goals in the Strategic Plan for the Industrial Sector. General advancement of the goals is presented in the program

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implementation plan for the Industrial Energy Efficiency Program. More specific support of the goals in the Industrial CEI Program is presented here.

Goal 1: Support California Industry's adoption of energy efficiency by integrating energy efficiency savings with achievement of GHG goals and other resource goals.

Strategy 1.1: Develop coordinated energy and resource management program for CA's industrial sector, to enhance use of energy efficiency

The core deliverable through CEI is the development of a comprehensive energy management plan that customers can adopt as an operating strategy. This plan will allow customers to quantify and manage their GHG emissions in a responsible manner.

Goal 2: Build market value and demand for continuous improvement in industrial efficiency through branding and certification.

Strategy 2.2: Implement certification

Near-term: Plan pilot and recruit host sites (8-10 facilities)

The Continuous Energy Improvement sub-program will manage the statewide participation in the development of an industrial certification program. This certification program will be piloted in 2013-2014. It will leverage the various industrial sub-program tactics described throughout this program implementation plan to identify the best potential host sites. The lessons learned from this pilot will be used to expand the certification in the next program cycle.

Goal 3: Provide centralized technical and public policy guidance for California industrial energy and resource efficiency.

Strategy 3.1: Compile technical and resource management regulatory materials into centralized assistance repository.

Near-term: 1) Identify and incorporate priority energy and other data; 2) Develop clearinghouse or integration system.

The Continuous Energy Improvement sub-program will support the development of an industrial clearinghouse by providing information on results and experience in the program, including case studies of innovative projects and best practices about implementing comprehensive energy management plans at industrial facilities.

6. Program Implementation

a) Statewide IOU coordination

i. **Program name:** Industrial Continuous Energy Improvement Program

ii. **Program delivery mechanisms**

CEI will be coordinated to unify the implementation of program aspects such as program name, program delivery mechanisms, marketing and outreach plans, and

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IOU program interactions. The Industrial CEI Program will coordinate with the core Industrial Energy Efficiency Program to provide mutual support.

The high-level focus of this statewide coordination effort will enable the capture of new innovations and opportunities for program improvement, correct program weaknesses that reveal themselves during implementation, and ensure achievement of statewide targets across IOU service territories. Therefore, statewide focus on program unity and continuous program improvement over the course of the two-year implementation cycle will be enabled.

Where applicable, the SoCalGas account representatives will support this activity within the statewide industrial sector, as well as third parties, government partnerships, and SoCalGas local programs.

iii. Incentive levels

Not applicable. (CEI is a non-resource program).

iv. Marketing and outreach plans, e.g. research, target audience, collateral, delivery mechanisms

As with other information and education programs, CEI will be delivered primarily by IOU customer energy efficiency staff and contractors, service and sales representatives, website and marketing and outreach efforts. Other channels of delivery may be developed.

The IOUs will continue to develop an in-depth segmentation of the industrial market. The results of this customer segmentation will support the development of targeted integrated marketing and outreach plans outlining multiple delivery channels that target customers based on their needs and preferences. Such delivery channels will likely include increased customer outreach through trade and community-based associations, third parties, government partnerships and core IOU programs.

v. IOU program interactions with CEC, ARB, Air Quality Management Districts, local government programs, other government programs as applicable

The program will leverage the programs offered by CEC, ARB, Air Quality Management Districts, and other government agencies to capitalize on opportunities to share program information and marketing collateral with industrial customers.

vi. Similar IOU and POU programs

Over the next two years, the IOUs will seek to increase their interactions with the POU's, as applicable, to promote the CEI concept throughout the state.

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This may involve the creation of periodic California energy efficiency program summits that seek to increase awareness of the Strategic Plan and how programs could/should be designed to help meet its aggressive targets.

b) Program delivery and coordination

i. Emerging Technologies program

The CEI program management team will stay abreast of and incorporate relevant emerging technologies into audit recommendations. In addition, IOU field engineers, who play a large role in the delivery of CEI to industrial customers, are active contributors to the Emerging Technology (ET) process by their participation in ET Roundtable/Information meetings and continually seek to offer new technologies to customers.

ii. Codes and Standards program

CEI implementation will include information about pending new code that may affect planning or prioritization of retrofit or new construction projects.

iii. WE&T efforts

CEI implementation will integrate with WE&T efforts by providing CEI process, lessons learned, and case study input to energy engineering curriculum designers for community colleges and universities. This activity will be coordinated through the Statewide WE&T program team and will ultimately be integrated into the web portal that team is now developing. SoCalGas will assess and support specialized WE&T training to help target working energy management professionals, industry professionals, and those pursuing education in universities and colleges.

SoCalGas will also continue with WE&T coordination to bridge the linkages and integrate sector strategy approaches. Program costs will be shared with WE&T.

iv. Program-specific marketing and outreach efforts

A broad range of marketing activities will be used to promote audits and elevate customer engagement. The Industrial CEI program will be promoted via direct communication between customers and Account Executives with the support of Project Managers from individual programs, as well as through traditional advertising activities, such as internet, bill inserts, brochures, trade shows, etc. Marketing activities will be coordinated between IOUs, and Distributed Generation departments within SoCalGas.

Integrated and program-specific marketing efforts will complement and work in coordination with statewide ME&O to increase awareness, provide education, and drive ongoing engagement and participation in DSM programs and services among nonresidential customers. The statewide effort will provide the first level with IOU-specific programs providing reinforcement at a local level.

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v. Non-energy activities of program

Integrated energy audits are a key tool for identifying non-energy opportunities for specific customers. The energy audits can identify non-energy benefits associated with recommended measures, such as improved safety, productivity, indoor air quality, comfort and appearance.

vi. Non-IOU programs

The program will continue to engage with Air Quality Management Districts, CEC, CARB, DOE, water agencies, and other government agencies responsible for regulating the various aspects and operations of customer facilities participating in the programs.

vii. CEC

Not applicable.

viii. CEC work on C&S

See Section 6.b.ii.

ix. Non-utility market initiatives

Education about federal tax incentives for energy efficiency investments is an example of non-IOU information and guidance that CEI will provide customers. In addition, the IOUs will participate in national efforts to develop and/or improve benchmarking tools and services that can be used by customers to better facilitate their adoption of sustainable energy management practices.

c) Best Practices

The CEI approach applies the principals of well-known business continuous improvement programs, such as Lean Six Sigma and ISO standards, to facility and plant energy management: Commitment, Assessment, Planning, Implementation, Evaluation and Modification in order to achieve widespread adoption of long-lasting sustainable energy management practices in the industrial market sector. This approach can now be successfully implemented given the two-year program cycle allowing longer term and deeper project development engagements with customers.

d) Innovation

CEI is a new way of packaging energy efficiency, demand response and self-generation products and services aimed at helping customers engage in long-term, strategic energy planning. It proposes to transform the market and reduce energy intensity through a comprehensive approach that includes addressing both technical and management opportunities.

Depending on the outcome of the 2012 process evaluation, CEI may consider customer incentives to accelerate project implementation (including IDSM projects), and reward customer for implementing strategic energy management.

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e) Integrated/coordinated Demand Side Management

CEI includes project analysis and implementation support of recommendations of the Integrated Comprehensive Energy Audits, which provide customers with an inventory of facility end-use breakdown and energy efficiency, demand response and self-generation investment opportunities. Over the last few years, traditional DSM programs have learned that successful customer participation in one program leads to a likelihood of repeat participation in the same program. Additionally, this successful participation makes these customers likely candidates for other similarly related types of programs. While a successful program experience leads to repeat participation, there has been difficulty in cross-pollinating similarly related types of programs with these candidates due to program-specific silos. To overcome the historic siloing of DSM, the CEI sub-program will leverage lessons learned from IDSM efforts by offering comprehensive, coordinated marketing and program delivery.

CEI is recognized as a strategy to advance Statewide IDSM program's goals and objectives. SoCalGas will increase IDSM messaging and coordination within CEI.

f) Integration across resource types (energy, water, air quality, etc)

CEI implementation will include information on Non-IOU Programs to expose customers to funding, such as from air or water agencies, to support efforts. IOU CEI sub-program managers will partner, as appropriate, with CEC, ARB, Air Quality Management Districts, and other government agencies to capitalize on opportunities to share program information, marketing collateral, and financial incentive analysis with customers. Conventionally, each government agency and IOU has operated natural resource and energy programs independently, missing opportunities to serve customers who must manage more than one resource type. For customers who are regulated by or interested in more than one resource issue, CEI will inform the customer about the mutual benefit of combining complementary resource programs.

In the effort to promote CEI, SoCalGas will seek out customers interested in complementary resource programs such as provided by water and air quality agencies. With respect to water conservation, IOU program managers will partner with the local water districts to produce co-branded marketing collateral, attend trade shows and release joint notices for programs with interactive water and energy effects.

g) Pilots

Not applicable.

h) EM&V

The IOUs are proposing to work with the Energy Division to develop and submit a comprehensive EM&V plan after the program implementation plans are filed. This may include process evaluations and other program-specific studies within the context of broader IOU and Energy Division studies.

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More detailed plans for process evaluation and other program-specific evaluation efforts cannot be developed until after the final program design is approved by the CPUC and in many cases after program implementation has begun, since plans need to be based on identified program design and implementation issues.

Once results of the 2010-2012 evaluations are ready, recommendations will be reviewed for modifying the CEI PIP accordingly.

7. Diagram of Program

Please see the core program diagram.

8. Program Logic Model

Please see the Commercial CEI program logic model.

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- 1. Program Name:** Statewide Agricultural Energy Efficiency Program
Program ID: SCG3717 – SW-AG-Energy Advisor
 SCG3718 – SW-AG-CEI
 SCG3719 – SW-AG-Calculated Incentives
 SCG3720 – SW-AG–Deemed Incentives
Program Type: Statewide Core Program

2. Projected Program Budget Table

Table 1: Total Projected Program Budget by Category

Program #	Main/Sub Program Name	Administrative Amount	Marketing Amount	Direct Implementation Amount	Incentive Amount	Total Program Budget Amount
	SW Agricultural Energy Efficiency Program					
3717	SW-AG-Energy Advisor	\$6,779	\$0	\$71,234	\$0	\$78,013
3718	SW-AG-CEI	\$3,453	\$0	\$60,768	\$0	\$64,221
3719	SW-AG-Calculated Incentives	\$408,836	\$212,410	\$1,809,414	\$1,114,573	\$3,545,233
3720	SW-AG-Deemed Incentives	\$143,746	\$113,006	\$481,041	\$329,373	\$1,067,167
	TOTAL:	\$562,814	\$325,416	\$2,422,457	\$1,443,946	\$4,754,633

3. Projected Program Gross Impacts Table

Table 2: Total Projected Program Savings by Subprogram

Program #	Main/Sub Program Name	2013-2014 Gross kW Savings	2013-2014 Gross kWh Savings	2013-2014 Gross Therm Savings
	SW Agricultural Energy Efficiency Program			
3717	SW-AG-Energy Advisor	0	0	0
3718	SW-AG-CEI	0	0	0
3719	SW-AG-Calculated Incentives	0	0	1,496,799
3720	SW-AG-Deemed Incentives	0	0	924,465
	TOTAL:	0	0	2,421,264

4. Program Description

a) Describe program

The Statewide Agricultural Energy Efficiency Program facilitates the delivery of integrated energy management solutions—including energy efficiency, demand response, and distributed generation—to California’s agricultural customers. The Program offers a suite of products and services (for example, through strategic energy planning support, technical support services, facility audits, pump tests, calculation/design assistance, financing options, and financial support through rebates and incentives). In addition, the program adopts and supports the strategies and actions of the Agricultural and Industrial chapters of the California Long-Term Energy Efficiency Strategic Plan (Strategic Plan).

The Statewide Agricultural Energy Efficiency Program targets end-users such as irrigated Agricultural growers (crops, fruits, vegetable, and nuts), greenhouses, post-harvest processors (ginners, nut hullers, and associated refrigerated warehouses), and dairies. Traditionally food processors, due to NAICS designation, have received IOU services

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through the Industrial program offering. However, there are those facilities with on-site processing that are integrated with a growers and their products, as is the case with some fruit and vegetable processors (canners, dryers, and freezers), prepared food manufacturers, wineries, and water distribution customers that may be addressed by this program's offerings.

To address the potential in these markets, the Statewide Agricultural Energy Efficiency Program offers four sub-programs. A brief description is provided below. For a detailed accounting of the sub-programs' activity refer to the sub-program's specific program implementation plan:

1. **Agricultural Energy Advisor** provides online and onsite audits, including benchmarking (offices and other "commercial" building areas), focused and integrated comprehensive energy audits, pump tests and may include Continuous Energy Improvement (CEI) audits/services across the agricultural segment depending on the IOU's market segment potentials and available resources. The Program provides an inventory of technical project opportunities and financial analysis information for a customer's short- or long-term energy plan, and overcomes both informational and technical customer barriers.
2. **Agricultural Calculated Energy Efficiency Program** offers customers a standardized incentive approach for customized and integrated energy efficiency, and CEI projects, which may include comprehensive technical and design assistance. It overcomes information, technical, and financial barriers across the agricultural segment. As a more customized calculation method that can consider system and resource interactions, it will also be the preferred approach for supporting the integrated, whole system, and multi-resource management strategies of the Strategic Plan.
3. **Agricultural Deemed Energy Efficiency Program** provides IOU representatives, equipment vendors, and customers with an easy-to-use mechanism to cost-effectively subsidize and encourage adoption of mass market efficiency measures through fixed incentive amounts per unit.
4. **Agricultural Continuous Energy Improvement (CEI)** is a non-resource sub-program that includes a collection of strategic planning tools and resources for long-term integrated energy planning. CEI serves as a launching platform for other IOU and non-IOU programs and services. CEI offers analysis, benchmarking, long-term goal setting, project implementation support, performance monitoring, and potential energy management certification offered through evolving Department of Energy (DOE) and International Organization for Standardization (ISO) efforts. CEI aims to transform the market from a "project-to-project" approach toward a continuous improvement pathway. In support of the Strategic Plan, the CEI approach also sets the stage for non-energy resource integration, such as greenhouse gas (GHG) reduction, water conservation

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strategies, and regulatory compliance. CEI will be offered by the IOUs, based on their market segment potential and resource availability. CEI services will be offered in the Agricultural Energy Advisor sub-program as applicable.

The New Construction Whole Building Approach (WBA) will be extended to existing buildings as one example of the customized bundling outlined in the Strategic Plan. This approach will make available the tools and resources necessary for customers to adopt a comprehensive approach to energy efficiency. This approach may include the deployment of energy management and information systems in demonstration projects that can be used to quantify and analyze energy savings based on various forms of data, including interval meter data.

In addition to these four sub-programs, each of the four investor-owned utilities (IOUs) in the state also offers local programs that complement and enhance the core offerings in their region. The IOU local portfolio mix is designed to enhance energy efficiency and DSM opportunities for Agricultural customers. Additional information regarding the local efforts can be found in the sub-program descriptions and in section 6.g of this program implementation plan. The portfolio mix includes water conservation education information.

Market Characterization

California's agricultural customer base consists primarily of a broad mix of smaller accounts and consumes approximately 7%¹ of total statewide electricity. The business models and energy efficiency needs for these market segments vary widely and thus require targeted marketing and program delivery strategies. A review of the primary segments addressed by this Program is included below.

Irrigated Agriculture

Irrigated agriculture represents an estimated 80% of the total electricity and 73% of total natural gas used by the agricultural segment. This energy is predominately used to lift, move, and pressurize irrigation water. Increased reliance on ground water is increasing energy intensity, giving high priority to improving the current average pumping efficiency from 53% towards the technical potential for 68-70% through optimizing pump operation. Increasing pressures from international competition, land and water use policy decisions, labor force uncertainties, and consolidation of smaller family farms into larger agribusiness enterprises make this segment increasingly receptive to new technologies and practices balanced by financial concerns from risks of crop failure.

Greenhouses

This specialty segment is in transition from the cut flowers industry to ornamental plants and vegetable transplants. Increased mechanization and consolidation in this segment presents opportunities for energy efficiency. Top opportunities for energy savings are in

¹ 1980-2005 California Electricity Consumption by Sector - California Energy Commission, http://www.energy.ca.gov/electricity/consumption_by_sector.html.

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boiler improvements, building envelope improvements, and temperature control enhancements (for example, heat curtains).

Post-Harvest Processing Facilities

Post-harvest facilities associated with or near agricultural growing facilities, process, package and store agricultural commodities, such as cotton ginneries, nut harvesters and bag-houses, and fruit and vegetable packing plants. Their operations are typically seasonal and driven by harvest schedules. Nut hullers are a growing market due to new more productive strains of almonds. Key technical opportunities in this segment include industrial refrigeration improvements and process improvements.

Dairies and Confined Animal Feeding Operations

California's more than 1,900 dairies are primarily located in Tulare, Fresno, Kern, Merced, Stanislaus, and San Joaquin counties. Dairy farms are consolidating, with larger farms facing increased regulatory challenges related to air and water quality, creating opportunities for the adoption of new technologies and practices. Energy efficiency opportunities are focused in refrigeration, ventilation, and waste handling.

Benchmarking will be developed as a key foundational activity to drive customer awareness and continuous energy improvement. Improved dairy waste management offers significant potential for distributed generation, as well as potential reduction of air and water quality problems and the capture and sale of greenhouse gas credits. Like dairies, feedlots and poultry operations for meat and egg production have drawn recent food safety and regulatory attention that may make them more receptive to new technologies and practices for improved efficiencies and waste to energy opportunities. Animal waste streams within this segment offer biogas development potential.

Food Processing, General

Off site Food Processing may include breweries, meat and poultry processing, dairy processors (e.g., creameries), canned, dried or frozen fruits and vegetables, grain products, baked goods, sugar and confectionary products, oils, snack manufacturing, soft drink manufacturers and seafood processing. The market is characterized by a small number of large users representing a disproportionate percentage of the energy consumed, offering an ideal opportunity for delivering a large customer strategy. The segment has high energy-intensity in relation to profit margins and is highly seasonal, with the majority of natural gas and over half of the electricity used during the peak summer season. Increased global competition and environmental regulations like AB 32 position this market for reductions in energy, water, emissions, greenhouse gasses and raw materials. An integrated resource management strategy, focusing on long-term continuous improvements, is expected to improve energy efficiency performance in the segment. The majority of the energy savings potential comes from process system improvements such as in refrigeration, boilers and steam systems, compressed air and motors. Distributed generation and demand response opportunities include using waste heat/steam for production processes such as pasteurization, cooking and heating.

Food Processing, Wineries

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California's more than 2000 wineries produce 90% of all US wine. The segment is comprised of a small number of very large wineries and conglomerates, and a large number of small and medium facilities. This environmentally progressive segment of tightly knit and organized peer-to-peer networks has established environmental programs and web-based environmental benchmarking tools, and has launched a winery carbon calculator to support energy efficiency. The wine segment offers a model for other agricultural segments to follow. These efforts have been led by the California Sustainable Winegrowing Alliance (CSWA), which is eager to continue working with interested IOUs on outreach, education, training, and benchmarking. These efforts will promote best practices in resource management including energy, water, air and GHGs. Energy savings potential is predominantly in refrigeration, pumping, and water heating and treatment. The wine segment's demand peaks in summer and fall, related to refrigeration during crush, making refrigeration improvements especially attractive. Interest in emerging technologies has been strong.

Food Processing, Refrigerated Warehouses

Off-site refrigerated warehouses are highly specialized, energy-intensive, technology-oriented facilities focused on staying competitive with operators in nearby markets. They are comprised of, or associated with, wholesale facilities, public and private refrigerated warehouses, food and beverage processors, and perishable product cooling and packaging operations. As they handle a wide variety of seasonal products, loads can vary dramatically between facilities. Significant energy savings opportunities exist in facility retrofits and improved new facility design, as captured in the Agricultural Strategic Plan. Activities identified in the Agricultural Strategic Plan include expanded education and training and best practices dissemination directed at facilities designers and operators, the refinement of the DOE-2.2R energy modeling tool utilizing national funding and support, and incorporating codes and standards. The ability to float refrigeration loads through peak periods with controls software has shown great initial success in the 2006-2008 program cycle for demand response.

Water Irrigation Districts and Agencies

The water and wastewater industry (North American Industry Classification System prefix 221) collects surface water or groundwater, treats water to agricultural or potable standards, transports water to local distribution networks, delivers water to end users, and finally, collects and treats wastewater for discharge into the environment. IOU customers in this sector include large public agencies and private water supply utilities, can include wastewater treatment districts, and integrated water and wastewater utilities. IOUs may address the last two sub-segments in Commercial or Industrial segments. Irrigation and power districts located in California's Central Valley are also large users of electricity and natural gas.

b) List measures

Technologies addressed through this program effort include pumping, refrigeration, process loads, process heating, lighting, and plug loads. Incentive levels will be offered through the Agricultural Calculated Energy Efficiency Program and the Agricultural

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Deemed Energy Efficiency Program, described in full in their respective Program Implementation Plans.

c) **List of non-incentive Agricultural Energy Advisor Services**

The Statewide Agricultural Energy Efficiency Program includes a wide variety of non-incentive program services. These services are intended to support customer strategic planning, educate and train customers and the workforce about energy efficiency, and provide customized technical and project support. The service list may include and is not limited to:

- Energy Audits
 - Remote energy audits;
 - Integrated energy audits;
 - Benchmarking (currently limited to portions of an agricultural facility with commercial spaces);
 - Pump tests and pumping systems technical support; and
 - Water leak detection services (new service).
- Continuous Energy Improvement (CEI)
 - Energy management assessments;
 - Energy planning;
 - Baseline and benchmarking;
 - Project implementation support; and
 - Customer recognition.
- Customer Education and Training
 - DOE basic, intermediate and specialist training on agricultural and industrial pumps, motors, compressed air, and steam;
 - Other industrial process systems training;
 - Agricultural pumping efficiency seminars;
 - Workshops merging regulatory compliance with energy efficiency opportunities (such as with NOX compliance and boiler retrofits); and
 - Integrated industry-focused workshops, such as for wineries, dairies, greenhouses, and food processors.
- Workforce Education and Training
 - The Statewide WE&T crosscutting program effort will be leveraged to deliver targeted training to the agricultural sector to support Superior Energy Performance (SEP), ANSI and ISO energy management certification;
 - Title 24 training, such as for refrigerated warehouses; and
 - Industrial refrigeration best practices (for designers), in support of the Strategic Plan focus on refrigeration.

5. Program Rationale and Expected Outcome

a) **Quantitative Baseline and Market Transformation Information**

Market transformation is embraced as an ideal end state resulting from the collective efforts of the energy efficiency field, but differing understandings of both the MT process

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and the successful end state have not yet converged. The CPUC defines the end state of MT as “Long-lasting sustainable changes in the structure or functioning of a market achieved by reducing barriers to the adoption of energy efficiency measures to the point where further publicly-funded intervention is no longer appropriate in that specific market.”² The Strategic Plan recognizes that process of transformation is harder to define than its end state, and that new programs are needed to support the continuous transformation of markets around successive generations of new technologies³.

Market transformation programs differ from resource acquisition programs on 1) objectives, 2) geographical, 3) temporal dimensions, 4) baselines, 5) performance metrics, 6) program delivery mechanisms, 7) target populations, 8) attribution of causal relationships, and 9) market structures⁴. Markets are social institutions⁵, and transformation requires the coordinated effort of many stakeholders at the national level, directed to not immediate energy savings but rather to intermediary steps such as changing behavior, attitudes, and market supply chains⁶ as well as changes to codes and standards. Resource acquisition programs rely upon the use of financial incentives, but concerns have been raised that these incentives distort true market price signals and may directly counter market transformation progress⁷. According to York⁸, “Market transformation is not likely to be achieved without significant, permanent increases in energy prices. From an economic perspective, there are 3 ways to achieve market transformation: (1) fundamental changes in behavior, (2) provide proper price signals, and (3) permanent subsidy.”

Market transformation draws heavily upon diffusion of innovation theory⁹, with the state of a market usually characterized by adoption rate plotted against time on the well-known S-shaped diffusion curve. In practice, however, the diffusion curve of products may span decades¹⁰. Market share tracking studies conducted 3, 5 or even 10 years after the start of an MT program may reveal only small market transformation effects¹¹. The ability to make causal connections between these market transformation effects and any particular

² California Public Utilities Commission Decision, D.98-04-063, Appendix A.

³ California Public Utilities Commission (2008) *California Long Term Energy Efficiency Strategic Plan*, p. 5. Available at <http://www.californiaenergyefficiency.com/docs/EEStrategicPlan.pdf>.

⁴ Pelozo, J., and York, D. (1999). “Market Transformation: A Guide for Program Developers.” Energy Center of Wisconsin. Available at: <http://www.ecw.org/ecwresults/189-1.pdf>.

⁵ Blumstein, C., Goldstone, S., & Lutzenhiser, L. (2001) “From technology transfer to market transformation”. Proceedings of the European Council for an Energy Efficient Economy Summer Study. Available at http://www.eceee.org/conference_proceedings/eceee/2001/Panel_2/p2_7/Paper/.

⁶ Sebold, F. D., Fields, A., Skumatz, L., Feldman, S., Goldberg, M., Keating, K., Peters, J. (2001) *A Framework for Planning and Assessing Publicly Funded Energy Efficiency*. p. 6-4. Available at www.calmac.org.

⁷ Gibbs, M., and Townsend, J. (2000). The Role of Rebates in Market Transformation: Friend or Foe. In *Proceedings from 2000 Summer Study on Energy Efficiency in Buildings*.

⁸ York, D., (1999). “A Discussion and Critique of Market Transformation”, Energy Center of Wisconsin. Available at <http://www.ecw.org/ecwresults/186-1.pdf>.

⁹ Rogers (1995) *Diffusion of Innovations*, 5th Ed.

¹⁰ Example in bottom chart of this graphic from the New York Times: <http://www.nytimes.com/imagepages/2008/02/10/opinion/10op.graphic.ready.html>.

¹¹ Sebold et al (2001) p. 6-5.

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program's activities fades with time, as markets continually change and other influences come into play.

These challenges mentioned above are in reference to programs that were specifically designed to achieve market transformation; and these challenges are only compounded for programs that were primarily designed to achieve energy and demand savings. However, since the inception of market transformation programs almost two decades ago, many lessons have been learned about what the characteristics of successful MT programs are.

First and foremost, they need to be designed specifically to address market transformation. "The main reason that (most) programs do not accomplish lasting market effects is because they are not designed specifically to address this goal (often because of regulatory policy directions given to program designers.)"¹² The Strategic Plan recognizes that regulatory policies are not yet in place to support the success of market transformation efforts¹³, but also reflects the CPUC's directive to design energy efficiency programs that can lay the groundwork for either market transformation success or for codes and standards changes.

Above all else, the hallmark of a successful market transformation program is in the coordination of efforts across many stakeholders. The most successful MT programs have involved multiple organizations, providing overlapping market interventions¹⁴. The Strategic Plan calls for coordination and collaboration throughout, and in that spirit the IOUs look forward to working with the CPUC and all stakeholders to help achieve market transformation while meeting all the immediate energy, demand, and environmental needs. Drawing upon lessons learned from past MT efforts, the Energy Center of Wisconsin's guide for MT program developers¹⁵ suggests that the first step is not to set end-point definitions, progress metrics or goals. Rather, the first steps include forming a collaborative of key participants. As the Strategic Plan suggests, these may include municipal utilities, local governments, industry and business leaders, and consumers. Then, with the collective expertise of the collaborative, we can define markets, characterize markets, measure baselines with better access to historical data, and define objectives, design strategies and tactics, implement and then evaluate programs. The collaborative will also provide insights that will set our collective expectations for the size of market effects we can expect, relative to the amount of resources we can devote to MT. No one organization in the collaborative will have all the requisite information and expertise for this huge effort. This truly needs to be a collaborative approach from the start.

¹² Peters, J.S., Mast, B., Ignelzi, P., Megdal, L.M. (1998). *Market Effects Summary Study Final Report: Volume 1.* Available at <http://calmac.org/publications/19981215CAD0001ME.PDF>.

¹³ CPUC (2008) Strategic Plan, p. 5.

¹⁴ Nadel, Thorne, Saches, Prindle & Elliot (2003).

¹⁵ Pelosa & York, (1999).

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Attitudinal change is an important part of any market transformation effort. This change may be tracked with a battery of questions that probes customer attitudes, knowledge and awareness (AKA) of energy efficiency. In order to gauge an attitudinal based metric for this sector a battery of questions probing AKA among customers would have to be created and used to scale AKA. Examples of AKA would include knowledge of energy efficiency lighting and other specific measures. Evaluators could also draw from customer surveys used in past program evaluation studies to determine whether any response patterns would be a useful indicator of market transformation, moving forward. The dimensions of any scale need to be selected by the MT collaborative. The baseline response pattern to the AKA scale would need to be established early during the program cycle. Customers could be surveyed on an annual basis and changes in their AKA tracked along the scale. Responses of customers for a particular sub-program could be pulled out for separate analysis, as needed.

In addition, behavioral change is an important part of any market transformation effort. This change may be tracked with a battery of questions that probes customer past behavior and intentions about energy efficiency. In order to gauge a behavioral- based metric for this sector, a battery of questions about energy efficient behaviors could be used to create a scale of Energy Behavior. Evaluators could also draw questions about specific behaviors from customer surveys used in past program evaluation studies, to determine whether any response patterns would be a useful indicator of market transformation, moving forward. The dimensions of any scale need to be selected by the MT collaborative. The behaviors that could be probed include maintenance behaviors to keep EE measures operating correctly, and behaviors that maximize energy efficiency of existing equipment. Customers could be surveyed early in the program cycle and their responses on the scale could serve as the baseline for subsequent behavioral change. Customers could be probed annually and their Energy Behavior change measured along the scale. Responses of customers for a particular sub-program could be pulled out for separate analysis, as needed.

Therefore, for the Agricultural sector, the following approach to quantitative baseline and market transformation information is as follows:

Program Performance Metrics (PPMs)

The IOUs have evaluated 2010-2012 PPMs in Resolution E-4385 for applicability to the 2013-2014 program cycle and propose to work collaboratively with Energy Division to develop revised program targets and PPMs as appropriate for the 2013-2014 program cycle. The IOUs' will propose revisions in an advice letter, per additional guidance from Energy Division.

Table 3.1: Short-Term PPMs

On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and sub-programs. The Commission gave each PPM a metric type which indicated the reporting frequency:

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Metric type 2a indicates that the IOUs should report on the metric on an annual basis (unless indicated otherwise). Metric type 2b indicates the IOUs should report on the metric at the end of the program cycle.

Below are the approved PPMs and metric types for the Statewide Agricultural Energy Efficiency Program (Resolution E-4385, Appendix A, pp. 32-34).

SW PROGRAM / Sub-Program	PROGRAM PERFORMANCE METRIC (PPM)	Metric Type
COMMERCIAL / INDUSTRIAL / AGRICULTURAL COMBINED * Data to be reported in disaggregate form by SW program (commercial, industrial, and agricultural)		
	*1. Number and percent (relative to all eligible customers) of commercial, industrial and agricultural customers participating in sub-programs (NRA, Deemed, Calculated, and CEI) by NAICS code, by size (+/- 200 kW per yr or +/- 50K therms per yr), and by Hard to Reach (HTR)** ** “HTR” is as defined in the EE Policy Manual	2a
Continuous Energy Improvement (CEI)	*1. Number and percent of commercial, industrial, and agricultural CEI participants that meet short-term (2010-2012) milestones as identified by their long term energy plans.	2a
	*2. Lessons learned, best practices, and plan to ramp up the CEI program are developed. (Y/N)	2b
	*3. Number and percent of commercial, industrial and agricultural customers that created an energy plan via CEI will be tracked by program.	2a
Energy Advisor (EA)	*1. Number and percent of commercial, industrial, and agricultural customers receiving non-residential audits by NAICS and SIC code.	2b
	*2. For commercial, industrial, and agricultural customers who received audits, the number and percent of adopted audit-recommended technologies, processes and practices. (Report disaggregated data by type of audit – Basic and Integrated,) **(1) **Data sources for reporting will come from (a) program tracking databases and (b) process evaluation to refine estimates. (1) – An audit completed in one portfolio may have measures implemented over several years and portfolios.	2b
Deemed Incentives	*1. Number and percent of new, improved, or ETP measures** installed in the commercial, industrial and agricultural programs. ** “ETP measure” defined as ET measures first introduced into the EE portfolio since January 1, 2006.	2a

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<i>Calculated Incentives</i>	*1. Number and percent of new, improved, or ETP measures installed in completed calculated projects.	2a
	*2. Number, percent, and ex-ante savings from commercial, industrial and agricultural sector of projects with ETP measures**included. (Report disaggregated savings by measure and number of installations by measure.) ** “ETP measure” defined as ET measures first introduced into the EE portfolio since January 1, 2006.	2b
AGRICULTURAL		
	1. Number and percent of first-time** participants in energy efficiency programs. (Report disaggregate data by sub-program.) ***”First time” means customer has not participated in energy efficiency programs since December 31, 2005.	2b
<i>Pump and Test Repair</i>	1. Percent of agricultural pump tests that lead to a repair or replacement.	2b

Table 3.2 Long Term PPMs

SoCalGas includes long term PPMs¹⁶ per Energy Division guidance received in December 2012. As stated in the Joint Utilities’ comments to the Commission in R. 09-11-014 dated November 21, 2011, and discussed between IOUs and ED on January 9, 2013, IOUs plan to finalize long term PPMs in further discussions with involved stakeholders and propose updates to Energy Division at a later date.

MTI Index#	RE-CATEGORIZED Metric (LTPPM - or SPI) [E-4385 Appendix B original text except for noted edits]	Unresolved Issues
CIA-1	<u>MT Indicator 1</u> : Number and percent of Calculated Incentive participants who go on to implement a long-term energy plan under the Continuous Energy Improvement program.	
CIA-3	<u>MT Indicator 3</u> : Number and percent of CEI Participants who achieve all scheduled milestones, as identified in their long-term energy plans.	
CIA-4b	<u>MT Indicator 4b</u> : Number and percent of CEI Participants that include greenhouse gas reduction measurement, monitoring and reduction strategies in their long-term energy plans.	
CIA-5	<u>MT Indicator 5</u> : Number and percentage of eligible customers participating in the CEI Program	
CIA-6	<u>MT Indicator 1</u> : Percent of NRA participants that implement non-incented measures recommended in the audit.	

¹⁶ From the Energy Division’s file “Revised MTIs_10 27 11-formal-release-ED-May-2012.xlsx”

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CIA-16	<u>MT Indicator 2:</u> Percentage of commercial participants, tracked by NRA, Calculated and Deemed subprogram, who go on to implement a long-term energy plan.	Need to define "long term energy plan"; start with CEI program definitions.
Ag-2	<u>MT Indicator 1:</u> Percent of Ag customers renovating and/or maintaining their pump after receiving a pump test that shows OPE is above the baseline OPE level determined through the Market Characterization Study.	

b) Market Transformation Indicators (MTIs)

Per Resolution E-4385, a subset of market transformation indicators (MTIs) for statewide energy efficiency programs and subprograms were presented at a public workshop on November 7, 2011, to allow for public comments and discussion before being finalized. Per guidance from Energy Division received in December 2012, the approved Market Transformation Indicators for 2013-2014 are filed as a Joint IOU matrix, included as Appendix F.

c) Program Design to Overcome Barriers

The Statewide Agricultural Energy Efficiency Program builds on past program successes and best practices to overcome both market wide and segment specific barriers to efficiency, including:

- Market-wide barriers:
 - Agriculture is a diverse and geographically widespread sector, dependent on regional resources for information, and traditionally needs significant experiences to warrant changing practices that has served them well for years.
 - Capital constraints, combined with variable commodity pricing, limit the availability of funds for investing in projects.
 - The Statewide Finance PIP includes plans to explore and develop additional finance tools to facilitate the adoption of integrated projects.
 - Low energy costs relative to other operating expenses reduces the motivation to invest in energy efficiency.
 - Lack of awareness of the benefits of energy efficiency, and uncertainty and skepticism over long-term energy and cost savings hinder investment.
 - As in many industries, cyclical budgeting processes makes it difficult for customers to commit to a plan of action if their decision making occurs out of sync with budget planning.
- Food processing and industrial refrigeration barriers:
 - Few firms maintain facility level energy managers, and finding technically qualified staff is an ongoing challenge.
 - Regulatory compliance issues further strain limited internal resources.
 - International competition drives short-term survival attitudes versus a long-term continuous improvement approach.
 - The industrial refrigeration industry lacks design standards and best practices, resulting in substandard design and maintenance.

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- Huge capital outlay requirements in industrial refrigeration can delay or offset efficiency projects.
- Efficient design alternatives can be lost in low-cost bidding scenarios.
- Whole system opportunities are missed by individual equipment vendors.
- Customers are often not aware of systems operating sub-optimally.

The Statewide Agricultural Energy Efficiency Program takes these barriers into account with the features described below for continuous improvement, trade ally workforce education and training, and technical support.

Continuous Energy Improvement

The long-term strategic energy planning approach of CEI, especially the emphasis on benchmarking, goal setting, and performance tracking, will help customers overcome short-term attitudes. CEI also fosters integration of non-energy business objectives into energy planning and leveraging of the co-benefits of water conservation, GHG reduction, and other relevant issues. This integration elevates the importance of energy efficiency and improves uptake and market penetration. In addition, top-down corporate attention and tracking of energy performance will positively affect facility staff performance.

Trade Allies/Workforce Education and Training

Customers in the agricultural and food processing markets often treat vendors, designers, and engineers as ad hoc outsourced technical resources. These customers ask for everything from new equipment design to emergency equipment repair or replacement. Because these transactions often happen without IOU knowledge, it becomes critical to continually inform and equip these vendors about efficiency technologies, practices, programs, and rebates. Vendor Participation Agreements, training, and outreach collaboration allow participating vendors to up-sell customers to efficient options and differentiate themselves on energy efficiency. IOUs gain an additional sales force in the field with customers, minimizing lost opportunities.

Technical Support Services

The role of the IOU as an unbiased, trusted energy advisor cannot be overstated, both in evaluating proposed vendor projects and in identifying new technical opportunities in retrofit and new construction projects. The combination of technical support and the availability and commitment of approved IOU incentive funds – based on a rigorous technical review and followed by an EM&V process – are essential drivers to overcome key customer barriers, including the lack of in-house technical resources and the tendency for efficiency options to get eliminated in low-cost vendor bidding scenarios.

Agricultural Energy Advisor (AEA)

AEA is designed to deliver a coordinated and customer-specific audit service. AEA features a statewide integrated demand-side management customer-specific solution that promotes energy efficiency, demand response, distributed generation and emerging technologies, as appropriate, to the customer's need(s).

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The AEA is designed to support the goals of the Strategic Plan by providing customers with comprehensive building-specific information on cost-effective DSM opportunities. The IOUs believe this approach is the best way to influence market transformation, serve customers' needs, and increase adoption of DSM solutions.

d) Quantitative Program Targets

Table 5 - Program targets are provided at the sub-program level.

e) Advancing Strategic Plan Goals and Objectives

The teams of statewide agricultural program supported the development of the California Long-Term Energy Efficiency Strategic Plan (Strategic Plan), and the 2013-2014 program design integrates the goals and strategies of the Strategic Plan. Specifically, the following actions will be advanced during the 2013-2014 program cycle.

Goal 1: Establish and maintain a knowledge base sufficient to support development of all available, cost-effective, reliable, and feasible energy efficiency, demand reduction (and renewable) energy resources.

Strategy 1.1: Develop knowledge base of efficiency solutions.

Near term: Conduct an energy use characterization and efficiency potential study for the statewide agricultural market. Include potential for waste streams to offset energy consumption. Study plan (6/2009) and study completed (12/2010).

Near term: Collect data on key programs and measures best practices for energy efficiency in the agricultural sector. Study completed (6/10).

IOUs will continue to coordinate with the California Energy Commission (CEC) and other resources to identify a study plan, scope, and deliverables for a statewide agricultural market characterization that considers integrated energy opportunities in the segment. If possible, the plan will be coordinated with other agricultural characterization plans planned or underway in the state focusing on renewable energy potentials, such as the California Department of Food and Agricultural's strategic plan for agriculture. The IOUs will defer to the Commission and the CEC to determine the best method and timeline for this study, and will ensure coordination between each IOU's EM&V groups towards study objectives.

Such a marketing characterization will support the development of future program baseline data and metrics to help set targets and show market progress. The resulting study will be posted on appropriate websites, including the IOU websites and the statewide websites.

To develop a "one stop shopping" clearinghouse of energy management and related information for the agricultural segment, the IOUs will organize and post all relevant existing technical information on the IOU and statewide websites, as

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needed. This information includes best practices, continuous energy improvement resources, emerging technologies data, tools, programs, and other information.

Strategy 1.2: Ensure workforce has information and training necessary to apply efficiency solutions.

Near term: Conduct workforce training needs assessment and next steps (12/2010).

Near term: Develop training curricula and modules identified by needs assessment. (12/2011)

IOUs will assemble technical sub-groups, including IOU and industry experts, to focus on the key technical areas identified in the Strategic Plan, such as pumping, refrigeration and process heating. Coordinating with Statewide WE&T Program, the Statewide Agricultural Energy Efficiency Program will develop a scoping document that outlines training objectives and partners. The group will identify priority topics, resource needs and industry partners for key workforce education and training, and will closely coordinate with the national ANSI Superior Energy Performance standards development work towards workforce certification. Additionally, IOUs will offer prerequisite training to support future Department of Energy certification classes.

Workforce training needs assessment will be included in the agricultural market characterization study, and results communicated to the Statewide WE&T team for coordination and development of a detailed WE&T plan and associated curricula. Furthermore, marketing for WE&T will be incorporated into program specific marketing and outreach efforts. Such efforts, pending timely completion of the characterization study, are targeted for completion by the close of the 2010-2012 program cycle.

Strategy 1.3: Conduct research & development of new technologies and practices for agricultural efficiency.

Near term: Conduct an Energy Technologies/RD&D gap analysis. Identify and prioritize needed RD&D/ET projects. (12/2011).

Near term: Coordinate research activities across government, IOUs, agricultural extension and university programs, and equipment manufacturer proprietary efforts.

The IOU's ET teams will continue to closely coordinate with the CEC, universities and industry associations to identify key potential areas for emerging technologies development and research needs, such as, for agriculture, in irrigation pumping, refrigeration, and process heating applications. IOUs will identify the most promising technologies that can play a role of providing multiple solutions, both for energy efficiency and greenhouse gas mitigation, as well as water efficiency purposes.

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Goal 2: California regulations, financing mechanisms, and incentive programs affecting the management of energy, air and water resources, solid waste, and climate change will be coordinated to mutual advantage.

Strategy 2.1: Set objectives and framework for agriculture to attain multi-resource management goals.

Near term: Establish a task force to coordinate resource management policies, action goals, and program designs targeting California's agricultural sector.

Near term: Identify where goal conflicts arise and resolve these conflicts.

Near term: Assess potential for integrated approaches.

In support of statewide regulatory coordination, the IOUs will convene a task force with the California Department of Food and Agriculture (CDFA), CEC, Environmental Protection Agency (EPA), and the California Air Resources Board (CARB). The task force will be empowered to coordinate strategies and goals, and also assess the potential for integrated approaches, on behalf of their agencies. In order to facilitate this complex, multi-agency coordination, intervention at the governor's level is likely to be required.

Strategy 2.2: Coordinate technical assistance, funding, and incentive mechanisms.

Near term: Identify the programs and major funding sources affecting the management of energy, air and water resources, and climate change.

Near term: Create a collaborative forum to facilitate sharing of information and coordination of programs.

As challenges to the national and state economies arise, deploying financial resources in support of energy efficiency and other resource efficiency will be increasingly important. In support of financial coordination, IOUs will work with appropriate agencies, utilities, industry and private banking to assemble a comprehensive list of incentives, resources, funds, grants, loan products, and federal economic stimulus monies. This list will support energy and other resource management objectives, made available to customers through the planned Information Clearinghouse on Energy Design Resources.

In addition, financial resources will be integrated into marketing and outreach, education and training, and other program efforts, as appropriate.

Goal 3: Achieve significant increases in the efficiency of electricity and natural gas use and on-site renewable energy utilization, including setting a specific target for irrigation efficiency.

Strategy 3.1: Make information on efficiency solutions readily available to motivate efficiency improvements.

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Near term: Develop benchmarking resources, tools and methods for the agricultural sub-sectors.

Near term: Design and launch focused program for irrigation efficiency, refrigeration, and process heating.

The IOUs will post relevant market data, technical information, education and training resources, and benchmarking tools, other than proprietary material or information, on the planned Energy Design Resources or other statewide clearinghouse websites. This information will cover relevant technologies in agricultural and food processing segments, but will have a focus on irrigation efficiency, refrigeration, and process heating. The Continuous Energy Improvement Program will also support this strategy. On benchmarking and other Energy Advisor Services, the IOUs will leverage specific industry associations (for example, water/waste water, dairy and produce growers) to prioritize benchmarking and energy efficiency needs and to develop tools and effective methodologies

Strategy 3.2: Conduct marketing & outreach to stimulate efficiency actions.

Near term: Develop ME&O strategy, addressing communication channels, partners, and effective messaging.

Near term: Begin pilot implementation.

For details on marketing and outreach planned to stimulate energy efficiency actions, please refer to Section 6.b.iv.

Strategy 3.3: Resolve metrics for embedded energy in water savings.

Near term: Update evaluation measurement & verification protocols to define energy impacts of water efficiency actions.

Near term: Design and conduct appropriate water/energy efficiency pilots for agriculture.

In support of the significant efforts underway in California to conserve water resources and to optimize public funds where energy and water converge, the IOUs will work with the Commission, water resources boards, local water agencies, and others to resolve metrics around embedded energy in water conveyance and treatment. Furthermore, IOUs will explore opportunities for saving energy on-site related to water, such as that in heating, cooling, pumping, and treating water. Lessons learned from current water-energy pilots, underway in one IOU's territory, will be shared with the other IOUs. The IOUs are willing and available to work with the Commission to advance these important multi-resource efforts through studies, pilots and partnerships with water agencies as appropriate.

6. Program Implementation

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a) Statewide IOU Coordination

i. Program name: Statewide Agricultural Energy Efficiency Program

ii. Program delivery mechanisms

The SoCalGas Agricultural Energy Efficiency Program will ensure the program is continuously updated and enhanced throughout the two-year implementation cycle. This also includes coordination with crosscutting program elements, including Emerging Technologies, Codes and Standards, Workforce Education and Training, Marketing and Outreach, and Non-IOU programs and market initiatives. Each designated IOU program lead will be responsible for representing key updates from each crosscutting program element in order to discuss opportunities for statewide program enhancements, modifications and further coordination as needed. IOU leads will then be responsible for incorporating program modifications at the IOU level to support statewide consistency when appropriate. Such items will be tracked in the meeting minutes to facilitate a record of statewide initiatives.

In addition, the four agricultural sub-programs will be coordinated statewide to unify program implementation including delivery mechanisms, incentive levels, marketing and outreach plans, and IOU program interactions. The two coordination systems (one for the broad core program and one designed for the five sub-programs) will interact with and support one another. The broad, high-level coordination effort is described below, focusing on how the IOUs will work together to effect the continuous improvement of the Statewide Agricultural Energy Efficiency Program.

The Statewide IOU Coordination process for the SoCalGas Agricultural Energy Efficiency Program will be as follows:

- **Designate an IOU Program Lead** – The coordination process will begin with each IOU designating a Statewide Agricultural Energy Efficiency Program lead. The IOU lead will represent one agricultural sub-program and liaise with the crosscutting program element managers, investigating new innovations, special accomplishments, and challenges experienced by sub-program managers in all IOUs. Where such innovations or challenges may impact the Statewide Agricultural Energy Efficiency Program across multiple sub-programs or the statewide program as a whole, the IOU lead will present such information to a quarterly Steering Committee meeting.
- **Establish protocols for Steering Committee Meetings** – The IOUs will coordinate a statewide committee which will continue its guiding work to establish protocols around scheduling meetings, agenda setting, interstate travel, meeting minutes and tracking of action items identified.
- **Hold Quarterly Steering Committee Meetings** – The Agricultural Steering Committee will be comprised of all designated IOU leads (including at least one lead for each of the five sub-programs), and possibly other contributing stakeholders identified by the IOUs. At the

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quarterly Steering Committee meeting, individual innovations, challenges, and accomplishments experienced in one IOU or by one sub-program will be shared with all IOUs. The Steering Committee will evaluate these individual IOU and sub-program experiences, hear ideas for course corrections and overcoming challenges, replicate successful innovations for consistency statewide, resolve differences in implementation to stay unified, and measure the agricultural program's progress against statewide metrics and goals.

- **Adopt Program Enhancements** – After the Steering Committee agrees that a particular implementation policy or innovation has merit on a statewide level, each IOU lead will distribute the information to their sub-program managers for adoption and integration. Therefore, the IOU lead will act as a conduit, feeding sub-program information up to the statewide Steering Committee and distributing measures for adoption back to the sub-program managers. This feedback loop will assure consistency and unity in programmatic improvements across the IOUs. In some cases, it may be necessary to invite the sub-program managers to the Steering Committee meeting to get their feedback and ensure they receive the same message.
- **Evaluate Program Enhancements Against Statewide Targets** – To complete the adaptive management loop, the Steering Committee will track the program's accomplishment of statewide targets and goals to ensure that adopted program enhancements are generating their intended results. The Steering Committee will determine whether further course corrections are needed, and if so, rely on the above coordination process to generate the improvements necessary to stay on track.

The high-level focus of this statewide coordination effort will enable the capture of new innovations and opportunities for program improvement, correct program weaknesses that reveal themselves during implementation, and help ensure achievement of statewide targets across IOU service territories.

iii. Incentive levels

Details on the incentive levels are discussed with each of the four sub-programs.

iv. Marketing and outreach plans, e.g. research, target audience, collateral, delivery mechanisms

The IOUs will continue to develop in-depth segmentation of the agricultural market. The results of this customer segmentation will support the development of targeted integrated marketing and outreach plans outlining multiple delivery channels that target customers, based on their needs and preferences. Such delivery channels will likely include increased customer outreach through trade and community-based associations, third parties, government partnerships and core IOU programs. More specific marketing information is provided in each of the agricultural sub-program plans.

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To specifically address this highly diverse and dispersed group of agriculture, food processing and related water customers, IOUs will continue to foster strategic partnerships with industry and commodity groups, as well as with regional farm and food associations. These partnerships engage in a multi-faceted approach to marketing energy efficiency practices and programs to targeted users. These strategies leverage both past program successes as well as best practices studies that have confirmed that the targeted market segments rely substantially on local and industry-specific organizations for information and support.

v. IOU program interactions with CEC, ARB, Air Quality Management Districts, local government programs, other government programs as applicable

The SoCalGas Agricultural Energy Efficiency Program will support integrated marketing opportunities for distributed generation from biogas, biomass, solar, fuel cells, and wind, as well as agricultural-based community-scale generation projects. These efforts support customer needs and wants, state renewable energy targets (through newly available small generator Power Purchase Agreement contracts), AB 32 greenhouse gas reduction targets, and emerging carbon markets and offset programs (such as the Chicago Climate Exchange or through the California Climate Action Registry). Consistent with California's preferred loading order, however, the IOUs will continue to aggressively market and support energy efficiency first, as California's most cost-effective energy resource, while also being mindful of the customer's ultimate interests and goals.

vi. Similar IOU and POU programs

IOU program activities will be coordinated with other agencies' and organizations' territories containing a substantial agricultural base, as opportunities present themselves. This will ensure that California's agricultural customers receive consistent messages.

b) Program delivery and coordination

i. Emerging Technologies program (ET)

The long-term energy efficiency vision of California can be attained through the continuous development, verification, and acceptance of new technologies into the market. IOU portfolio staff actively works with statewide emerging technologies staff to identify new emerging technologies, support evaluation and demonstration, develop and promote case studies, and market results to applicable customers towards total market penetration. The programs coordinate specifically with universities to supply market-ready and viable technologies into the ET portfolio.

The IOUs will use a formal technology integration process for incorporating emerging technologies into the program. This process will be designed to track technologies/tools to be assessed, timeline to deployment, integration, codes and

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standards actions, expected actions of other players (such as manufacturers and ENERGY STAR) and other related information. The statewide program management team will work with other partners to update and execute the technology integration process, based on developments in technology, the program, and the market context. This process will be updated regularly to reflect current conditions.

ii. Codes and Standards program

The SoCalGas Agricultural Energy Efficiency Program relies on the Codes and Standards Program to help maintain an updated and relevant list of measures that will support agricultural savings. As codes and standards evolve, the program will act to align itself with appropriate offerings. It is important to manage the measure life cycle to take full advantage of providing incentives before moving them into code. The program will coordinate with the Codes and Standards Planning and Coordination sub-program. Programs will include new offerings that will allow flexibility in adapting to changes in codes and standards, market trends, and technologies. Planned enhancements to Title 20 and 24 will be reflected in incentive levels and eligible measures and services. In the Statewide Agricultural Energy Efficiency Program, current work focuses on transitioning the market to accept new refrigerated warehouse code changes, and incorporating best practices and advanced refrigeration practices into that marketing and outreach effort. Towards that end, the Statewide Agricultural Energy Efficiency Program will continue to coordinate closely with crosscutting Codes and Standards, Workforce Education and Training, and industry partners and associations, and will utilize the Statewide Agricultural Steering Committee to enhance the coordination effort.

iii. WE&T efforts

Workforce Education & Training (WE&T) efforts support the education and training of a robust network of industry trade allies, vendors, engineers, design teams and others supporting the market transformation strategies of the Strategic Plan. In general, the SoCalGas Agricultural Energy Efficiency Program will interface with the WE&T Program Implementation Plan to serve the goals of the Strategic Plan.

WE&T efforts will include specific activities to support the various sub-programs. In addition, training on Title 24 code changes, industrial refrigeration best practices, and ANSI Superior Energy Performance certification will also be provided. The latter will be contingent on program developments occurring at the national level.

In the interim, the statewide agricultural program will support the same superior energy performance concepts and principals through Continuous Energy Improvement workshops available for customers and trade allies. Additionally, DOE process system trainings (pumps, motors, steam, and compressed air) will be offered by IOUs statewide to lay the groundwork for certification level classes,

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once they have been developed nationally and are ready for rollout. The IOUs will be coordinating closely with national efforts and have expressed openness to discuss piloting certification classes. As a result, California will be poised to adopt this national standard and be a leader in this effort.

The education and training generally takes place through IOU energy centers, technology test centers, and education and training program offerings. Working with the Statewide WE&T team, the agricultural program managers will also expand training opportunities to local universities and academic institutions that have agricultural-based programs (e.g. Cal Poly Pomona and San Luis Obispo).

iv. Program-specific marketing and outreach efforts

The IOUs are currently engaged in in-depth market segmentation analyses. The results of this work will be shared among the IOUs and incorporated into detailed marketing and sales strategies to ensure the IOUs are targeting the right products to the right customer at the right time, and utilizing the preferred method of communication.

This foundational segmentation and integration of programs and services will provide insight into customer mindsets, behaviors, responses and motivations to achieve the most effective level of energy use. Based on this in-process segmentation analysis, the IOUs will be able to focus on providing consistent marketing and overall messaging focused on customers' business and personal goals, unique needs, and specific environmental considerations.

The results of this strategic planning effort will help define successful program outreach efforts to address the diverse agricultural, food processing and related water customers segments. Such efforts are customized to suit the unique needs of each segment and customer profile. See the marketing section of 5.c, Program Design to Overcome Market Barriers.

For example, IOUs will continue to foster strategic partnerships with industry and commodity groups, and regional farm and food associations to engage in a multi-faceted approach to marketing energy efficiency practices and programs to targeted users.

Specific efforts may include:

- Attending Farm Bureau meetings and providing information in monthly newsletters;
- Close partnerships with key industry associations and participation in their annual conferences, with an effort to develop conference speaking engagements;
- Presence at technical conferences, targeting customers and trade allies;
- Targeted integrated education and training to specific market sectors to support peer-to-peer interactions and industry advancement;

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- Media campaigns focusing on trade magazine ads and articles, discussing IOU program information and case studies;
- Targeted customer efforts through assigned IOU account representatives and program engineers, third parties, and government partnerships;
- Phone and web-based customer support and outreach;
- Development of coordinated statewide agricultural and food processing resources into a centralized “one stop shopping” clearinghouse, on Energy Design Resources; and
- Market sector specific collateral that drives customers to account representatives and/or Web sites for additional support.

Such efforts have already shown success in California’s IOU programs and are identified as best practices in the American Council for an Energy Efficient Economy (ACEEE) comparative analysis of national agricultural energy efficiency programs.

Where possible and applicable, the IOUs will coordinate statewide in these targeted marketing efforts and partnerships to ensure cost-effectiveness and a consistent approach to customer-facing activities. Cost-sharing at industry conferences, co-sponsoring workshops, and identifying opportunities for statewide media campaigns as well as co-development of web-based tools and resources will be pursued.

The Energy Design Resources website will be used as a statewide clearinghouse of best practices, technology information, case studies, updates on upcoming education and training, and to promote new tools and resources available to support the Continuous Energy Improvement approach, such as benchmarking and performance tracking tools.

Integrated and program-specific marketing efforts will complement and work in coordination with SW Marketing, Education and Outreach (ME&O) Program to increase awareness, provide education, and drive ongoing engagement and participation in DSM programs and services among nonresidential customers. The statewide effort will provide the first level with IOU specific programs providing reinforcement at a local level.

v. Non-energy activities of program

Refer to Section 6.f on “integration across resource types.”

vi. Non-IOU programs

There are a variety of programs that will be coordinated with and leveraged in support of the program objectives. These include:

- Connecting customers with the CA Climate Action Registry;
- AB 32 support through CO2 tracking in program resources;

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- Regulatory program coordination, including EPA air quality standards, water quality standards, and new refrigerant regulations;
- Non-IOU financing resources, including from water utilities, industry and private banking, state and federal incentives, funds, grants, and loan products to support energy and other resource management objectives;
- Water/Energy efforts within California;
- ANSI, for the Superior Energy Performance Standard; and
- ISO international energy management standards.

The program will continue to engage with Air Quality Management Districts, the California Energy Commission, the California Air Resources Board, the Department of Energy, water agencies, and other government agencies on programs impacting regulatory compliance and resource management.

vii. CEC

As of June 2012, PIER no longer exists. However, the program will interact with the Emerging Technologies Program to leverage new technologies to increase the list of measures available for energy efficiency projects. The portfolio staff actively works to incorporate promising emerging technologies.

viii. CEC Work on Codes and Standards

As indicated in Section 6.b.ii, planned enhancements to Title 20 and 24 will be reflected in incentive levels and in eligible measures and services.

ix. Non-utility market initiatives

The Statewide Agricultural Energy Efficiency Program will coordinate with applicable market initiatives to leverage market momentum and areas of mutual advantage. Modeling on the success of the IOU partnership with the wine industry California Sustainable Winegrowers Alliance, the program may leverage the following efforts:

- California League of Food Processing;
- California Farm Bureau Federation;
- California Citrus Grower;
- Almond industry sustainability energy planning;
- Wine Industry – CSWA Program initiative;
- Dairy Industry;
- Irrigation Districts; and
- ASHRAE / ARI efforts to develop refrigeration best practices.

c) Best Practices

- As described in prior sections, the SoCalGas Agricultural Energy Efficiency Program reflects the best of each IOU program’s successful components of statewide agricultural program offerings, and introduces new elements from other

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utilities and national efforts. These best practices include: Leveraging Local Agricultural Resources: i.e., industry associations and farm bureaus;

- Continuous Energy Improvement: An approach to transform the market and reduce energy intensity through addressing technical and management opportunities;
- Technical Assistance: Recognizes the need for personalized assistance for agricultural customers, which includes a full service approach starting from audits/pump tests to design and technical assistance, presentation of recommendations, resources to develop a long term plan, potential of project management assistance, with financial incentives and guidance on best practices.
- Vendor Partnerships: This strategy will be coupled with vendor support and educational workshops and classes provide the full breadth of support customers may need to influence their decision to implement energy efficient equipment and practices.
- Statewide Coordination: In order to take advantage of the statewide implementation of the program, the IOU program representatives will meet on a quarterly basis to improve program operations by sharing successes and areas of operational concerns.
- Program Improvement Collaboration: the IOUs will solicit input from various stakeholders in the agricultural industry (including but definitely not limited to the California Farm Bureau and the CPUC's Energy Division) to enhance current program offerings and increase participation of agricultural customers. These exchanges will occur two to four times a year as deemed necessary.

d) Innovation

A bundled and integrated product and service offering will integrate with multiple resource management solutions, offering a new and customer-centric approach to programs. This is supported by innovative customer segmentation work by the Marketing and Outreach IOU teams. Significant innovative aspects of the SoCalGas Agricultural Energy Efficiency Program include:

Integration

The Statewide Agricultural Energy Efficiency Program integrates demand side management strategies, and develops methods and pilots to promote integration of interlinked environmental and resource management issues. By improving the coordination of these issues of paramount importance to the industries being served, more face-time will be possible with large customers, projects will become more cost effective, and multiple problems will be solved concurrently. Specifically:

- Continuous Energy Improvement will foster a long-term energy management approach and support integrated demand side management.
- An innovative food processing pilot will integrate energy, air, water, GHG, and (potentially) waste streams.
- Integrated Comprehensive Energy Audits will provide targeted customers with integrated solutions in efficiency, DR, and DG, and may advise customers on

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other sustainability practices (for example, water conservation opportunities, CO2 reduction potential, and other programs references).

- IOUs will link customers with the California Climate Registry to identify the carbon footprint of a customer's plant.
- IOUs will promote innovative agricultural opportunities such as dairy biogas to energy, biogas injection, waste stream utilization, solar generation, and community scale generation opportunities.

Marketing

- A market-sector approach to designing and delivering programs will allow IOUs to delve more deeply into market opportunities and overcome specific market barriers. This approach is supported by innovative market segmentation work currently underway at IOUs that will support development of new, precisely targeted integrated marketing and outreach plans outlining multiple delivery channels that target customers based on their needs.
- Closer coordination with third parties, government partnerships, core programs, and other delivery channels will optimize portfolio performance.
- IOUs will increase outreach to new trade and community-based associations, leveraging best practices identified in ACEEE study of IOU agricultural programs.
- Expanded workforce education and training efforts with vendors, design teams, industry association members and other key market actors will help overcome many customer informational and transactional barriers
- Energy Design Resources, developed statewide by IOUs, will be expanded as a web-based hub of agricultural and food processing best practice information, training, modeling and performance tracking tools.
- Training will be provided on modeling and quantifying savings opportunities through tools such as eQUEST and Energy Pro.
- Non-IOU financing tools and resources will be coordinated and communicated to help customers leverage available sources of funds to complete targeted projects.

Implementation

- IOUs will coordinate on process improvements to statewide programs to ease participation barriers.
- Energy performance measuring and benchmarking assistance/services to customers will enable customers to compare themselves to "best in class" peers utilizing tools such as the U.S. EPA's ENERGY STAR Benchmarking tool.

e) Integrated/Coordinated Demand Side Management

An integrated portfolio is cost-effective, captures program delivery efficiencies, and serves the needs and wants of customers who prefer a single, informed IOU point of contact to help inform and prioritize their energy investment decisions based on their unique needs. Consistent with Commission direction and with the Strategic Plan, the Statewide Agricultural Energy Efficiency Program includes integration of energy

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efficiency, demand response and distributed generation programs in integrated audits, marketing materials and industry-specific workshops. To this end, the statewide IOUs and the Statewide Agricultural Energy Efficiency Program has made progress in advancing integrated solutions.

The IOUs are placing major emphasis on marketing to get the right message to the right customer at the right time. Advanced customer segmentation is being used to develop detailed integrated marketing and outreach plans which outline multiple tactics, delivery channels and key messages to target to specific customers based on their specific needs. The IOU account representatives, who serve as the key customer point of contact, will be attending an integrated sales strategy and training program to ensure consistent delivery of portfolio offerings.

Education and training, particularly workshops organized around a customer segment, provides an ideal situation to integrate customer energy solutions. IOUs will provide integrated workshops to dairies, wineries, and food processors. These workshops will cover topics, such as resources analysis and methods, conservation, efficiency, demand response, and generation topics and resources. These workshops provide opportunities for IOUs to cross-sell solutions and share key information from other IOU departments (for example, sharing biogas injection information at dairy workshops). They also provide opportunities to look at water, air, carbon credit and waste management issues.

As appropriate, Workforce Education and Training (WE&T) will also cover integrated energy and system solutions, which will be increasingly important as Critical Peak Pricing matures. The Agricultural Program will coordinate with the WE&T group on curricula development and class planning.

The availability of a Continuous Energy Improvement approach, especially for the largest, most strategic customer accounts, will facilitate a thoughtful, integrated energy plan and will allow IOUs to stay engaged in supporting the progress of that plan.

Integrated comprehensive energy audits combine funds and resources of energy efficiency (EE) and demand response (DR) programs to provide integrated recommendations to customers. These audits provide customers with EE and DR recommendations and also provide general feasibility assessments for distributed generation (DG). Integrated comprehensive energy audits will be offered to customers with loads greater than 500 kW and all integrated audits will focus on EE, DR and DG options. In addition, the IOUs are developing an enhanced web-based integrated audit tool¹⁷ for customers and internal IOU personnel. The integrated audit tool will be the principal tool to provide IDSM information to customers with loads less than 200 kW and will be used by the CSI program for determining EE opportunities prior to

¹⁷ Integrated audit tool is referenced as a general term in the statewide PIPs; each IOU has a specific name for its tool. PG&E's tool is the Progressive Energy Audit Tool (PEAT). SDG&E, SoCalGas, and SCE's, tool is the California Integrated Customer Energy Audit Tool (CICEAT).

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installation of solar equipment. It will be capable of generating customer reports that include specific information on the costs and benefits of IDSM programs.

Emerging Technologies and CEC collaboration is expected to include pilot projects and market acceleration assistance for market-ready products in the general categories of day lighting, lighting, HVAC, controls, and building envelope improvements.

f) Integration across resource types (energy, water, air quality, etc)

California's agricultural and related food processing sectors face a multitude of environmental and regulatory challenges that threaten their survival and competitiveness. In 2009, a severe drought is impacting California's farmers and increasing water pumping costs. In addition, new regulations aimed at improving air quality, water quality and reducing toxic environmental pollutants are proving to be expensive and disruptive to business as usual. Both these are impacting energy use and compliance.

The Agricultural Energy Efficiency Program proposes to leverage these challenges to coordinate with the regulating agencies and the programs they are operating in order to support mutually advantageous program designs, customer incentives, marketing opportunities, and implementation opportunities. For example, the IOUs will continue to offer targeted trainings to customers who are sharing common regulatory challenges. In 2008 PG&E hosted three very successful workshops called NO_x – Comply and Save, which educated customers on impending regulations, requirements for their boilers, and the most efficient project options to consider for compliance. This workshop will be expanded statewide and offered at the other IOU energy centers. In addition, additional workshops will look at wastewater treatment options, refrigeration upgrades, and energy efficiency to meet AB32 targets.

IOUs will pursue opportunities to partner with water agencies to offer joint energy and water incentives to support projects that reduce both resources, which reduces project costs and improves payback. In early 2013 SCG will release a solicitation to improve water systems efficiency testing the application of natural gas water pumping, leak detection, and pressure management solutions. The solicitation will invite stakeholders such as water districts, local governments, trade associations, research institutions, the agricultural sector, and others, to propose projects that save energy and reduce water usage. The solicitation will build off recent pilot programs, research, and best practices to define calculation methodologies and to lead to improved future program planning.

An IOU is currently conducting a study to evaluate emerging water quality requirements in the state, and address best practices in comprehensive water related energy management in seven agricultural/food processing sub segments. The study will reflect statewide practice as much as possible. The results will be shared with the other IOUs, as well as posted on Energy Design Resources.

Where applicable, the program will integrate topics like GHG reduction and water conservation into targeted customer workshops, marketing and communications, building

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on a strong track record from the 2010-12 program cycle. For example, one IOU is currently conducting a series of winery workshops focusing on GHG reduction strategies, water management, Energy Management 101, and Green Building which includes materials and water. Ads and articles featured water savings opportunities and messaging.

g) Pilots

Traditionally agricultural customers are a high cost group to provide significant energy education to. They are geographically dispersed and typically time constrained. Energy efficiency is not a primary concern, and although the IOUs have established high value relationships with these customers, many times it takes more to get them to accommodate new technologies.

IOU Test Strategic Approach for Agricultural Segment

The IOUs may implement a Test Strategic Approach (TSA). The TSA is based on identifying agricultural sub-segments where the IOU(s) have strong relationships with an industry or trade association. The objective is to leverage the trade association's needs with IOU's knowledge and experience with energy efficiency, demand response and self-generation opportunity and solutions and in collaboration with the trade association leadership, educate sustainability and energy efficiency solutions to their membership.

This model is based on a successful effort implemented by the California Association of Winegrape Growers with Pacific Gas and Electric. For more information on their efforts, website link:

<http://www.cawg.org/CAWGProjects/SustainableWinegrowing/ProjectDescription.aspx>.

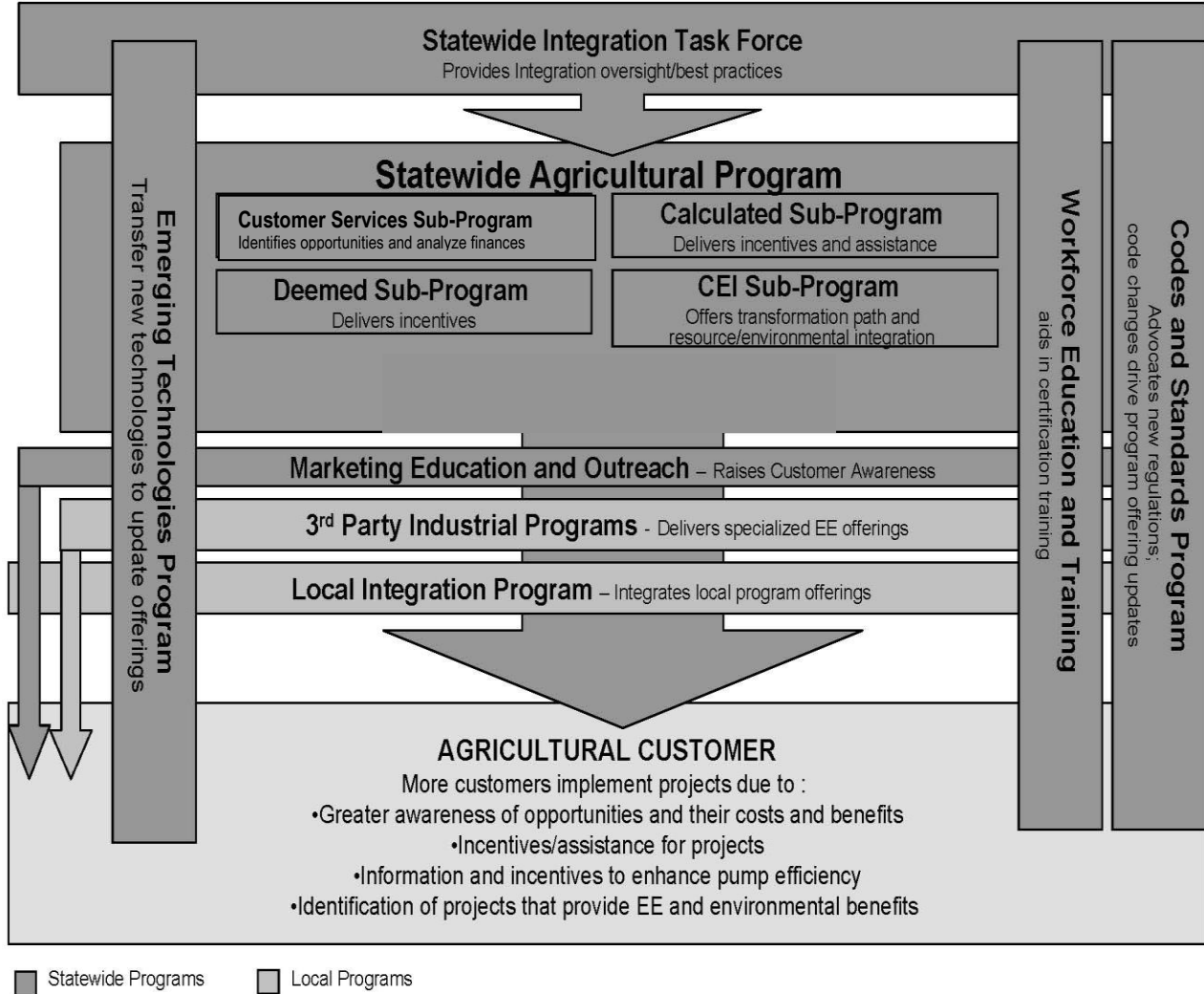
The IOU's intend on implementing methods to gather and retain more detailed performance and usage data on a pilot basis to determine the more effective methods to achieve savings. Exploring incentives for sub-metering is an option as is expanding the tool library in lieu of incentives.

h) EM&V

The IOUs are proposing to work with the Energy Division to develop and submit a comprehensive EM&V Plan after the program implementation plans are filed. This will include process evaluations and other program-specific studies within the context of broader IOU and Energy Division studies. More detailed plans for process evaluation and other program-specific evaluation efforts cannot be developed until after the final program design is approved by the CPUC and in many cases after program implementation has begun, since plans need to be based on identified program design and implementation issues.

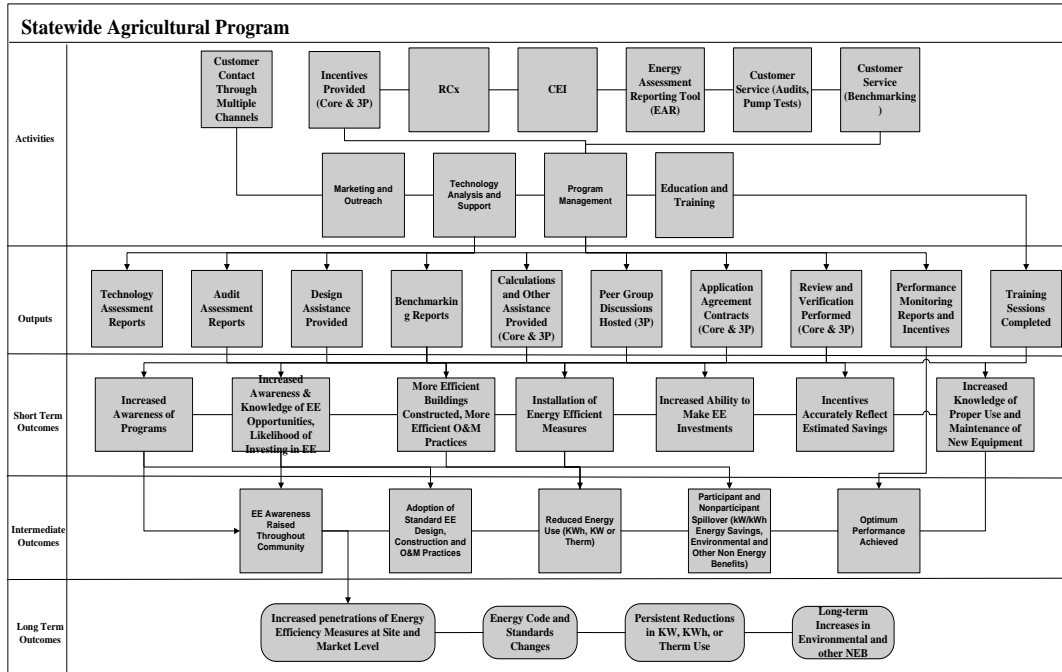
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7. Diagram of Program



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8. Program Logic Model



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1. **Program Name:** Agricultural Energy Advisor
Program ID: SCG3717
Program Type: Statewide Core Program

2. **Projected Program Budget Table**

Table 1 – See the overarching program for budget details.

3. **Projected Program Gross Impacts Table**

Table 2 - See the overarching program for savings details.

4. **Program Description**

- a) **Describe program**

The Statewide Investor Owned Utilities (IOUs) have created the Agricultural Energy Advisor (AEA) to bring together under one program all services offered to support customer education and participation in energy efficiency, demand response and self-generation energy reducing opportunities and benefits, along with awareness of greenhouse gas and water conservation activities.

CPS was created to provide a streamlined and coordinated assignment of right-sized customer solutions. The key is to start the process with an initial analysis of a customer's needs, determination from the analysis which audit will service the customer with the highest cost/benefit, identify additional program support and key indicators that will motivate the customer to implement energy saving recommendations

The IOUs anticipate the restructuring of AEA will affect the way audits are provided. AEA will enhance the IOUs' ability to match customers' need(s) with the right audit service. This will result in an increased cost-effective delivery of these audit services with an increased expectation for customer adoption/installation of provided customer specific recommendations.

In its offerings, AEA will place an emphasis in deep energy saving measures and emerging technologies where appropriate. When the technologies and customer opportunities are correctly aligned, the customer will become more open to the benefits these technologies offer to their business and will therefore increase their acceptance and adoption.

Together the AEA offerings will work to support the achievement of Strategic Plan objectives across the agricultural sector.

The IOUs believe this approach is the best way to influence market transformation, serve customers' needs, and increase adoption of DSM solutions.

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The Agricultural EA package, consists of five distinct offerings:

- **Benchmarking** is the first step for a customer to begin to understand the energy use of their building. Benchmarking is an initiative designed to educate and motivate customers to measure and track the energy use of their facilities, educate customers of the benefits of benchmarking their facilities and how they can track the impact of energy savings after implementing energy saving measures. To support the customer's efforts, the IOUs will offer technical support, hands-on workshops that will provide customers with information on what benchmarking tools are available, how to benchmark, how benchmarking can be used as an energy management tool and what to do next after benchmarking.

The IOUs will develop or continue Benchmarking initiatives that supports the customers' ability to comply with AB1103's benchmarking requirements as applicable and upon its implementation, utilizing ENERGY STAR Portfolio Manager and IOU supported Automated Benchmarking Services.

The IOUs will also continue to offer customers technical support ranging from email and phone hotlines, hands-on workshops and web-based benchmarking educational and instructional materials.

The IOUs will continue their support to identifying, evaluating and making information about other benchmarking tools available.

The primary focus for benchmarking activities will continue to be centered on commercial buildings within the agricultural sector (in alignment with the target building type of AB 1103).

- **Agricultural Continuous Energy Improvement (CEI)** Continuous Energy Improvement (CEI) is a consultative service aimed at helping agricultural customers (IOUs will target CEI services inline with market segment potential in their service territories and resource availability) engage in long-term, strategic energy planning. Corporate energy management is not currently part of normal business operations for the majority of IOU customers. With current economic pressures forcing customers to reduce costs and focus more on their core business, it is likely to be further marginalized. CEI proposes to reintroduce the importance of energy management by transforming the market (and reducing energy intensity) through a comprehensive approach that addresses both technical and management opportunities and creates sustainable practices which address energy savings, reduction of greenhouse gas emissions and water conservation, through high-level energy commitments from executive and board-level management.

CEI offers customers the pinnacle of audit offerings guiding executive management to levels of energy management self-actualization that makes energy and environmental issues a consideration in all management/business operational

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decisions and in long term energy planning. For additional information about CEI, please consult the Agricultural CEI Program Implementation Plan.

- **Non Residential Audits (NRA)** for the Transition Period will provide Integrated Comprehensive Energy Audits (ICEA) that focus on customer energy savings, cost/benefits, and the targeted delivery of financial and technical assistance. Audit information must communicate complex information in a simple and understandable way to enable customers in identifying energy efficiency, demand response and distributed generation opportunities. Audits use “ex ante” Deemed and Calculated methodologies for energy savings analysis information.

As stated above, NRA offers ICEA. In Appendix A, each IOU defines the sub-categories of ICEA that they provide.

In this program cycle, emphasis will be given to meeting requirements of the California Long Term Energy Efficiency Strategic Plan (Strategic Plan), streamlining the audit process, increasing its efficiency, lessening complexity, and increasing the effectiveness of influencing customer implementation actions through actions such as integration of the demand response technical audit component directly into NRAs offerings. In addition, the IOUs will investigate ways to implement meaningful financial measurements such as return on investment and/or simple payback metrics. The key is ensuring that financial tools selected provide the customer with meaningful information by ensuring cost assumptions are appropriate to the customer. Also, NRA will assume the audit and budget responsibilities for Demand Response’s technical audit services, as applicable. It is intended that these audits will be a critical component of the integrated comprehensive audit service offering.

- **Pump Efficiency Services** is designed to help agricultural customers make informed decisions about improving inefficient pumping systems and operations through recommendations derived from pump test audit or direct observations of processes. Pumping of water is estimated to account for more than 80% of the electric load and 73% of the natural gas requirement in California’s agricultural segment, and this load is growing as the state’s water users increase their reliance on pumping water to meet their needs. Pumping is also estimated to account for 20 to 25% of energy usage within the nation.

The Pump Efficiency Services program element, implemented by a team of trained in house or third party contractors, aims to overcome key informational, technical, and financial barriers to pump optimization by offering pump tests, retrofit incentives, and targeted education, training and technical support for customers and pump companies. Each IOUs database of pump test results will be used in the near-term to target pumps in need of retrofit as a means to capture savings. However, pump performance data aggregation at the statewide level will contribute to the development of metrics and targets for pump improvements, in

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support of a statewide pumping focus on agriculture, supporting their strategies and objectives.

The IOUs will continue to offer pump testing services at no or low cost and pumping system efficiency workshops through their energy education centers or other event opportunities during the Transition Period.

- **Retro-commissioning:**
Not Applicable.

The Transition Period will be used to develop and test the AEA design strategy. The strategy focuses on simplifying the way audits are provided to customers. Through various assessment functions, the IOUs will work with the customer to identify the best, most cost-effective solution and the one with the greatest potential to motivate the customer to implement energy saving solutions (i.e. primarily EE, DR, and SG).

It is anticipated AEA will allow the expansion of audit serves across diverse class of customers, potentially across all segments and will interconnect the customer with the wide and diverse range of programs offered. From a customer perspective, the impact on customer time and resources will be reduced, the audit analyses will include DSM, greenhouse gas reduction information, provide water conservation recommendation all in a single report. The resulting report will identify comprehensive solutions that will simplify the customer decision-making process.

The primary program objectives for 2013-2014 are:

- Support the Strategic Plan by offering integrated audits across a wide selection that address the full spectrum of energy solutions, including energy efficiency, demand response, and distributed generation (California Solar Initiative and distributed generation), focusing on agricultural facilities as defined by each IOU's market potential and resource availability.
- The continuation of delivering high value audit reports to the customer. Audit reports will be designed in such a way that they will provide the customer with information which motivates them to implement energy efficiency, demand response and consider renewable generation options.
- Enhance efforts to identify and provide financial analyses focused on deeper energy savings and technologies. Identify ways different financial metrics, such as return on investment and/or simple payback, can be provided where the values presented have meaning to the customer.
- The IOUs will explore and evaluate the potential of enhanced customer incentive options that are contingent on a customer's receiving an audit prior to applying to incentive programs.
- Incorporate new and/or emerging technologies appropriate for the customer's facility.

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- Develop and implement enhancements to current Benchmarking workshops (targeting agricultural buildings) and continue providing Benchmarking and AB 1103 technical support through established and new delivery channels.
- Encourage Statewide consistency by offering a similar energy audits with the ultimate goal of offering customers the best energy management practices and technologies.
- Enhance the AEA’ offerings by including activities such as, but not limited to:
 - The highlighting of emerging technologies and deep energy savings opportunities and providing education on long-term energy planning/project management strategies (in coordination with CEI program).
 - Will continue existing water saving services and develop Leak detection services and strategies which will offer the service to customers in all customer segments as determined by the IOUs to provide customer benefits and cost-effective to administer. The services will, be offered through the use of audit teams, in house and/or contracted, and may be required as a service in the delivery of all integrated comprehensive audits.
- AEA will play a key role in exploring options regarding identifying deep energy savings and promotion of emerging technologies.
- AEA will develop processes to help energy audit teams and customers identify facilities and services that will provide the greatest return on benefits from the audit. The IOUs may explore leveraging tools to complete energy audits, usage analysis, assessments and/or building performance benchmarking as the first step in determining a customer’s need.
- AEA will develop processes to help energy audit teams and customers identify facilities and services that will provide the greatest return on benefits from the audit. The IOUs may explore leveraging tools to complete energy audits, usage analysis, assessments and/or building performance benchmarking as the first step in determining a customer’s need. AEA may also enhance tracking and audit component capabilities to support customer needs analysis, reduce program application barriers, maximize recommendation follow up and streamline audit report generation.

b) List measures

The AEA primarily offers non-resource, auditing services. It does not offer incentives, but ultimately influences the customer’s implementation of energy efficiency, demand response, and self-generation opportunities in combination with incentive from the core Agricultural incentive programs (refer to the Agricultural Deemed and Calculated sub-programs for specific information). However, each IOU reserves the ability to offer incentives specific to AEA’s individual service offerings.

c) List non-incentive Agricultural Energy Advisor Services

The Agricultural Energy Advisor sub-program (AEA) is designed to deliver a coordinated and customer-specific service. AEA features a statewide integrated demand side management customer-specific solution that promotes energy efficiency, demand

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response, distributed generation and emerging technologies as appropriate to the customer's need(s).

Such activities include, but are not limited to: energy management assessments, energy planning, marketing and outreach, baselining and benchmarking, project implementation support, technical support, energy savings calculations, process evaluations and report generation, and web-based energy resources.

5. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Information

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

Table 3 – Refer to the overarching program for quantitative baseline metrics

b) Market Transformation Information

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics and goals are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

Table 4 – Refer to the overarching program for market transformation metrics

c) Program Design to Overcome Barriers

The AEA offers services which change corporate/management cultures that prevent successful implementation of comprehensive energy policies. These offerings help overcome customers' lack of awareness of DSM opportunities by providing a customer focused, comprehensive package of energy solutions designed specifically to motivate the customer to implement recommendations. Information such as cost/benefit analysis (i.e. ROI or simple payback) and identification of appropriate IOU incentive and/or finance programs, can significantly enhance the financial benefit of the energy saving recommendation. AEA also provides customers with tools to measure the effects of implemented energy savings actions on their bottom line.

AEA brings together audits and related services to implement energy saving activities.

d) Quantitative Program Targets

The targets provided herein are best estimates, but nonetheless are forecasts.

Table 5

	Program Target by 2013	Program Target by 2014
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Number of Audits	63	65
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e) Advancing Strategic Plan goals and objectives

The AEA is designed to promote DSM coordination and the integration strategies of the Strategic Plan. Foremost are recognition of the linkage between energy and environmental policy and the importance of integrating energy efficiency, demand response and distributed generation to support California’s plan to reduce greenhouse gas emissions.

Specific near-term strategies proposed by the Strategic Plan that are addressed by the AEA include:

- Identify New and Improved Tools and Strategies to Reduce Energy Consumption in agricultural facilities.

Starting with energy conservation and proceeding to distributed generation and demand response opportunities, the benchmarking, CEI, and NRA demonstrate to the customer a comprehensive, site-wide solution for near and longer term energy consumption and clearly state the positive greenhouse gas effects of their actions. Addressing customer energy needs through long-term solutions allows consideration of technologies and projects that benefit the state and planet for a decade or longer (e.g., HVAC systems, industrial/ agricultural processes and equipment, facility envelope upgrades and enhancements). Recommendations for retrofit opportunities within existing agricultural facilities contribute to California’s zero net energy goals. Once implemented, recommendations for operation and maintenance (O&M) practices on on-going commissioning will ensure that customer facilities continue to operate in an efficient manner.

- State/Local Governments and Major Corporations Commit to Achieve EE Targets

AEA’s offerings will seek to (1) gain corporate level commitment to energy efficiency as a core business operation; (2) develop corporate energy policies that establish measurable goals; (3) develop an actionable plan to achieve these goals; (4) guide customers to IOU programs that can help implement cost-effective EE projects; and (5) provide a feedback loop to measure performance. This codified process is designed to support the significantly greater energy efficiency performance desired by the Strategic Plan.

- Develop Tools to Reduce Energy in Agricultural Facilities.

As part of the implementation of specific AEA offerings, the IOUs will partner with energy industry peers, industry associations, and DOE/CPUC-sponsored labs and consultants to enhance the use of existing tools and explore new tools to help agricultural customers reduce initial energy usage at their facilities, then continue to operate their facilities in an efficient manner. Current tools used for benchmarking tools and resources include those developed by the EPA for

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ENERGY STAR and by Lawrence Berkeley National Lab (LBNL) with CEC funding:

- Management Standard for Energy SME2000-2008;
 - LBNL Superior Energy Performance; and
 - ISO-50001.
- Develop Business Models to Deliver Energy Management Solutions

AEA's offerings will address the fundamental purpose to influence decision making practices from Agricultural, customers to consider energy usage and sustainability as a core part of their daily operations. This level of commitment will help achieve greater penetration of energy efficiency in the agricultural market sector.

In addition, AEA's offerings promote acceptable practices of accounting, auditing, and evaluation by:

- Offering integrated and focused audits, benchmarking, savings calculation assistance for retrofit and simplifying the audit-to-project documentation process to bridge the gap between educating customers about energy solutions to environmental issues and taking action;
- Guiding and supporting customers as they implement technologies, processes and practices to achieve energy efficiency savings; and
- Long term energy planning support.

6. Program Implementation

- Assess and identify the best way to support the use of the BEARS tool.
- Enhanced current Benchmarking workshops and continue providing Benchmarking and AB 1103 technical support through established and new channels.
- Emphasize and support integration in emerging technologies and deeper energy measure opportunities.
- In coordination with incentive programs, identify ways to streamline the end to end process for customers wanting to participate in IOU energy saving programs.

Statewide IOU coordination

- i. **Program name:** Agricultural Energy Advisor Program
- ii. **Program delivery mechanisms**
AEA will employ a variety of delivery mechanisms or channels. Most of AEA's offering will use IOU customer energy efficiency staff and contractors, service and sales representatives, website and/or marketing and outreach efforts. Other delivery channels may also be developed.

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In addition, where applicable, IOU customer account representatives or program management staff will support this activity within the statewide agricultural sector, as well as third parties, government partnerships, and local programs.

iii. Incentive levels

Not applicable.

iv. Marketing and outreach plans

A comprehensive audit marketing plan will be aligned and coordinated with the marketing plans for each of the IOUs, in order to maximize effectiveness, integrate offerings, and as appropriate refer customers to relevant DSM programs.

Additionally, IOUs may investigate piloting alternative channel marketing, such as social media tools, and outreach options that might include community-based organizations and/or third parties to recruit small businesses and influence them to take actions that result in energy efficiency improvements. IOUs may investigate and test efforts to leverage relationships with trade associations as a way to increase cost effectiveness of reaching customer groups.

The IOUs are currently developing an in-depth segmentation of the agricultural market. The results of this customer segmentation will support the development of targeted integrated marketing and outreach plans outlining multiple delivery channels that target customers, based on their needs and preferences. Such delivery channels will likely include increased customer outreach through trade and community-based associations, third parties, government partnerships and core IOU programs.

v. IOU program interactions with CEC, ARB, Air Quality Management Districts, local government programs, other government programs as applicable

AEA's energy recommendations will continue to recognize the regulations required by other bodies. For example, information about GHG reductions resulting from AB 32 may be incorporated into the customer recommendations and to factor into the projects cost-effectiveness and water conservation information will be included in the reports as appropriate.

Program offerings will collaborate and support the CEC's AB 1103 mandate by assisting customers with technical and awareness activities. AEA will advance the introduction of the BEARS and California Rating Tool, where reasonable.

AEA recognizes the efforts of the CEC's Green Building Initiative programs, DOE's "ISO plant certification" programs, EPA EnergyStar Portfolio Manager benchmarking, EPA Building Performance with Energy Star and other programs, USGBC LEED certification, and local and other government incentive programs and will leverage such activities to the customer's benefit.

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a) Program delivery and coordination

The sub-program will be coordinated with the following activities, as applicable:

i. Emerging Technologies program

The SW AEA Management Team will stay abreast of and incorporate relevant emerging technologies into audit recommendations as appropriate.

ii. Codes and Standards program

AEA implementation will include information about pending new codes and standards that may affect planning or prioritization of retrofit or new construction projects. Audits reports will include customer recommendations that are consistent with current governing codes.

iii. WE&T efforts

AEA implementation will integrate with WE&T efforts, as needed, by providing CSI process, lessons learned, and case study input to energy engineering curriculum designers for community colleges and universities. This activity will be coordinated through the Statewide WE&T program team and will ultimately be integrated into the web portal that team is now developing. IOUs will assess and support specialized WE&T training to help target working energy management professionals, industry professionals, and those pursuing education in universities and colleges.

IOUs will also continue with WE&T coordination to integrate sector strategy approaches, as required.

iv. Program-specific marketing and outreach efforts

In 2013-2014, AEA marketing campaigns will provide a wide range of action-oriented solutions targeted to specific segments and subsegments of business customers. In addition, AEA marketing efforts too will be “bundled” as menu of demand response, energy efficiency and conservation programs providing customers with a full array of EE and DR opportunities. By providing packaged energy management solutions for each industry segment, the IOUs will be better able to communicate with and serve customers.

Marketing activities will target business customers and select effective channels to reach entities such as: trade associations, local business groups and government entities to generate interest and program participation. In addition, direct customer contact by account executives, phone and e-mail support may be utilized.

Marketing collateral and messages for energy efficiency will be integrated with other IOU programs. Through additional market segmentation and feedback from customers, IOUs will further adjust approaches based on the varied needs of targeted customers. Additional sub-program marketing will be accomplished by

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leveraging local third-party programs. Specific IOU marketing budgets are provided in Table 1 of the core agricultural program.

Integrated and program-specific marketing efforts will complement and work in coordination with SW Marketing, Education and Outreach (ME&O) Program to increase awareness, provide education, and drive ongoing engagement and participation in DSM programs and services among nonresidential customers. The statewide effort will provide the first level with IOU specific programs providing reinforcement at a local level.

v. Non-energy activities of program

The IOU's AEA team will participate in Statewide and national efforts to develop and enhance audit, benchmarking and continuous energy improvement tools and practices. Such activities will likely occur in conjunction with ongoing industry efforts managed by the California Energy Commission (CEC), Consortium for Energy Efficiency (CEE), ENERGY STAR and the California Commissioning Collaborative (CCC).

CEI implementation will include non-energy activities such as recognition awards, local area or sector competitions, awareness campaigns, education about non-energy-related LEED points and definitions, and use of computerized financial analysis tools and cost estimating and forecasting tools

vi. Non-IOU programs

AEA reports will include information on non-IOU Programs to expose customers to funding, such as from air or water agencies, to support integrated efforts. AEA will partner with programs offered by CEC, ARB, Air Quality Management Districts, ENERGY STAR, and other government and quasi-governmental agencies to capitalize on opportunities to develop co-branded program information and marketing collateral target to agricultural -sector customers, as opportunities present themselves.

With respect to water conservation, IOU program managers will partner with the local water districts to co-brand marketing collateral, attend trade shows, co-release notices, for programs with interactive water and energy effects (ESPM, BEARS, California Rating Tool, Water Agencies and others)

vii. CEC

SoCalGas will continue collaboration efforts with the CEC in energy efficiency tool development and seek to promote adoption of new technologies developed through the CEC's processes and to educate customers to demonstration, research and/or pilot projects. Specific AEA offerings will encourage recommendations addressing new technologies, processes, and methods, as identified in CEC projects, which will enable customers to achieve energy efficiency "stretch" goals

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that produce significant energy savings beyond an established baseline in a cost-effective manner.

viii. CEC work on Codes and Standards

AEA will not be implemented with a direct linkage to codes and standards efforts. Although AEA will reflect code regulation in its energy savings calculations as deemed appropriate.

ix. Non-utility market initiatives

Education about federal tax incentives for energy efficiency investments is an example of non-IOU information and guidance that AEA offerings will provide to customers. In addition, the IOUs will participate in state and national efforts to develop and/or improve benchmarking tools and services that can be used by customers to better facilitate their adoption of sustainable energy management practices.

b) Best Practices

The IOUs will continue to leverage best practices and lessons learned at regularly scheduled statewide program management meetings. These meetings are forums to discuss program design and implementation issues, and as appropriate, provide statewide collaborated guidance in RFP solicitations and awareness of program offerings so customers operating multiple facilities across IOU service territories receive the same customer experience.

Other best practices approaches apply the principles of well-known business continuous improvement programs, such as Lean Six Sigma and ISO standards, to facility and plant energy management, in order to achieve widespread adoption of long-lasting sustainable energy management practices in the agricultural market sector. As stated above, these principles are: (1) Commitment, (2) Assessment, (3) Planning, (4) Implementation, (5) Evaluation, and (6) Modification. This approach will continue through the two-year program cycle for 2013-2014, allowing longer-term and deeper project development engagement with customers.

c) Innovation

For 2013-2014, the IOUs are identifying and evaluating program processes to increase effectiveness, simplification and increase the benefits the program delivers. Each IOUs set of lessons learned from these efforts will be shared and implemented to enhance energy savings benefits to all California IOU customers.

AEA will engage in a process of continuing improve as a new standard way of packaging energy efficiency, demand response and self-generation products and services, aimed at helping customers engage in long-term, strategic energy planning. It proposes to transform the market and reduce energy intensity through a comprehensive approach that includes addressing both technical and management opportunities.

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Depending on the outcome of the 2012 process evaluation, CEI may consider customer incentives to accelerate project implementation (including IDSM projects), and reward customer for implementing strategic energy management.

Other AEA offerings may also consider specialized incentives approaches based on delivery, target markets and/or other opportunities.

d) Integrated/Coordinated Demand Side Management

AEA will provide a comprehensive approach for integrated audit services. Its services will have the flexibility of meeting every level of a customer's audits needs from integrated comprehensive audits to targeted or focused audits, which centers on specific systems or processes, to assessments or general walk through audits or online "do-it-yourself" audits (currently for small business customers), which when properly applied can assist in identifying the areas of a customer's greatest energy interest, financial capabilities of the customer's ability to invest in improving its energy use, and identification of other programs that can be brought into the discussion to motivate a customer to move forward with the energy saving plan.

The scope of services offered can coordinate the audit to look for retrofit opportunities; with benchmarking tools, or long term planning. Audit reports can present a truly integrated analysis to customers, seamlessly providing them with information and recommendations regarding energy efficiency, distributed-generation, demand response, greenhouse gas emissions and water energy savings, Customers will be referred to other IOU programs that will help them implement the recommendations resulting from the audit report and thus will be given a complete picture of their energy usage and options for reducing costs and using energy more efficiently.

e) Integration Across Resource Types

AEA will focus on DSM integration.

AEA implementation will include information on Non-IOU Programs to expose customers to funding, such as from air or water agencies, to support integrated efforts. IOU AEA managers will partner with the appropriate programs, when applicable, with government agencies to capitalize on opportunities to share program information, marketing collateral, and financial incentive analysis with customers.

Conventionally, each government agency and IOU has operated natural resource and energy programs independently, missing opportunities to serve customers who must manage more than one resource type. For customers who are regulated by or interested in more than one resource issue, CEI will provide information about the mutual benefit of combining complementary resource programs.

In the effort to promote AEA offerings, IOUs will seek out customers interested in complementary resource programs such as provided by water and air quality agencies. AEA will accomplish this by integrating key technologies and issues into the developing

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Energy Assessment Reporting tool. The tool will assist in assessing a customer’s interest, financial hurdle rates, and likelihood of implementing recommendations. With respect to water conservation, IOU program managers will collaborate with the local water districts to produce marketing collateral, attend trade shows, and co-release brochures, for programs with interactive water and energy effects.

f) Pilots

AEA services may consider the development of test markets especially in the introduction of new energy benchmarking or saving tools.

g) EM&V

The IOUs are proposing to work with the Energy Division to develop and submit a comprehensive EM&V Plan after the program implementation plans are filed. This will include process evaluations and other program-specific studies within the context of broader IOU and Energy Division studies. More detailed plans for process evaluation and other program-specific evaluation efforts cannot be developed until after the final program design is approved by the CPUC and in many cases after program implementation has begun, since plans need to be based on identified program design and implementation issues.

7. Diagram of Program

Please see the core program diagram.

8. Program Logic Model

Please see the Commercial Energy Advisor program logic model.

Audit Type Matrix

Audit Type	Description	Detail	SOCALGAS	SDG&E	PG&E	SCE
Integrated Customer Energy Audit	The ICEAT audit is a customized audit specifically designed to help customers understand and identify their facility’s energy use and provide concrete suggestions to maximizing energy efficiency (EE), demand response (DR), and distributed-generation opportunity as defined by the customer’s need.	Phone	YES	YES	YES	YES
		Online	YES	YES	YES	YES
		(Web-Based)				

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		Onsite	YES	YES	YES	YES
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1. **Program Name:** Agricultural Calculated Energy Efficiency Program
Program ID: SCG3719
Program Type: Statewide Core Program

2. **Projected Program Budget Table**

Table 1 – reference the core program for budget details

1. **Projected Program Gross Impacts Table**

Table 2 - reference the core program for savings details

2. **Program Description**

- a) **Describe program**

The purpose of the statewide Agricultural Calculated Energy Efficiency Program is to provide services to improve the energy efficiency of agricultural facilities in California, including financial incentives based on calculated energy savings. The energy savings are calculated for measures installed as recommended by comprehensive technical and design assistance for customized projects. Integrated projects are encouraged to combine energy efficiency and demand response. Eligible projects include new construction, and retrofit .

The Agricultural Calculated Energy Efficiency Program is part of a suite of programs within the Statewide Agricultural Energy Efficiency Program.

The Agricultural Calculated Energy Efficiency Program is utilized for projects where a rebate is not available through the statewide Agricultural Deemed Energy Efficiency Program, customized calculations provide the most accurate savings estimates, or interactive effects between measures are best captured through whole building or whole system modeling.

Because it presents a calculation method that can consider system and resource interactions, the program will become the preferred approach for supporting the integrated, whole system, and multi-resource management strategies of the Strategic Plan.

Key features in the process include:

- Energy audits of facilities and processes which recommend efficient design alternatives and detailing energy savings and CO₂ reductions;
- Calculations/estimates of energy savings for exceeding Title 24 code or industry standard practice baselines;
- Technical assistance from IOUs in energy audits and calculated savings;
- Submission of project proposal for IOUs review and approval;
- Pre-inspection by IOUs for approved retrofit projects;

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- Post-inspections on approved and completed projects to verify performance; and
- Payment of incentives from IOUs.

Energy audits may be completed by customers directly or by authorized participants. Sponsors may include contractors, design teams, vendors, and energy service companies. The completed audit may then be submitted for review and approval.

For the energy audit feature, statewide consistent calculators are publicly available. The statewide IOU-created and maintained SPC Calculator can be used for retrofits and some new construction applications and is available online. For whole building construction projects, IOUs accept both Energy Pro, available for license, and the IOU-sponsored eQuest, available for free on the statewide Energy Design Resources website at www.energydesignresources.com, among others. Calculations must be submitted in open, unlocked, native format for review and consideration in the IOU's programs.

b) List measures

The broad range of measures eligible for incentives is summarized in the table below along with the current incentive levels. For detailed measure incentives, *see* Section 6.a.iii below.

The following measure categories are eligible for Calculated Incentives:

- Equipment Modernization
- Process Improvement
- Additional Miscellaneous Gas Measures

c) List non-incentive Agricultural Energy Advisor

The Agricultural Calculated Incentives Program is primarily an incentive program designed to achieve energy savings through measure implementation; however it does provide such non-incentive measures as technical and calculation assistance to help customers navigate through the application process. This assistance ensures that the sub-program captures lost opportunities by not allowing projects to fall behind schedule simply because the customer does not have the resources to shepherd the project through the process.

5. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Information

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

Table 3 – Refer to the overarching program for quantitative baseline metrics

b) Market Transformation Information

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By its nature, market transformation occurs as a result of numerous factors including projects/programs; not single project or sub-program. Therefore, all metrics and goals are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

Table 4 – Refer to the overarching program for market transformation metrics

c) **Program Design to Overcome Barriers**

The Calculated Energy Efficiency Program includes numerous features designed to overcome these barriers, as identified and discussed below.

Integrated Demand Side Management Approach

The program offers California's agricultural segment a statewide suite of products and services to help overcome market barriers to optimize energy management and meet the goals of the Strategic Plan. It overcomes multiple barriers through the implementation of strategies and tactics that provide an integrated solution to the customer, offer education and outreach to create awareness and promote continuous energy efficiency improvement. The program also enables a facility to attain resource management levels that exceed industry standards and gain them market and worldwide recognition.

CEI Program Offering

The Continuous Energy Improvement (CEI) program compliments the Calculated Energy Efficiency Program by helping customers implement energy efficiency measures that have been identified through energy efficiency audits or in-depth facility/process assessments. Such assessment may be jointly provided by the IOUs and the U.S. Department of Energy (DOE) or ANSI. It focuses on improving production and optimizing energy efficiency and provides integrated resource management solutions including GHG reduction. This approach overcomes such barriers as lack of awareness of energy efficiency opportunities and provides highly skilled workforce of energy efficiency, process optimization, and resource management.

Marketing and Outreach

To increase awareness of the program, a statewide centralized clearinghouse may be developed to give customers access to information on operating best practices in energy efficiency, industry relevant technical assistance, baselines, case studies, tools and computer based training. This clearinghouse addresses the issue of availability of information and qualified industry specialists to fully assess a building, system or process and help customers understand how energy efficiency can impact their emissions, resource consumption or waste discharge streams. A clearinghouse helps alleviate the problem often run into by Non-Residential customers of getting incorrect or out-of-date information from some local networks. It will also enable design engineers to specify energy efficient measures to exceed industry accepted baseline standards when constructing new or retrofitting existing buildings or systems, instead of specifying only what they know or what they are familiar with.

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The Statewide Program information and services will primarily be delivered through account representatives, IOU call centers hotlines, local government partnerships, third parties, and IOU internet sites. Information may also be made available through industry events, through industry organizations, and through advertising in industry and trade publications. Other avenues to reach out to customers and identify energy efficiency opportunities include non-resource programs that provide education and outreach, workforce education and training, or through IOU Emerging Technologies Programs.

Education and Training

Highly skilled energy management professionals may conduct technical training and seminars to educate the public as well as develop a highly trained energy efficiency workforce that is accessible to industry.

Emerging Technologies

In collaboration with ET and the CEC, ET may conduct studies, pilots, and demonstrations to prove the viability of promising emerging technologies and lower the risk of investment which in turn will speed up market penetration.

Financial Assistance

Rebates and incentives properly priced and based on energy savings quantified through technical assessments or basic audits, can help customers overcome internal financial hurdle rates. Skilled energy efficiency personnel may also assist customers and provide additional information about other opportunities for project assistance, such as State or Federal funds available for energy efficiency projects, tax incentives or other local sources of project funding.

d) Quantitative Program Targets

The targets provided herein are best estimates, but nonetheless are forecasts.

Table 5

	Program Target by 2013	Program Target by 2014
Projects	10	10

e) Advancing Strategic Plan Goals and Objectives

The Agricultural Energy Efficiency Program supports all three goals in the Strategic Plan for the Agricultural Sector. General advancement of the goals is presented in the program implementation plan for the Agricultural Energy Efficiency Program. More specific support of the goals in the Agricultural Calculated Energy Efficiency Program is presented here.

Goal 1: Establish and maintain a knowledge base sufficient to support development of all available, cost-effective, reliable, and feasible energy efficiency, demand reduction (and renewable) energy resources.

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The Agricultural Calculated Energy Efficiency Program supports strategies to develop a knowledge base of efficiency solutions, foster workforce education and training, and encourage applications of new technologies.

Goal 2: California regulations, financing mechanisms, and incentives programs affecting the management of energy, air and water resources, solid waste, and climate change will be coordinated to mutual advantage.

The program supports strategies to attain multi-resource management goals and to coordinate technical assistance, funding and incentive mechanisms.

Goal 3: Achieve significant increases in the efficiency of electricity and natural gas use and on-site renewable energy utilization, including setting a specific target for irrigation efficiency.

The program supports strategies to make information on efficiency solutions readily available as well as conduct marketing and outreach to stimulate efficiency actions.

6. Program Implementation

a) Statewide IOU coordination

i. Program name: Agricultural Calculated Energy Efficiency Program.

ii. Program delivery mechanisms

Agricultural Calculated Energy Efficiency Program will be coordinated on a statewide level to unify the implementation of program aspects such as program name, program delivery mechanisms, incentive levels, marketing and outreach plans, and IOU program interactions. The Agricultural Calculated Energy Efficiency Program will coordinate with the core Agricultural Energy Efficiency Program to provide mutual support.

The high-level focus of this statewide coordination effort will enable the capture of new innovations and opportunities for program improvement, correct program weaknesses that reveal themselves during implementation, and ensure achievement of statewide targets across IOU service territories. Therefore, statewide focus on program unity and continuous program improvement over the course of the implementation cycle will be enabled.

iii. Incentive levels

A broad range of measures is eligible for the Calculated Energy Savings Program, as seen in the following table. The current incentives for these measures are standard across the IOUs participating in the Statewide Agricultural Calculated Energy Efficiency Program.

Incentives will be as follows:

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- Therms, \$1.00/therms, Capped at 50% of project cost

The IOUs are exploring innovative means of improving the Calculated Incentive sub-program based on Energy Division and market direction. One possible method to comply with the Energy Division's guidance to "achieve deeper energy savings retrofits and packages of measures" is to institute a scaled incentive mechanism that would provide higher incentives for more comprehensive projects. SCG plans to solicit input from stakeholders for changes to the incentive structure for gas-only measures. Potential changes may include measure incentive rate changes, possible bonuses, including a comprehensiveness bonus and a small business participation bonus, and a scaled incentive mechanism.

iv. Marketing and outreach plans, e.g. research, target audience, collateral, delivery mechanisms

The Calculated Energy Efficiency Program may be marketed through IOU Account Executives, as well as through trade allies, educational, outreach and other marketing activities. Marketing activities will target business customers, ESCOs, trade associations, local business groups and government entities to generate interest and program participation. The Program may also provide direct customer contact by account executives, demand response program outreach, phone and e-mail support.

Marketing campaigns may provide a wide range of pro-active solutions targeted by segmentation research. In addition, marketing efforts may be integrated in a menu of demand response, energy efficiency and conservation programs. This menu will provide customers a full array of EE and DR options. By providing packaged energy management solutions for each industry segment, IOUs will better communicate with and serve customers.

Marketing efforts may incorporate a variety of marketing tactics/activities to promote the solutions in the program. Education, awareness and outreach efforts may use targeted multi-media communication channels. This will ensure the message reaches the intended audiences with enough frequency to create awareness, educate and engage the customer to motivate attitude and behavior changes. The marketing strategies may include, but are not limited to, a mix of print, radio, TV, direct mail, e-mail, personal contact, trade shows, trade association meetings, customer workshops and seminars. The strategy will also include energy related and other community events and partnerships with business and industry organizations, specialized collateral, case studies, website links and information with regular updates, bill inserts, press releases, and newspapers.

Market outreach to raise awareness of EE programs available may use a number of multi-media strategies, including:

- Account representatives may make a regular and consistent customer calling effort to key customers within this sector;

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- IOU representatives, program management representatives, and field engineers may be available to provide additional expertise;
- Participation and membership in one or two key trade associations affiliated with each high priority sub-segment within the agricultural market sector;
- Attendance at the key trade shows for each high priority sub-segment within the agricultural market sector;
- IOU-sponsored training events at the IOU's Customer Training Centers and other convenient locations within the IOU's service territory;
- Hosting of IOU-sponsored webinars that provide sub-segment training and program adoption; and
- Written collateral pieces that provide an overview of the IOU's Energy Efficiency programs will be linked into the appropriate IOU's DSM web page.

The ideal marketing mix will be assessed for maximum awareness and participation. Marketing and outreach coordination may be coordinated, to the extent possible, among the IOUs utilizing the statewide coordination process described above. Furthermore, agricultural facilities are recognized as large energy and water consumers. IOUs will develop proposals, as appropriate, to facilitate water-energy nexus projects.

The IOUs are currently developing an in-depth segmentation of the agricultural market. The results of this customer segmentation will support the development of targeted integrated marketing and outreach plans outlining multiple delivery channels that target customers, based on their needs and preferences. Such delivery channels will likely include increased customer outreach through trade and community-based associations, third parties, government partnerships and core IOU programs.

v. IOU program interactions with CEC, ARB, Air Quality Management Districts, local government programs, other government programs as applicable

The Agricultural Calculated Energy Efficiency Program will scan the programs offered by CEC, ARB, Air Quality Management Districts, and other government agencies to capitalize on opportunities to share program information and marketing collateral with agricultural customers, to the extent possible. In the past, each government agency and IOU has operated natural resource and energy programs independently, missing opportunities to serve customers who manage more than one resource type.

Regarding water conservation, IOU program managers will partner with the local water districts to co-brand marketing collateral, attend trade shows, co-release notices, for programs with interactive water and energy effects. Similarly, with ARB and Air Quality Management Districts, IOUs will offer customers

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Calculated sub-program incentives for energy efficient equipment that may also reduce water and GHG emissions.

vi. Similar IOU and POU programs

The IOUs will be delivering many third-party programs that utilize the Agricultural Calculated Energy Efficiency Program infrastructure. This will ensure a consistent delivery of measure incentives to ensure that programs do not cannibalize each other and detract from achieving cost-effective energy savings.

b) Program Delivery and Coordination

i. Emerging Technologies (ET) program

California's long-term energy efficiency vision can be attained through long-term and continuous development, verification, and acceptance of new technologies into the market. The achievement of long-term goals requires new technology as well as information, training and market development to maximize the energy efficiency benefits of cutting edge technologies. In recognition of the importance of emerging technologies, the Calculated sub-program will consider higher initial incentives for emerging technologies being newly introduced to the market place. Once the new products have taken hold in the market, the incentives will be adjusted to reflect market conditions. In addition, portfolio staff actively works to incorporate promising emerging technologies from the ET program.

ii. Codes and Standards program

The Calculated sub-program relies on the Codes and Standards program to help maintain an updated and relevant list of measures that will support savings. It is important to manage the measure life cycle to take full advantage of providing incentives before moving them into code. The program will coordinate with the Codes and Standards Planning & Coordination sub-program. As codes and standards impact measures, the program will act to align itself with appropriate offerings. Programs will include new offerings that will allow flexibility in adapting to changes in codes and standards, market trends, and technologies. Planned enhancements to Title 20 and 24 will be reflected in incentive levels and eligible measures and services. As the market moves toward "low energy" or "zero net energy" buildings, specific changes to each element of the bundling will be made to ensure the latest cost effective technologies/services (e.g., LEDs) are made available. These technologies will begin as R&D, transition to Emerging Technologies, then to Incubation and finally to Mainstream.

iii. WE&T efforts

Workforce Education & Training (WE&T) efforts support the education and training of a robust network of industry trade allies, vendors, engineers, design teams and others who can support the market transformation strategies of the Strategic Plan. In the Agricultural Energy Efficiency Program, WE&T efforts will focus in the near term on supporting national ANSI Energy Management Certification development efforts, as outlined in the Strategic Plan. Programs will

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closely coordinate with key stakeholders to ensure that California is poised to adopt this national standard and be a leader in this effort. Specifically, prerequisite trainings will be offered in DOE systems trainings to lay the groundwork for certification level trainings. These education and training offerings take place through IOU's energy centers and technology centers.

iv. Program-specific marketing and outreach efforts

Marketing and outreach initiatives may include but not limited to

- Participation and membership in one or two key trade associations affiliated with each high priority sub-segment within the agricultural sector, as appropriate;
- Attendance at key trade shows within the agricultural sector;
- IOU-sponsored training events at the IOU's Customer Training Centers and other convenient locations within the IOU's service territory;
- Hosting of IOU-sponsored webinars that provide sub-segment training and program adoption;
- Development of case studies, web pages, and marketing material that provide an overview of the IOU's energy efficiency programs; and
- An invitation to the California Farm Bureau to collaborate ways to improve program uptake.

Integrated and program-specific marketing efforts will complement and work in coordination with SW Marketing, Education and Outreach (ME&O) Program to increase awareness, provide education, and drive ongoing engagement and participation in DSM programs and services among nonresidential customers. The statewide effort will provide the first level with IOU specific programs providing reinforcement at a local level.

v. Non-energy activities of program

The program provides a significant challenge to integrating DSM initiatives to non-energy activities due to the general industry structure, the nature of market sector resource use, limited resource savings potential specific to smaller businesses, and limited bandwidth. Therefore, integrated audits across the various energy efficiency program offerings, with complementary options available through other entities (for example, water agencies) may identify the opportunities recommended to the specific agricultural customer.

Concerning water conservation, IOU program managers will contact the local water districts to share marketing collateral, attend trade shows, and mutually release notices for programs with interactive water and energy effects. IOUs will also offer Calculated sub-program incentives to ARB and Air Quality Management District customers. These incentives include energy efficient equipment that may also reduce both water and GHG emissions.

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In addition, the program will offer customers educational information about the non-energy benefits associated with energy efficiency measures, such as improved safety, indoor air quality, productivity, comfort, and appearance.

vi. Non-IOU programs

The program will continue to engage with Air Quality Management Districts, CEC, ARB, DOE, water agencies, and other government agencies responsible for regulating the various aspects and operations of customer facilities participating in the programs, as appropriate and feasible.

vii. CEC

As of June 2012, PIER no longer exists. However, the program will interact with the Emerging Technologies Program to leverage new technologies to increase the list of measures available for energy efficiency projects. The portfolio staff actively works to incorporate promising emerging technologies.

viii. CEC work on C&S

Planned enhancements to Title 20 and 24 will be reflected in incentive levels and in eligible measures and services.

ix. Non-utility market initiatives

The program will support and educate customers. It will also facilitate initiatives (for example, AB 32, renewables, ANSI certification, facility benchmarking, Continuous Energy Improvement, and California Green Building Initiative). The IOUs will remain engaged in these efforts and work to influence the development of increasingly higher standards.

c) Best Practices

The CEI program builds upon the initial feedback from the current CEI program and expands its reach into the Agricultural segment.

d) Innovation

For the 2013-2014 program cycle, California IOUs will implement an incentive structure that emphasizes advanced controls that enable demand response motivating customers to participate in energy efficiency and demand response incentive programs as well as enrollment in demand response programs.

IOUs will continue working collaboratively to modify program policies and procedures to address ongoing changes in customer expectations, market conditions and program flexibility. These changes will improve program understanding and participation, promote measures eligibility, increase customer economical benefits, and reduce policy restrictions identified as barriers to participation. IOUs are implementing such processes based on market studies and policy discussions conducted on the subject. Among modifications that would be potentially discussed and implemented are incentive caps

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and redesign of early retirement measures and equipment in conformance with Commission guidelines.

IOUs are planning to elaborate and utilize positive experience obtained using the SBD Simplified tool to include energy efficiency retrofit projects. Such tools substantially reduce application processing and review time and minimize number of hand-offs without sacrificing accuracy of energy saving calculations.

IOUs will use an integrated approach to addressing DSM opportunities (for example, merging energy efficiency and demand response analysis, and converting recommendations to Calculated programs). In addition, streamlining programs through processing and reviewing energy efficiency and demand response measures in a single application, and providing analytical information about applicable distributed generation solutions, will maximize customer adoption rates for the most cost-effective energy management opportunities.

IOUs will consolidate various calculating software such as SPC Software, Engage and other measure specific calculating tools to standardize calculating methodologies. This will ensure that calculations will be more uniformed and consistent amongst all stakeholders. This will not limit the use of nationally recognized standard DOE toolsets for certain measures.

e) **Integrated/Coordinated Demand Side Management**

The IOU's have identified integrated Demand Side Management (IDSMD) as an important priority. As a result they have proposed the establishment of a Statewide Integration Task Force (Task Force). The program plans to work closely with the Task Force to identify comprehensive integration approaches that feed into the overall statewide strategy and to implement best practices as rapidly as practical.

f) **Integration across resource types (energy, water, air quality, etc)**

California's agricultural sector faces a multitude of environmental and regulatory challenges that affect their survival and competitiveness. New regulations aimed at improving air quality, water quality and reducing toxic environmental pollutants are proving to be expensive and disruptive to conventional businesses, and complying with these regulations may actually cause increased energy use.

To help deal with these challenges, the program will coordinate with the regulating agencies and their programs to support common program designs, customer incentives, marketing opportunities, and implementation opportunities. IOUs will continue to offer targeted trainings to customers who share common regulatory challenges in an effort to educate customers on impending regulatory requirements for their business operation, and the most efficient solution options to consider for compliance. Future workshops may look at small and medium sized water and wastewater treatment options, steam system upgrades, and energy efficiency to meet AB32 targets.

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IOUs will partner with water agencies to offer joint energy and water conservation incentives to support projects that reduce both energy and water consumption. This partnering will reduce administrative costs and increase the program's societal benefits and impacts.

The Program will integrate applicable topics such as GHG reduction and water conservation into targeted customer workshops, marketing efforts, and communications to build on efforts from the previous program cycle.

Water/Energy Nexus Strategy

SoCalGas supports improving the efficiency of water systems as one of the most critical strategies to capture water/energy nexus benefits in the energy efficiency programs. SoCalGas plans to focus its efforts in areas that use gas engines as the energy source to deliver and treat water. For water agencies within SoCalGas's territory, we plan to issue an RFP to utilize a contractor to implement leak-loss detection and remediation and pressure management services applicable to storage, pumping and distribution through SoCalGas's core or Third Party Program. SoCalGas will explore new project ideas for the water/energy nexus, as well as the calculation of ancillary water benefits (e.g. "embedded" energy savings). SoCalGas will accelerate the expansion of cost-effective water-energy nexus programs by coordinating with the other utilities, water agencies, and municipalities to study the cost effectiveness and the embedded energy savings for water/energy efforts. Our intent is to continue to offer measures and services to the water sector through the "calculated" and audit programs. SoCalGas will also explore for new direct energy measures that can be incented under the calculated program. Additionally, we will increase our efforts to capture the water-energy nexus and sustainability in the agricultural, industrial, and commercial segments.

g) Local Element (Negotiated Incentive Option)

SoCalGas will provide a local component which will include incentives for energy-efficient retrofits, systems new construction, or replacements of existing equipment at SoCalGas customer sites. Participants may be either customers or energy-efficiency service providers (EESP's) acting as project sponsors for activities at customer sites. To qualify, a project must save a minimum of 1,000,000 therms per year. Associated energy, resource such as water, sewerage and emissions, and GHG savings will be considered when evaluating a project for funding. A project may consist of a single project at a single site, or may be aggregated from multiple projects belonging to a single customer, and may include a variety of measures.

This local element is designed to serve the largest non-residential customers within the SoCalGas service territory. Non-residential customers in this group are comprised of but not limited to the following industry sub-segments: Government/Utilities, Manufacturing/Processing Industries and Institutional. Each sub-segment has distinct energy use patterns, differences in equipment and facility design, and various management structures and decision-making processes. Because each industry sub-segment is unique, this option will use a customized, customer-focused approach.

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Participating customers, taking into account their individual energy and resource conservation opportunities as well as internal hurdle rates, will propose or “bid” to SoCalGas the incentive level needed to enable large EE and Resource savings projects. This ensures that this option will be adaptable to the unique needs of each market segment.

The program is designed to be flexible and cost effective: The project sponsor proposes a project and desired incentives. Incentives may cover up to 50% of the incremental project costs less any additional funding received from other sources. Measurement and verification (M&V) is required for all projects. As a performance-based incentive program, the approved M&V report will ultimately determine the energy savings for each project. The total sum of incentives paid for a project may not exceed the amount “bid” by the customer and agreed to by SoCalGas.

h) Pilots

Not applicable.

i) EM&V

The IOUs are proposing to work with the Energy Division to develop and submit a comprehensive EM&V Plan after the program implementation plans are filed. This plan will include process evaluations and other program-specific studies within the context of broader IOU and Energy Division studies. More detailed plans for process evaluation and other program-specific evaluation efforts will be developed collaboratively by the IOUs and Energy Division. Development of these plans will occur after the final program design is approved by the CPUC and, in many cases after program implementation has begun, since the plans need to be based on identified program design and implementation issues.

7. Diagram of Program

Please see the core program diagram.

8. Program Logic Model

Please see the Commercial Calculated Energy Efficiency Program logic model.

- 1. Program Name:** Agricultural Deemed Energy Efficiency Program
Program ID: SCG3720
Program Type: Statewide Core Program

2. Projected Program Budget Table

Table 1 – reference the core program for budget details

a) Projected Program Gross Impacts Table

Table 2 - reference the core program for savings details

b) Program Description

a) Describe program

The purpose of the statewide Agricultural Deemed Energy Efficiency Program is to provide services to improve the energy efficiency of agricultural facilities in California, including financial incentives based on deemed energy savings. The energy savings are deemed for installed measures. Integrated projects are encouraged to combine energy efficiency and demand response.

The Agricultural Deemed Energy Efficiency Program is part of a suite of programs within the Statewide Agricultural Energy Efficiency Program.

Key features of the program include:

- Information and technical assistance from SoCalGas on energy efficiency measures and savings potential;
- Application via mail, fax, internet and phone by customer for eligible measures;
- Reservation of financial incentives by SoCalGas, if requested by customer;
- Pre- and post-installation inspection by SoCalGas, as determined by SoCalGas based on prior participation and other factors; and
- Payment of incentives from SoCalGas.

b) List measures

Itemized retrofit measures have prescribed energy savings and incentive amounts. These measures are categorized under the following end uses:

- Food service
- Boilers and water heaters
- Pipe and tank insulation
- Greenhouse Curtain
- Infrared film

c) List non-incentive Agricultural Energy Advisor Services

The deemed sub-program is primarily an incentive program designed to achieve energy savings through measure implementation; however it does provide such non-incentive measures as technical consultation and application preparation assistance to help

customers navigate through the application process. This assistance ensures that the sub-program captures lost opportunities by not allowing projects to fall behind schedule simply because the customer does not have the resources to shepherd through the process.

5. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Information

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

Table 3 – Refer to the overarching program for quantitative baseline metrics

b) Market Transformation Information

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics and goals are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

Table 4 – Refer to the overarching program for market transformation metrics

c) Program Design to Overcome Barriers

The Agricultural Deemed Energy Efficiency Program is designed overcome several barriers. The program directly addresses key market factors that lead to higher energy costs for California businesses. Providing a menu of prescribed common measures simplifies the process of reviewing project proposals and provides a "per-widgit" rebate that reduces the cost of retrofitting outdated and inefficient equipment. This element makes it attractive for customers to spend money in the short run in order to achieve lower energy costs in the long run.

Using itemized energy efficiency measures is intended to overcome barriers that inhibit many agricultural customers from adopting energy efficiency alternatives. The barriers are addressed by itemizing common energy efficiency measures and rebates, stimulating the supply of high efficiency equipment and products (through higher demand), and offering rebates that help offset higher start up and down payment expenses for energy efficient retrofits.

Furthermore, to ensure equity to all business customer segments, this program will continue to offer statewide-consistent, cost-offsetting itemized rebates to help customers with the cost of installing new energy efficient equipment.

d) Quantitative Program Targets

The targets provided herein are best estimates, but nonetheless are forecasts.

Table 5

	Program Target by 2013	Program Target by 2014
Projects	25	25

e) **Advancing Strategic Plan Goals and Objectives**

The Statewide Agricultural Energy Efficiency Program supports all three goals in the Strategic Plan for the Agricultural Sector. General advancement of the goals is presented in the program implementation plan for the Statewide Agricultural Energy Efficiency Program.

More specific support of the goals in the Agricultural Deemed Energy Efficiency Program is presented here.

Goal 1: Establish and maintain a knowledge base sufficient to support development of all available, cost-effective, reliable, and feasible energy efficiency, demand reduction (and renewable) energy resources.

The Agricultural Deemed Energy Efficiency Program supports strategies to develop a knowledge base of efficiency solutions, foster workforce education and training, and encourage applications of new technologies.

Goal 2: California regulations, financing mechanisms, and incentives programs affecting the management of energy, air and water resources, solid waste, and climate change will be coordinated to mutual advantage.

The program supports strategies to attain multi-resource management goals and to coordinate technical assistance, funding and incentive mechanisms.

Goal 3: Achieve significant increases in the efficiency of electricity and natural gas use and on-site renewable energy utilization, including setting a specific target for irrigation efficiency.

The program supports strategies to make information on efficiency solutions readily available as well as conduct marketing and outreach to stimulate efficiency actions.

6. Program Implementation

a) **Statewide IOU coordination**

i. **Program name:** Agricultural Deemed Energy Efficiency Program

ii. **Program delivery mechanisms**

Agricultural Deemed Energy Efficiency Program will be coordinated on a statewide level to unify the implementation of program aspects such as program name, program delivery mechanisms, incentive levels, marketing and outreach plans, and IOU program interactions. The Agricultural Deemed Energy Efficiency

Program will coordinate with the core Agricultural Energy Efficiency Program to provide mutual support.

The high-level focus of this statewide coordination effort will enable the capture of new innovations and opportunities for program improvement, correct program weaknesses that reveal themselves during implementation, and ensure achievement of statewide targets across IOU service territories. Therefore, statewide focus on program unity and continuous program improvement over the course of the three year implementation cycle will be enabled.

iii. Incentive levels

Incentive levels are based on measure type and will be set at uniform amounts across the state. Higher incentive levels will be provided for Emerging Technologies to spur traction in the market as feasible. The scale of increased incentive for emerging technologies will be evaluated on a measure by measure basis dependent on kW, kWh, therms, equipment cost, other market factors and cost effectiveness.

iv. Marketing and outreach plans, e.g. research, target audience, collateral, delivery mechanisms

The Agricultural Deemed Energy Efficiency Program will be marketed through IOUs account executives, as well as through trade allies, educational, outreach and other marketing activities. Marketing activities will target agricultural customers, ESCOs, trade associations, local business groups and government entities to generate interest and program participation. In addition, direct customer contact by account executives, phone and e-mail support will be provided.

Marketing efforts will incorporate a variety of marketing tactics/activities to promote the solutions in the program. Education, awareness and outreach efforts will rely on a combination of targeted multi-media communication channels and targeted communication channels to ensure the messages reach the intended audiences with enough frequency to create awareness, educate and motivate attitude and behavior changes. The marketing strategies may include, but are not limited to, a mix of print, radio, TV, direct mail, e-mail, personal contact, trade shows, trade association meetings, customer workshops and seminars, energy related and other community events and partnerships with business and industry organizations, specialized collateral, case studies, website links and information with regular updates, bill inserts, press releases, and newspapers.

Market outreach to raise awareness of energy efficiency programs available will use a number of strategies, including:

- Account representatives will make a regular and consistent customer calling effort to key customers within this sector;
- IOU representatives, program management representatives, and field engineers will be available to provide additional expertise;

- Participation and membership in key trade associations affiliated with each high priority sub-segment within the agricultural market sector;
- Attendance at the key trade shows for each high priority sub-segment within the agricultural market sector;
- IOU-sponsored training events at the IOU's customer training centers and other convenient locations within the IOU's service territory;
- Hosting of IOU-sponsored webinars that provide sub-segment training and program adoption; and
- Written collateral pieces that provide an overview of the IOU's Energy Efficiency programs will be linked into the appropriate IOU's DSM web page.

The ideal marketing mix will be assessed for maximum awareness and participation. Marketing and outreach coordination will be coordinated, to the extent possible, among the IOUs utilizing the statewide coordination process described above.

The IOUs are currently developing an in-depth segmentation of the agricultural market. The results of this customer segmentation will support the development of targeted integrated marketing and outreach plans outlining multiple delivery channels that target customers, based on their needs and preferences. Such delivery channels will likely include increased customer outreach through trade and community-based associations, third parties, government partnerships and core IOU programs.

v. IOU program interactions with CEC, ARB, Air Quality Management Districts, local government programs, other government programs as applicable

The Agricultural Deemed Energy Efficiency Program will scan the programs offered by CEC, ARB, Air Quality Management Districts, and other government agencies to capitalize on opportunities to share program information and marketing collateral with agricultural customers, to the extent possible.

Conventionally, each government agency and IOU has operated natural resource and energy programs independently, missing opportunities to serve customers who must manage more than one resource type.

With respect to water conservation, IOU program managers will partner with the local water districts to co-brand marketing collateral, attend trade shows, co-release notices, for programs with interactive water and energy effects. Similarly, with ARB and Air Quality Management Districts, IOUs will offer customers program incentives for energy efficient equipment that may also reduce air and greenhouse gas emissions.

vi. Similar IOU and POU programs

The IOUs will be delivering many third-party programs that are permitted to use the Agricultural Deemed Energy Savings Program infrastructure. This will

ensure a consistent delivery of measure incentives to ensure that programs do not cannibalize each other and detract from achieving cost-effective energy savings.

b) Program Delivery and Coordination

i. Emerging Technologies (ET) program

The long-term energy efficiency vision of California may be attained through the long-term and continuous development, verification, and acceptance of new technologies into the market. The achievement of long-term goals requires new technology as well as information, training and market development to maximize the EE benefits of cutting edge technologies. In recognition of the importance of emerging technologies, the program is poised to adopt the efficiency potential of new technologies through its programs. In addition, portfolio staff actively works to incorporate promising emerging technologies.

ii. Codes and Standards program

The program relies on the Codes and Standards program to help maintain an updated and relevant list of measures that will support savings. As codes and standards impact measures, the program will act to align itself with appropriate offerings. It is important to manage the measure life cycle to take full advantage of providing incentives before moving them into code. The program will coordinate with the Codes and Standards Planning & Coordination sub-program. Programs will include new offerings that will allow flexibility in adapting to changes in codes and standards, market trends, and technologies. Planned enhancements to Title 20 and 24 will be reflected in incentive levels and eligible measures and services. As the market moves toward “low energy” or “zero net energy” buildings, specific changes to each element of the bundling will ensure the latest cost effective technologies/services (e.g., LEDs) are available. These technologies will begin as R&D, transition to Emerging Technologies, then to Incubation and finally to Mainstream.

iii. WE&T efforts

Workforce Education & Training efforts support the education and training of a robust network of industry trade allies, vendors, engineers, design teams and others who can support the market transformation strategies of the Strategic Plan. In the near term, WE&T efforts will focus on supporting national ANSI Energy Management Certification development efforts, as outlined in the Strategic Plan. Programs will closely coordinate with key stakeholders to ensure that California is poised to adopt this national standard and be a leader in this effort. Specifically, prerequisite trainings will be offered in DOE systems training to lay the groundwork for certification level trainings. These education and training offerings take place through IOU’s energy centers and technology centers.

iv. Program-specific marketing and outreach efforts

Marketing and outreach initiatives will include:

- Non-contracted vendors are a key delivery channel of the Deemed sub-program. Emphasis will be placed on building awareness with more

vendors in the territory. Training vendors how to participate effectively in the program will also be a focus in the new program cycle.

- Community Based Organizations (CBOs), Faith Based Organizations (FBOs), Non-Profit organizations, and Non-Government Organizations (NGOs) with unique access and following are expected to be emphasized as a delivery channel.
- Trade associations and industry networks.
- Enabling partners (financial institutions, trade associations, service providers, law firms, environmental organizations, etc.).
- Unique channels that offer complementary value propositions from the customers' perspective (for example, energy, water, materials management, recyclables, and corporate social responsibility).
- IOU-sponsored training events at the IOU's Customer Training Centers and other convenient locations within the IOU's service territory.
- Hosting of IOU-sponsored webinars that provide sub-segment training and program adoption.
- Development of case studies, web pages, and marketing material that provide an overview of the IOU's energy efficiency programs.

Integrated and program-specific marketing efforts will complement and work in coordination with SW Marketing, Education and Outreach (ME&O) Program to increase awareness, provide education, and drive ongoing engagement and participation in DSM programs and services among nonresidential customers. The statewide effort will provide the first level with IOU specific programs providing reinforcement at a local level.

v. Non-energy activities of program

The program will offer customers educational information about the non-energy benefits associated with energy efficiency measures, such as improved safety, indoor air quality, productivity, comfort, and appearance.

vi. Non-IOU programs

The program will continue to engage with Air Quality Management Districts, CEC, ARB, DOE, water agencies, and other government agencies responsible for regulating the various aspects and operations of customer facilities participating in the programs, as appropriate and feasible..

vii. CEC

Not applicable.As of June 2012, PIER no longer exists. However, the Program will interact with the Emerging Technologies Program to leverage new technologies to increase the list of measures available for energy efficiency projects. The portfolio staff actively works to incorporate promising emerging technologies and project in coordination with the applied research of CEC.

viii. CEC work on C&S

Planned Title 20 and 24 enhancements will be reflected in incentive levels and in eligible measures and services.

ix. Non-utility market initiatives

The program will educate and support customers, and/or facilitate such initiatives as AB 32, renewables, ANSI certification, facility benchmarking, Continuous Energy Improvement, California Green Building Initiative, and other initiatives as directed. The IOUs will remain engaged in these efforts and work to influence the development of increasingly higher standards.

c) Best Practices

To maximize program effectiveness, best practices in program design and implementation will be employed and shared amongst IOUs.

Best practices in Program Design:

- Regular communication among IOUs.
- Identify qualifying products simply and effectively (Examples; ENERGY STAR®, CEE, FSTC website).
- Seek input from industry in the development of new programs. The IOU programs are trying to change how an industry operates from manufacturer design to the customers' purchasing and maintenance practices.
- Industry participation increases program volume and speeds market transformation.

Best practices in Program Implementation:

- Strive to simplify messaging and participation for the customer. (Look for the ENERGY STAR® label, purchase from a qualifying products list, etc.)
- Understand the key motivators that drive an industry and use that information to market the program. Make certain outreach efforts make the program visible to customers and the market catering to customers.
- Always communicate program marketing and advertising plans in advance to appropriate industry channels. Advanced notice allows industry partners an opportunity to leverage off of IOU marketing efforts and reinforce the program messaging.

d) Innovation

Innovative aspects of the program include improving major program performance indicators (for example, increasing the accuracy of energy saving calculations, higher realization rates, overcoming energy efficiency barriers, reducing application processing times and administrative costs, and integrated energy management).

For the new program cycle, California IOUs have implemented a new incentive structure that emphasizes peak demand reduction, addresses current economic downturn and better motivates customers to participate in energy efficiency incentive programs. During the 2013-2014 program cycle, the new incentive structure will be periodically evaluated and necessary changes may be made in order to enhance program benefits and performance,

including measure bundling incentives. The IOU's will explore offering an audit to customers considering three or more measures in an effort to determine if the audit itself leads to implementation of deeper savings.

IOUs will continue working collaboratively on modifications to program policies and procedures to address ongoing changes in customer expectations, market conditions and program flexibility. These modifications include changes that have been and will be targeting ease of program understanding and participation, measures eligibility, increase of customer economical benefits and policy restrictions identified as barriers to participation. IOUs are implementing such processes based on market studies conducted on the subject and after discussion of the policy change. Among potential modifications are incentive caps, and redesign of early retirement measures and equipment.

Where possible, IOUs will use an integrated approach to addressing DSM opportunities. These approaches include merging energy efficiency and demand response analysis and converting recommendations to Calculated program projects. In addition, streamlining programs through processing and reviewing energy efficiency and demand response measures in a single application, providing analytical information about applicable distributed generation solutions will maximize customer adoption rates for most cost-effective energy management opportunities.

e) **Integrated/Coordinated Demand Side Management**

The program will integrate the portfolio of IOU offerings to include energy efficiency, demand response and distributed generation and other resources, such as air and water as they connect to energy. This supports not only cost effectiveness of the portfolio and the CA Loading order, but also customer requirements. It also advances significantly the Strategic Plan's goals. On a broader scale, IDSM also includes the integration of third party programs and Local Government Partnerships (LGP) delivery channel with the statewide agricultural program.

f) **Integration Across Resource Types (energy, water, air quality, etc.)**

California's agricultural sector faces a multitude of environmental and regulatory challenges that threaten its survival and competitiveness. New regulations aimed at improving air quality, water quality and reducing toxic environmental pollutants are proving to be expensive and disruptive to business as usual. Both these are impacting energy use and compliance.

To help deal with these challenges, the agricultural program will coordinate with the regulating agencies and their programs to support mutually advantageous program designs, customer incentives, marketing opportunities, and implementation opportunities. IOUs will continue to offer targeted trainings to customers who share common regulatory challenges to educate customers on impending regulatory requirements for their business operations, and the most efficient solution options for their compliance. Future workshops may look at small- and-medium sized water and wastewater treatment options, steam system upgrades, and energy efficiency to meet AB32 targets.

IOUs will pursue opportunities to partner with water agencies to offer joint energy and water conservation incentives to support projects that would reduce both resources. Partnering with other IOUs will help reduce administrative cost and has a greater impact on societal benefits.

The Program will integrate applicable topics (for example, GHG reduction and water conservation) into targeted customer workshops, and marketing communications, based on work done in the earlier program cycle.

g) Pilots

Not applicable.

h) EM&V

The IOUs are proposing to work with the Energy Division to develop and submit a comprehensive EM&V Plan after the program implementation plans are filed. This plan will include process evaluations and other program-specific studies within the context of broader IOU and Energy Division studies. More detailed plans for process evaluation and other program-specific evaluation efforts will be developed collaboratively by the IOUs and Energy Division. Development of these plans will occur after the final program design is approved by the CPUC and, in many cases after program implementation has begun, since the plans need to be based on identified program design and implementation issues.

7. Diagram of Program

Please see the core program diagram.

8. Program Logic Model

Please see the Commercial Deemed Energy Efficiency Program logic model.

- 1. Program Name:** Agricultural Continuous Energy Improvement Program
Program ID: SCG3718
Program Type: Core

2. Projected Program Budget Table

Table 1 – reference the overarching program for budget details

3. Projected Program Gross Impacts Table

Table 2 - reference the overarching program for savings details

4. Program Description

a) **Describe program**

The purpose of the Statewide Agricultural Continuous Energy Improvement (CEI) Program is to help agricultural customers engage in long-term, strategic energy planning. Target agricultural customers will be identified and approached selectively.

The program features:

- Management assessment of energy priorities;
- Integrated comprehensive energy audits with recommendations on energy efficiency, demand response, and self-generation;
- Benchmarking of energy usage and other resources;
- Development of a strategic plan with actions for implementation;
- Implementation including incentives from each IOU; and
- Evaluation of performance leading to modifications for continuous improvement

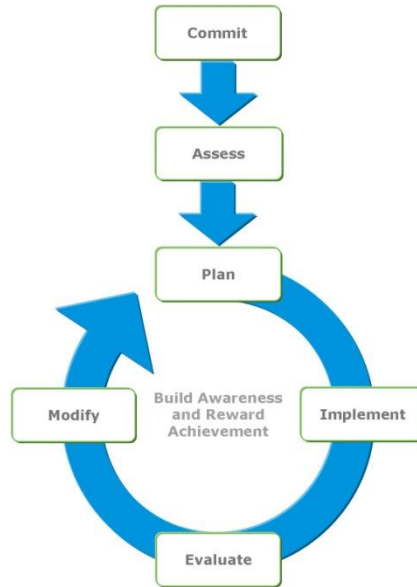
The CEI Program is part of a suite of programs within the Statewide Agricultural Energy Efficiency Program. The CEI will be designed to complement statewide agricultural energy audit and incentive programs, namely:

- Statewide Agricultural Energy Efficiency Program;
- Agricultural Deemed Energy Efficiency Program;
- Agricultural Calculated Energy Efficiency Program; and
- Agricultural Energy Advisor.

The audit and planning services of the IOUs will be provided at no charge to the participating customer. Costs for capital investments by the customer will be shared by the participating IOUs to the extent they are tied to measures installed under the agricultural programs.

The program seeks to help transform energy markets and reduce energy intensity. The program represents a comprehensive approach that addresses both technical and management opportunities. Background information on continuous improvement and details on implementation are provided below.

A CEI approach applies the six principals of well-known business continuous improvement programs, such as Six Sigma and International Standards Organization (ISO) standards, to facility and plant energy management: Commit, Assess, Plan, Implement, Evaluate, and Modify.



At each stage of customer engagement, there are a variety of IOU and non-IOU products and services that can be offered to fit different customer profiles and optimize the cost effectiveness of each IOU's portfolios.

In implementation, participating IOUs will screen customers for certain CEI services based on factors such as customer energy use, complexity, number of facilities, energy decision making structure, environmental commitment or demonstrated motivation to take action. Screening criteria and specific product offerings will be IOU-specific.

In 2013-2014, CEI will be expanded to include select group of mid-sized nonresidential customers. Available options to help target these customers may include an individualized, a small group, or a mass-market, remote deployment approach.

CEI will coordinate its services with the Agricultural Energy Advisor sub-program offerings. CEI offers customers what can be considered the pinnacle of audit offerings guiding senior management to instill energy considerations in all management/business operational decisions and in long-term energy planning.

CEI Commitment

CEI begins with a high level management commitment by the customer to improving energy performance, combined with other environmental and regulatory commitments being developed by energy users in response to market and political pressures. A corporate commitment sends the top-down message to employees, partners, shareholders and vendors that energy is a priority issue requiring attention. The message also paves

the way for establishing the company resources required to implement the steps of CEI. These resources can include capital, personnel, i.e., energy champions or teams, or technical systems and software required for energy management.

Gaining true customer commitment can take time, but is critical. In implementation, IOUs will formalize the Commitment phase with more intensive customers through a CEI participation agreement, which outlines the IOU CEI services being offered as well as minimum customer expectations.

CEI Assessment

After the CEI Commitment, a comprehensive assessment identifies not only technical opportunities, but also systemic energy management practices and cultural shifts. This can improve overall facility management practices and sustain continuous improvements towards long-term company targets. A component to the assessment will also include tools to help identify Energy Efficiency (EE), Distributed Generation (DG), and Demand Response (DR) opportunities.

There are many tools and resources, both IOU and non-IOU, free and licensed, available to support comprehensive customer energy assessment. They include ENERGY STAR®'s *Guidelines for Energy Management*, customer energy management assessment software products like those developed by Envinta, benchmarking tools, Integrated Comprehensive Energy Audits through the Agricultural Energy Advisor sub-program, or local and statewide third parties who can offer specialized technical expertise and assessment.

Based on screening criteria, IOUs will offer comprehensive energy assessment services utilizing, but not limited to, vetted sources like those described below, to develop a customer specific strategic energy plan.

ENERGY STAR®'s Guidelines for Energy Management

ENERGY STAR®'s Guidelines for Energy Management is housed on the ENERGY STAR® website and provides step by step guidelines to customers to support CEI, and also guides customers to ENERGY STAR®'s numerous assessment tools. This option is a low cost resource for smaller and medium customers interested in CEI, with details available at http://www.energystar.gov/index.cfm?c=guidelines.guidelines_index.

Energy Management Assessment Tools

Envinta One-To-Five, Achiever, Challenger: A professionally facilitated energy management assessment with company decision makers. The assessment explores management practices and company priorities to develop a CEI roadmap for energy goals and actions. Available tools are:

- Each IOU's website tools
- EPA website tools
- DOE website tools.

Integrated Comprehensive Energy Audits

Integrated Comprehensive Energy Audits provide an inventory of technical facility end-uses and energy efficiency, demand response and self-generation investment opportunities. For a full description, see the Agricultural Energy Advisor sub-program plan.

Benchmarking

Benchmarking can measure energy performance of a company, building, process, or piece of equipment to industry standards or comparable groupings. Benchmarking is a natural first step for the CEI process. Customers with multiple facilities find benchmarking useful to prioritize efficiency projects, track progress toward energy or green house gas improvement goals, or drive competition among similar benchmarked facilities. Units of measurement vary widely. For commercial buildings, the unit is energy used/square foot for a unit of time. For agriculture or agricultural facilities, however, benchmarking utilizes energy/unit of production for a unit of time.

Benchmarking can also be applied to other resources and environmental issues, such as water use and CO2 emissions.

The statewide IOUs can currently utilize a variety of benchmarking tools and resources including those developed by the EPA for ENERGY STAR and by Lawrence Berkeley National Lab with CEC funding:

- ENERGY STAR® Portfolio Manager Commercial Benchmarking: Benchmarks customer facility against a national database of similar NAICS codes for an ENERGY STAR® score (0-100), kBtu/sq ft-yr, lbs CO2/yr;
- ENERGY STAR® Cement Plant Energy Performance Indicator;
- ENERGY STAR® Auto Assembly Plant Energy Performance Indicator; and
- LBNL BEST Winery: Benchmarks a winery's energy and water use against a theoretical best practice winery and allows user to model efficiency improvements.

Other benchmarking tools are under development including:

- ENERGY STAR® Food Processing Energy Performance Indicator;
- ENERGY STAR® Glass Manufacturing Energy Performance Indicator;
- ENERGY STAR® Pharmaceutical Manufacturing Energy Performance Indicator;
- LBNL BEST Dairy Processing: Benchmarks a dairy processors energy and water use against a theoretical best practice facility allows modeling of improvements;
- Management Standard for Energy SME 2000-2008;
- DOE sponsored ISO Plant Certification; and
- LBNL Superior Energy Performance.

In implementation, the statewide agricultural program teams will continue to partner with energy industry peers, industry associations and DOE/Commission sponsored labs and consultants, to enhance the use of existing tools, and develop new tools for key California industries. Benchmarking will be coordinated with the Agricultural Energy Advisor sub-program.

CEI Planning

Strategic energy planning involves setting energy goals and action plans around energy efficiency, demand response, and generation as appropriate. Planning for customers will typically involve Account Representatives and/or consultants. As is discussed in the Strategic Plan and in the PIP Integration Section, strategic planning can also include complementary non-energy considerations as well, such as greenhouse gas reductions, water efficiency, and waste-stream minimization, all which have embedded energy components.

Data and findings from a comprehensive customer assessment are critical in developing any comprehensive energy plan, including the results from technical audits or assessments, facility benchmarks, energy management assessments, and assessments of company priorities. This information is analyzed and used to develop realistic and achievable company goals and prioritized shorter-term tactics needed to achieve them. Energy plans should be living documents revisited and revised regularly.

Energy goals can vary widely and include elements such as resource utilization (“Company X will reduce its overall energy intensity by 3% over the 2013-2014 program cycle”), carbon reduction goals (“Company X will be carbon neutral by 2014”), or management oriented goals (“Company X will implement energy teams by 2013”). Goals can be internal documents or can be made public through press releases as part of larger sustainability plans, which is increasingly important for large and public companies.

CEI will assist customers in developing and implementing action plans to execute the prioritized near-term activities in support of their company’s energy goals, as well as assistance with planning for the resources, staff and schedule for tracking. Action plans typically include activities such as prioritizing process systems or facilities based on benchmarking or company drivers, identifying internal resources required to implement plans, develop project justification and incentive application documentation lists and detailed schedules.

CEI Implementation

In the implementation stage, IOUs partner with customers to identify technical support and IOU and non-IOU resources available to support implementation of projects, such as rebates, incentives, third party and government partnership programs, and state and national resources, including:

- Statewide Deemed rebates;
- Statewide Calculated incentives for new construction/tenant improvement, and retrofit ;
- Third Party and Government Partnership programs (described in the statewide and local third party filings);
- IOU and non-IOU financing options and owners engineer support; and
- External and internal engineer support.

CEI Evaluation and Modification

In any continuous improvement program, evaluation is an ongoing process of evaluating actual performance against company goals, targets and action plans. It may include repeating the benchmarking and system or facility baseline process annually, assessing advancements in organizational and management practices that facilitate energy management improvements, or evaluating cost savings per unit of product. Regular evaluation will inform changes to goals and action plans moving forward.

CEI will be available to all Non-Residential customers meeting certain eligibility criteria to justify the cost of the offering. Criteria will include but not be limited to customer energy use, complexity, number of facilities, energy decision making structure, environmental commitment and demonstrated motivation. Marketing and outreach plans include training of the IOU in-house staff and customer groups. Collateral materials such as fact sheets, how-to documents, and Power Point slides will be produced and distributed during sales calls, public events or trade shows.

b) List measures

Integrated energy audits under the CEI program will include the full range of applicable end-uses and measures for those end-uses. This will include process changes. The energy audit provides a tool that will lead customers to the measures and incentives offered in the other agricultural programs. However, depending on the outcome of the 2012 process evaluation, customer incentives may be offered.

c) List non-incentive Agricultural Energy Advisor

Activities conducted under the CEI Program are non-resource activities with no associated incentives. These activities include: marketing and outreach, savings calculation assistance, retrofit project scoping, technical assistance, and incentive application assistance.

5. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Information

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

Table 3 – Refer to the overarching program for quantitative baseline metrics

b) Market Transformation Information

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics and goals are proposed at the program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

Table 4 – Refer to the overarching program for market transformation metrics

c) **Program Design to Overcome Barriers**

CEI is intended to address several market barriers that prevent wider adoption of energy efficiency practices. These barriers include:

- Lack of information – The CEI evaluation and modification process provides data that customers can use to reevaluate their commitment and/or modify their energy goals.
- Performance uncertainties – Through CEI’s comprehensive baselining and benchmarking assistance, customers will have access to real-time data that demonstrates how their facility is performing relative to their established goals.
- Organizational customs – The high-level customer commitment that is at the core of CEI increases the likelihood that corporate cultures that prevent successful implementation of comprehensive energy policies will be changed.

d) **Quantitative Program Targets**

The targets provided herein are best estimates, but nonetheless are forecasts.

Table 5

	Program Target by 2013	Program Target by 2014
Number of Engagements	1	1

e) **Advancing Strategic Plan Goals and Objectives**

The Agricultural Energy Efficiency Program supports all three goals in the Strategic Plan for the Agricultural Sector. General advancement of the goals is presented in the program implementation plan for the Agricultural Energy Efficiency Program. More specific support of the goals in the Agricultural Deemed Energy Efficiency Program is presented here.

Goal 1: Establish and maintain a knowledge base sufficient to support development of all available, cost-effective, reliable, and feasible energy efficiency, demand reduction (and renewable) energy resources.

The Agricultural CEI Program supports strategies to develop a knowledge base of efficiency solutions, foster workforce education and training, and encourage applications of new technologies.

Goal 2: California regulations, financing mechanisms, and incentives programs affecting the management of energy, air and water resources, solid waste, and climate change will be coordinated to mutual advantage.

The program supports strategies to attain multi-resource management goals and to coordinate technical assistance, funding and incentive mechanisms.

Goal 3: Achieve significant increases in the efficiency of electricity and natural gas use and on-site renewable energy utilization, including setting a specific target for irrigation efficiency.

The program supports strategies to make information on efficiency solutions readily available as well as conduct marketing and outreach to stimulate efficiency actions.

6. Program Implementation

a) Statewide IOU coordination

i. **Program name:** Agricultural Continuous Energy Improvement Program

ii. **Program delivery mechanisms**

The Agricultural CEI Program will be coordinated by participating IOUs on a statewide level to unify the implementation of program aspects such as program name, program delivery mechanisms, marketing and outreach plans, and IOU program interactions. The Agricultural CEI Program will coordinate with the core Agricultural Energy Efficiency Program to provide mutual support.

The high-level focus of this statewide coordination effort will enable the capture of new innovations and opportunities for program improvement, correct program weaknesses that reveal themselves during implementation, and ensure achievement of statewide targets across IOU service territories. Therefore, statewide focus on program unity and continuous program improvement over the course of the two-year implementation cycle will be assured.

iii. **Incentive levels**

Not applicable.

iv. **Marketing and outreach plans, e.g. research, target audience, collateral, delivery mechanisms**

As with other information and education programs, CEI will be primarily delivered by IOU customer energy efficiency staff and contractors, service and sales representatives, website and marketing and outreach efforts. Other channels of delivery may be developed.

The IOUs are currently developing an in-depth segmentation of the agricultural market. The results of this customer segmentation will support the development of targeted integrated marketing and outreach plans outlining multiple delivery channels that target customers, based on their needs and preferences. Such delivery channels will likely include increased customer outreach through trade and community-based associations, third parties, government partnerships and core IOU programs.

v. **IOU program interactions with CEC, ARB, Air Quality Management Districts, local government programs, other government programs as applicable**

The program will scan the programs offered by CEC, ARB, Air Quality Management Districts, and other government agencies to capitalize on opportunities to share program information and marketing collateral with agricultural customers.

vi. **Similar IOU and POU programs**

Over the next two years, the IOUs will seek to increase their interactions with the POUs, as applicable, to promote the CEI concept throughout the state. This may involve the creation of periodic California energy efficiency program summits that seek to increase awareness of the STRATEGIC PLAN and how programs could/should be designed to help meet its aggressive targets.

b) **Program Delivery and Coordination**

i. **Emerging Technologies (ET) Program**

The audit program management team will stay abreast of and incorporate relevant emerging technologies into audit recommendations. In addition, IOU field engineers, who deliver IEAs, are active contributors to the Emerging Technology process by their participation in ET Roundtable/Information meetings and continually seek to offer new technologies to customers.

ii. **Codes and Standards Program**

CEI implementation will include information about pending new codes and standards that may affect planning or prioritization of retrofit or new construction projects.

iii. **WE&T efforts**

CEI implementation will integrate with WE&T efforts by providing CEI process, lessons learned, and case study input to energy engineering curriculum designers for community colleges and universities. This activity will be coordinated through the Statewide WE&T program team and will ultimately be integrated into the web portal that team is now developing. IOUs will assess and support specialized WE&T training to help target working energy management professionals, industry professionals, and those pursuing education in universities and colleges.

IOUs will also continue with WE&T coordination to bridge the linkages and integrate sector strategy approaches. Program costs will be shared with WE&T.

iv. **Program-specific marketing and outreach efforts**

A broad range of marketing activities will be used to promote audits and elevate customer engagement. The Agricultural CEI program will be promoted via direct communication between customers and Account Executives with support of

Project Managers from individual programs, as well as through traditional advertising activities, such as internet, bill inserts, brochures, trade shows, etc. Marketing activities will be coordinated between IOUs, Demand Response and Distributed Generation departments within each IOU.

Integrated and program-specific marketing efforts will complement and work in coordination with SW Marketing, Education and Outreach (ME&O) Program to increase awareness, provide education, and drive ongoing engagement and participation in DSM programs and services among nonresidential customers. The statewide effort will provide the first level with IOU specific programs providing reinforcement at a local level.

v. Non-energy activities of program

Integrated Comprehensive Energy Audits are a key tool for identifying non-energy opportunities for specific customers. The energy audits can identify non-energy benefits associated with recommended measures, such as improved safety, productivity, indoor air quality, comfort and appearance.

vi. Non-IOU programs

The program will continue to engage with Air Quality Management Districts, CEC, CARB, DOE, water agencies, and other government agencies responsible for regulating the various aspects and operations of customer facilities participating in the programs.

vii. CEC

As of June 2012, PIER no longer exists. However, the Program will interact with the Emerging Technologies Program to leverage new technologies to increase the list of measures available for energy efficiency projects. The portfolio staff actively works to incorporate promising emerging technologies and project in coordination with the applied research of CEC.

viii. CEC work on C&S

The program will not be implemented with a direct linkage to codes and standards efforts

ix. Non-utility market initiatives

Education about federal tax incentives for energy efficiency investments is an example of non-IOU information and guidance that CEI will provide customers. In addition, the IOUs will participate in national efforts to develop and/or improve benchmarking tools and services that can be used by customers to better facilitate their adoption of sustainable energy management practices.

c) Best Practices

A CEI approach applies the principals of well-known business continuous improvement programs, such as Six Sigma and International Standards Organization (ISO) standards,

to facility and plant energy management: Commit, Assess, Plan, Implement, Evaluate, and Modify.

d) Innovation

The program seeks to help transform energy markets and reduce energy intensity. The program represents a comprehensive approach that addresses both technical and management opportunities.

Depending on the outcome of the 2012 process evaluation, CEI may consider customer incentives to accelerate project implementation (including IDSM projects), and reward customer for implementing strategic energy management.

e) Integrated/Coordinated Demand Side Management

CEI includes project analysis and implementation support of recommendations of Integrated Comprehensive Energy Audits, which provide customers with an inventory of facility end-use breakdown and energy efficiency, demand response and self-generation investment opportunities. Over the last few years, traditional DSM programs have learned that successful customer participation in one program leads to a likelihood of repeat participation in the same program. Additionally, this successful participation makes these customers likely candidates for other, similar programs, but because of siloing – thinking of programs as separate, unrelated efforts – this has proved difficult. To overcome this, the CEI sub-program will leverage lessons learned from IDSM efforts by offering comprehensive, coordinated marketing and program delivery.

A primary issue when integrating energy efficiency and demand response programs is that the two programs are at financial odds with one another, as both programs often reduce the potential for each other's financial incentives. For example, energy efficiency may reduce the overall baseline by which the demand response program's incentives are based upon. Since benefits from long-term energy savings derived from technological measures outweigh the temporary demand reduction benefits derived from behavioral actions, the CEI sub-program will offer additional support and services for energy efficiency measures that enable demand response when customers enroll, or are already enrolled, in demand response programs. In so doing, the program seeks to maximize the potential for both types of programs.

A secondary issue when integrating energy efficiency and demand response programs is that communications of both types of DSM program are often non-coordinated, since energy efficiency is typically technology based and demand response is often focused on behavior. Also, demand response efforts often happen prior to the summer "event season" and wane throughout the remainder of the year. To overcome these differences, the Program will offer integrated and coordinated year-round marketing through consolidates applications, collateral, web sites, and events, where applicable.

Through bundling program elements and offering one program application, customers will have the opportunity to enroll in demand response programs in addition to energy efficiency programs.

To support the integration of energy efficiency and demand response programs, the sub-program will focus on several tactics:

- Promotion and incentives for demand response in such a way as to stimulate energy efficiency first;
- Integrated and coordinated year-round marketing (e.g. applications, collateral, web sites, and events);
- Linking of program eligibility requirements (e.g. customer size);
- Provide unified technical assistance through enhanced EE/DR Audits through the TA Program to allow for cross-harvesting opportunities;
- Integrated presence on IOU websites; and
- Regular coordination meetings between energy efficiency and demand response program management

CEI is recognized as a strategy to advance the statewide IDSM program's goals and objectives. The IOUs will increase IDSM messaging and coordination within CEI.

f) Integration Across Resource Types (energy, water, air quality, etc)

CEI implementation will include information on non-IOU Programs to expose customers to available funding, such as from air or water agencies to support efforts. IOU CEI sub-program managers will partner, as appropriate, with CEC, ARB, Air Quality Management Districts, and other government agencies to capitalize on opportunities to share program information, marketing collateral and financial incentive analysis with customers. Conventionally, each government agency and IOU has operated natural resource and energy programs independently, missing opportunities to serve customers who must manage more than one resource type. For customers who are regulated by or interested in more than one resource issue, CEI will inform the customer about the mutual benefit of combining complementary resource programs.

To promote the CEI, IOUs will seek out customers interested in complementary resource programs such as provided by water and air quality agencies. Concerning water conservation, IOU program managers will partner with the local water districts to produce co-branded marketing collateral, attend trade shows, and co-release notices for programs with interactive water and energy effects.

g) Pilots

Not applicable.

h) EM&V

The IOUs are proposing to work with the Energy Division to develop and submit a comprehensive EM&V plan after the program implementation plans are filed. This may include process evaluations and other program-specific studies within the context of broader IOU and Energy Division studies.

More detailed plans for process evaluation and other program-specific evaluation efforts cannot be developed until after the final program design is approved by the CPUC and in

many cases after program implementation has begun, since plans need to be based on identified program design and implementation issues.

Once results of the 2010-2012 evaluations are ready, recommendations will be reviewed for modifying the CEI PIP accordingly.

7. Diagram of Program

Please see the core program diagram.

8. Program Logic Model

Please see the Commercial Continuous Energy Improvement program logic model.

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- 1. Program Name:** Emerging Technologies Program (ETP)
Program ID: SCG3721 – SW-ET-Technology Development Support
 SCG3722 – SW-ET-Technology Assessment
 SCG3723 – SW-ET-Technology Introduction Support
Program Type: Statewide Core Program

2. Projected Program Budget Table

Table 1: Total Projected Program Budget by Category

Program #	Main/Sub Program Name	Administrative Amount	Marketing Amount	Direct Implementation Amount	Incentive Amount	Total Program Budget Amount
	SW Emerging Technologies Program					
3721	SW-ET-Technology Development Support	\$9,051	\$600	\$116,106	\$0	\$125,757
3722	SW-ET-Technology Assessment	\$72,403	\$4,800	\$928,831	\$0	\$1,006,034
3723	SW-ET-Technology Introduction Support	\$99,831	\$6,600	\$1,278,505	\$0	\$1,384,936
	TOTAL:	\$181,285	\$12,000	\$2,323,442	\$0	\$2,516,727

3. Program Mission

The mission is to support “increased energy efficiency market demand and technology supply” (the term supply encompassing breadth, depth, and efficacy of product offerings) by contributing to development, assessment, and introduction of new and under-utilized energy efficiency (EE) measures (that is, technologies, practices, and tools), and by facilitating their adoption as measures supporting California’s aggressive energy and demand savings goals.

Increased market demand and increased technology supply are reinforcing effects – each working to spur the other. As market demand increases, market-pull leads to technology supply increases. As technology supply increases, changes in perceptions and attitudes, work to stimulate increased market demand.

Increased market demand works to address energy efficiency goals in both the near term and longer term. In the near term, increased market demand will lead to higher adoption rates of currently available energy efficiency measures. Market demand can be increased by either reducing barriers to adoption or through increasing incentives to adopt. In either case, as barriers (disincentives) shrink relative to incentives, adoption rates will grow. One example of a barrier to EE measure adoption is performance uncertainty, where an incentive example is an environmental concern.

A longer-term effect of increased market demand for EE measures is the spurring of market pull for yet-to-be-developed EE measures. Generally, market-pull product development usually takes place when some specific need is discovered in the marketplace that currently is either being ignored, not well served, or just not recognized. As technology developers become aware of unmet consumer needs for EE measures, development will be undertaken to fulfill those needs in the future. Market pull created by increased market demand will result in longer-term increases in technology supply.

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Increased technology supply also works to address energy efficiency goals in both the near term and longer term. In the near term, increased technology supply will lead to more EE measure adoption at current levels of market demand. Factors contributing to this increase would be more applications for which EE measures are available, lower prices due to competition, and increased measure effectiveness. Technology can generally be increased through improving incentives to invest in new measures or decreasing the difficulty of developing and launching new measures. In either case, as difficulty shrinks relative to incentive, development of new technology supply will grow. One example of decreasing the difficulty of developing an EE measure is a pre-existing testing protocol. An example of incentive to invest in a new technology is a building code driving future customer purchases.

A longer-term effect of increased technology supply of EE measures is the development of future market demand. Generally, as breadth, depth, and efficacy of available products in a new market segment increases, consumer perceptions and attitudes will change. Items previously viewed as niche become more mainstream. Energy usage considerations will become a more expected aspect of the products consumers purchase. In this way, increases in technology supply will result in longer-term increases in market demand.

By advancing these goals and objectives, the ETP supports California's energy and demand savings targets as defined by the following regulatory and legislative documents:

- The Energy Efficiency Rulemaking 09-11-014 providing guidance for 2013-2014 portfolios (2013-2014 Decision)
- The 2010-2012 Energy Efficiency (EE) Application 08-07-021, et. al. and related CPUC guidance in Rulemaking 06-04-010;
- The California Long Term Energy Efficiency Strategy (Strategic Plan), with particular focus on the big, bold initiatives in the domains of residential and commercial ZNE buildings, HVAC industry transformation, as well as lighting innovation; and
- The California Global Warming Solution Act of 2006 (Assembly Bill 32).

The ETP will leverage all complementary efforts and entities in support of its mission, including other statewide and local IOU EE programs; statewide utilities' emerging technologies programs; and EE innovation activities by external organizations such as private industry, industry trade organizations, corporate laboratories, CEC Energy Research & Development Division (ER&DD), U.S. DOE and national laboratories, and regional, national and international ETP partners including utility, academia, non-governmental organizations, and other market stakeholders.

Section 4 of this PIP describes the rationale for and expected outcome from the ETP in relation to market and technology barriers and the Strategic Plan. Three sub-programs central to the ETP's ability to address its mission and achieve its goals and

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objectives are also described in Section 4, below. These sub-programs drive the process of evaluating the application of energy-saving measures in real-world settings and building a pipeline of measures to consider for deployment through utility EE programs.

4. Program Rationale & Expected Outcome

California consumers report they are eager for solutions to climate change and other environmental issues, and California's IOUs have implemented a vast array of programs to support the purchase and use of EE measures. Many of these programs have seen tremendous success, yielding energy and demand savings that have reduced the need for new generation, transmission, and distribution facilities, lowered ratepayer energy bills, and avoided tons of greenhouse gas emissions.

To meet California's ambitious EE goals, new measures must be added to ensure program success in 2013-2014 and beyond. However, a host of market barriers can delay new measure introduction and adoption. Delayed adoption in turn diminishes, slows, or even eliminates the potential energy and environmental benefits of new measures, as well as the attractiveness of investing in and developing these measures.

To achieve success, the ETP will focus its operations on three core sub-programs. Each of the sub-program is briefly presented within this section (Section 4) of the program implementation plan. Note: With the experience gained from implementing the 2010-2012 program, it becomes clear that the 2010-2012 program "elements" are better understood as *tactics*, or tools, that can be utilized to address more than one ETP goal; there is not a one-to-one mapping of tactic to goal. A tactic or a set of tactics may be applied in coordination to advance overall ETP goals. Accordingly, the descriptions of the old elements have been refreshed for 2013-2014 to reflect broader program elements. Please see Table 2 for a depiction of how the 2010-2012 elements have been distributed. Please also refer to each section's subheading for the updated 2013-2014 categorization of these approaches.

1. Technology Development Support (TDS)
2. Technology Assessments (TA)
3. Technology Introduction Support (TIS)

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Table 2. Mapping of the 2010-2012 “elements” into the new 2013-2014 sub-programs

2013-2014 Subprogram	Goal	*Merged 2010-2012 ETP “Elements”
Sub-program #1 Technology Development Support Sub-program	Increased EE technology supply (Support the development of new technologies)	<ul style="list-style-type: none"> • Technology Development & Support • TRIO • Market Studies and Behavioral Studies
Sub-program #2 Technology Assessments Sub-program	Increased number of measures offered by EE programs (Identify promising technologies for EE programs)	<ul style="list-style-type: none"> • Technology Assessments • Demonstration Showcases • Market Studies and Behavioral Studies • Technology Test Center (SCE only)
Sub-program #3 Technology Introduction Support Sub-program	Support technology introduction and whole-building deep-energy reduction solutions (“Seed” market demand among targeted end users)	<ul style="list-style-type: none"> • Scaled Field Placements • Demonstration Showcases • TRIP Solicitations (Implemented in 2012 by SCE only. New to ETP in 2013-2014.) • Market Studies and Behavioral Studies

The ETP has established three goals and seven objectives as the means to achieve its mission. Section 5 of this PIP elaborates these goals in detail.

ETP Goal#1: Increased EE technology supply

ETP Objective 1.1: Support technology development

ETP Objective 1.2: Conduct technology developer outreach through TRIO

ETP Goal #2: Increased number of measures offered by EE programs

ETP Objective 2.1: Perform Technology Assessments

ETP Objective 2.2: Transfer measures into EE programs

ETP Goal #3: Support technology introduction and whole-building deep-energy reduction strategies

ETP Objective 3.1: Conduct field deployments

ETP Objective 3.2: Conduct technology demonstrations

ETP Objective 3.3: Conduct Technology Resource Innovation Program (TRIP) Solicitations

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Table 3 highlights the various parameters to highlight the distinctions between the new three ETP subprograms for 2013-2014

Table 3. Distinction Between ETP Sub-programs

<i>Parameter</i>	Technology Development Support	Technology Assessments	Technology Introduction Support
<i>Purpose</i>	specifications, outreach → mid- to long-term EE technology supply	performance, cost data, market potential → EE programs	market exposure
<i>Theme</i>	spur technology development	evaluation	first-hand experience/exposure
<i>Units installed</i>	none to one lab evaluation in some cases	one to a few (exceptionally, many) or entire floor/building/facility	a few to many (or entire floor/building/facility)
<i>Number or sites</i>	none to one	one to a few (exceptionally, many)	one to a few (exceptionally, many) as strategically valuable
<i>Unique measures</i>	one up to whole system	one up to whole system	one up to whole system or whole building
<i>Customer involvement</i>	none	one or a few users	few to many users or viewers
<i>Duration</i>	short to medium	medium to long	as needed (typically long)
<i>Data collection</i>	detailed	detailed	none to moderate
<i>Preferred Dissemination mechanism</i>	printed report, outreach, & other media	printed report & other media	printed report & other media along with first-hand experience and word of mouth

Program Design to Overcome Barriers

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The ETP focuses on four priority market and technology barriers:

- a) **Information or search costs** - the value of time spent identifying, learning about, and locating EE measures.
- b) **Performance uncertainties** – the difficulties and costs of acquiring the information needed to evaluate performance claims for EE measures.
- c) **Organizational practices or customs** – behavior by companies, departments, professional groups, and government entities that has been institutionalized and may discourage forward thinking and proactive implementation of EE measures.
- d) **Product or service unavailability** – limited supply and/or distribution of EE measures. For instance, a customer may want to buy task lights using solid-state lamp technology, but finds that vendors and distributors cannot meet the customer’s volume requirements or other specifications.

In addition, other EE programs and market factors will have responsibility for, and ETP will contribute to, actions to overcome the following customer barriers.

- **Hidden costs** – unexpected costs emerging after the initial decision to implement an EE measure. For instance, a hidden cost under the Big, Bold strategies would be the expense of training contractors on new types of lighting or HVAC measures.
- **Asymmetric information and opportunism** – concerns about reliability/applicability of measure developer and vendor claims. Collaborating with the work of universities and technical information providers, such as E Source, the ETP can act as a resource to assist EE programs in addressing these claims.

The statewide IOUs’ revision of the ETP scope for 2013-2014 to include three sub-programs represents a response mindful of insights from previous ETP program years and past ETP EM&V studies. The IOUs will utilize these sub-program elements in a comprehensive effort to address the range of EE market barriers that ETP can either influence directly or through efforts supporting other EE and IDSM programs. Following are descriptions of the 2010-2012 six ETP elements and how they have been re-characterized as sub-programs in 2013-2014. Descriptions include supporting rationale, how each contributes to overcoming one or more market or technology barriers, and expected outcomes.

1. Technology Assessments Subprogram – (2013-2014: Changed to Subprogram #2; please see Table 2)

- a) Energy efficient measures that are new to a market or under-utilized for a given application will be evaluated for performance claims and overall effectiveness in reducing energy consumption and peak demand.

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ET assessments may utilize data/information from different sources including: *in situ* testing (customer or other field sites), laboratory testing, or paper studies may be used to support assessment findings. In addition to other findings and/or information, assessments typically would generate the data necessary for EE rebate programs to construct a work paper estimating energy and demand savings over the life of the measure.

Assessment proposals are screened before an assessment is initiated. The screening process considers:

- The measure's alignment with EE program strategy and Strategic Plan goals;
- The measure's projected magnitude of contribution towards kWh and kW reduction and/or Strategic Plan goals. This includes both the effectiveness of an individual measure and the potential number of adopted measures;
- The degree to which the assessment output will incrementally impact the measure's adoption rate;
- Information necessary to be generated for EE program inclusion and the effectiveness of an assessment in producing this information; and
- Resources (expense, labor) necessary to execute the assessment.

To ensure that technology lab assessments can be conducted properly, state-of-the-art test facilities staffed with knowledgeable engineers and scientists will be available to ETP project managers. These facilities will be focused toward broad initiatives like ZNE, as well as specific end-uses, such as refrigeration, lighting, water heating, and air conditioning. In all respects, they will allow independent verification of performance claims and quantification of energy and demand savings.

b) Rationale

The assessment function is a contributor to the transfer of promising measures into the utility portfolio.

c) Barriers addressed

Assessments address information or search costs, performance uncertainties, organizational practice or customs, as well as contributing to efforts by others to overcome hidden costs and asymmetric information and opportunism. For instance, assessment reports reduce the time that IOU customers must spend looking for and confirming the performance of EE measures – either directly when the customer reads the ETP report, or indirectly, when the customer

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receives education or marketing material through EE channels based on ETP assessment findings.

Similarly, ETP communications on measures that are being transferred or have been transferred to EE programs will assist companies, departments, and governmental entities in understanding EE measures' actual performance, thereby breaking down barriers to proactive implementation.

d) Expected outcomes

Technology assessments will contribute to increased measure awareness, market knowledge and reduced performance uncertainties for ETP stakeholders and IOU customers. Studies will aid in the acceptance and adoption of new technologies, especially those technologies which will be used in EE portfolios. This will lead to changes in organizational practices and customs that may otherwise limit EE measure procurement and application.

Technology assessments will also contribute to increased and improved technology supply, leading to further reductions in market barriers, increased intent to purchase/employ measures, and more EE rebates issued. Over time, they will support increasing use of measures by customers, aiding EE programs in achieving energy and demand savings targets, and meeting long term Strategic Plan and policy objectives.

2. Scaled Field Placements – (2013-2014: no longer a sub-program, but considered one of many possible “elements” to support Subprogram #3, Technology Introduction Support. Please see Table 2).

a) These projects consist of placing a number of measures at customer sites as a key step to gain market traction and possibly gain market information. The measures will typically have already undergone an assessment or similar evaluation to reduce risk of failure. While the number of units in scaled field placements will vary widely, numbers typically larger than in an assessment of the technology are expected. A very simple example of a scaled field placement is to give 50 office managers an LED task light. Monitoring activities on each scaled field placement will be determined, as appropriate.

b) Rationale

Scaled field placements work under the premise that end-users or stakeholders with adoption influence (installers, builders, procurement officers) will be positively influenced by first-hand experience utilizing a measure and that this first-hand experience will lead to

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future measure purchases/use. This method of influence is fundamentally different from assessments that influence through information dissemination via a report or other results media.

Scaled field placements will be most effective when:

- The stakeholder gaining exposure has the potential to influence a large number of future purchases/uses. Example: Placing a high-efficiency air conditioning unit with several large HVAC contractors. “Potential to influence” is a broad term. Influence of the participant stakeholder could stem from purchase decision power, high frequency of interactions with other potential adopters, or status as a thought leader; and
- First-hand experience is projected to be more influential for a measure than less costly dissemination mechanisms such as printed information or media. Technology complexity and concern regarding human factors are potential causes for first-hand experience to be more influential than printed media. Example: Placing energy efficient retail lighting at a Wal-Mart, Target, and Home Depot store.

c. Barriers addressed

Scaled field placements address Information or search costs, performance uncertainties, organizational practice or customs, as well as contributing to efforts by others to overcome hidden costs and asymmetric information and opportunism. For instance, scaled field placements reduce the time that large-scale decision makers and decision influencers must spend looking for and confirming the performance of EE measures – as first-hand experience eliminates these needs.

d. Expected outcomes

Scaled field placements will contribute to increased measure awareness, market knowledge and reduced performance uncertainties for ETP stakeholders and large-scale customer decision makers and decision influencers. This will lead to changes in organizational practices and customs that may otherwise limit EE measure procurement and application.

Scaled field placements can also contribute to a market tipping point, in which an influential buyer or decision maker responsible for large volume purchase decides to specify the EE measure – thus creating a spike in market demand and exposure for many people who experience the measure once it is implemented. Over time, scaled field placements may support increasing use of measures by customers,

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aiding EE programs in achieving energy and demand savings targets, and meeting long term Strategic Plan and policy objectives.

- 3. Demonstration Showcases** – (2013-2014: no longer a sub-program, but considered a “elements” that can support multiple sub-programs as needed. Please see Table 2).
- a) These possibly large-scale projects will expose measures to various stakeholders utilizing *in situ*, real-world applications and installations. Monitoring activities on demonstration showcases will be determined, as appropriate. For instance, a demonstration showcase for ZNE residential or commercial new construction or for a ZNE existing building could take a form similar to projects performed as part of the Advanced Customer Technology Test for Maximum Energy Efficiency (ACT2) project in California 1990, creating broad public and technical community exposure. Another example would be a demonstration showcase residential or commercial building highlighting LED lighting technologies to create visibility and market awareness for building contractors, architects, and electricians.

Key attributes of a demonstration showcase is that it is open to the public or to an interest group (for example, a super-low energy data center that is open to data center industry professionals), that many viewers are encouraged to visit, and that may highlight a systems approach rather than an individual measure (this last point is optional, as in the case of the previously cited LED lighting showcase). The actual number of customers or viewers exposed to the showcase will depend on the technologies being demonstrated, market segment and other variables.

- b) Rationale
Demonstration showcases provide a unique opportunity for measures and systems to receive broad exposure, and for numerous visitors to “kick the tires,” or at least experience the measure in an informal, real-world setting.
The combination of large numbers of customers and other stakeholders experiencing the measure with the opportunity to return to the showcase with friends, family, and professional associates, creates a powerful “conversion” experience that enhances diffusion and market penetration. Note that this is very different from the experience of being marketed to or being sold the measure in a purchasing environment.
- c) Barriers addressed

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Demonstration showcases address information or search costs, performance uncertainties, organizational practice or customs, as well as contributing to efforts by others to overcome hidden costs and asymmetric information and opportunism. For instance, demonstration showcases reduce the time that IOU customers must spend looking for and confirming the performance of EE measures – either directly, when the customer visits the demonstration showcase site, or indirectly, when the customer receives educational or marketing material through word-of-mouth or EE channels.

Similarly, in-person exposure, word-of-mouth, media or ETP/EE communications on demonstration showcase features, performance, and impressions will assist representatives of companies, departments, and governmental entities in gauging EE measures' actual performance thereby breaking down barriers to proactive implementation.

d) Expected outcomes

Demonstration showcases will contribute to increased measure awareness, market knowledge and reduced performance uncertainties for ETP stakeholders and IOU customers. This will lead to changes in organizational practices and customs that may otherwise limit EE measure procurement and application.

Demonstration showcases, like scaled field placements, can contribute to a market tipping point, in which one or more influential “connectors” or “mavens” experiences and recommends the EE measure to many friends and colleagues – thus creating a spike in market demand and exposure for many more people who experience the measure once it is implemented. Over time, they will support increasing use of measures by customers, aiding EE programs in achieving energy and demand savings targets, and meeting long-term Strategic Plan and policy objective.

4. Market and Behavioral Studies – (2013-2014: no longer a sub-program, but considered a “element” that can support multiple sub-programs as needed. Please see Table 2).

- a) These projects involve targeted research on customer behavior, decision making, and market behavior to gain a qualitative and quantitative understanding of customer perceptions, customer acceptance of new measures, and market readiness and potential for new measures.

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Studies may involve primary research, such as studies of potential measure impacts and barriers, market segment needs and gaps, technology performance gaps, pre-studies to qualify potential measures and sites for scaled field placements and demonstration showcases, measure usability studies, long-term market potential studies for the ETP, and the like.

Specific examples of primary market and behavioral research include:

- User feedback gathered on high-efficiency HVAC units at big-box stores;
- Ethnographic studies to see how automated building system diagnostic applications would fit into daily operations at customer site;
- Lab-based observational studies of user behavior while using LED task lighting under controlled conditions;
- Usability studies for home energy monitoring and control systems; and
- Survey-based discrete choice analysis of features that customers prefer in high-efficiency appliances or industrial process controls.

Studies may also include secondary research based on the wealth of studies being conducted in the rapidly growing energy behavior field.

b) Rationale

Measure adoption is often impacted by customer/market perception and acceptance. Market and behavioral analysis may identify potential barriers to adoption early in the process. Results can provide crucial insights at multiple points in technology development, assessment justification, and transfer to and deployment by EE programs. Additionally, market and behavioral studies may be executed independently of a specific measure where this information is valuable to identify new markets or segment opportunities, or to advance one or more of the ETP objectives in other ways.

c) Barriers addressed

Market and behavioral studies address information or search costs, performance uncertainties, organizational practice or customs, as well as contributing to efforts by others to overcome hidden costs and asymmetric information and opportunism. For instance, market and behavioral study reports reduce the time that IOU customers must spend looking for and confirming the human factors performance aspects of EE measures – either directly, when the customer reads the ETP report, or indirectly, when the customer receives educational or

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marketing materials through EE channels based on ETP market and behavioral study findings.

Similarly, ETP communications about market and behavioral studies for measures that are being transferred or have been transferred to EE programs will assist companies, departments, and governmental entities in understanding EE measures' actual performance, including human factors, breaking down barriers to proactive implementation. They can also help product developers and manufacturers identify and target unmet customer needs, thus enabling development and deployment of new or better products, such as efficient consumer electronics or CFLs that better meet customer expectations.

d) Expected outcomes

Market and behavioral studies will contribute to increased measure awareness, market knowledge and reduced performance uncertainties for ETP stakeholders and IOU customers. This will lead to changes in organizational practices and customs that may otherwise limit EE measure procurement and application. Market and behavioral studies will also contribute to increased and improved technology supply leading to further reductions in market barriers, increased intent to purchase/employ measures, and more EE rebates issued. Over time, they will support increasing use of measures by customers, aiding EE programs in achieving energy and demand savings targets, and meeting long term Strategic Plan and policy objectives.

5. Technology Development Support – (2013-2014: Merged into Subprogram #1, see Table 2)

a) The ETP will look for targeted opportunities to support energy efficiency product development. Product development is the process of taking an early-stage technology or concept and transforming it into a saleable product. (Early-stage technologies are often the output of R&D work, hence product development bridges the gap between R&D and the market.) An example of an early-stage technology is a light-emitting diode. The product development process has resulted in televisions, computer monitors, illuminated signs, and lighting fixtures.

b) Rationale

Product development is best performed by private industry. There are opportunities, however, where the IOUs are well qualified or in a strong position to undertake targeted, cost-effective activities which provide value in support of private industry product development efforts. (Examples of activities include providing customer contacts

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for field evaluations, making lab testing facilities available to companies without this capability, or developing standard testing protocols. See Section 5, Goal #2, Objective 2.1 for a complete description of potential opportunities.) California has a vested interest in seeing EE products create positive impressions on consumers in the areas of performance and quality, as consumers may project a poor experience with one EE measure onto other EE measures. Technology development support can aid these efforts. As private industry is generally best positioned to perform product development, it is important during the screening process to establish the incremental value-added of these ETP activities for these opportunities. Attributes of potential opportunities which would lead to ET / IOU efforts being most necessary, cost-effective, and/or impactful are as follows:

- Issuing rebates or setting rebate program requirements.
- A cost (capital, labor, or expense), the resulting benefit of which would be shared by multiple stakeholders. (Example: making certain expensive pieces of equipment available to test targeted technologies in development by small companies.);
- An investment of funds or resources, said investment being justified from the perspective of the ET mission, but being unattractive when viewed by a single technology developer. (Example: developing a hot-dry AC testing protocol.); and
- Knowledge, equipment, information, or facilities that are very specific to the business of the IOU and may not be easily attainable by private industry without the IOU help. (Example: non-private IOU customer data.)

c) Barriers addressed

Technology development support focuses primarily on product or service unavailability. It also helps overcome organizational practices or customs by guiding a new measure to market that is tailored to specific segment or business needs. Finally, it may address Hidden Costs, a secondary market barrier for ETP, by assisting in development of a measure that minimizes maintenance or installation costs that would otherwise hamper adoption.

d) Expected outcomes

Technology development support will contribute to increased readiness and availability of EE measures for customers and EE program managers and reduced uncertainties for program participants. It also contributes to engagement in product development decision-making by ETP stakeholders and large-scale customer decision makers and decision influencers. This will lead to changes in organizational practices and customs and can lead to reduced maintenance and

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installation costs that may otherwise limit EE measure procurement and application.

The increased and improved technology supply, due to technology development support, will also lead to further reductions in market barriers, increased intent to purchase/employ measures, and more EE rebates issued. Over time, this will support increasing use of measures by customers, aiding EE programs in achieving energy and demand savings targets, and meeting long term Strategic Plan and policy objectives.

6. Business Incubation Support - (2013-2014: no longer a sub-program, but considered a “element” that can supports all sub-programs as needed; please see Table 2).

a) Technology Resource Innovation Outreach (TRIO) is a statewide program that focuses on providing training and networking for entrepreneurs and companies providing energy saving technologies.

b) Rationale

During a solicitation process review by the PRG, it was mentioned that the utilities need to generate new innovative program ideas “through more outreach and non-traditional methods.” In response to this request, more outreach was conducted via investor forums, university settings, and solicited abstracts.

Venture capitalists (VC) were notified of the potential TRIO program and were very interested in technologies that had a utility interest. The VCs were interested in learning how to do business with the utilities, what the utilities expected from entrepreneurs, how to utilize the utility emerging technologies department, and how to go about obtaining a purchase order with an IOU.

From this research the IOUs concluded that more outreach and non-traditional methods to generate new ideas could be generated by providing training workshops and mentoring on participating in IOU programs and the IDSM business environment.

TRIO is designed to accelerate the successful development of technologies through an array of engineering support, resources and services, developed and orchestrated by TRIO and offered both through TRIO and its network of contacts. There will be significant coordination with existing clean tech programs (such as the California Cleantech Open and various clean tech business clusters throughout California).

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c) Barriers addressed

Business incubation support focuses primarily on product or service unavailability. It supports and accelerates market introduction for new measures (increased technology supply), and a particular form of information and search costs for businesses seeking to obtain recognition in IOU incentive and educational programs, as part of their business model. It also helps overcome organizational practices or customs by guiding new measures to market that are tailored to specific segment or business needs.

d) Expected outcome

Business incubation support will engender improved understanding of utility programs, as well as technology and business performance and market requirements for small entrepreneurs or large enterprises seeking to develop and/or introduce new EE and DR measures successfully into the market. It will reduce uncertainties for program participants, increase the readiness and availability of EE and DR measures, and increase participation in TRIP solicitations as well as in EE and DR incentive and education programs.

Business outreach support will also contribute to increased and improved technology supply over the mid- and long-term, leading to reductions in other market barriers, increased intent to purchase/employ measures, and more EE rebates issued. Over time, it will support increasing use of measures by customers, aiding EE or IDSM programs in achieving energy and demand savings targets, and meeting long term Strategic Plan and policy objectives.

Advancing Strategic Plan goals and objectives

The ETP fully supports the goals, strategies and near-term plans of the Strategic Plan. This support will be demonstrated through both: a) the types of technologies that are selected for the ETP, and b) the approach that is employed to address longer term goals of the strategic plan by having a well-diversified portfolio of technologies under development, assessment, or deployment.

A key step that the IOUs are taking to increase ETP impact in support of the Strategic Plan is strengthening the linkages and feedback loops between ETP and other EE programs, as well as with leading market actors, to help advance development and implementation of new measures that support the Strategic Plan goals and strategies for Research and Technology, the Big, Bold initiatives, and related solutions, such as advanced lighting measures.

These linkages and feedback loops incorporate key EE, IDSM, and other IOU competencies such as EM&V, market research, behavioral, and potential

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studies, marketing, training, and regulatory support to ensure the deployment of new measures supporting the Strategic Plan will receive the full benefits of the IOUs' enterprise-wide resources.

The ETP organizational linkages and feedback loops will ensure a more cohesive approach to delivery of emerging technology products that in turn will lead to greater success in measure introduction, market adoption, and the overarching goal of energy savings. These linkages and feedback loops are further described in Section 6, below.

Furthermore in support of the Strategic Plan's goals and pursuant to the 2013-2014 guidance decision, the HVAC's Technologies and System Diagnostics Advocacy (HTSDA) 2010-2012 activities will be incorporated into ETP's goals and objectives.

The vision is to make a difference in the HVAC industry by addressing equipment reliability, performance, and integration/application challenges, in alignment with California's energy policies (i.e., California's Strategic Plan). These efforts will ensure that residential and light commercial HVAC technologies, installations, and maintenance practices are of the highest quality, and optimized for California's varying climates. These efforts are focused on coordination and advocacy that addresses the priority need for immediate and comprehensive action addressing elements critical to increasing, optimizing and maintaining the energy and peak electricity efficiency performance of direct expansion (DX)/vapor-compression-based cooling equipment and accelerating the market introduction of a range of advanced evaporative-based climate appropriate cooling technologies as well as research/advocacy supporting automated fault detection and diagnostic maintenance procedures. Efforts include unprecedented participation by HVAC industry stakeholders in research, development, and design, continuous review and updating, and operation of HVAC-related IOU programs. This unprecedented cooperation and collaboration with the HVAC industry has the purpose of substantially advancing HVAC-related program quality and effectiveness.

5. Program Goals, Objectives, Action Strategies & Performance Metrics

ETP operations will apply the three sub-programs described in Section 4 to achieve the ETP goals, objectives, and action strategies.

- ETP Subprogram 1 - Technology Development Support
- ETP Subprogram 2 - Technology Assessments
- ETP Subprogram 3 - Technology Introduction Support

Each ETP sub-program corresponds to one of the three ETP goals. In high-level terms, the ETP goals are to increase adoption of measures (market demand), to increase measure supply (technology supply), and to advance Strategic Plan Big,

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Bold initiatives and related integrated energy solutions. These approaches are complementary and reinforce each other by helping new measures become available in the market and gain stronger market traction sooner than otherwise possible. Collectively, they coordinate with other EE programs and with interventions by non-utility market actors to market transformation efforts aimed at increasing the adoption of EE measures in California, nationwide and internationally.

Actions that increase market demand make developing and launching new measures less expensive, less risky, and generally more attractive to manufacturers and vendors seeking to increase sales and profitability. This increased market demand inherently drives increased technology supply.

Actions that increase technology supply by resulting in more high-quality EE measures in the market encourage existing entrepreneurs and attract new ones to form or join enterprises in the EE market. These actions also attract progressive policy makers, consumers seeking financial and intangible benefits, and investors and others willing to fund innovative measures. This increased technology supply inherently drives increased market demand.

Actions supporting Strategic Plan Big, Bold initiatives and related solutions combine market demand and technology supply approaches. All actors involved in creating technology supply and market demand benefit from interventions by the ETP and complementary efforts.

ETP Goal #2 (2013-2014 Goal #2: Increased number of measures offered by EE programs) Contribute to EE/DR market transformation efforts by accelerating stakeholder adoption of measures through transfer of available ETP measures into IOU EE programs or through other implementation channels. The focus of this Goal is increased market demand.

Objective 2.1: Perform Technology Assessments

During the 2013-2014 funding cycle, assess EE measures, including integrated demand-side management (IDSM) measures as defined by the EE Policy Manual¹.

Action Strategy 2.1.1a: Scan a wide variety of sources for measures that could help IOUs meet customer needs and achieve energy savings, demand reduction, and other IDSM targets. Following are representative measures for ETP scanning in 2013-2014.

¹ ETP assessments are expected to complete in or before the fourth year after the year in which the assessment is initiated. This window may go well beyond the 2013-2014 funding cycle, especially for ETP assessments initiated in 2014. 2013-2014 funding cycle expenditures will occur throughout the project, meaning that some ETP expenditures could extend through 2018.

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Lighting

Task/ambient lighting designs
LED/SSL lighting applications (internal, external)
Dual relay occupancy sensor
Self commissioning dual loop daylight harvesting
Simplified daylight and occupancy controls
HID electronic ballasts
LED fixtures and systems
Dimmers for CFLs and LEDs
Super CFL
Small HID
Smart occupancy sensor systems
Solid state street lights
Plasma lighting

HVAC

Climate Appropriate Technologies
Automated Fault Detection & Diagnostics
Retrofit technologies
Behavioral studies
Quality Maintenance
Adiabatic cooling
Geothermal heat pumps
Natural gas driven heat pumps
Electric heat pumps

Other

Industrial process technologies
Advanced gas water heating technologies
Super Boiler
Consumer and commercial electronics
Plug loads and associated technologies
Energy Management Systems (all sectors including residential)
AMI/HAN integrated technologies
Data center technologies (air handling and hardware)

Action Strategy 2.1.1b: Review national and state priorities for HVAC technologies as part of the scanning efforts. The statewide HVAC program plans within the Residential and Commercial Programs program outline a process around HVAC program design, implementation, technology assessment, ETP, and codes & standards. The framework includes an engaged industry stakeholder collaboration group, the Western HVAC Performance Alliance (WHPA), IOU HVAC Management team that includes participation

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from HVAC program/ETP/Codes & Standards managers, and the Western Cooling Efficiency Center (WCEC).

Action Strategy 2.1.1c: Coordinate with statewide lighting initiatives (including the CLTC, state regulatory organizations, and other key stakeholders) to receive input to the scanning process.

Output for Action Strategy 2.1.1: ET scanning will provide broad technology and market knowledge as a precursor to the ETP screening process.

Action Strategy 2.1.2: Execute a screening process for assessment candidates designed to ensure that the ET team most effectively focuses its time and resources on measures. Utilize the Residential and Commercial HVAC subprograms and statewide lighting initiatives as resources for providing information utilized in the screening process.

Output for Action Strategy 2.1.2: The ET screening process will produce a list of scored, approved, and funded measures for assessment. Ideas that pass the screening criteria will proceed to the next step of the ET process.

Action Strategy 2.1.3: Conduct ET assessments to evaluate performance uncertainties and/or other attributes potential effectiveness / impact in reducing energy consumption and peak demand of new and/or under-utilized measures.

Output for Action Strategy 2.1.3: The ETP will produce a report describing results and conclusions from each ETP assessment. Ideas that pass the assessment criteria will proceed to the next step of the ET process.

Action Strategy 2.1.4: Develop and maintain a project tracking database containing the variables and attributes to be tracked by all ETCC programs statewide, and data will be reported to the CPUC on a regular basis. The naming convention shown in Attachment 3 will be used by all parties for tracking assessments.

Output for Action Strategy 2.1.4: The ETP will update the CPUC database quarterly.

Action Strategy 2.1.5: (SCE Only) Maintain testing capability to support technology assessments.

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Output for Action Strategy 2.1.6: (SCE Only) ETP will contribute to maintenance of existing TTC facilities. All test facilities will have sufficient technical capability and intellectual capital to assess technologies.

Action Strategy 2.1.6: In addition, ETCC will host input sessions (Open Forum) to promote exchange of knowledge, perspectives and ideas two times per year. Like the ET Summit, these sessions will be organized by the ETCC and will be separate from quarterly ETCC business meetings. Increased access to ideas from outside organizations and entities will help the ETP maximize innovation and energy savings.

Output for Action Strategy 2.1.6: Minutes capturing assessment suggestions will be recorded for each session and used as an input to the scanning process.

Objective 2.2: Transfer Measures into EE Programs

During the 2013-2014 funding cycle, transfer measures from the ETP into the EE programs, with the goal of producing energy savings and/or demand reduction. Transfers may include measures from assessments initiated or completed in previous ETP cycles, as well as those from the current 2013-2014 program cycle.

Action Strategy 2.2.1: Evaluate program activity to assess the market acceptance two years, and potentially three years, after the launch of a measure transferred from ET. Review these findings with EE Program staff regarding potential improvement to both ET and EE program activities.

Output for Action Strategy 2.2.1: The ETP will track EE program activity for measures assessed in the ET program.

Action Strategy 2.2.2: The ETP will provide information to internal stakeholders from assessments that could help IOU's IDSM resource acquisition programs create new measures, or revise/integrate existing measures, that increase energy savings in a variety of market sectors. Specific activities will include ensuring final reports are distributed and made available, discussing results with EE program managers and IDSM clients, and assisting with communications and program documentation, as needed.

Output for Action Strategy 2.2.2: Internal stakeholders will receive ETP final reports, discussion of ETP results, and other communication and documentation when relevant.

Action Strategy 2.2.3: Communicate information on high-potential ET assessment findings to external stakeholders. Consult with internal and

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external partners to determine appropriate outreach activities for select specific measures. Possible outreach activities include:

- Post reports and results on the ETCC website;
- Debrief assessments partners on findings through a meeting, memo, or podcast;
- Execute public relations efforts, such as development and dissemination of press releases and articles for trade publications;
- Present findings at industry and community meetings/conferences, with a focus on promoting IDSM efforts;
- Submit articles to industry publications;
- Provide technical information to, and support information dissemination by the energy centers operated by each of the IOUs;
- Meet with market actors, including technology owners, manufacturers, allies, channel partners, trade association members, utilities, investors, and technology developers; and
- Utilize the bi-annual ET Summit Conference as a forum to communicate assessment results.

Output for Action Strategy 2.2.3: The ETP will post reports and results on the ETCC web site (<http://www.etcc-ca.com>) when the results/findings are appropriate for external dissemination. Due to high tracking costs, some line item outreach activities in Action Strategy 1.2.3 are not mentioned here.

Action Strategy 2.2.4: Proactively serve as subject matter experts and advisors to EE and IDSM program managers. Support transfer and development of EE measures based on assessments and market and behavioral studies. Coordinate with EE programs and other IOU resources needed for successful EE measure roll-out.

Output for Action Strategy 2.2.4: Increased EE program manager knowledge and understanding.

Action Strategy 2.2.5: Conduct research for EE measures in accordance with guidance decision to support the development of energy savings ex-ante values

Output for Action Strategy 2.2.5: Increased number of measures in the EE portfolio.

ETP Goal #3: Support technology introduction and whole-building deep-energy reduction strategies.

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The action strategies used in these projects may include but are not limited to scaled field placements, demonstrations, and/or showcases. The specific action strategy for each project will be specified in each project's plan.

Objective 3.1: Conduct field deployments (2013-2014: Changed to an element in support of ETP Goal#3)

Conduct scaled field placements during the program period to increase market understanding² and traction for new and under-utilized measures³.

Action Strategy 3.1.1: Scan a wide variety of sources for measures for scaled field placements that could help IOUs to increase market understanding and traction for new and under-utilized measures.

Output for Action Strategy 3.1.1: ET scanning will provide broad technology and market knowledge as a precursor to the ETP screening process to identify opportunities for scaled field placements.

Action Strategy 3.1.2: Execute a screening process for scaled field placements candidates designed to ensure that the ET team focuses its time and resources on measures most effectively.

Output for Action Strategy 3.1.2: The ET screening process will produce a list of scored, approved, and funded measures for scaled field placements. Ideas that pass the screening criteria will proceed to the next step of the ET process (Action Strategy 1.3.3)

Action Strategy 3.1.3: Conduct scaled field placements to increase market acceptance and traction for new and under-utilized measures⁴.

Output for Action Strategy 3.1.3: At a minimum, the following data will be tracked for each scaled field placement: documents supporting the funding decision, number of measures installed, and EE program activity for programs where the installed measures would qualify.

Action Strategy 3.1.4: Evaluate program activity to assess the market acceptance at one year and two years, and potentially at three years after the launch of a scaled field placement. Review these findings with EE Program staff regarding potential improvement to both ET and EE program activities.

² It should be noted that unlike assessments, the primary information dissemination mechanism for scaled field placements is first hand experience utilizing the measure.

³ ETP scaled field placements are expected to complete in or before the fourth year after the year in which the scaled field placement is initiated. Therefore, expenditures for scaled placements initiated and funded for the 2013-2014 program cycle may be incurred through 2018.

⁴ Note: Measures in scaled field placements will almost exclusively be measures already included in EE programs or a measure that has undergone technology assessment.

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Output for Action Strategy 3.1.4: The ETP will track EE program activity for EE measures utilized in scaled field placements.

Objective 3.2: Conduct technology demonstrations (2013-2014: Changed to a element that can be used to support more than one ETP Goal) Conduct IOU demonstrations and showcases to expose stakeholders to the performance of measures or systems. Highlight real-world applications and installations for market actors and end users.^{5,6} An example of these projects could include supporting the construction of a high-performance residential building to demonstrate how multiple measures integrate to deliver near-ZNE performance.

Action Strategy 3.2.1: Scan a wide variety of sources for measures for demonstration showcases that could expose technology to various stakeholders and demonstrate technology performance and applicability in real world applications.

Output for Action Strategy 3.2.1: ET scanning will provide broad technology and market knowledge as a precursor to the ETP screening process to identify opportunities for demonstration showcases.

Action Strategy 3.2.2: Execute a screening process for demonstration showcases candidates designed to ensure that the ET team most effectively focuses its time and resources on measures.

Output for Action Strategy 3.2.2: The ET screening process will produce a list of scored, approved, and funded measures for demonstration showcases. Ideas that pass the screening criteria will proceed to the next step of the ET process (Action Strategy 1.4.3)

Action Strategy 3.2.3: Conduct demonstration showcases to expose technology to various stakeholders and to demonstrate technology performance and applicability in real world applications.

Output for Action Strategy 3.2.3: At a minimum, the following data will be tracked for each demonstration showcase: documents supporting the funding decision, location of installed measures, and any available data regarding people who viewed/attended/participated.

⁵ It should be noted that unlike assessments, the primary information dissemination mechanism for demonstration showcases is first hand exposure to the measure.

⁶ ETP Demonstration Showcases are expected to complete in or before the fourth year after the year in which the Demonstration Showcase is initiated. Therefore, expenditures for demonstration showcases initiated and funded for the 2013-2014 program cycle may be incurred through 2018.

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ETP Objective 3.3: Conduct Technology Resource Innovation Program (TRIP) Solicitations.

Action Strategy 3.3.1 TRIP will solicit a competitive solicitation to fund third party programs that leverage innovative EE and/or IDSM technologies. The awarded TRIP Programs will be transferred and administered by the utility's EE third party portfolio group. TRIP Programs will follow standard third party policies and procedures. For these details, please see the Third Party Program Implementation Plans.

Output for Objective 3.3.1: TRIP will solicit and award new third party programs.

Market and Behavioral Studies: (2013-2014: Changed to a element that can be used to support all ETP Goals) Perform targeted studies of customer behavior, decision making, and market behavior to gain understanding of customer/market perception and acceptance, and to identify potential barriers to measure adoption.

Perform primary IDSM related market and behavioral studies to enhance market intelligence of customer needs and “decision triggers” to improve acceptance of new or under-utilized energy efficiency technology.

All market and behavioral studies will be captured in a final report.

Review and analyze secondary research as found, for example, from IOU subscription market research services such as E Source and Energy Insights, and from such organizations as Energy Information Administration, National Technical Information Services, and CALMAC, as well as in reports such as the Residential Appliance Saturation Survey and Commercial End-Use Survey.

Secondary research findings will be captured in a final report.

Conduct the following types of studies:

- Perform market research studies to assess the potential impact of and barriers to implementation of proposed measures;
- Investigate specific technology gaps for a given market segment;
- Conduct an Energy Technologies/RD&D gap analysis for agricultural EE as included in the Strategic Plan; Identify and prioritize needed RD&D/ET projects;
- Perform customer research to assess the need for and optimal design of scaled field placements and demonstration showcases;
- Perform usability studies to assess how easily customers can adapt to and benefit from new measures; For instance, in-home monitoring and display technologies;

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- Perform a scoping study, including findings from the Commission’s potential and goals studies, of the overall long-term market potential for Emerging Technologies with estimates on targeted technologies and systems;
- Perform customer research to identify approaches to making new measures more attractive to customers;
- Perform customer research on the potential impact of social network software and other behavioral tools in expanding the impact of EE programs; and
- Perform market research to identify approaches for accelerating the pace of deployment of new EE and IDSM measures and programs.
- Develop roadmaps in accordance with 2013-2014 portfolio guidance decision.

Produce reports summarizing study findings.

Develop residential and commercial roadmaps that encompass existing building retrofit and new construction programs by the end of the fourth quarter of 2013, in preparation for their inclusion in their 2015 and later energy efficiency portfolios. In developing roadmaps, ETP will ensure collaboration with Energy Division staff and other EE programs for the development of the scope for these roadmaps. Roadmap details are provided in Appendix 7.

Disseminate market and behavioral reports.

Post all market and behavioral reports on ETCC web site, where results/findings are appropriate for dissemination.

ETP Goal #1: Increased EE Technology Supply

Contribute to EE/DR market transformation efforts by assisting technology developers and manufacturers to create technology supply with respect to emerging technologies, including supply for the Big Bold Initiatives, thereby increasing the number of EE measures that are available for adoption. The focus of this Goal is increased technology supply.

Objective 1.1 Support technology development

During the **2013-2014** program cycle, the ETP will screen, select, and implement targeted technology development support projects to benefit EE product development.

Action Strategy 1.1.1: Identify targeted opportunities to develop forward looking product specifications which could be used by a multitude of product developers. This effort could be most effective if the opportunity exists to tie future rebates or other incentives to the specifications. This may include development of an open source or proprietary product specification for entrepreneurs to build to – possibly with incentives. This may also contribute to competitions to develop new product concepts/meet specifications.

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Output for Action Strategy 1.1.1: Produce open source or proprietary specifications.

Action Strategy 1.1.2: Look for targeted opportunities to establish product baseline performance levels. As an independent entity, the utilities may be in a position to establish baseline performance levels. This baseline information would serve as an input to product development efforts. Often, it is expensive and time consuming for developers to establish baseline performance in a product segment.

Output for Action Strategy 1.1.2: Distribute baseline performance level reports to targeted product developers and partner entities.

Action Strategy 1.1.3: Look for targeted opportunities to develop standard test protocols for energy efficient products, in support of statewide Codes & Standards Program.

Output for Action Strategy 1.1.3: Develop and disseminate standard EE product test protocols in conjunction with statewide Codes & Standards Program.

Action strategy 1.1.4: Look for targeted opportunities to provide customer contacts for testing and focus groups. Utilities may be in a unique position to help connect product developers with customers willing to participate in field tests of measures and provide feedback.

Output for Action Strategy 1.1.4: A list of customers who have agreed to have their contact information shared with a technology developer.

Action strategy 1.1.5: Look for targeted opportunities to conduct market or behavioral studies and otherwise provide and/or collect market intelligence. Utilities may have access to or the ability to collect market intelligence that would help justify product development investment and guide product development targets.

Output for Action Strategy 1.1.5: Any market or behavioral studies will be captured in a final report.

Action strategy 1.1.6: Look for targeted opportunities to make expertise/knowledgeable personnel available as resources to product developers. Utilities may be in a position to advise on certain subject matter.

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Output for Action Strategy 1.1.6: Produce an activity report for time charges incurred by ETP, while providing support to product developers.

Action Strategy 1.1.7: Look for targeted opportunities to make testing facilities and/or other infrastructure available to multiple product developers. Utilities may be in a position to facilitate the sharing of capital intensive testing facilities or other infrastructure across parties developing energy-efficient products. Often, these resources serve as a barrier to product development or as a barrier to product quality and performance success.

Output for Action Strategy 1.1.7: Produce an activity report for testing and other infrastructure support provided to product developers

Objective 1.2. Conduct technology developer outreach through TRIO

Incubate businesses developing or selling EE or DR measures. TRIO focuses on providing training and networking for entrepreneurs and companies providing energy saving technologies. This will include providing training workshops and mentoring on participating in IOU programs and the IDSM business environment. More detailed information regarding the TRIO efforts are included in Section 8 of this PIP.

ETP Goal #2: (2013-2014: Incorporated into the project selection criteria for each Sub-program) Support achievement of the Strategic Plan Big, Bold initiatives for ZNE New Residential Construction, ZNE New Commercial Construction, ZNE for Existing Buildings, HVAC Industry and Market Transformation, and related solutions, such as advanced lighting measures, through programs and initiatives aimed at each. As the Strategic Plan is prominent in the activities of the ETP, a significant portion of the efforts undertaken towards goals 1 and 2 will contribute towards goal 3.

Objective 2.1: (2013-2014: Incorporated into the project selection criteria for each Sub-program)

Help advance innovative measures and/or strategies to support ZNE New Residential Construction, ZNE New Commercial Construction, ZNE for Existing Buildings, HVAC Industry and Market Transformation, and related solutions during 2013-2014.

Action Strategy 2.1.1: (2013-2014: Incorporated into the project selection criteria for each Sub-program) Scan, screen and execute emerging technology projects in the areas of assessments, scaled field placements, demonstration showcases, market and behavioral studies, and/or technology development support to support ZNE New Residential Construction, ZNE New Commercial Construction, ZNE for Existing Buildings, HVAC Industry and Market Transformation, and related solutions during 2013-2014.

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(Projects in this action strategy will be considered to fulfill objectives in multiple Goals where relevant.)

Output for Action Strategy 2.1.1: (2013-2014: Incorporated into the project selection criteria for each Sub-program) Outputs for these projects would be as stated for the corresponding projects under goals 1 and 2.

Objective 2.2 (SCE Only) (2013-2014: Incorporated into the project selection criteria for each Sub-program)

SCE’s TTC is a resource that provides state-of-the-art testing facilities for conducting ETP projects and evaluating new IDSM technologies in support of the Strategic Plan’s Big, Bold initiatives.

The TTC will maintain testing capabilities to specifically support the Big, Bold ZNE and HVAC initiatives. Additional important end uses, including lighting and refrigeration, will be the focus of distinct TTC test facilities. More detailed information regarding the TTC efforts are included in Section 8 of this PIP.

Numerical Deliverables

The 2013-2014 ETP brings an expanded set of tools to the complex task of supporting Strategic Plan’s goals, while assisting EE and IDSM programs in achieving maximum impact. As certain objectives involve activities that are new to the ETP, there is some degree of inherent uncertainty with regards to numerical deliverable levels. (An example of a numerical deliverable is “Conduct Technology Introduction Projects”)

To account for this inherent uncertainty, while allowing the use of numerical deliverables, the ETP may need to substitute additional assessments in place of other program deliverables, if necessary, in order to meet numerical deliverable levels described in the Table 4. For instance, if projections for a demonstration showcase for an “Office of the Future” are significantly more costly than anticipated, the ETP may substitute one or more technology assessments to assure a successful, timely, and cost-effective outcome from all objectives that contribute to the ETP Goals.

Table 4. 2013-2014 Numerical Goals

2013-2014 Subprogram	Objective	Cycle Numeric Goal
Sub-program #1 Technology Development Support Subprogram	Screen, select, and implement targeted technology development support projects to benefit EE measure development.	2
	Conduct technology developer outreach through workshops	2

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Sub-program #2 Technology Assessments Subprogram	Assess EE measures, including integrated demand-side management (IDSM) measures	10
	Transfer measures from the ETP into the EE programs, with the goal of producing energy savings and/or demand reduction.	4
Sub-program #3 Technology Introduction Support Subprogram	Conduct technology introduction activities	2
	Conduct Technology Resource Innovation Program (TRIP) Solicitations	1

Program Performance Metrics (PPMs)

The IOUs have evaluated 2010-2012 PPMs in Resolution E-4385 for applicability to the 2013-2014 program cycle and propose to work collaboratively with Energy Division to develop revised program targets and PPMs as appropriate for the 2013-2014 program cycle. The IOUs' will propose revisions in an advice letter, per additional guidance from Energy Division.

Table 5.1: Short-Term PPMs

On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. The Commission gave each PPM a metric type which indicated the reporting frequency: Metric type 2a indicates that the IOUs should report on the metric on an annual basis (unless indicated otherwise) Metric type 2b indicates the IOUs should report on the metric at the end of the program cycle.

Table 5.1 below lists the approved PPMs and metric types for the Emerging Technologies Program (Resolution E-4385, Appendix A, pp. 39-40):

NOTE: For 2013-2014, the "elements" have been re-characterized to support more than one ETP Goal.

SW PROGRAM/ Sub-program	PROGRAM PERFORMANCE METRIC (PPM)	Metric Type
EMERGING TECHNOLOGIES (ET)		
	1. The number of new "proven" ET measures adopted* into the EE Portfolio. * "Adoption" means measure is available to end-use customers through IOU programs. Adoption of a measure may be attributed	2b

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	to one or more ET sub-programs 2. Potential energy impacts* (energy savings and demand reduction) of the adopted ET measures into the EE portfolio. * Potential energy impacts to be reported based on ET project findings and estimated market potential (reported through quarterly ET database updates)	2b
Technology Assessment (TA)	1. Number of ETP measures which have undergone TA that are adopted* into the EE portfolio, including but not limited to each of the following: (a) Advance HVAC technologies (b) High efficiency plug loads and appliances (c) Advanced lighting technologies * “Adoption” means measure is available to end-use customers through IOU programs.	2b
Scaled Field Placement (SFP)	1. Number of ETP measures that have undergone SFP and are adopted* into the EE portfolio. * “Adoption” means measure is available to end-use customers through IOU programs.	2b
Demonstration Showcases (DS)	1. Self-reported increase in knowledge by randomly selected sample of targeted stakeholders who either 1) visited the DS or 2) were informed about the DS in a workshop about benefits of the DS.	2b
Market and Behavioral (M&B) Studies	1. Self-reported increased in knowledge among internal ET stakeholders about the technologies targeted by the M&B studies.	2b
Technology Development Support (TDS)	1. Number of new performance specifications and/or Use Cases* produced as a result of TDS sub-program. * “Use Cases” describe the need for a technology or application.	2b
	2. Number of new performance specifications and/or Use Cases presented to manufacturers/private industry for possible action.* * “Possible action” means that the manufacturer/private industry considered TDS results in their product development efforts.	2b
Technology Resource Incubation and Outreach	1. Percent of attendees who voluntarily respond and self-report increased understanding on how to do business with utilities.	2b
Technology and Testing Center (TTC)	1. Number of ETP measures evaluated at the TTCs in support of ET Assessments Sub-Program that are adopted* into the EE portfolio (and/or available in the market). * “Adoption” means measure is available to end-use customers through IOU programs.	2b

Table 5.2 Long Term PPMs

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SoCalGas includes long term PPMs⁷ per Energy Division guidance received in December 2012. As stated in the Joint Utilities’ comments to the Commission in R. 09-11-014 dated November 21, 2011, and discussed between IOUs and ED on January 9, 2013, IOUs plan to finalize long term PPMs in further discussions with involved stakeholders and propose updates to Energy Division at a later date.

MTI Index#	RE-CATEGORIZED Metric (LTPPM - or SPI) [E-4385 Appendix B original text except for noted edits]	Unresolved Issues
ETP-2	<u>MT Indicator 2:</u> Number of ETP measures (or technical specifications) adopted* into building codes and/or appliance standards by CEC. * Adoption means measure is available to end-use customers through IOU programs. Adoption of a measure may be attributed to one or more ET sub-programs	Clarification of "adoption" would be necessary.

Market Transformation Indicators (MTIs)

Per Resolution E-4385, a subset of market transformation indicators (MTIs) for statewide energy efficiency programs and subprograms were presented at a public workshop on November 7, 2011, to allow for public comments and discussion before being finalized. Per guidance from Energy Division received in December 2012, the approved Market Transformation Indicators for 2013-2014 are filed as a Joint IOU matrix, included as Appendix F.

6. Coordination and Integration

IOU coordination efforts are described below

6.1 ETP Statewide Coordination

A key strength of the ETP is the value created through ongoing collaboration among the statewide IOUs. Continuing and enhancing this statewide collaboration will contribute to the successful accomplishment of the ETP goals and objectives.

6.1.1 – Leveraging role of the Emerging Technologies Coordinating Council (ETCC): The ETCC plays a central role in statewide ETP coordination. The ETCC membership consists of the IOUs, the CEC, and CPUC staff. During 2013-2014, the ETCC will meet at least four times per year to coordinate activities, exchange information, and define new and enhanced collaboration strategies.

⁷ From the Energy Division’s file “Revised MTIs_10 27 11-formal-release-ED-May-2012.xlsx”

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Discussion at ETCC business meetings may touch on privileged customer information, business strategic and operational details, and privileged manufacturer product details that are too sensitive to discuss in an open forum. For this reason, ETCC business meetings will not be open to the general public.

The ETCC also convenes sub-groups to address statewide ETP collaboration opportunities that require additional time beyond what is available during regular ETCC meetings. For instance, a standing lighting sub-group meets quarterly, and the ETCC will host an upcoming hot, dry air conditioner meeting with the Western Cooling Efficiency Center at UC Davis.

In accordance with 2013-2014 guidance decision, ETCC membership will be expanded to research organization including research universities, national labs, energy centers, and other research organization. A new “collaborative” membership category will be developed. Potential new members will be invited to join.

6.1.2 – Collaboration with Municipal Utilities: As over 300 California municipal utilities launch or expand EE efforts, they are becoming increasingly aware of the need for, and potential benefits of, new and under-utilized measures to meet EE program goals. The ETCC is responding by promoting coordination and information sharing between ETCC members and municipal utilities.

This collaboration will include sharing information and results connected with upcoming IOU and CEC market studies, measure assessments, and scaled field placement activities. The IOUs will also provide recommendations to municipal utilities that have their own ET programs or are considering launching ET efforts, and may encourage municipal utility ET program staff to attend quarterly ETCC meetings.

Due to the large number of municipalities, their geographical range and varying stages in EE program development, the ETCC will work with conveners such as the largest and most advanced municipalities (SMUD, LADWP, City of Palo Alto, etc.) and municipality-coordinating entities like the Northern California Power Agency and Southern California Public Power Authority.

6.1.3 – Forums and Training: The ETCC will support the Incubation objective under ETP Goal 2 by holding three training sessions every year for researchers to educate them about utility and investor perspectives, challenges, and needs.

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6.1.4 – Knowledge Sharing: On a strategic level, the statewide ETP is committed to developing and implementing practices and tools to maximize collaboration and integration among the IOU ETPs. This will include comparing ETP local plans and identifying opportunities to reinforce and maximize statewide coordination and integration, keeping in mind the distinct resources, expertise, and customer base for each IOU.

6.1.5 – Coordination with non-IOU entities: Finally, the statewide ETP will expand statewide emerging technology projects and projects that leverage funding from non-IOU entities. The IOU ETPs will continue to identify and participate in collaborative projects that are co-funded by federal agencies or other large funders and that meet ETP criteria.

6.2 ETP Coordination with EE Resource & Non-Resource Programs

The ETP maintains crucial touch points with EE resource programs and many non-resource programs, which serve as key clients for the measures that ETP assesses and makes available for implementation. Coordination with these EE programs occurs throughout the ETP screening, selection, assessment, and transfer process.

6.2.1 – Idea Generation Coordination: Ideas for new measures often come from EE program staff or through the professional networks of EE staff. At the screening stage, the ETP relies on input from EE program managers to score measures for assessment. EE program staff also plays a key role in identification of host sites for field assessment projection, scaled field placements, and demonstration showcases. The transfer of new measures from the ETP into EE programs takes place through a close collaboration between the programs.

6.2.2 – Feedback Loop with IOUs and M&V Community: In 2013-2014, the ETP will expand feedback loops with program staff and M&V consultants to increase the understanding by ETP and EE program staff of impacts from each new measure that has been transferred EE programs, including those that do not achieve projected levels of market penetration, energy savings, or demand reduction.

This will take the form of an initial meeting 12 months after a measure is transferred from ETP to an EE program, with a second meeting 24 months after transfer. An additional follow-up meeting will be scheduled three years after transfer, as needed.

6.3 ETP Coordination with Cross-cutting Programs (Codes & Standards, Statewide M&O, WE&T etc.)

The ETP has a history of productive connections with cross-cutting programs including Codes & Standards and Energy Centers, and has successfully

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demonstrated that collaboration can maximize the impact achieved by all parties. In addition, SCE's TTC serves as a resource to ETP project managers, providing a unique venue to perform in-house testing of technologies to support ETP goals.

6.3.1 – Assessment Synchronization: In 2013-2014, ETP staff will hold regular conversations with Codes & Standards staff to exchange methods for estimating the impacts of new measures through analysis and testing, and support the advancement of technologies that may be included in future codes and standards and reach codes. Where practical, the ETP will collaborate with Codes & Standards on measure assessments, and will seek to identify and transfer measures with potential to go directly from ETP to Codes & Standards.

6.3.2 – Collaboration with Energy Centers: ETP will continue to grow its multi-faceted collaboration with Energy Centers, where new measures for potential assessment may be suggested by visitors or staff, where some assessments may be conducted in a controlled field environment, and where successful assessments are often showcased in exhibits that educate hundreds to thousands of interested customers.

6.3.3 – Cross-cutting Programs Coordination: The statewide Workforce Education & Training (WE&T) and statewide Marketing, Education & Outreach (ME&O) programs will offer new coordination opportunities. ETP assessments and market and behavioral research may pinpoint marketing and education needs that these two cross-cutting program can deliver. Conversely, these programs can identify opportunities for new or under-utilized measures, and may find potential limitations in EE measures that lend themselves to action by ETP. For instance, a new type of fan that is featured in a WET program could elicit comments by contractors about installation or maintenance issues that the ETP can address or can relay to the product developer or manufacturer. ETP will help identify workforce training needs, as appropriate, for advanced technologies in their early stages of development.

6.3.4 – Feedback Loop with Cross-cutting Programs: As with statewide and local IOU EE Resource and Non-Resource programs, the ETP will expand feedback loops with cross-cutting programs to increase the understanding by ETP and EE program staff of impacts from selected new measure that are relevant to the audiences, staff, and information gathering capabilities of the cross-cutting programs.

6.4 ETP Coordination with IDSM

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ETP has long-standing and strong connections with energy efficiency and demand response (DR) programs, and is poised for broader IDSM integration. In 2013-2014, ETP will undertake a coordinated effort to support innovation in EE, DR, renewable and combined heat and power programs. Among the many examples of this, ZNE new commercial construction, ZNE new residential construction, and ZNE for existing buildings stand out as opportunities to integrate on-site or neighborhood generation, co-generation, EE, and DR opportunities. Under the ETP demonstration showcases Objective 1.4 and Goal 3 described in Section 5 above, residential and commercial sites will be developed featuring integrated energy systems for proof-of-concept, technology and usability assessment, and market exposure.

ETP brings a strong aptitude for IDSM integration, since assessment results for lighting and HVAC control strategies are equally applicable to EE and DR programs. It is natural to expand an ETP assessment to investigate both options with relatively modest incremental efforts, compared to an assessment for just EE or DR. Several control strategies listed under Action Strategy 1.1.1 in Section 5, above, can potentially be part of such an IDSM assessment.

Similarly, ETP has experience with EE – DR – on-site generation/cogeneration applications. For instance, ETP led efforts in 2007-2008 to obtain a CPUC waiver of EE Policy Manual requirements that might have disallowed incentive payments for the SolarBee water treatment technology, which uses integral onsite solar electric generation to operate.

Going forward, the EE Policy Manual should be revised to reflect a bias towards IDSM and to disambiguate issues like the one that raised questions about the SolarBee technology.

Finally, ETP IDSM coordination will benefit from the existing ETP network of partners described in Section 6.5., below, and elsewhere in Section 6. The statewide IDSM PIP provides additional information on these issues.

The IOUs will coordinate program efforts with the local utility integration teams and the Statewide Integration Task Force to identify successful integration approaches and offerings, potential pilot programs and metrics.

6.5 ETP Coordination with External Organizations and Entities

Collaboration with external partners and allies plays an essential role in virtually all aspects of ETP operations, from screening and selecting measures for assessment, to performing assessments and scaled field placements, developing demonstration showcases, communicating ETP results, and transferring measures to the market through EE programs and other implementation channels.

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6.5.1 – Alliances External Organization: To ensure successful coordination with the full range of external organizations and entities involved in developing new measures, ETP staff will receive explicit assignments and budgets for outreach and conference attendance to maintain a high level of awareness of research and development (R&D) activities across government, utilities, including those located in the Pacific Northwest, agricultural extension and university programs, and private industry, including selected proprietary efforts.

This interaction provides both ideas for new ETP measures and access by the ETP to propose new concepts or modifications to existing research that will result in measures for future ETP assessment and EE deployment. In this way, ETP uses its alliances with external R&D entities to leverage private industry and federally funded technology research and investment for the benefit of California ratepayers.

For instance, CEC ER&DD and The Watt Stopper, Inc. have provided valuable new measures to the ETP and have also been receptive partners, incorporating ideas from the ETP for their new measure R&D.

6.6 Codes and Standards Integration

When ETP has completed review of a measure, external organizations play a crucial role in disseminating the results before, during, and after the transfer of the measure into EE programs or other implementation channels. For instance, ETP collaborates with industry trade organizations, large tech companies, entrepreneurs, UC Berkeley Center for the Build Environment, consultants, and others on educational outreach for building envelope EE measures.

Another example is ETP work on HVAC measures that may go directly to building standards. In these cases, ETP supports the Statewide Codes & Standards program through at all stages of measure development and evaluation through alliances with the California Building Standards Commission, American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE) technical committee members to accelerate building design standards.

On lighting measures, ETP works with the DOE, Environmental Protection Agency (EPA), Illuminating Engineering Society of North America (IESNA), CEC, including the CEC PIER program, and leading lighting manufacturers and consultants.

7. Marketing and Outreach/Education & Training

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To maximize the benefits of its work, the ETP delivers information in many forms to many different groups. (The primary means for the ETP to disseminate information is through EE programs, including the Energy Centers.)

Among these benefits, ETP communications on measures that are being transferred or have been transferred to EE programs will assist companies, departments, and governmental entities in understanding EE measures' actual performance, breaking down barriers to proactive implementation.

7.1 Sharing of Information through ETCC: The ETP partners will continue to utilize the ETCC as a central medium for the delivery of ET information. The ETCC website (www.etcc-ca.com) provides an overview of the ET program, a database of ETP project reports and fact sheets, information on upcoming meetings, and information on hosting an emerging technology project or proposing a measure for consideration.

7.2 Distribution of Information through Other Sources: The ETCC website is just one of ways the ET program transfers information. Findings, results, and analyses are delivered to a variety of audiences through one or more of the following mechanisms:

- Providing technical information to Energy Centers run by each of the IOUs, supporting Energy Center information dissemination;
- Providing technical information to utility energy efficiency programs, supporting energy efficiency program information dissemination;
- Speaking opportunities with community organizations;
- Presenting open houses at ETP demonstration showcase sites for key stakeholders and the public at large;
- Meetings and coordination with technology owners, manufacturers, allies, channel partners, trade association members, utilities, investors, and technology developers;
- Presentations at state, local, and national meetings and conferences;
- Analysis and design tools intended for utility energy efficiency program and product developers, technology owners and manufacturers, and others;
- Public relations efforts, such as development and dissemination of press releases, media kits, and articles for trade publications; and
- Organizing and producing the bi-annual Emerging Technology Summit Conference, a collaborative effort among the IOUs with the CEC PIER Program.

8. TRIO and SCE's Technology Test Centers Description

**a) (2013-2014: Changed to a element that can be used to support Goal #1)
Technology Resource Innovation Outreach (TRIO)**

TRIO is a statewide element that aims to draw a greater number of providers of desired, energy saving measures into the utility EE and DR programs by:

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- Providing training workshops;
- Providing energy efficiency and demand response “mentoring”; and
- Coordinating with existing clean tech programs (such as the California Cleantech Open and various clean tech business clusters).
- TRIO contribute to the market transformation with efforts that help accelerate the commercialization of energy-efficient measures by reaching out to universities, PIER, investors, and other research organizations to encourage innovative EE and DR concepts. TRIO also reaches out to investor deal flows to find potential energy efficient measures. Determine what technologies the market is demanding.
- Participate and hold roundtable meetings with investors.
- Provide transparency of each IOU’s demand side management rebate and incentive processes by providing statewide workshop rotating between IOUs, on “how to” do business with utilities. These workshops are geared toward third party implementers and the requirements necessary to be awarded a purchase order by a utility. These workshops will educate the investor and technology communities on the requirements necessary for doing business with utilities.
- These workshops will include the requirements of measure selection, DSM integration, technical documentation (for example, E-3 calculator, DEER etc.), energy efficient and demand response definitions, and the California Solar Initiative. Investors, entrepreneurs, and manufacturers will become educated about what a utility qualifies as an EE and demand response measure. This qualification will make the measure more viable for investment purposes.

TRIO Coordination & Integration

Statewide IOU coordination will include planning meetings to discuss the workshops and roundtables. Each utility will designate a TRIO contact person to coordinate the workshops. Each workshop is held at a different utility to support statewide participation. Each utility will manage their specific budgets. The criteria used to evaluate measures will be developed through a statewide ETP effort:

- TRIO statewide coordination - There will be planning meetings attended by all California IOUs to discuss workshops and roundtables.
- TRIO coordination with statewide and local EE programs - Meetings will be conducted and include program managers from statewide and local programs to assist in reviewing innovative measures.
- TRIO coordination with cross-cutting - Workshops and roundtables will state the need for cross-cutting programs. Any cross-cutting measure that comes to the TRIO program will be evaluated by cross-cutting program managers.
- TRIO coordination with IDSM - There will be DSM coordination during the workshops, educating the candidates about demand response,

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California Solar Initiative, and energy efficiency. Training materials will be created that include an explanation of how to incorporate IDSM. The roundtables discussions will also include these materials.

- TRIO Coordination with External Organizations and Entities - TRIO will invite PIER, CalCEF, Cleantech Open, and various universities to education workshops on how to do business with utilities. Workshops will be sponsored by utilities 3 times per year.

TRIO Marketing & Outreach/Education & Training

- TRIO will provide three workshops per year for all stakeholders and roundtables with investors and government programs to provide education. TRIO will outreach by attending and judging innovative competitions at universities and Cleantech Open.
- The TRIO program workshops and roundtable schedules will be posted on the ETCC website. Presentation material from the events will also be posted on the website after the event is held.

b) (2013-2014: To be considered a strategic shared resource for ETP and other IDSM programs; no longer a sub-program of ETP) SCE Technology Test Center

SCE's Technology Test Center is a suite of testing facilities focused on evaluating IDSM technologies in controlled laboratory environments using sophisticated monitoring equipment. The TTC also provides unique capabilities for evaluating performance of emerging technologies. Located in Irwindale, the TTC is currently comprised of several controlled environment chambers and advanced lighting test stands, each equipped with high-tech data acquisition systems and focused on distinct end uses such as: refrigeration, air conditioning, and lighting. Established in 1996, these facilities are widely known for their past accomplishments in testing and promoting energy efficient technologies and strategies.

The TTC test facilities will provide critical services to a wide range of SCE's IDSM programs. The main function is to provide impartial laboratory testing and analysis of technologies in support of various IDSM goals and serve as a resource for Emerging Technology project managers. These activities will be used to expand the portfolio of EE/IDSM measure offerings, quantify energy savings for EE measures, alleviate concerns about performance uncertainties, and verify the feasibility and validity of proposed codes and standards enhancements. A laboratory setting allows for the performance of detailed and replicable tests which are realistic, impartial, and uninfluenced by variables. Tests may be conducted according to industry standard test procedures or based on particular environmental conditions experienced by SCE customers.

TTC staff will also serve a secondary function as a repository of technical information and expertise. The unique knowledge obtained from actually

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installing and working with equipment will be shared with IDSM program staff, SCE customers, regulatory bodies, industry groups, and other interested parties including IOU laboratories to ensure that IDSM activities are practical.

Outcomes

TTC will contribute to the technology evaluation efforts that accelerate the commercialization of IDSM measures by performing independent, unbiased lab testing of existing products, new technologies and control schemes in support of IDSM and EE goals.

To ensure testing is conducted in the most relevant areas, TTC will actively participate in key industry forums to collect input from major actors including manufacturers, academia, regulatory agencies, EE program staff, and SCE customers to determine areas where testing is needed. Tests will be designed and conducted to deliver results which address the identified needs.

TTC will share findings with interested parties via technical reports, fact sheets, conference papers, presentations, and training classes. Interested parties may include product designers and manufacturers, installation contractors, IDSM programs, and end-users.

TTC will support IDSM programs including Emerging Technologies, Codes & Standards, and Demand Response programs by providing in-house testing capabilities. Many of the projects associated with these projects have testing components that must be conducted in a laboratory environment to reduce the risk of uncontrollable variables affecting the final results. The TTC has unique testing capabilities and few testing facilities in the U.S. have comparable competencies.

TTC will contribute to increased IDSM awareness of California residents by effectively disseminate findings of test projects and lessons learned regarding IDSM benefits and proper application of technologies with diverse audiences.

Most test projects will result in formal test reports posted on statewide websites. In addition to these reports, information will be incorporated into fact sheets, journal publications, conference presentations and proceedings, training classes, industry handbooks, regulatory proceedings, and IDSM program materials.

TTC Coordination & Integration

- i. In addition to technology testing, TTC's lab activities will support coordination with SW IOUs, and integration with multitude of IDSM programs. Projects conducted at TTC will be funded by various IDSM programs including Emerging Technologies, Codes & Standards, and Demand Response as well as other IDSM programs. TTC statewide coordination – TTC will engage in SW coordination with IOU labs to

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ensure avoidance of redundant testing in most applications through effective communications for effective utilization of SW lab resources.

- ii. TTC coordination with IDSM – Test facilities will be open to DSM programs where applicable. Results from all projects will be shared with DSM staff and will educate about potential EE opportunities.
- iii. TTC Coordination with External Organizations and Entities - TTC will maintain continuous contact with researchers, manufacturers, distributors, and end-users. Relationships will continue to be such that information and advice can be shared freely.

TTC Marketing & Outreach/Education & Training

TTC will produce formal test reports for all technology evaluation projects conducted in the laboratories. Results and lessons learned will be incorporated into many information dissemination activities to diverse audiences. Information will be used in presentations at energy centers, joint IOU events, industry conferences, training classes for SCE employees and contractor groups, fact sheets, and industry publications.

TTC will maintain a website with results of completed projects and updates of projects in-progress.

9. Quality Assurance and Evaluation Activities

a) Timeframe of process evaluations and quality assurance activities

The utilities are proposing to work with the Energy Division to develop and submit a comprehensive EM&V Plan for 2013-2014 after the program implementation plans are filed. This will include process evaluations and other program-specific studies within the context of broader utility and Energy Division studies. More detailed plans for process evaluation and other program-specific evaluation efforts cannot be developed until after the final program design is approved by the CPUC and in many cases after program implementation has begun, since plans need to be based on identified program design and implementation issues.

The four IOUs will coordinate a statewide process evaluation to ensure that new program elements are being implemented as designed. This evaluation may be supplemented by specifically targeted activities that IOU program managers identify for purposes of continuous program improvement. These evaluations will be planned and launched on an as-needed basis.

10. Program Logic Model and Performance Indicators (Logic model to be developed at a later time for 2013-2014)

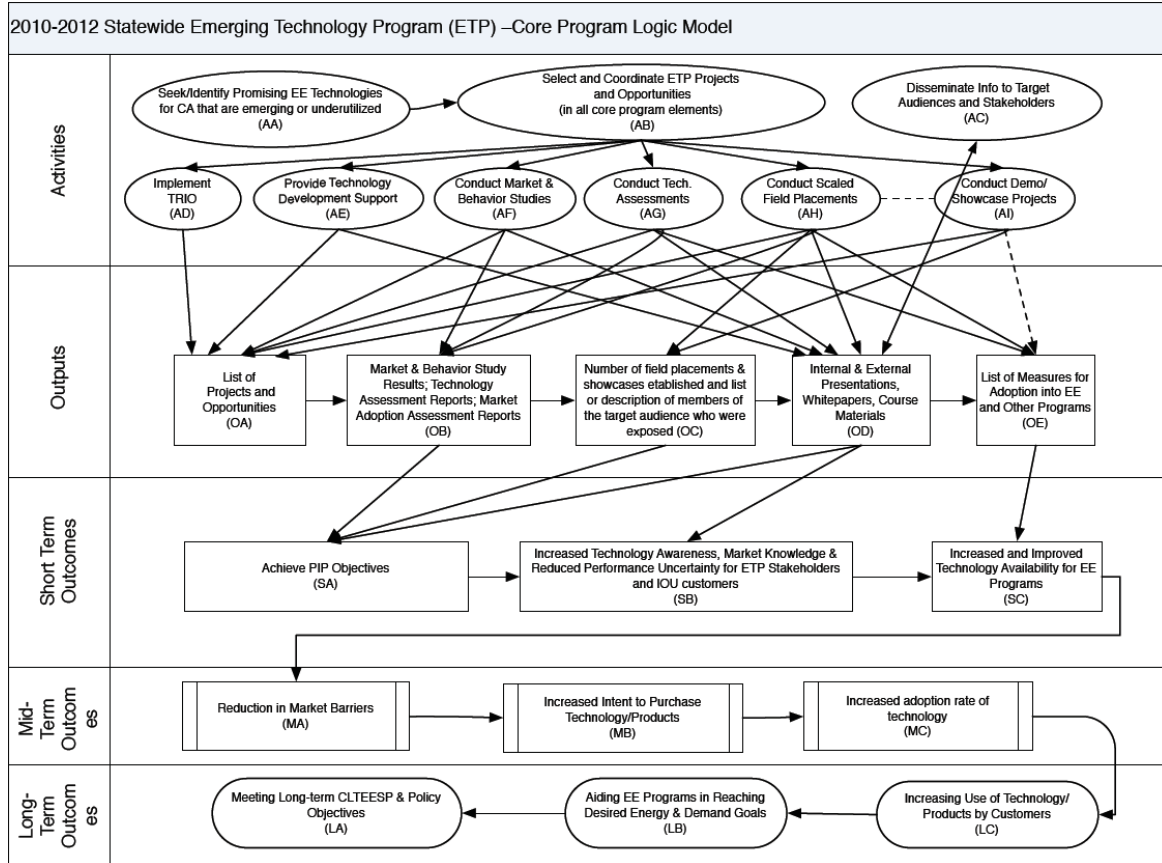
On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San

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Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. In addition, this Resolution approved updated logic models for the statewide programs. Below are the approved logic models for the Emerging Technologies Program.

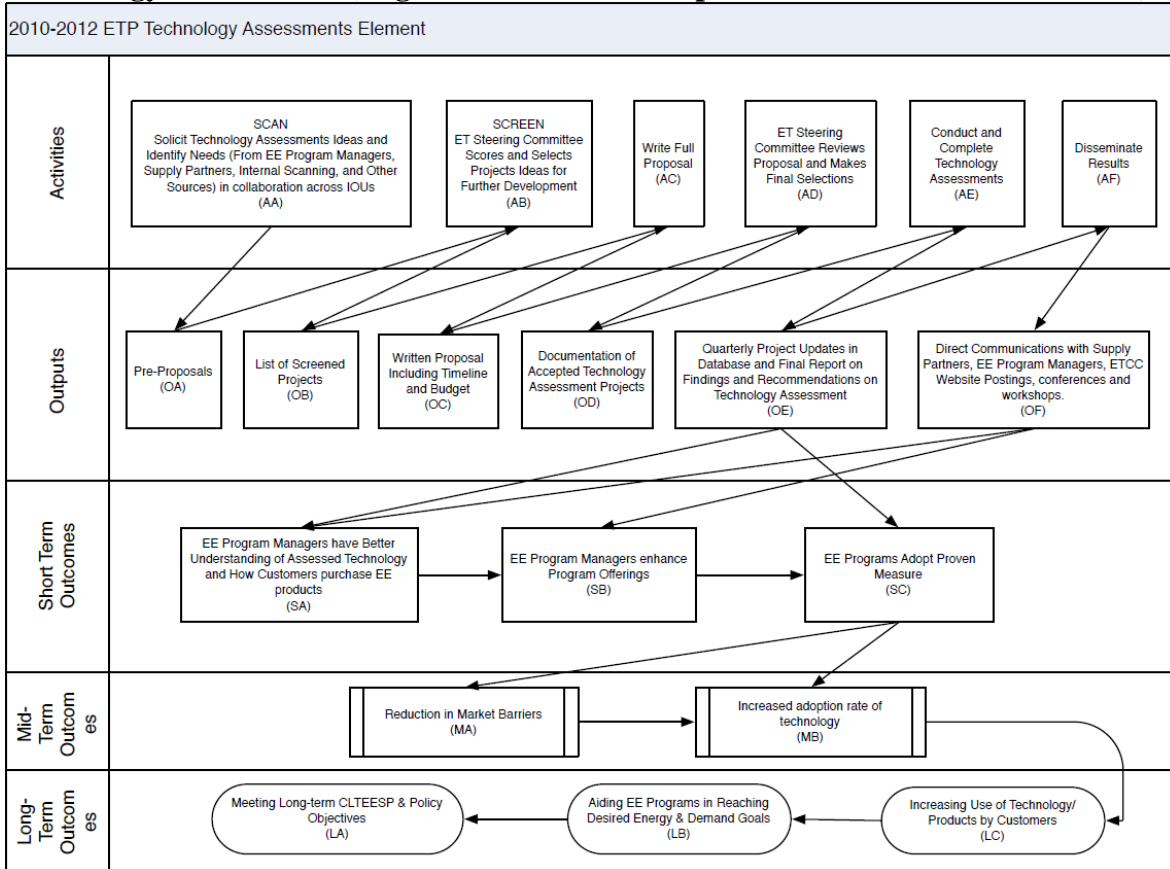
2013-2014 Energy Efficiency Programs Statewide Emerging Technologies Program Program Implementation Plan

ETP



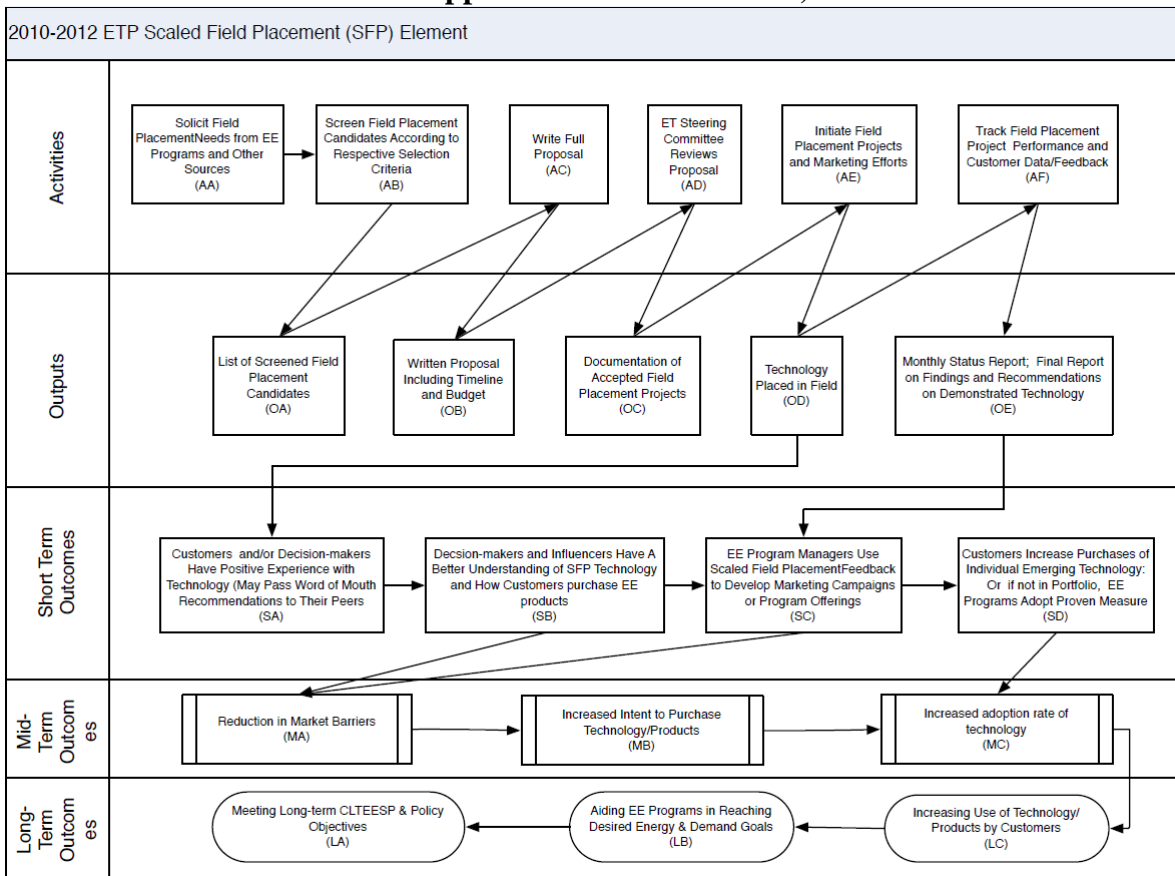
2013-2014 Energy Efficiency Programs Statewide Emerging Technologies Program Program Implementation Plan

Technology Assessments (Logic model to be developed at a later time for 2013-2014)



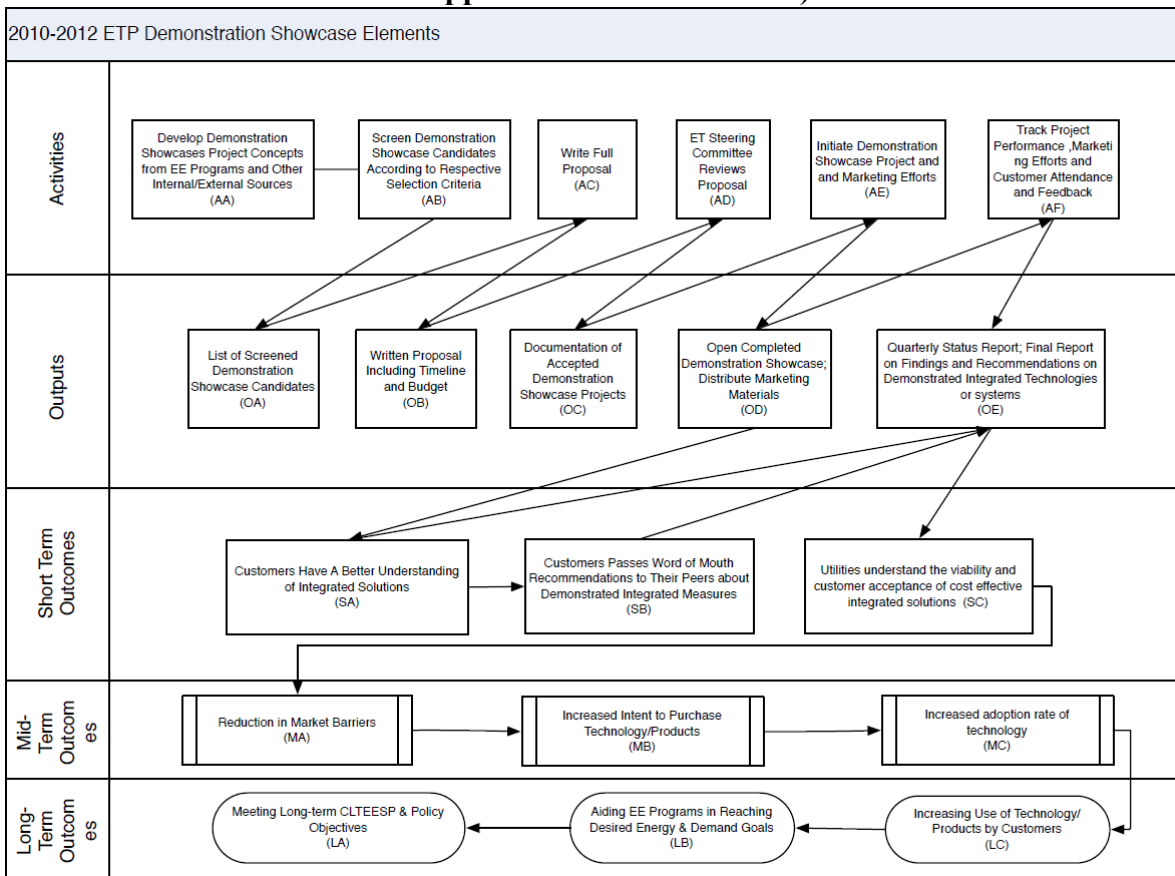
2013-2014 Energy Efficiency Programs Statewide Emerging Technologies Program Program Implementation Plan

Scaled Field Placements (2013-2014: No longer a sub-program; Changed to an “element” that can be used to support more than one Goal)



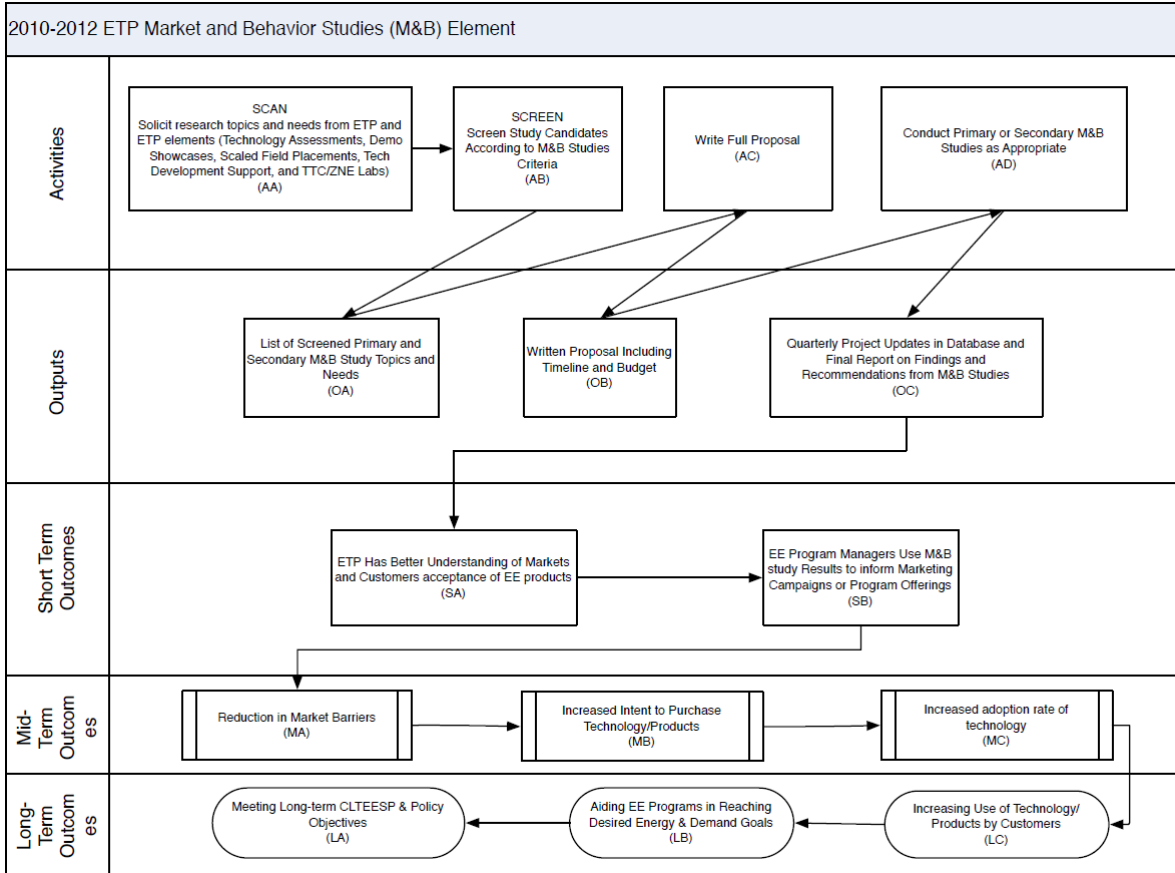
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Demonstration Showcases (2013-2014: No longer a sub-program; Changed to an “element” that can be used to support more than one Goal).



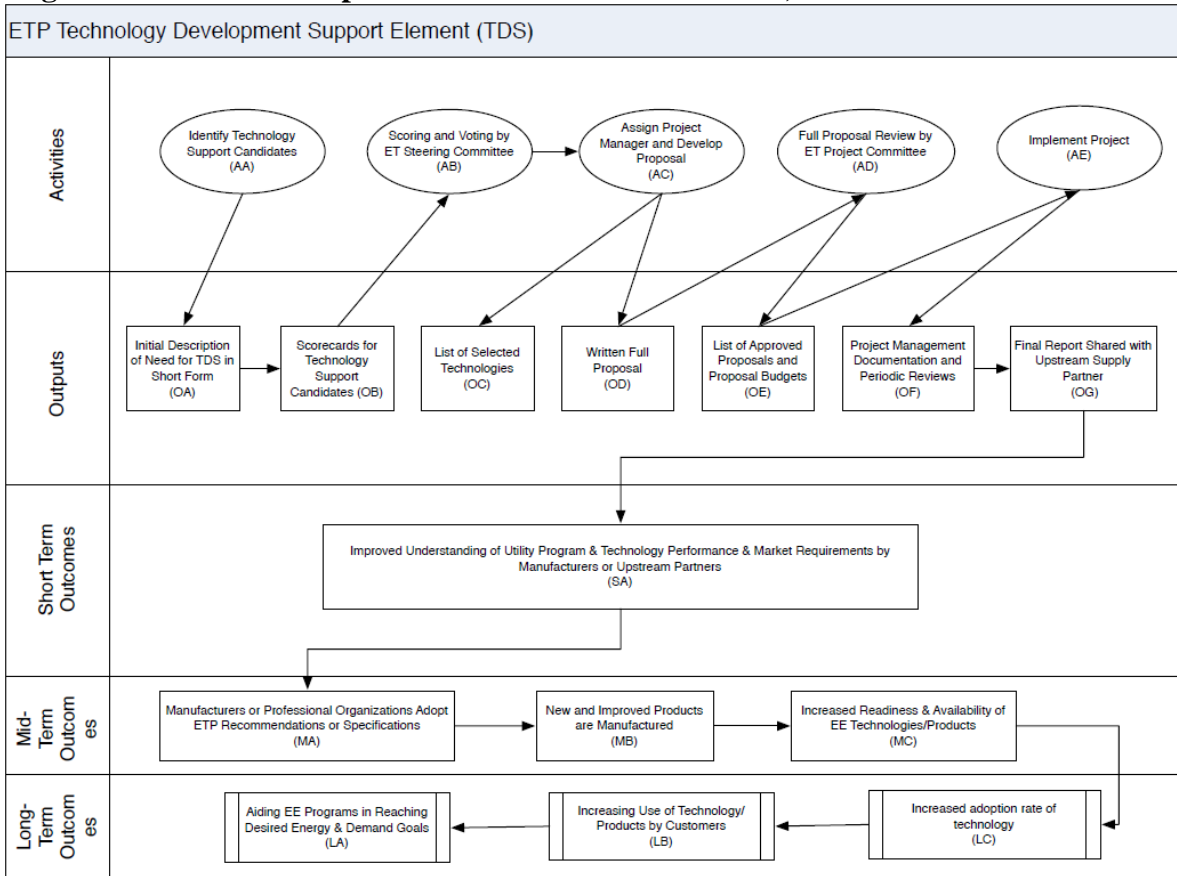
2013-2014 Energy Efficiency Programs Statewide Emerging Technologies Program Program Implementation Plan

Market and Behavioral Studies (2013-2014: No longer a sub-program; Changed to an “element” that can be used to support more than one Goal).



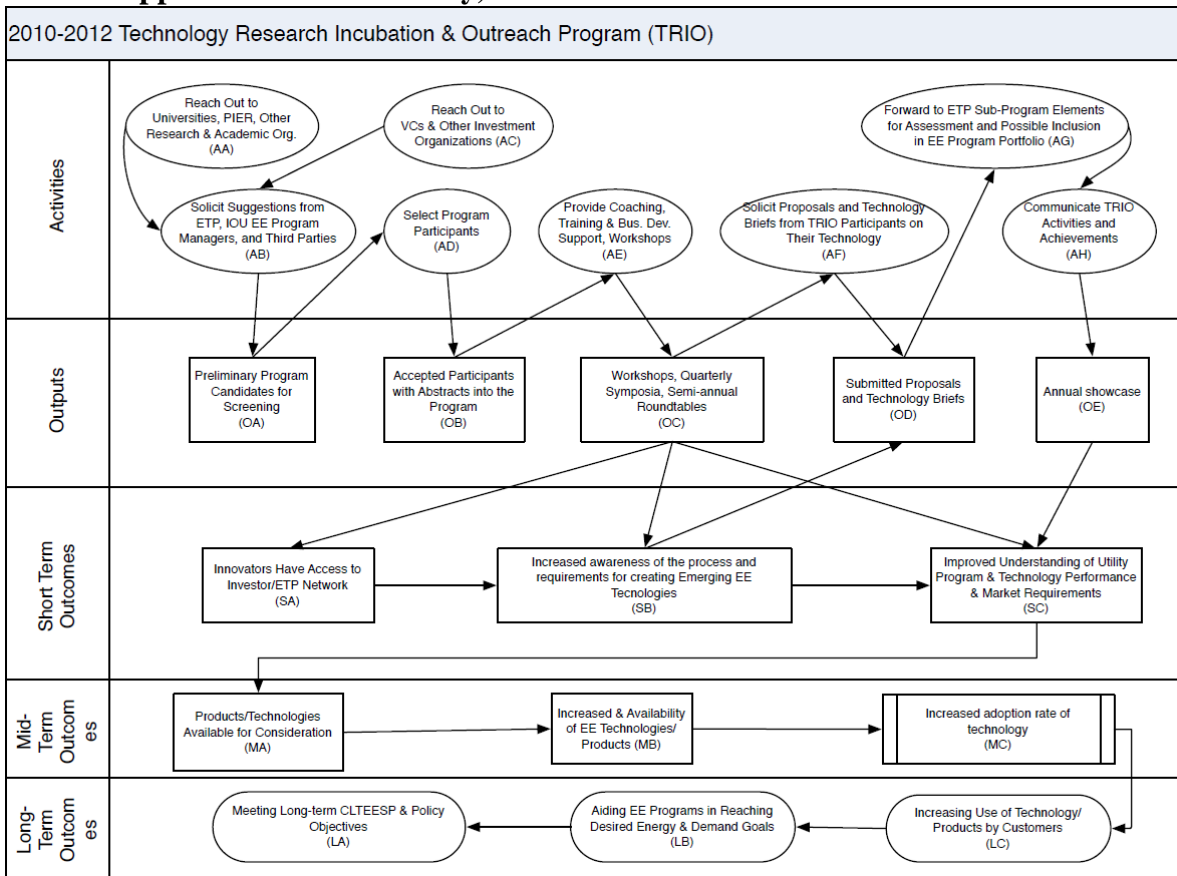
2013-2014 Energy Efficiency Programs Statewide Emerging Technologies Program Program Implementation Plan

Technology Development and Support (2013-2014: Merged into Sub-program #1. Logic model to be developed at a later time for 2013-2014)



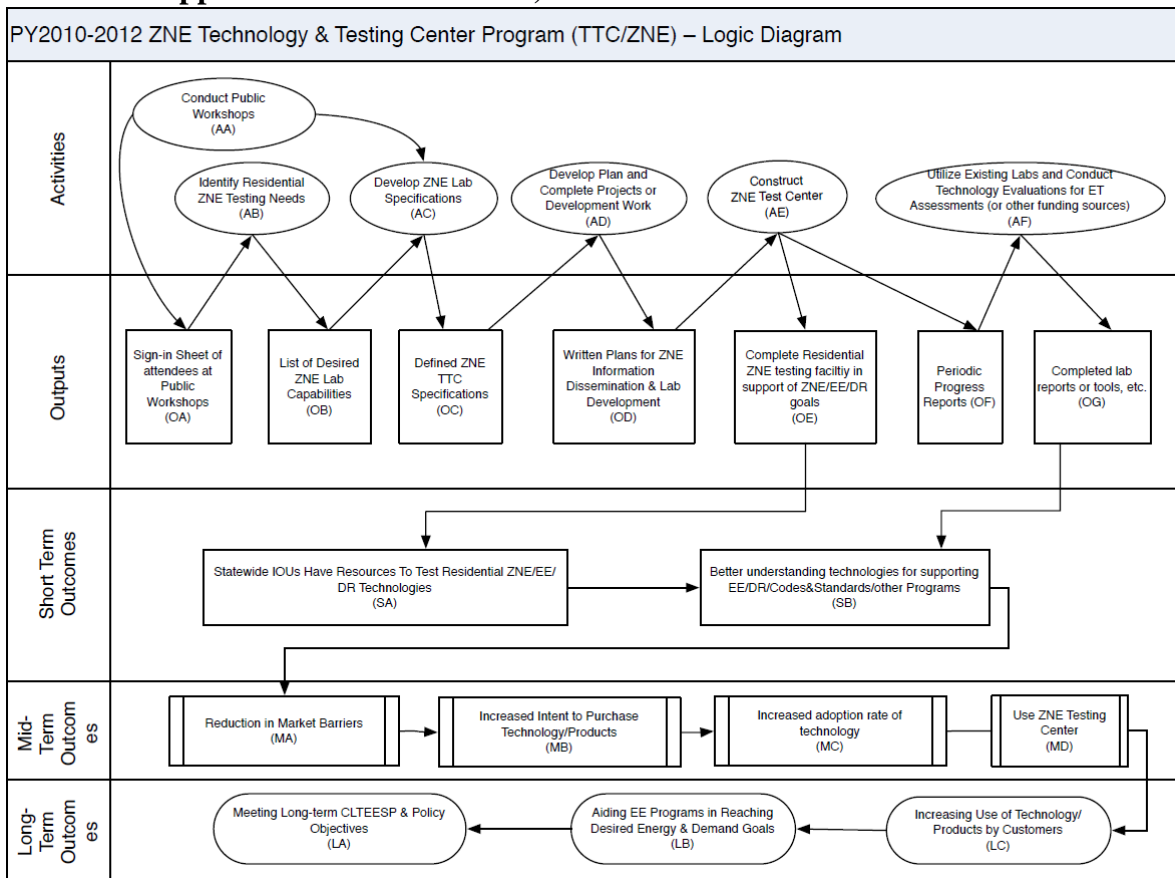
2013-2014 Energy Efficiency Programs Statewide Emerging Technologies Program Program Implementation Plan

TRIO (2013-2014: No longer a sub-program; changed to a “element” that can be used to support Goal #1- SCE only)



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TTC (2013-2014: No longer a sub-program; changed to a strategic resource that can be used to support more than one Goal).



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Attachment 1

ET Program 2013-2014 Planning Budget

Tables A and B below represent ETP’s Direct Implementation Budget Breakdown Per 2013-2014 portfolio guidance decision. The budget allocation will encompass both short-term and long-term focus activities. In general, activities under Technology Development Support are intended to support long-term focused efforts. Long-term efforts refer to efforts that are intended to yield result in three or more years. For the Technology Assessment and Technology Introduction Support, the allocation of budget is approximately 50% short-term and 50% long-term. For Technology Assessments of new advanced and/or unproven technologies versus emerging and/or under-utilized technologies, the program intends to allocate its budget equally to both categories of technologies.

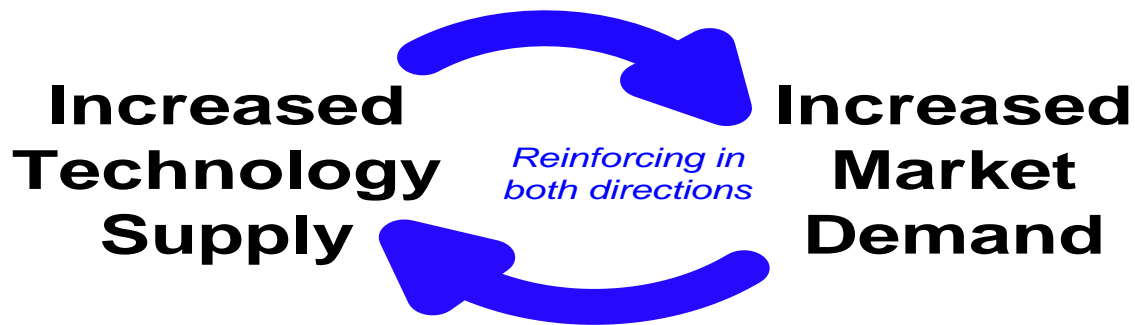
The information provided is for planning purposes only. Performance against budget allocations will not be tracked; however, reporting CPUC's ET database will be possible provided that capability is built by CPUC.

	Residential	Commercial	Industrial	Agricultural	Total
Technology Development Support	\$ 47,788	\$ 50,303	\$ 18,864	\$ 8,803	\$ 125,757
Technology Assessment Support	\$ 382,293	\$ 402,414	\$ 150,905	\$ 70,422	\$ 1,006,034
Technology Introduction Support	\$ 526,276	\$ 553,974	\$ 207,740	\$ 96,946	\$ 1,384,936
Total	\$ 956,356	\$ 1,006,691	\$ 377,509	\$ 176,171	\$ 2,516,727

	HVAC	Water Heating	Controls	Other	Total
Technology Development Support	\$31,439	\$31,439	\$31,439	\$31,439	\$ 125,757
Technology Assessment	\$251,509	\$251,509	\$251,509	\$251,509	\$ 1,006,034
Technology Introduction Support	\$346,234	\$346,234	\$346,234	\$346,234	\$ 1,384,936
Total	\$629,182	\$629,182	\$629,182	\$629,182	\$ 2,516,727

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Attachment 2



Activities Increasing Technology Supply

- **Basic Research (Not ET)**
 - Perform technology research
 - Fund universities and labs
- **Support Technology Development (ET)**
 - Provide /collect market intelligence
 - Access to testing facilities
 - Contacts for customer testing/feedback
 - Establish standard test procedures
 - Establish baseline performance levels
 - Access to utility personnel for input
- **Outreach (ET)**
 - General outreach efforts
 - Lend credibility to select companies/ technologies
- **FORESEEABLE market demand (ET collaborates w/ EE)**
 - Future codes/stds announcements
 - Communicate future rebate programs (w/specs)
 - Other future adoption incentives

Activities Supporting Increasing Market Demand

- **Assessments – reduce risk (ET)**
 - Work paper data
 - Software updates
- **Scaled Field Placements (ET)**
- **Demonstration Showcases (ET)**
- **Market and Behavioral Studies (ET)**
- **Rebate Programs (EE)**
- **Education / Training (EE)**
- **TOU Rates / Cost Incentives (Regulatory)**
- **Codes & Standards (Codes & Standards)**
- **Social “Green” Marketing (IOU or other)**

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Attachment 3

ETP Database Project Naming Convention

The ETP database project naming convention will be as follows:

ETYYUUUNNNN

YY is the project initiation or funding year (e.g., 13 for 2013)

UUU is a three- letter utility descriptor (e.g., SCE, PGE, SCG, SDG, SEM)

NNNN is a four-digit numerical identification code for the project assigned by the IOU.

- The first N is for Program Element (1-Technology Assessments, 7-Technology Development Support, 8-Technology Introduction Support)
- The second and third Ns are 01-99 project number sequence
- The fourth N is for project phase
- NOTE - 0 is considered the first phase

Example: ET13SCE1050 - This is a first phase 2013 Technology Assessments project with a project sequence number five.

Note that project names will be issued during or after the initial project screening.

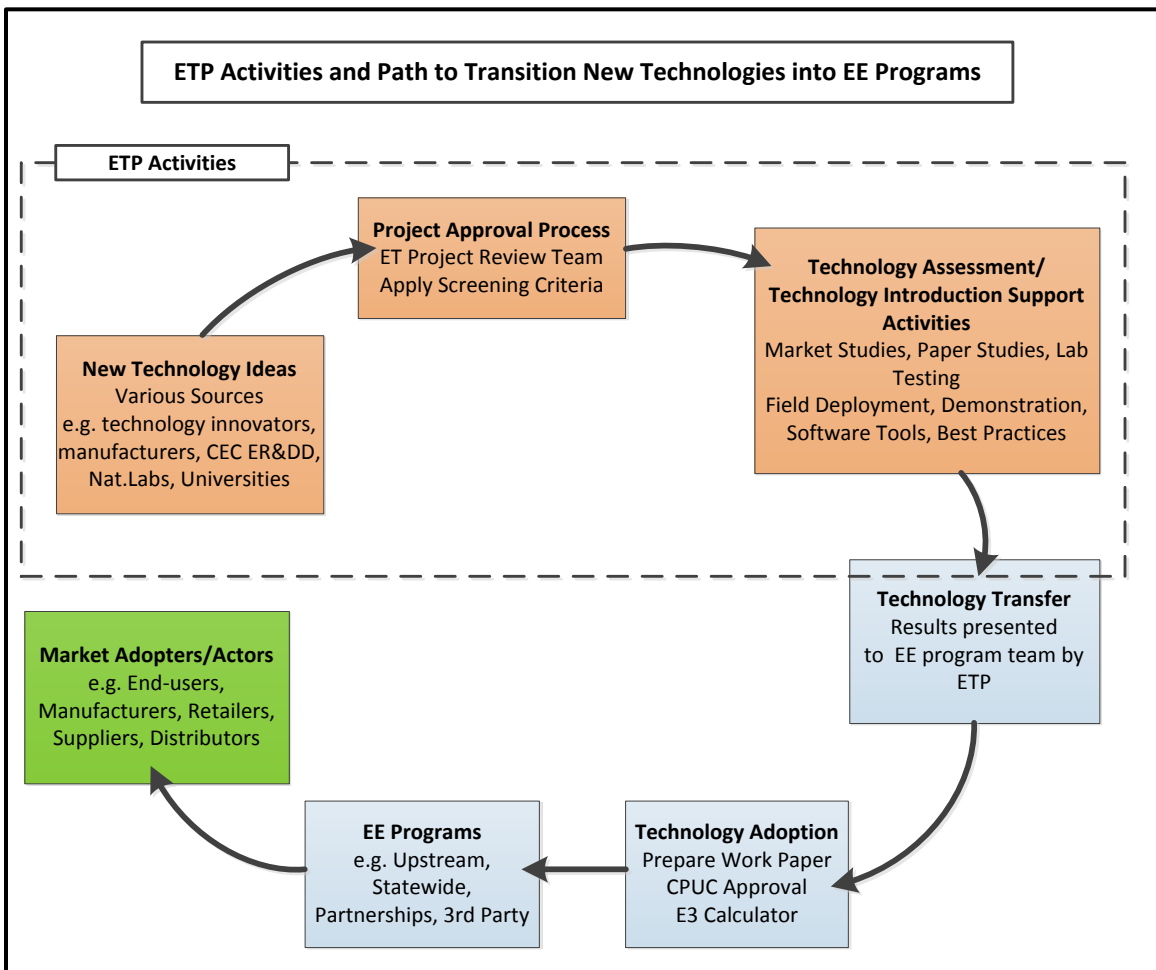
The data from these project databases will be extracted and sent to the CPUC under the same naming convention.

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Attachment 4

ETP Activities and Path to Transition New Technologies into EE Programs

The diagram below depicts the activities to transition new technologies into utility EE programs. These activities would help transition technologies from various sources, including national labs, universities, manufacturers and technology innovators. The initial review of a technology idea's viability as a rebated measure will be conducted by ETP staff. Following this initial review, ETP staff may determine that additional information is needed and undertake further studies and demonstrations as appropriate. After a technology meets the initial program requirements for rebates, further information must be gathered on the technology's energy savings performance in order to provide the CPUC-required Work Paper that will be used to support energy savings claims.



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Attachment 5

Supplemental TRIP Details

The intent of the TRIP program is to find, fund, and implement new energy efficiency (EE) or IDSM (combined Energy Efficiency and Demand Response*) emerging technologies that are discovered through the marketplace and Technology Resource Innovative Outreach (TRIO) activities.

The TRIP program will support the introduction of new measures and/or program approaches while supporting EE programs in achieving the CPUC's energy savings and demand reduction goals. The program aims to achieve greater market acceptance of new technologies through customer incentives, information/education, and technical assistance to help overcome market barriers.

The TRIP program will help meet ETP's goals by encouraging the introduction of new and emerging technologies through third party offerings. The tactic includes moving promising technologies into the commercial marketplace.

The targeted audience includes, but is not limited to, TRIO participants and other entities engaged by ETP. TRIO participants include entrepreneurs, third party vendors, investors, EE and DR technology companies, as well as universities. The goal is to leverage relationships through various ETP efforts to support a diverse and qualified set of bidders. The targeted audience also includes firms discovered through the marketplace and other IOU relationships.

The targeted audience will be added to a bidders list and notified through email. The release of the TRIP RFP will be made public on the IOU statewide solicitation website called PEPMA (Proposal Evaluation and Proposal Management Application). The targeted audience will also extend to pre-registered bidders of the PEPMA website who will be notified of a new solicitation posted.

Potential bidders will register through the PEPMA website if they haven't done so previously. Registration includes answering a series of questions and gives the potential bidder a user-name and password to access the competitive solicitation online. The evaluation process consists of two parts, threshold and weighted. Part 1 (threshold) will first evaluate the responsiveness criteria on a pass/fail basis. Proposals will be deemed non-responsive (fail) if they neglect to include all information as called for in the request for proposal (RFP). The proposals that receive a passing score in Part 1 will be advanced to Part 2. Part 2 is scored according to the criteria and weights listed below:

- The technical documentation is reviewed by SCG to determine whether the information meets the RFP requirements. SCG may provide notice to the Bidder of any technical deficiencies to be resolved by the Bidder within a predetermined time frame. Proposals with technical deficiencies that are not resolved by the

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Bidder within the predetermined time frame may be deemed technically non-responsive and will not be scored further.

- Each proposal is evaluated based on the information outlined in the table below.
- Proposals are then ranked according to their overall score. Criteria includes the following: 1) Approach to Work (35%), 2) Program Cost Effectiveness (30%), 3) Skill and Experience (25%), 4) Supplier Responsibility and Diversity (10%)

1. Approach to the Work– 35%
<p>In judging the Approach to Work of the Bidder, IOUs will evaluate, at a minimum, the following criteria:</p> <ul style="list-style-type: none"> • The individual components of the Program design (e.g., staffing plan, marketing plan effectiveness, work plan, and timeline, etc.) and how the components contribute towards the potential success of the implementation of the Program; • The Bidder’s overall understanding of what is required to accomplish the Program’s deliverables and goals; • The Bidder’s strategies to overcome market barriers and customer hurdles to installing Measures; and • The Program design incorporates one or more of the <u>five (5) Innovation categories</u> of the RFP and incorporates best practices.
2. Program Cost Effectiveness – 30%
<p>In judging the Program’s cost effectiveness IOUs will evaluate the first-year costs versus first-year energy savings, levelized cost, TRC, and PAC.</p>
3. Skill and Experience – 25%
<p>In judging the skill and experience of the Bidder, IOUs will evaluate, at a minimum, the following:</p> <ul style="list-style-type: none"> • That the Bidder has successfully (based on goals and budgets versus actual results) implemented a Program with similar breadth and scope (same end-uses and technical skill set); • The degree to which the Program concept and implementation have been successful in the past; • The team’s overall relevant experience; and • The team has identified and presented the required licenses, insurance, and financial information required to complete the Work.
4. Supplier Responsibility & Supplier Diversity– 10%
<p>Bidders to provide documentation of their policies, programs, and performance reports that support supplier responsibility, including the following:</p> <ul style="list-style-type: none"> • Supplier Diversity program (i.e., women, minority and disabled veteran-owned business enterprises) • Safety policy and management program • Injury and Illness Prevention Plan • Environmental policy and management program • Ethics and Compliance or Code of Conduct policy statement

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The awarded TRIP Programs will be administered by the utility's EE program management staff that oversees the implementation of third party programs. TRIP Programs will follow standard Third Party Program Policies and Procedures manual given to all third party implementers.

IOUs will shift funds into the appropriate third party program area and that program area will claim the savings.

SCG is estimating the budget for successful bidders is not projected to exceed \$300K, contingent upon budget availability.

If incentives are awarded the determination of customer incentive levels will vary depending on the technology. Customer incentives are generally consistent with like measures offered through the statewide programs. IOUs will consider the cost effectiveness of the measure and the overall program in determining a customer incentive level. Customer incentives are paid after the measure is installed.

The TRIP program focuses on market introduction of new and emerging technologies as part of the statewide ETP activities. The administration of TRIP-third party programs will be managed by program staff that is most familiar with managing third party program implementers. The proposed budget for the TRIP activities is contained within the ETP.

*All DR activities are funded through a separate DR budget.

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Attachment 6

Supplemental Plug Load Activity Details

During the 2010-2012 program cycle the ET Program (ETP) engaged in various whole-building efforts that demonstrated how integrated building design is conducted. These efforts included collaborating on such projects as the Demand Response's Emerging Markets & Technology Program, the U.S. Department of Energy's (DOE) Irvine Smart Grid Project, and included several EE programs such as SCG's Sustainable Communities Program, and the Office of the Future. In 2013-2014, ETP will continue to develop these and other whole-building efforts that support deep energy reduction goals as described in the Strategic Plan.

Central to whole-building efforts is the need to address all cost-effective measures including plug-loads, behavior, energy/load management strategies, and HVAC, among others. In collaboration with various stakeholders, the Program will continue to address plug loads from both an energy efficiency and an energy management perspective. For example, SCG will work closely with the UC Irvine Plug Load Center to identify how to improve the efficiency of residential plug loads, identify innovative ways to manage stand-by power consumption, and minimize customer impacts. An effective strategy will require close coordination of all stakeholders, including the electronics industry, the DOE, the UC Irvine Plug Load Center, the Codes and Standards program, the California Energy Commission, and IOU incentive programs.

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Attachment 7

Residential and Commercial Roadmap Details

The intent of the residential and commercial roadmaps is to outline steps that ETP can take to advance CEESP objectives. The scope of work for the roadmaps has not yet been developed, but will likely include research and alignment with applicable past efforts, such as market research and saturation studies. There will be close coordination with all relevant current and planned efforts, internal or external to IOUs efforts (e.g., the 2013-2014 market assessments that will be planned through the joint ED/IOU EM&V group). A market actors study is currently under way and expected to conclude in early 2013. This study will be used to identify key stakeholders in Research, Development, Demonstration, and Deployment (RDD&D) that can be engaged during the process of developing the roadmaps.

The statewide ET Program expects that the development of roadmaps will require close coordination with other similar planned or ongoing efforts that EE programs, regional players, and/or stakeholders are involved in. ETP envisions the following timeline for the development of the budget and scope:

- 1) Develop general scope and solicit bids - Q1 2013
- 2) Review bids and award - Q2 2013
- 3) Roadmap activities - Q2 to Q3 2013
- 4) Complete work by Q4 2013

A final budget will be determined in conjunction with finalizing the scope of work. It is estimated that funding for these efforts will be in the range of \$100K to \$300K.

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- 1. Program Name:** Statewide Codes and Standards Program
Program ID: SCG3724 – C&S-Building Codes & Standards Advocacy
 SCG3725 – C&S-Appliance Standards Advocacy
 SCG3726 – C&S-Compliance Enhancement
 SCG3727 – C&S-Reach Codes
 SCG3728 – C&S-Planning Coordination

Program Type: Statewide Core Program

2. Projected Program Budget Tables

Table 1: Total Projected Program Budget by Category

Program #	Main/Sub Program Name	Administrative Amount	Marketing Amount	Direct Implementation Amount	Incentive Amount	Total Program Budget Amount
	SW Codes & Standards Program					
3724	SW C&S-Building Codes & Compliance Advocacy	\$41,040	\$0	\$376,212	\$0	\$417,252
3725	SW C&S-Appliance Standards Advocacy	\$32,403	\$0	\$300,370	\$0	\$332,773
3726	SW C&S-Compliance Enhancement	\$47,573	\$0	\$451,554	\$0	\$499,128
3727	SW C&S-Reach Codes	\$16,287	\$0	\$153,365	\$0	\$169,652
3728	SW C&S-Planning Coordination	\$25,146	\$0	\$230,277	\$0	\$255,423
	TOTAL:	\$162,450	\$0	\$1,511,778	\$0	\$1,674,228

3. Projected Program Impacts Tables

Table 2: Total Projected Program Savings by Subprogram

2013-2014 MTherms	Building Codes Advocacy	Appliance Standards Advocacy	Compliance Improvement	Reach Codes	Total
Gross	8.09	3.81	0.50	0.24	12.64
Net	4.01	1.52	0.24	0.17	5.94

The table reflects data from the Navigant Potential Study which provides an update to the forecasted savings for Title 24 building codes attributable to the Investor Owned Utility (IOU) Codes and Standards (C&S) advocacy programs, based on more recent construction data provided by the California Building Industry Association (CBIA).

The projected therm savings for SCG do not include the negative therm interactive effects from C&S electric measure savings claimed by SCE, SDG&E, and PG&E in their territories that overlap SCG's service territory.

- 2003 Title 24 (Building regulations adopted in 2003 and effective in 2005, we have previously referred to these as 2005 Title-24.)
- 2004 Title 20 (Appliance regulations adopted in 2004 and effective in 2006, 2007 or 2008, we have previously referred to these as 2005 Title 20.)
- 2006 Title 20 Tier II Lighting (Adopted in 2006, effective in 2008.)
- 2008 Title 24 (Adopted in 2008, effective in 2010.)

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- 2008 Title 20 (Lighting standards adopted in 2008, effective in 2010, 2011, 2012, and 2013.)
- 2009 Title 20 (Television standards adopted in 2009, effective 2011 and 2013.)
- 2011 Title 20 (Battery charger standards adopted 2012, effective 2014.)
- Various Federal appliance standards (motors, vending machines, commercial refrigeration, ASHRAE products, etc.)
- 2013 Title 24 (Building regulations adopted in 2012, effective 2014.)

Table 2 savings are calculated from the sum of first-year gross savings from each CEC proceeding in 2009, 2010, and 2011. Gross savings are calculated from projected statewide installations, compliance, energy use baseline, and unit energy savings, prior to correcting for naturally occurring market adoption and attribution.

4. Program Mission

The Codes and Standards (C&S) program saves energy on behalf of ratepayers by influencing continuous improvements in energy efficiency regulations, improving compliance with existing codes and standards, and working with local governments to develop ordinances that exceed statewide minimum requirements. Both the C&S program advocacy and compliance improvement activities extend to virtually all buildings and potentially any appliance in California.

The C&S program conducts advocacy activities to improve building and appliance efficiency regulations. The principal audience is the California Energy Commission (CEC) which conducts periodic rulemakings, usually on a three-year cycle (for building regulations), to update building and appliance energy efficiency regulations. C&S also seeks to influence the United States Department of Energy (DOE) in setting national energy policy that impacts California.

In some cases we may seek to influence the state legislature and other state agencies like California Air Resources Board (CARB) to influence policy regarding buildings and appliances. We may explore ways to influence the US Congress outside the traditional means of negotiating through Federal partners such as American Council for an Energy Efficient Economy (ACEEE) or Appliance Standards Awareness Project (ASAP).

Codes And Standards Enhancement (CASE) studies, focused on energy efficiency improvements, are developed for promising design practices and technologies and presented to standards- and code-setting bodies. Advocacy also includes affirmative expert testimony at public workshops and hearings, participation in stakeholder meetings, ongoing communications with industry, and a variety of other support activities.

The program participates in DOE proceedings and legislative negotiations leading to federal regulations that are passed through to California; in particular, Title 20 appliance efficiency regulations that are the same as Federal regulations.

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Following adoption, C&S supports compliance improvement with both Title 24 building codes and Title 20 appliance standards. Compliance improvement activities complement the advocacy work by maximizing verified savings from codes and standards that are realized and persist over time. The Compliance Improvement subprogram targets market actors throughout the entire compliance chain, providing education, outreach, and technical support and resources to improve compliance with both the building and appliance energy standards. Compliance improvement responds to the CPUC's interest in robust implementation of existing standards and support for the California Long Term Energy Efficiency Strategic Plan's HVAC Big Bold strategies.

The program carries out strategic activities that support or shape future codes and standards. In addition to mandatory minimum-level codes, the C&S program advocates for the development and implementation of "reach codes" that exceed minimum state code requirements and may be adopted by local jurisdictions or agencies. The program monitors and/or participates in a wide range of activities or proceedings that have direct or indirect impacts on California regulations including, but not limited to American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE), international activities involving Europe, Asia, Canada, and Australia, voluntary standards such as green building codes, and ratings organizations such as the Cool Roof Rating Council (CRRC), National Fenestration Rating Council (NFRC), and the United States Green Building Council (USGBC). Additionally, the program intervenes in Energy Star and other voluntary activities, as necessary, to shape future regulations or support coordination with voluntary programs.

The new Planning and Coordination subprogram expands the coordination role of the C&S program in the market adoption cycle for energy efficiency technologies and practices. As many of the measures offered through voluntary programs are adopted into the standards, C&S will coordinate both internally and externally to support a dynamic approach to portfolio planning with the objective of accelerating market acceptance and ultimately the adoption of successful, cost-effective technologies or practices into code. C&S will directly support the goals and objectives of both the CA Long Term Energy Efficiency Strategic Plan and the Codes and Standards Action Plan currently under development, subject to budget constraints.

A glossary of acronyms used in this document is provided at the end of the document.

5. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Information

Program Performance Metrics (PPMs)

The IOUs have evaluated 2010-2012 PPMs in Resolution E-4385 for applicability to the 2013-2014 program cycle and propose to work collaboratively with Energy Division to develop revised program targets and PPMs as appropriate for the 2013-2014 program cycle. The IOUs' will propose revisions in an advice letter, per additional guidance from Energy Division.

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Table 3.1: Short-Term PPMs

On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. The Commission gave each PPM a metric type which indicated the reporting frequency: Metric type 2a indicates that the IOUs should report on the metric on an annual basis (unless indicated otherwise). Metric type 2b indicates the IOUs should report on the metric at the end of the program cycle.

Below are the approved PPMs and metric types for the Codes and Standards Statewide Program (Resolution E-4385, Appendix A):

SW PROGRAM/ Sub-program	PROGRAM PERFORMANCE METRIC (PPM)	Metric Type
CODES AND STANDARDS		
<i>Building Standards Advocacy</i>	1. Number of Residential and Commercial CASE studies, as defined in Building Standards Objectives 1 & 2 for which adoption by the CEC is anticipated by the IOUs, targeting efficient technologies practices and design in each of the following areas: lighting; HVAC; envelope; water heating; and cross-cutting measures in support of the following: (a) Integrated Design, including data management and automated diagnostic systems, with emphasis on HVAC aspects of Whole Building, (b) ZNE technologies, practices, and design in Residential Sector, (c) Peak efficient technologies including plug loads and HVAC technologies, (d) Advanced Lighting Technologies	2b
<i>Appliance Standards Advocacy</i>	1. Number of draft CASE Studies, as defined in Appliance Standards Objective 1, developed as mutually agreed upon by the CEC and IOUs in support of plug loads, refrigeration, advanced lighting, and/or other technologies that are adopted by the CEC, within authorized budget.	2b
<i>Compliance Enhancement</i>	1. Number of role-based, Title 24, training sessions delivered.	2a
<i>Reach Codes (RC)</i>	1. Number of jurisdictions in IOU Service territories with CEC approved Reach Codes in residential and/or commercial sectors as a result of the RC sub-program activities.	2b

Table 3.2 Long Term PPMs

SoCalGas includes long term PPMs¹ per Energy Division guidance received in December 2012. As stated in the Joint Utilities' comments to the Commission in R. 09-11-014 dated November 21, 2011, and discussed between IOUs and ED on January 9,

¹ From the Energy Division's file "Revised MTIs_10 27 11-formal-release-ED-May-2012.xlsx"

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2013, IOUs plan to finalize long term PPMs in further discussions with involved stakeholders and propose updates to Energy Division at a later date.

MTI Index#	RE-CATEGORIZED Metric (LTPPM - or SPI) [E-4385 Appendix B original text except for noted edits]	Unresolved Issues
CS-2	<p><u>MT Indicator 2:</u> Number of utility incentivized EE measures that become part of the following code cycle (e.g. measures incentivized in 2006-2008 would be part of 2011 or 2014 code) targeting the following:</p> <ul style="list-style-type: none"> a. Advanced climate-appropriate HVAC technologies (equipment controls, including system diagnostics) b. Whole Building approaches in Commercial buildings c. Whole House approaches in Residential homes d. Advanced Lighting e. High efficient peak reduction technologies including plug loads f. Other categories 	May want to consider simplifying to track specifications of OIU rebated measures that become part of code not specific measures. (i.e. "Number of new measure codes that have the same specifications as incentivized EE Measures")
CS-5	<p><u>MT Indicator 5:</u> Percent of building departments (jurisdictions) that adopt and use tools identified as industry best practices to improve permit application, tracking, and inspection processes and increase regional consistency.</p>	
CS-8	<p><u>MT Indicator 1:</u> Number and percent of eligible jurisdictions participating in the compliance enhancement program</p>	

b) Market Transformation Information

Market Transformation Indicators (MTIs)

Per Resolution E-4385, a subset of market transformation indicators (MTIs) for statewide energy efficiency programs and subprograms were presented at a public workshop on November 7, 2011, to allow for public comments and discussion before being finalized. Per guidance from Energy Division received in December 2012, the approved Market Transformation Indicators for 2013-2014 are filed as a Joint IOU matrix, included as Appendix F.

c) Program Design to Overcome Barriers

The statewide Codes and Standards Program has five subprograms including:

- i.** Building Energy Codes Advocacy
- ii.** Appliance Standards Advocacy
- iii.** Compliance Improvement
- iv.** Reach Codes
- v.** Planning and Coordination

Building Code and Appliance Standards Advocacy Subprograms

Codes and standards advocacy comprises a portfolio level strategy that complements incentive and information offerings in several ways. Since IOU incentive and rebate

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programs typically capture only a small percentage of the market, a transition to regulatory intervention is essential to maximize portfolio energy savings. This transition to code causes a once high-margin product to become an industry standard; thereby reducing the overall cost to society for energy efficiency. This commoditization effect, in turn, spurs innovation for new high-margin products since most manufacturers and other industry practitioners seek to compete in part on high-margin differentiated products.

As involuntary interventions, codes and standards are effective at breaking down market barriers such as split incentives between building owners and tenants that are difficult to overcome through incentive and information programs. Minimum code requirements direct consumers', builder's and renovation contractor's choices of materials and appliances to higher efficiency products, thereby reducing monthly energy bills to tenants. Regulations also improve equity in benefits from IOU customer investments in energy efficiency through rates. Through codes and standards, positive changes initiated through voluntary programs targeting early adopters are extended to all customers. Hence, hard-to-reach groups that do not participate in voluntary offerings benefit through codes and standards.

Baselines for building and appliance advocacy activities are developed in two ways. If the objective of a code proposal is to update an existing standard, the baseline is simply the existing standard. If the objective is a new standard, which expands the scope of building or appliance efficiency regulations, the baseline is established through market characterization studies prior to or during the development of the CASE study unless a recent preexisting market characterization study can be found. Hence, baselines for new standards often do not exist until a draft CASE study is complete.

IOU support for recent CEC code upgrade cycles – in particular, the 2003, 2004, 2006, and 2008 CEC proceedings – for new building codes and appliance standards has significantly increased the rate of change in regulations compared to previous code cycles. Moreover, the scope of regulations has grown to include Title 24 alterations for measures such as duct sealing when replacing HVAC system components, and numerous appliances have been added to Title 20. These changes have created a significant need to support the successful implementation of the standards by improving industry awareness and understanding of California regulations.

As compliance improvement efforts are carried out to improve the rate-of-compliance - with building codes or appliance standards, the benefits of the increase in compliance are captured in the Advocacy subprogram savings, as part of the verified C&S program energy savings. Determination of compliance improvement savings requires that program savings be recalculated periodically based on recurring CPUC evaluations of compliance rates.

Compliance Improvement (CI) Subprogram

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Compliance improvement is increasingly important to the energy efficiency industry in California. Having supported the commercialization of efficient technologies and practices through IOU incentive and rebate programs, achieving satisfactory compliance is a crucial requirement for capturing market change for the long-term benefit of society. Broad compliance is necessary to level the playing field for well-intentioned suppliers and contractors who are otherwise faced with a competitive disadvantage when complying with regulations. Greater compliance strengthens voluntary program baselines, provides a solid foundation for future robust advocacy efforts, and improves throughput of California's energy efficiency industry by removing an industry bottleneck.

The primary barriers to compliance with the building standards include the complexity of the standards and limited resources available for enforcement by local governments and the CEC. Although education and training are not substitutes for enforcement, they increase compliance rates by generating awareness and improving understanding of regulations, and by equipping key market actors in the compliance supply chain with the tools and knowledge necessary for compliance. The CI subprogram will offer training and resources to market actors throughout the compliance delivery chain, which may include, but is not limited to energy consultants, building department staff, contractors, and design professionals.

In addition, the CI subprogram will work with local government and other industry partners to provide technical support and other resources, such as process improvement tools. The CI subprogram will document best practices and lessons learned from the Best Practices study completed in 2012, and will work with California Building Officials (CALBO), CEC, and local government partners to encourage other jurisdictions to adopt successful practices and tools identified during the pilot project. By encouraging more jurisdictions to use the same or similar processes, tools and forms where possible, compliance will be simpler for market actors, as enforcement will become more consistent.

The CI subprogram supports proactive building departments that seek general improvements to operations and compliance improvement processes. The rationale is based on the recognition that building departments are facing increased economic pressures and resource constraints, with no reduction in the required workloads. Given that this trend is unlikely to change in the near future, utility assistance in improving the efficiency of building department enforcement processes will effectively provide the jurisdiction with more resources to increase compliance rates. The CI subprogram will identify and create tools to help optimize existing processes and simplify enforcement and work with staff to test and modify the tools as necessary. Tools might include, but are not limited to, electronic forms, tracking software, or implementing online permitting and payment methods.

In addition to supporting the CPUC's impact evaluation, which will involve establishing compliance rates as part of advocacy subprograms, the IOUs will

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document training and other efforts employed, administer pre- and post-tests to gauge training participants' knowledge swing, and gather and measure implementation of best practices study recommendations in participating building departments.

Reach Codes (RC) Subprogram

The RC subprogram will focus primarily on developing and/or supporting the development of reach codes, or locally adopted ordinances, that exceed statewide minimum requirements. Reach codes are typically codes adopted by local governments and provide a means to test new codes as well as testing the efficacy of increasing the stringency of existing codes at a local level prior to disseminating the code on a statewide basis. Each jurisdiction's experience with local codes can be used to inform the state's process by documenting both the successes and barriers faced for both adoption and implementation. The RC subprogram will encourage local governments to first optimize compliance with existing codes, and will provide training and resources where applicable.

The IOUs have worked with local jurisdictions (cities, counties, school districts, colleges and universities, etc.) to implement a more coordinated approach to development and implementation of local ordinances to minimize market actor confusion. In addition, IOUs have and will continue to promote regionally consistent ordinances where possible to reduce the duplication of efforts that results when individual government entities develop the language and technical supporting documentation independently. This duplication can even occur in regional government organizations whose geographical boundaries aren't consistent with the CEC's climate zone designations. Lastly, coordinated development provides better staging for statewide adoption, leverage for local jurisdictions to encourage adoption, and increases the likelihood of adoption and compliance.

Working with local jurisdictions and other market actors, the IOUs will develop a package of climate-zone based reach codes for new construction as well as some existing buildings. The IOUs will continue to work closely with the CEC to expedite the CEC review and approval process and to drastically reduce local government development costs and facilitate subsequent adoption of the code(s). Reach codes may also include codes targeting government-owned buildings or particular activities such as commissioning.

The main enabling assumption for the RC subprogram is a continuation of the CPUC policy directive that allows constituents in jurisdictions with local ordinances to participate in voluntary programs without being classified as free riders. The CPUC, along with utilities and local governments recognize that this policy is necessary, especially in light of the long-term strategic policies that must be implemented to reduce California's Green House Gas (GHG) emissions sufficiently to meet statewide reduction goals as set forth by AB32. Otherwise, the effective result "punishes" innovators and market leaders by eliminating access to incentive and rebate programs to assist these leaders in achieving additional energy savings. In most cases, reach

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codes are adopted based upon the expectation of continuing eligibility for incentives and rebates.

The program assumes that citizens of a jurisdiction or agency that passes a reach code continue to be deemed eligible participants in incentive and rebate programs administered under the auspices of the CPUC, consistent with the treatment of California-owned buildings responding to Governor's Executive Orders (S-20-04 and B-18-12) requiring state buildings to reduce energy usage by 20% by 2015. This interpretation can set up a positive energy efficiency feedback loop wherein participation in incentive and rebate programs increases because of the reach code, and the availability of incentives and rebates to assist code compliance encourages more local governments to adopt a reach code.

Baselines

For new construction (including renovations, additions, and replacements) reach codes, the IOUs assume Title 24 as the baseline. A Title 24 baseline provides a conservative savings estimate, is consistent with new construction incentive programs, and eliminates any potential overlap with the Compliance Improvement savings claims.

Time-of-Sale (TOS) reach codes for existing buildings assume that no energy actions are undertaken absent the code. There are currently only two TOS codes that the program is aware of in California. The scopes are both very limited, and in at least one case, the code is not routinely enforced. Therefore, assuming that building owners do not undertake any energy efficiency retrofits at TOS absent a specific requirement is a reasonable assumption consistent with the rationale for the proposed new construction reach code baseline.

Enabling assumptions include a "shared savings" claim mechanism for attributing savings impacts resulting from reach codes. In a jurisdiction with a reach code, savings resulting from participants in the relevant incentive or rebate program (new construction or retrofit) will be claimed by that program, consistent with current practice. Savings resulting from completed projects that do not participate in an incentive or rebate program will be claimed by either the Codes and Standards or Government Partnership programs if one is extant.

In addition to local governments, various agencies such as school districts, colleges, universities, and industry groups are adopting reach-code policies. Examples include:

- CHPS (Collaborative for High Performance Schools) as adopted by school districts
- Green building requirements adopted by the UC, CSU, and community college districts
- LEED and GreenPoint Rated as adopted by various agencies, builders and jurisdictions
- ASHRAE Standard 189: High Performance Green Buildings, is expected to be adopted by agencies and local jurisdictions

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In many cases, the IOUs were involved in the development, adoption, and deployment of these reach code programs. The primary intent of the IOUs involvement was to increase participation in EE programs. The impact of these programs needs to be recognized in the evaluation process as they tend to raise the baseline for code compliance for program participants and non-participants. For example, the baseline for schools in a district with a CHPS policy resolution may have a much higher efficiency baseline as a result of the efforts of the IOU from participation in both the Savings By Design program and CHPS even though there was no legal requirement to exceed the code.

Going forward, the C&S program will be working on the development of new and updated reach code rating systems, standards, guidelines, most of which be based upon the new Title 24 standards. These reach codes are expected to be adopted and implemented with the support of the C&S program by various agencies, institutions, and building associations. Although there have been cases where the mere adoption of reach code programs have little to no impact, there have been a number of cases where significant savings have been verified.

Examples of where verification processes are in place include the CHPS Verified program and the CHPS deployment at Los Angeles Unified School District (LAUSD). The CHPS Verified program (http://chps.net/chps_schools/Verified.htm) provides project review, design review, and construction review of school projects to verify compliance with CHPS requirements. This is a fee-for-service program that provides a rigorous review of the project prior to Department of State Architect (DSA) plan review which generally results in the overall reduction in time and cost for the school design and construction process. In the case of LAUSD, the District worked with consultants (including Global Green) to integrate CHPS into their internal quality assurance process that involved the design teams and all LAUSD design, construction review, and maintenance and operations staff. The C&S program proposes to review these and similar compliance improvement programs and processes and will implement them accordingly to maximize the energy savings associated with the reach code programs.

To the extent that the C&S program is able to increase compliance with these reach code programs, the resulting savings should be reflected in buildings that result in above-code performance. In addition, to the extent that the IOUs were and will be involved with the development and deployment of these reach-code programs, the energy savings should be treated similarly to the reach code ordinances adopted by local government jurisdictions.

Based upon precedents that allow eligibility for above-code incentives for state and federal agencies with executive orders (e.g., Governor's Executive Order (S-20-04, recently replaced by B-18-12) requiring state buildings to reduce energy usage by 20% by 2015) for mandatory above code construction of their buildings, the IOUs propose continuing the policy of treating these reach code policies in a similar manner.

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Planning and Coordination Subprogram

The ambitious goals set by the CPUC and CEC require the participation of many different entities. Without proactive coordination, it will be difficult if not impossible to fully realize the savings from the C&S program activities as well as other programs. The C&S program will facilitate coordination and develop and implement a strategic vision to promote and advance cost-effective technologies.

The Planning and Coordination subprogram will work with the CEC, CPUC, emerging technologies, as well as voluntary programs to create a strategic approach for key measures and technologies in support of the Zero Net Energy (ZNE) and other policy goals. For those key technologies, the C&S program will strive to work with other programs to commercialize them for adoption into a relevant code or standard.

The Planning and Coordination subprogram will also work with other programs and market actors to improve code compliance, conduct more outreach and solicit additional input on code enhancement proposals from impacted industries. As part of the expanded outreach and communications efforts, the C&S program will establish and maintain a codes and standards collaborative, and will continue to facilitate the Compliance Advisory Group. In addition, the C&S program will maintain regular contact with state and federal code-setting agencies to minimize duplication of efforts and coordinate activities.

d) Advancing Strategic Plan Goals and Objectives

Through the C&S program, SoCalGas, SDG&E, SCE and PG&E will combine advocacy, compliance improvement and reach code development efforts to meet the codes and standards goals defined in the Strategic Plan in Section 7. Please see Section 6 for the specific action strategies the IOUs will employ in order to meet the Strategic Plan's codes and standards goals.

Due to the long code upgrade cycle, the process of developing CASE and research studies may extend past the end of the program cycle; therefore, funding committed prior to the end of 2011 will be available for four years thereafter to fund these studies. This might entail moving the committed funds forward into subsequent program cycles until these studies are completed.

6. Program Goals, Objectives and Action Strategies

a) Subprogram Descriptions

The C&S program consists of five subprograms: Building Codes Advocacy; Appliance Standards Advocacy; Compliance Improvement; Reach Codes; and, Planning and Coordination.

i. Building Codes Advocacy Subprogram

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The Building Energy Codes Advocacy subprogram primarily targets improvements to Title 24 Building Efficiency Regulations that are periodically updated by the California Energy Commission (CEC). The subprogram also seeks changes to national building codes that impact CA building codes. Advocacy activities include, but are not limited to, development of code enhancement proposals and participation in public rulemaking processes. The subprogram will coordinate or engage with ratings organizations that are referenced in Title 24; for example, the National Fenestration Rating Council, and the Cool Roof Rating Council.

ii. Appliance Standards Advocacy Subprogram

The Appliance Standards Advocacy subprogram targets both state and federal standards and test methods: improvements to Title 20 Appliance Efficiency Regulations by the CEC, and improvements to Federal appliance regulations by the US Department of Energy. Advocacy activities include, but are not limited to, development of code enhancement proposals and participation in the public rulemaking process (Title 20), and comment letters based on IOU research and analysis (USDOE), participation in direct negotiations with industry, and development of quasi-mandatory appliance standards reach codes. Additionally, the subprogram monitors state and federal legislation and intervenes, as appropriate.

iii. Compliance Improvement

The Compliance Improvement subprogram is a new subprogram that combines the previous Extension of Advocacy and Compliance Enhancement subprograms. It provides education, training, and other activities targeting building departments and other industry actors responsible for compliance with Building Energy Code and Appliance Standards requirements. Activities may include development of “best practices tools” and other infrastructure elements that serve multiple compliance improvement objectives.

iv. Reach Codes

The Reach Codes subprogram provides technical support to local governments that wish to adopt ordinances that exceed statewide Title 24 minimum energy efficiency requirements for new buildings, additions, or alterations. Support for local governments includes research and analysis for establishing performance levels relative to Title 24 and cost effectiveness per Climate Zone, drafting of model ordinance templates for regional consistency, and assistance for completing and expediting the application process required for approval by the CEC. The subprogram also supports local governments that seek to establish residential or commercial energy conservation ordinances for existing buildings.

v. Planning and Coordination

The Planning and Coordination Subprogram supports planning activities that improve alignment across the IOU energy efficiency portfolio with respect to future C&S program activities. This subprogram supports efforts to prepare the market for future code adoption (i.e., improve code readiness), to ensure higher code

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compliance rates and advance the CPUC Strategic Plan goals for achieving zero net energy.

b) Program Goals and Activities

In general, the goals of the C&S program are the same as the two C&S goals defined in the C&S section of the Strategic Plan. Through the Advocacy subprograms, the IOUs will strive to continually strengthen and expand building and appliance codes and standards as IOU efforts reveals greater efficiency opportunities and compelling economic benefits. Through the Compliance Improvement subprogram, the IOUs will strive to improve code compliance through education, outreach, and other technical resources. IOUs will also develop local ordinances and facilitate their adoption and implementation in motivated communities.

- Strategic Plan Codes and Standards Goal #1: Continually strengthen and expand building and appliance codes and standards as market experience reveals greater efficiency opportunities and compelling economic benefits. (Subprograms 1 and 2: Building Codes and Appliance Standards Advocacy).
- Strategic Plan Codes and Standards Goal #2: Improve code compliance and enforcement. (Subprograms 3 and 4: Compliance Improvement and Reach Codes).

The following sections provide a description of the proposed C&S subprogram activities which will lead to achieving the program goals.

Building Codes Advocacy

The Building Codes Advocacy program will continue conducting many of the same activities as were conducted in the 2010 – 2012 program cycle, but will focus on the upcoming 2016 Title 24 Energy Building Code cycle. In addition, the Building Energy Codes Advocacy subprogram will expand activities at the national level. Primary activities for 2013-2014 include the following:

2013 Title 24 Building Codes

- Support implementation of adopted 2013 Energy Building Code:
 - o Complete revisions to compliance manuals and forms.

2016 Title 24 Building Codes

- Prepare CASE studies in coordination with CEC:
 - o Conduct research for 2016 building code advocacy to advance State policy goals.
 - o Support activities to address Department of Finance review requirements.
 - o Research residential ventilation / IAQ requirements to reduce and control infiltration while maintaining and improving indoor air quality.
 - o Research and advocate methods to remove code barriers to the increased use of renewable energy in support of ZNE goals.
 - o Support development of 2016 compliance software.

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Appliance Standards Advocacy

The Appliance Standards Advocacy subprogram will continue conducting many of the same activities as were conducted in the 2010–2012 program cycle, but will focus on preparing new measures pursuant to CEC’s adopted Order Instituting Rulemaking (OIR) for Title 20 Appliance Standards and U.S. Department of Energy’s ongoing rulemaking for Federal Appliance Standards. Primary activities for 2013-2014 include the following:

Title 20 Appliance Standards Rulemaking

- Prepare CASE studies pursuant to CEC’s adopted OIR:
 - o Advocate and provide public testimony in State public proceedings
 - o Conduct research and testing and submit supporting market and technical data to the CEC
 - o Participate in consensus negotiations with industry and energy advocacy groups (which typically develop standards levels which CEC eventually adopts)
 - o Develop quasi-mandatory reach codes that are voluntary with respect to participation, but require CEC certification if a supplier chooses to participate.

Federal Appliance Standards Rulemaking

- Provide support to DOE rulemaking process:
 - o Advocate and provide public testimony in Federal public proceedings.
 - o Submit supporting market and technical data to the Department of Energy (DOE).
 - o Participate in consensus negotiations with industry and energy advocacy groups (which typically develop standards levels which DOE eventually adopts).
 - o Develop voluntary agreements or reach standards.

Compliance Improvement

For the 2013-2014 program cycle, the combines the former Extension of Advocacy and Compliance Enhancement Program activities into one Compliance Improvement subprogram to enhance understanding of program objectives and activities. The subprogram will strive to improve compliance with Title 24 and Title 20 standards while implementing an effective sector strategy with the Workforce Education and Training (WE&T) Program. Primary activities for 2013-2014 include the following:

Title 24 Compliance

- Title 24 Standards Essentials Role-Based training for building inspectors:
 - o Continue delivering training to plans examiners and energy consultants.
Update curriculum to cover what is new in the 2013 code.

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- Expand role-based training curriculum to additional compliance improvement market actors such as the building trades and design professionals as guided by needs assessment.
- HVAC Quality Installation and Other Programs with Direct Code Requirements
 - Identify opportunities to insert code compliance modules in existing curriculum, such as training required for technicians.
- Online Compliance Training:
 - Explore training delivery mechanisms beyond the traditional classroom to include live webinars, activity-based online training, and in-field demonstrations.
- Tools and Process Improvements:
 - Implement tools and process improvements as identified through the building department best practices study and the Compliance Improvement Advisory Group (CIAG).
- Forms and Compliance Documents:
 - Support development of improved forms and compliance-related documentation for 2013 Title 24.
- Compliance Improvement Incentives:
 - Explore a pilot project designed to improve compliance by providing incentives to local governments, contractors, or other key market actors. The pilot will be based on the CIAG's guidance and may include nonmonetary incentives such as training or provision of tools designed to streamline the permitting and inspection processes for building additions and alterations.
- Target Low Compliance Problem Areas:
 - Collaborate with the CEC to identify problem areas and potential compliance improvement solutions through white papers developed by CIAG members.
 - Consider pilot project to improve compliance for measures with known challenges, which may include providing incentives to contractors for pulling permits, or motivation for other market actors.
- Develop and Conduct Outreach Campaign to Improve Compliance:
 - Collaborate with the CEC to develop and implement an outreach campaign designed to improve compliance with Title 24 and Title 20 standards. The campaign will be based on the CIAG's guidance and may include activities such as developing flyers for contractors to provide to potential customers explaining the code requirements and benefits, mini measure-based code seminars for big box store employees, etc.

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- CEA exam development, facilitation support, and maintenance
 - Collaborate with the California Association of Building Energy Consultants to improve the working knowledge, skills, analytic ability and accountability of individuals using energy compliance software and preparing the appropriate Title 24 documentation for permit submittal. The C&S program will support updating the beta Residential and Nonresidential CEA examinations developed in 2010-2012 to properly test applicant CEAs under the 2013 standards and facilitating the roll out of the new certification process.

Title 20 and Federal Standards Compliance

- Surveys and Technical Support:
 - Conduct surveys and provide technical support to CEC and industry to facilitate compliance.
- Education and Outreach:
 - Collaborate with CEC on implementing an education and outreach campaign targeted to distributors, retailers, contractors, and possibly consumers.

Reach Codes

For the 2013-2014 program cycle, the IOUs will continue to collaborate with the CEC and Local Government Partnership Program to identify, and provide technical assistance to, local jurisdictions interested in adopting reach codes. In addition, the IOUs will continue to collaborate with CEC to provide support for developing voluntary standards to encourage buildings to achieve exemplary performance in the areas of energy efficiency. Primary Reach Code subprogram activities for 2013-2014 include the following:

Reach Code Technical Assistance

- Cost Effectiveness Studies:
 - Prepare Cost Effectiveness studies for each of the California climate zones (to be updated for 2013 Energy Building Code) that have been vetted with the CEC, resulting in expedited CEC review of reach code application submittals.
- Policy Guidelines:
 - Provide a “Road Map” of Policy Guidelines for adopting Reach Code including an overview of some of the implications and important choices in writing and adopting these types of ordinances, and recommendations intended to improve implementation and compliance.
- Ordinance Template:
 - Provide a Reach Code Ordinance “template” that establishes clear definitions of when the ordinance is triggered, including CEC-required

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language which states that all buildings shall meet all applicable requirements of the Building Energy Code.

- Workshops & Presentations:
 - Facilitate public workshops and presentations to interested stakeholders including elected officials, city staff, industry organizations, and community groups that address the following:
 - Critical role that energy efficiency plays in reducing greenhouse gas emissions
 - Understand how Reach Codes and complementary new construction incentive programs such as the California Advanced Homes (CAHP) program help meet CalGreen's voluntary Tier 1 and Tier 2 Energy requirements, accelerate advancement of zero net energy building practices, and mitigate project-level GHG impacts pursuant to CEQA requirements.
 - Explain the process for developing and adopting a legally enforceable reach code pursuant to CEC requirements
 - Work with industry organizations and other market actors to conduct outreach to local governments to inform them of available reach code assistance.

Local ordinances may be structured in several ways, and often vary in scope, requirements, and triggers. The C&S team will encourage local governments to adopt regionally consistent ordinances where feasible to reduce potential market confusion. However, differing circumstances in each jurisdiction may require them to pursue different avenues. For example, ordinances may be limited to energy issues only, or may be more comprehensive, also including other green building measures. Some examples of typical variations in ordinances include the following:

- Scope and Triggers: Local ordinances may include residential, nonresidential, or municipal buildings, or any combination of the above. Many local ordinance requirements apply to new construction only, while others also include remodels. Triggers may include project size, scope, or value.
- Requirements: Local ordinances typically specify a particular level of performance, allowing builders and designers to achieve the desired performance using a combination of measures and technologies that are appropriate for the project. Many local ordinances specify that covered projects exceed state requirements by a specific percentage (15% was the most common requirement relative to the 2008 Standards). In addition, local ordinances may require projects to meet CalGreen Tier 1 or Tier 2 advanced efficiency levels as well as the non-energy portions of CALGreen. Another common structure employed by many local governments is to require buildings to obtain certification from a relevant green building rating system such as LEED or Build It Green. This structure allows the jurisdiction to leverage the documentation and verification requirements inherent in these systems, thus reducing the verification burden on the building department.

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Planning and Coordination (Non-Resource Subprogram)

The Planning and Coordination subprogram supports planning activities that improve alignment across the IOU energy efficiency portfolio with respect to future C&S program activities. The C&S staff will coordinate with IOU energy efficiency portfolio programs to support efforts to prepare the market for future code adoption (i.e., improve code readiness), to ensure higher code compliance rates and advance the CPUC Strategic Plan goals for achieving zero net energy.

This subprogram will consist of four elements: 1) Strategic planning and coordination; 2) Outreach within each IOU to other program areas; 3) Statewide planning and coordination; and, 4) Workforce education and training. Primary activities for 2013-2014 include the following:

Strategic Planning

- Codes and Standards Collaborative:
 - Maintain a Codes and Standards Collaborative to conduct strategic planning.
- Code Readiness:
 - Establish cross-functional teams, including representatives from voluntary programs (incentive, emerging technologies, and education and training), the CPUC, and the CEC, will be established to identify code readiness priorities relative to policy goals, for example: zero net energy, AB 1109, and other Action Plan objectives.

Internal Coordination and Communications

- Periodic Meetings:
 - Conduct a variety of internal coordination activities based on respective needs of each IOU, including periodic meetings with program leads in other areas as well as management teams.
- Ongoing Communication:
 - Inform planners and support groups regarding future code changes, collaboration on evaluation and regulatory matters.
 - Solicit input from other groups re advocacy efforts, aligning education and training activities with incentive programs.

Statewide Collaboration

- Integrated Dynamic Approach to Portfolio Planning:
 - To support the state's zero net energy objectives, the C&S team will work closely with new construction programs to develop an integrated approach to align new construction program offerings with base code requirements as well as reach codes where possible.

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- o The C&S team will work with core retrofit programs as well as local government partnerships and third parties to coordinate offerings with anticipated code changes.
- CPUC Communication
 - o Conduct monthly calls with CPUC personnel to share progress and discuss issues.
- CEC Communication:
 - o Maintain statewide weekly calls with CEC staff regarding building codes and appliance standards.
- National Stakeholders Communication:
 - o Conduct regular conference calls with national stakeholders regarding appliance standards.
- Compliance Advisory Group Communication:
 - o Host quarterly meetings with Compliance Improvement Advisory Group regarding compliance improvement activities.
- Local Government Partnership Communication:
 - o Provide quarterly updates to Local Government Partnership Program regarding reach code adoption progress and delivery of training to building departments.

Workforce Education and Training (WE&T)

- Sector Strategies for WE&T:

The C&S and WE&T teams will meet periodically to coordinate activities that will enhance support for the appropriate market actor roles responsible for new and emerging codes and standards implementation according to priorities established by needs assessments. The C&S program will collaborate with the WE&T Centergies subprogram to not only prepare contractors and technicians to implement current codes, but to also prepare them with technical training on advanced technologies that are projected to become part of reach codes and then the statewide code.

- c) **Program objectives (more specific milestones to be achieved to accomplish the goals)**
See Codes and Standards Alignment with Strategic Plan narrative and table below.
- d) **Program action strategies that will be used to implement the goals**
See Codes and Standards Alignment with Strategic Plan narrative and table below.
- e) **Program outputs (measurable results of the program linked to the action strategies)**
See Codes and Standards Alignment with Strategic Plan narrative and table below.

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Codes and Standards Alignment with Strategic Plan

The following narrative and table details the specific actions the C&S program will use to carry out the C&S goals defined in the Strategic Plan and the program outputs linked to each action strategy.

In addition to striving to meet the two C&S goals defined in the Strategic Plan, the IOUs will work in concert with other programs within the energy efficiency portfolio to help meet associated goals such as those defined for HVAC, local governments and WE&T as described in Section 8 of this PIP.

Strategic Plan Codes and Standards Goal #1: Continually strengthen and expand building and appliance codes and standards as market experience reveals greater efficiency opportunities and compelling economic benefits. (Subprograms 1 and 2: Building Codes and Appliance Standards Advocacy)

The C&S program will provide a direct response to the CPUC's goal by specifically addressing each near-term strategy in the Strategic Plan. Through the advocacy activities, the program will:

- Continue to expand Title 24 Building and Title 20 Appliance Efficiency Regulations through improved research to identify current code and compliance shortcomings, new technologies and processes, and latest thinking on breadth (scope) and depth (stringency) of possible standards
- Develop aggressive proposals to accelerate regulations for both Title 20 appliance efficiency standards and Title 24 building standards
- Support leading activities such as statewide reach standards (e.g., codes that include California Green Building Standard) and the coordinated development and adoption of advanced local government ordinances.
- Coordinate with both internal and external organizations on an ongoing basis, including voluntary programs and national standards organizations

The Strategic Plan outlines five strategies to strengthen and expand building and appliance standards. The C&S program intends to address each strategy through the advocacy subprograms as follows.

Strategy 1-1: Develop a phased and accelerated approach to more stringent codes and standards.

The C&S program seeks to accelerate the adoption of increasingly stringent building and appliance standards. To this end the program will develop proposals to increase the scope and stringency of Title 20 and Title 24. The C&S program will also develop or support development of more stringent codes, such as the California Green Building Standard, ASHRAE Standard 189, and other model code ordinances, which would significantly exceed the current Title 24 requirements and could potentially become a model for local green building ordinances.

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The use of discrete, above minimum code tiers of efficiency standards (e.g. reach codes) have been proven to be an effective way to promote energy efficiency, prepare the market for high efficiency equipment in an orderly way and smooth the transition for more stringent future standards. However, the proliferation of many standards for the same product renders confusion in the market place and hinders compliance. The C&S program will work with local governments that currently have or are considering adopting advanced energy codes to identify common themes among their primary objectives and develop a set of model reach codes and standards that form the path for subsequent statewide adoption. The C&S program will help local governments improve compliance by developing compliance forms, modify performance software, and provide code compliance training to practitioners and building departments

Historically, approximately 100,000 single family (SF) homes and 50,000 multi-family (MF) dwelling units are constructed each year. Estimated construction for 2009 is projected to be much lower: SF 30,000 SF units and 33,400 MF units.² These buildings are within the scope of the Title 24 energy code. There are about 8 million existing single family homes and 4 million existing multi-family dwelling units in California.³ Since homes are sold on average every seven years in California⁴, approximately 1.4 million existing homes and (assuming same turn-over for rental properties) 570,000 existing multi-family units are sold each year. Thus requirements for the most basic efficiency measures (attic insulation, weather sealing) installed at time of sale would have a huge impact – potentially impacting 10 times as many residential buildings as do the current residential standards. The C&S program will work with local governments to identify existing barriers and develop model time-of-sale (TOS) requirements such as Home Energy Rating System (HERS) audits, and commissioning for commercial buildings that do not unnecessarily hinder real estate transactions or financing. Ultimately, if the pilot program with local governments is successful, it will make the case for a statewide time-of-sale requirement.

HVAC

The efficiency of heating and cooling systems is central to building energy efficiency standards and has become an even more significant component of the standards through the adoption of time-dependent valuation. Energy losses from ducts can be a large fraction of heating and cooling loads. The Title 24 standards have mandatory requirements for duct sealing and prescriptive requirements for duct testing and verification by a HERS rater. Feedback from duct tests to HVAC contractors and home builders is a very important mechanism for transforming the market. Thus, the C&S program will be pursuing the concept of mandatory requirements for duct testing and self-certification of the test while still including the prescriptive requirement for a HERS rating. Similar to the acceptance

² Construction Industry Research Board, California Construction Review, Private Building Construction, January 22, 2009.

³ <http://www.dof.ca.gov/HTML/DEMOGRAP/ReportsPapers/Estimates/E8/E-8.php>

⁴ Median duration at residence is 7 years for homeowners and 1 year for renters. Jason P. Schachter and Jeffrey J. Kuenzi. US Census. Seasonality of Moves and The Duration and Tenure of Residence: 1996, data extracted from Figure 4. Duration of Current Residence by Current Tenure: 1996.

<http://www.census.gov/population/www/documentation/twps0069/twps0069.html>

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tests in the nonresidential market, a self-certified duct pressurization test would be required for all residential duct systems in unconditioned spaces that are not obtaining a HERS verified duct test.

The systems not receiving HERS duct sealing verification would receive the same energy penalty in the performance approach and the systems would not be allowed in the prescriptive method approach. This requirement would reduce enforcement uncertainty – every duct system would be required to be tested. Since all duct systems are required to be tested, this lowers the incremental cost barrier for a HERS verified duct test and assures that mechanical contractors and homebuilders receive the feedback from duct testing on every job. This same approach would be taken for relatively new requirements for measurements of airflow, fan power, duct pressure drop and refrigerant charge.

The C&S program will prepare CASE studies to evaluate the cost-effectiveness, market status and availability of the equipment to determine the potential for revising the building efficiency standards so they are based on enhanced efficiency HVAC systems such as: radiant cooling with a dedicated outside air system, evaporative condensing, direct/indirect evaporative cooling and ground coupled heat pumps. These and other cooling technologies have the potential to be significantly more efficient than the federal air conditioning regulation but may be exempt from federal pre-emption. For federally-regulated cooling equipment, the C&S program will continue working with the federal DOE to develop regional air conditioning standards that would be more appropriately suited to California's warmer and drier climate.

Envelope Performance Testing

Similar to the requirements for performance testing of HVAC installations, the performance testing of the envelope of homes and other residential dwelling units provides direct feedback on the level of infiltration. Thus, testing could transform the building industry. The C&S program will evaluate the feasibility of adding mandatory requirements for blower door tests for all new homes. Similar to the requirements for duct testing, the prescriptive baseline would retain the HERS verification requirements, but for those homes wishing to avoid the HERS requirements through a performance trade-off the blower door test would still have to be performed.

Strategy 1-2: Expand Titles 24 and 20 to address all significant energy end uses

The C&S program will pursue additional energy savings by broadening the scope of the Title 20 appliance standards and the Title 24 building efficiency standards. Title 20 proposals will be developed and supported through the public stakeholder process for both current and future proceedings. Current proposals include: battery chargers, portable lighting fixtures, set top boxes, televisions, computer monitors, game consoles. Future proposals will include office equipment and other miscellaneous and plug loads. Integration activity with voluntary codes and program activities will be increased to expand potential for new product categories to be added to the measure list. The C&S program will continue to support the Title 20 proposals after their adoption by providing ongoing technical assistance to the CEC to fend off post adoption maneuvering by oppositional

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stakeholders, which has increased in recent years. This will reduce post adoption exemption of product classes.

For the 2008 revisions to Title 24, the C&S program successfully proposed a bold increase in scope to include refrigerated warehouses. For 2013, the C&S program again advocated increasing the scope of the standards, this time to include the refrigeration plant small walk-in refrigerated coolers and refrigerant plants serving display cases in supermarkets. The C&S program is also pursuing other opportunities with computer room cooling, and other process measures such as compressed air systems.

In the past, energy codes have focused only on the efficiency of the equipment installed and not on how that equipment functions, and recent field studies have found that a significant number of controls do not work correctly. Thus the C&S program will be reviewing the efficacy of fault detection and diagnostic (FDD) controls to determine their effect on operators taking subsequent action to correct the problem when notified. The C&S program will also investigate barriers to submetering tenant units and major building energy consuming systems such as lighting, chiller plants, and boiler plants. Pending approval from the CPUC that water savings are within the scope of IOU energy and resource conservation programs and should be pursued, the C&S program will research requirements for water meters on all new buildings.

With the current federal administration's focus on energy efficiency we can expect, at a minimum, more opportunities to increase the stringency of Title 20 standards through Federal proceedings. If the new administration increases the budget for DOE staff, we can expect an even greater acceleration in activities than the already rapidly increasing number of DOE proceedings. Increased DOE funding would provide the opportunity for states to petition DOE for new rulemakings and/or waiver petitions in support of California energy savings.

The C&S program will work in conjunction with national organizations to align California's reach goals with LEED, Green Globes, and CHPS. Ideally, satisfying California's Green Building Standard would become the minimum threshold to apply for a LEED rating. Likewise, the C&S program will work with ResNet and California HERS Providers on the development of further home rating system upgrades and rating techniques.

Strategy 1-3: Improve code research and analysis.

Research and analysis is the basis of upgrading energy codes. In some cases this research is forward-looking and identifies technologies that have sufficient market experience, cost-effectiveness and broad applicability to be deemed "code-ready." This research can also be retrospective for two major categories of energy savings opportunities:

1. Review of code proposals that were unsuccessful in past code cycles, but appear to have promise due to changes in the market, refinements in the technology or new information.

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2. Evaluation of current standards for loopholes, inconsistencies, enforcement barriers. The savings from these issues can be substantial and must be actively researched.

More generally, the program will seek to improve C&S advocacy by developing new approaches to determining incremental costs, availability, and reliability. In particular, cost information is considered confidential by industry representatives who generally oppose code upgrades, so the success or failure of a standards proposal often turns on the perceived accuracy of incremental costs.

Due to the increasing complexity of the targeted measures and increasing sophistication of oppositional stakeholder tactics during the public process under both Title 20 and 24, a greater emphasis on more thorough market research, product performance measurement and technical production data is necessary. Existing studies may be expanded, new studies may be designed and implemented, and additional market research may be purchased to facilitate future standards development. New or updated test methods are required to pursue significant savings opportunities left stranded by current incomplete test methods (e.g., high temperature performance metrics for cooling systems and variable speed capability of commercial refrigeration equipment).

Codes research also needs to consider more than just technologies but also design methods. A “big bold” research topic for Title 24 is a whole building approach to building design. This concept is in support of a requirement for compressorless or “hybrid” cooling systems in the homes in the more temperate California climate zones. Well-designed homes in the mild coastal regions of California do not need air conditioners. These homes often have thermal mass to dampen the diurnal temperature swings when it is hot outside, so the thermal comfort of the home isn't solely dependent on the air temperature of the home, but also the radiant temperature. The C&S program will pursue the potential of providing Title 24 compliance credit to homes that do not have air conditioners as long as it can be reasonably expected that occupants in these homes will be comfortable enough that these homes will not be retrofitted with air conditioners later on. This approach would likely require an enhancement of the existing performance method simulation tools, or require newer simulation tools such as Energy Plus, that has a thermal comfort model. This would require a significant investment in resources. However, if this concept were implemented, it would move new homes in coastal regions significantly closer to the 2020 zero net energy goal.

This same concept can also be applied to commercial buildings with greater attention given to comfort due to tasks being conducted in fixed positions and locations, and greater attention to internal heat gains resulting from plug loads and lighting loads. However, better thermal mass and comfort models will advance low energy commercial buildings as this would also benefit the characterization and ultimately the design of passive solar commercial buildings assisted with radiant heating and cooling. Energy Plus also promises the capability of modeling airflow which should provide improved confidence in specifying two other low energy HVAC systems: positive displacement ventilation and natural convection.

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Initially, advanced tools require advanced users. Thus training in low energy design principles and methods of predicting building performance training is needed for the next generation of architects and engineers starting out in practice and currently attending California architecture and engineering schools. Training is needed in a number of different venues: for existing practitioners, training opportunities at utility training centers, and at professional conferences. Student training would be most efficiently conducted as part of their normal curriculum. Sponsored curriculum development and sponsored research in the design of efficient buildings results in career long impacts when combined with other broader society-wide incentives for low energy design.

Even more advanced interfaces to these tools expand the scope of potential users by simplifying the user's inputs, but requiring sufficient detail in the nomenclature used by designers so these tools can predict the energy impact of design choices with reasonable levels of accuracy. These program interfaces must have enough flexibility so the breath of applications is wide enough to affect a sizable portion of the possible building applications and the scope of measures is sufficiently broad. Training is still needed for these simplified tools but is accomplished in less time and is given to more people as there are more people likely to use the tool. Easier to use tools expands likely users to sales people, manufacturer representatives and facility managers.

In addition to the fairly sophisticated tools to support these advanced designs, a segment of the market will be drawn to design approaches that are formulaic. These approaches may not optimize energy savings, but if the prescriptive cookbook method is well designed, they can yield significant levels of reliable savings. This requires a significant effort in exercising the design tools, comparing the simulated results to actuals and synthesizing the results into design standards. These design patterns then must be transmitted in a number of ways including resource documents, training materials and presentations.

The energy consumption of buildings is not purely a function of their components but is impacted by occupant behavior and actual equipment installation and performance. Field studies are an important method of feedback on how much energy is really saved by a measure. In some cases this research can leverage information from CPUC EM&V studies and CEC load forecasting studies.

Another significant source of market and technology data is the utility energy efficiency programs. The C&S program will periodically poll the program managers for information concerning market share, technology cost and verified energy savings. The energy efficiency programs will likely identify technologies that may be ripe for code adoption and can help develop the market experience that differentiates those products that are truly code ready.

The importance of the statewide utility Emerging Technology (ET) program will increase as source of information and potential measures for voluntary reach-code tiers. Although available in the market, the measures that are assessed in the ET program may be neither

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cost-effective nor fully applicable for mandatory standards. In some cases, it may be appropriate to have measures simultaneously included in utility energy efficiency programs as well as a reach code tiers.

Also related to field studies are process evaluations of how the code is administered from the designer and specifier, to Title 24 analyst, to plan check, to bidding, through construction to inspection to occupancy. The delivery of efficient buildings relies on each step of this process. Transferring this information to the CEC and code proposal developers increases the likelihood that compliance will increase with the next energy code.

Strategy 1-4: Improve coordination of State energy codes and standards with other state and Federal regulations.

The development of the California energy efficiency standards does not occur in a vacuum. Much of the technical basis of Title 24 rests on consensus standards developed by ASHRAE (American Society of Heating, Refrigerating and Air-conditioning Engineers) and IESNA (Illuminating Engineering Society of North America.). The measurements of product properties rely on test standards developed by DOE; American Society for Testing and Materials now referred to as ASTM International (ASTM); Air-Conditioning, Heating and Refrigeration Institute (AHRI); National Fenestration and Rating Council (NFRC); Cool Roof Rating Council (CRRC). Although the C&S program works most closely with the CEC, other California state agencies are also involved with the development of efficiency standards. Examples of coordination with other state agencies may include, but are not limited to, the California Air Resources Board (CARB) as codes relate to greenhouse gas (AB 32) and other emissions, Department of Toxic Substance Control (DTSC) as codes relate to toxic waste from lamps, and California Department of Water Resources (DWR) as codes relate to the water use in HVAC systems. In addition, there is much to be learned and many benefits derived from coordinating with ASHRAE and other states that are developing their own energy codes. Thus, the C&S program will be coordinating with other entities in the development of test standards and other consensus standards.

The C&S program will also participate in the development of other standards that can then be applied in California. The most notable of these is the Federal appliance efficiency regulations and international standards, which are likely to have bigger impacts on Federal and state appliance standards in the future. If the C&S program continues to influence the outcome of these regulations, nominal savings in California will be achieved. Since the Federal regulations apply to all sales in the US, compliance enforcement is easier. The program will continue to take a leadership role in advocating for new legislated standards (often based on Title 20 standards in the past) and in both negotiated and contested DOE appliance standards rulemakings. In view of the increasing international coordination in the codes and standards arena, the program will take a more influential role in influencing international test methods and standards framework developments where there is significant opportunity to affect federal and CA appliance standards. We fully expect the need to travel to other countries to conduct effective collaboration and coordination of

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standards activities that potentially affect California. Increased coordination with national voluntary program frameworks including CEE and ENERGY STAR are also likely to increase codes and standards efficacy.

Federal appliance efficiency standards limitations have been a hindrance to more stringent codes in California. These Federal standards preempt the state from requiring additional labeling, higher appliance efficiency standards, and prevent building efficiency standards from requiring higher efficient equipment than equipment that are minimally compliant with the Federal appliance standards. Given that the Federal regulations cover the largest energy consuming devices (lighting, air conditioners, and water heaters), this has seriously constrained the effectiveness of California's appliance and building efficiency standards in California. The C&S program will be developing a research plan to address Federal pre-emption including, but not limited to, waiver petitions, federally legislated standards, and development of new coalitions.

The CARB's proposal in response to SB 97, which requires rules be developed to address the California Environmental Quality Act (CEQA) requirements for greenhouse gas emissions, expands the possible scope of energy consumption that could be regulated. Well-defined efficiency measures and performance trade-off options would be in the interest both of CARB and the entity submitting a new industrial, commercial or residential project.

In addition to the coordination with the DWR for the water use in HVAC systems noted above, there is an ongoing CPUC proceeding to determine the amount of energy embedded in water use. Therefore, the C&S program will further coordinate with the DWR as studies are initiated to examine potential reductions in water use. Since the CEC was given jurisdiction over water use starting in 2008, it is anticipated there will be new sections in Title 24 regulating the use of water.

Also as mentioned earlier, the C&S program will pursue developing reach codes in coordination with the California Green Building Standards. To do this the C&S program will coordinate with the BSC (Building Standards Commission), the CEC (California Energy Commission), HCD (Housing and Community Development), OSHPD (Office of Statewide Health Planning and Development), Local Governments, and others.

Strategy 1-5: Improve coordination of energy codes and standards with utility programs

Coordination between C&S and other utility programs may occur in various ways: existing or newly adopted standards, future standards, direct linkages between incentive programs and a specific standard, and long-term integrated planning. This is a rapidly evolving area, so planning is necessarily at an objectives level for now. The C&S team will periodically meet with other utility program staff to facilitate ongoing coordination.

Newly Adopted Standards

On an ongoing basis, C&S team communicates with IOU incentive program managers regarding potential adoptions of new standards. Depending on the opportunity, program

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managers may decide to provide incentives for measures in advance of the effective date to prepare the market.

Education and training between adoption and effective dates of a particular standard represents another way to prepare industry. The C&S program will provide Title 24 training to both market actors and internal program staff in advance of the effective date for the Title 24 Standards. The training will help identify opportunities for ongoing coordination between incentive programs and C&S activities. Another activity under development is to require program participants to complete and submit the applicable acceptance tests required by Title 24 to receive an incentive for HVAC and lighting controls equipment. This will increase compliance with the acceptance tests and help assure the incented equipment is installed according to code intent.

Although all utility programs are impacted by codes and standards, particular focus will be placed on coordinating with the Local Government, HVAC, and WE&T programs. Please refer to Section 8 for how the C&S program will coordinate efforts to help meet shared goals defined in the Strategic Plan.

Future Standards

Having selected topics for potential CASE study proposals for the next code cycle, for example, 2011 building and appliance standards, energy efficiency program managers may be able to include measures in programs to improve code readiness. The C&S program may also work with statewide ET program staff to identify new technologies for which to develop alternative calculation methods (ACM). CASE studies can be developed for new technologies to propose Title 24 credit towards achieving compliance, thereby reducing one barrier to market acceptance. Moreover, a Title 24 ACM provides an approved method for calculating energy savings for incentive programs.

The C&S program will continue to improve coordination with the statewide new construction programs. Since the success of these programs are dependent on exceeding the current Title 24 codes, they serve as a useful “test-bed” to inform the development of future Title 24 proposals by highlighting the more cost effective measures, flagging problem areas with compliance, and demonstrating the extent to which the current code can be exceeded.

On a longer term basis, it is sometimes possible to identify code objectives two code cycles into the future. This will be particularly critical for developing an appropriate trajectory for reaching the Strategic Plan’s zero net energy goals, AB 1109 Huffman Bill goals⁵, and state policy initiatives indicated in the previous section. For these opportunities, the C&S program will complete a gap analysis to identify distance between code readiness attributes and the current market status of the technology, which will inform the creation of an integrated long-term coordination plan. Long term information repositories may be developed to collect information that will support adoption in a future code cycle.

⁵ AB 1109 Huffman directs the CEC to implement strategies to reduce residential lighting by 50% and commercial and outdoor lighting by 25% by the year 2018.

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Direct Linkages

The C&S program seeks to directly link, as has been done for the current Title 20 television proposal before the CEC, code proposals with incentive programs. When faced with industry resistance, this linkage constitutes a stronger argument before the commission. Moreover, linking a standard with an incentive program creates a synergy in which the push of a widely recognized future standard reinforces the pull of near term incentive programs, thereby increasing participation in a complementary incentive program.

Albeit weaker compared to direct linkages, the synergy between standards and incentive programs exists more generally through indirect linkages.

Strategic Plan Codes and Standards Goal #2: Improve code compliance and enforcement.
(Subprograms 3 and 4: Compliance Improvement and Reach Codes)

The C&S program is committed to improving code compliance and enforcement. To demonstrate this commitment, C&S is expanding the CI subprogram. The program will leverage existing, and develop new education and outreach activities to equip both building and appliance industry market actors with the knowledge and tools needed to comply with Title 24 building energy efficiency standards and Title 20 appliance efficiency regulations. Expanding the program to include compliance improvement will help ensure that the full potential of the state's codes and standards efforts are realized, and results in a comprehensive C&S program.

The C&S strategies and activities listed in the Strategic Plan are focused primarily on Title 24 building energy efficiency standards, noting that appliances are principally regulated at the federal level rather than the state level. As the CPUC Strategic Plan also notes, there remains huge potential savings at the state level for appliances and equipment not regulated by the federal government. With this in mind, the C&S program has added activities to capture Title 20 compliance savings as well and added a sixth implementation item for this program cycle in the Strategic Plan Table below to document planned Title 20 efforts.

Strategy 2-1: Improve code compliance and enforcement.

The Strategic Plan identifies one strategy and five activities targeted to improve compliance and enforcement with Title 24 building energy efficiency standards. Each activity is addressed in order below.

Activity 2-1 a): Conduct research to determine high-priority tactical solutions for code compliance and focus efforts accordingly.

As a first step in launching compliance improvement efforts, the C&S team interviewed the building industry market actors included in the compliance supply chain to determine how their current performance compares to the desired performance, the reasons for the gap, and which performance improvement solutions the C&S program may employ to improve code compliance. Additionally, the team interviewed experts who have been providing training, software and regulatory support to industry practitioners over the years to identify best

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practices, possible points of collaboration and gaps the C&S program can help fill. Furthermore, the C&S program conducted a best practices study with several local governments to investigate code enforcement processes in detail, identify opportunities to streamline enforcement practices and improve consistency across jurisdictions. Results of these research efforts are informing the total package of performance improvement solutions the program will implement to help improve code compliance rates. In addition, the program will work with building departments and other compliance stakeholder to implement recommendations proposed by the Compliance Improvement Advisory Group.

Activity 2-1 b): Increase training and support for local building code officials.

Building code officials are the primary key to improving compliance with Title 24 standards and certain Title 20 regulations such as residential air conditioning equipment. Building department personnel must enforce several different building codes simultaneously, with limited resources. Given the limited time available, officials correctly prioritize those codes related to life-safety, which often results in extremely limited time and resources dedicated to enforcing energy-related codes. In addition to resource limitations, energy codes have undergone much more significant changes in each of the recent code updates than most other codes, thus creating a challenge for officials to maintain their expertise.

The CI subprogram will focus a significant percentage of the code education resources on providing training and support to building code officials. Based on research results, the CI subprogram will develop role-based training courses and abbreviated code guidelines for plan checkers, inspectors and counter staff specifically targeting only those sections of the code related to each particular position. This work will be closely coordinated with the CEC and third party efforts to ensure that it supports and is in alignment with the CEC's compliance improvement efforts.

In addition, in response to the needs assessment to be conducted as part of the building department best practices study, the CI subprogram will develop and test process improvement tools, and will work with CALBO, the International Code Council (ICC), and CEC to conduct outreach to other jurisdictions to encourage adoption of those tools. The CI subprogram will conduct outreach and encourage other jurisdictions to adopt tools and processes that help building officials increase compliance. The CI subprogram will support more consistency across jurisdictions, in processes, documentation requirements and enforcement practices, and will encourage the expansion of submitting online permitting paperwork for HVAC replacements as well as other measures. These online submittals allow for the creation of customized inspection checklists that also simplify enforcement.

The CI subprogram will also work with the CEC and HERS providers to ensure the new HERS documentation and data management systems are consistent and serve to streamline the compliance process.

Activity 2-1 c): Investigate regulatory tools such as licensing/ registration enforcement.

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Currently, although Title 24 documentation must be signed by a licensed professional, the actual calculations can be prepared by anyone. Anecdotal evidence from rebate programs and building departments indicates that the lack of training and/or professional certification requirements results in sub-par documentation being submitted to building officials, thus requiring more time to review documents and determine compliance. The CI subprogram will work with the California Association of Building Energy Consultants (CABEC), CEC and CALBO to increase the stringency of the Title 24 Certified Energy Analyst test, initiate a certification process for Title 24 consultants, and begin requiring energy education for building officials as part of CALBO's existing continuing education requirements.

The CI subprogram will also work with the CSLB (California State License Board) and the DCA (California Department of Consumer Affairs) to conduct outreach to members regarding the importance of the standards to the state and to their customers, and to encourage the CSLB to enforce the HVAC permitting requirements with their members.

Activity 2-1 d): Evaluate proposed changes to the code and compliance approaches to simplify and expedite compliance.

Feedback from building officials indicates that they are overwhelmed by the volume, complexity, and rapid changes to the energy codes. As a complement to the role-based training, the CI subprogram will work with industry experts, CEC, and building officials to develop and test role-based and context-sensitive code guidelines. The guidelines will target specific compliance items and common measures that must be addressed at each stage in the permitting and inspection processes.

The CI subprogram will conduct research to identify specific areas of the code that can be simplified by reducing the number of trade-offs and compliance options and/or transitioning to a greater number of mandatory measures.

In addition, the CI subprogram will work to increase the availability of online permitting resources and the consistency of requirements and documentation across all jurisdictions, with an initial focus on geographically contiguous regions. Online permitting makes obtaining permits more convenient and less costly, and geographic consistency provides a more stable and easier-to-understand process for building designers and contractors, as well as building officials.

Activity 2-1 e): Work with local governments to improve code compliance, adopt above code ordinances, and provide training/education.

The primary goal of the compliance improvement subprogram elements is to improve code compliance. As discussed in activities a) through d) above, CI subprogram will be dramatically expanding and enhancing efforts in support of this goal, launching several different outreach and training offerings and activities.

The C&S RC subprogram has adopted a demand-side philosophy to local code adoption, consistent with the general philosophy of energy efficiency. California has a very robust energy efficiency code that can, if fully enforced, result in a tremendous amount of savings

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and reduction in both energy usage and peak demand. The RC subprogram will continue conducting outreach to local governments and green communities through Government Partnerships Programs, Build It Green, and others industry partners to educate interested participants about the potential savings that could be realized through optimizing compliance with existing codes prior to adopting a new code. The RC subprogram will inform local governments that optimizing compliance with existing codes is one of the most immediate and significant steps a city or county can take toward reducing the jurisdiction's carbon footprint, and will request a commitment from each participant to take documentable steps toward that end.

Many local governments, in their eagerness to take action in the absence of federal leadership, have individually developed and adopted unique local codes to reduce the climate change impacts of the building activities in their jurisdictions. Unfortunately, codes are developed and adopted without any real overall coordination with other jurisdictions, resulting in a plethora of local ordinances and code requirements throughout the state that are changing frequently, making it impossible to easily track what code applies in which jurisdiction at any given time. The RC subprogram will encourage local governments to work with neighboring jurisdictions to adopt consistent requirements and to remain consistent with current Title 24 climate designations to reduce potential market confusion.

One of the RC subprogram goals for local codes is to promote consistency with the current Title 24 climate zone structure, with which market actors are used to working. The RC subprogram will work with local government partners to identify and document their objectives for a local code and also with the CEC and Building Standards Commission (BSC) to make the next generation of the State's Green Building Standards meet those objectives for most, if not all local governments. First, the RC subprogram will work with local governments to support development of a package of cost-effective local energy codes that exceed Title 24 minimum requirements for residential and nonresidential new construction. The RC subprogram will support efforts to obtain CEC pre-approval to simplify the approval and adoption process at the local level. In addition, to begin harnessing the tremendous savings potential from existing homes, the RC subprogram will support development of a package of standards that are applicable at time-of-sale or major remodels. Local ordinances will serve as an opportunity to test the efficacy of the codes and inform regulators as to the readiness of the codes for statewide adoption.

Activity 2-1 f): Conduct outreach and education efforts to improve compliance with Title 20 Appliance Standards.

The IOUs' experience working with industry actors on Title 20 advocacy indicates that there are two primary paths for equipment covered by Title 20 to move through the supply chain from manufacturers to consumers. The first is via manufacturers, distributors and contractors, while the second is via retailers directly to consumers. Similar to the Title 24 outreach, the IOUs plan to target each actor in the supply chain for selected measures with significant savings potential and for which compliance rates are relatively low.

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Given the wide range of industries and the organization of their distribution channels, compliance improvement activities for appliances will be conducted on an industry-specific basis. For example, compliance improvement outreach for manufacturer-dominated industries logically begins with manufacturers since top down efforts will affect most product sales in California. If major manufacturers are located overseas, as is the case of consumer electronics for example, we fully expect the need to travel to other countries to conduct effective outreach and training.

Different approaches will be used to educate and train retailer-dominated and contractor-dominated industries. In the retailer-dominated case, for example, compliance efforts must target the stocking practices of these retailers. In the contractor dominated case, where contractors are largely responsible for the purchase and installation of the product, compliance efforts must focus on outreach to contractors.

The C&S program will coordinate with the CEC to conduct outreach to equipment manufacturers to inform them of existing code requirements, and to facilitate their compliance from both a technical and administrative perspective. Assistance will be provided to manufacturers to support their efforts to ensure equipment sold in California meets the minimum technical requirements, and to successfully complete the certification process with the CEC.

For measures such as pool pumps, where most are sold through distributors and installed by contractors, in addition to working with the pump manufacturers, the program will work directly with distributors to educate their representatives. The IOUs will also conduct outreach to contractors directly, and will work with trade organizations to leverage their existing communications networks. Outreach activities may include attending trade conferences and regional meetings, authoring articles for industry newsletters or publications, or direct contact via email or printed materials.

Other measures, such as incandescent lamps and consumer electronics are often purchased directly by consumers through retail establishments. Though the market actors are different for these measures, the C&S program will use similar methods to reach as many market actors as possible. Trade associations are expected to be important stakeholders in this effort and will be leveraged as much as feasible. The IOUs will coordinate with regulators and other providers to identify gaps and opportunities to collaborate.

7. List of Measures & CASE Studies

Following are tables of possible IOU CASE study topics. For a number of reasons, these lists are not static. After further planning, IOUs may decide to swap leads, co-fund, or make other changes, as appropriate. During the CASE study development process, it is sometimes found that there is insufficient market data or economic information to justify a standard. During rulemakings, industry representatives may inject sufficient uncertainty to derail a proposal. The CEC may indicate that they are more interested in some proposals and delay others. Sometimes new ideas occur that were overlooked during the planning process.

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The CASE study projects develop feasibility and cost-effectiveness evaluation for a variety of code improvement opportunities. These CASE projects are not a purely technical exercise, advocacy is an important part of moving an idea into energy codes and this requires a significant amount of consensus building and negotiation.

Table 6 includes a preliminary list of measures from the CEC to be evaluated for the 2016 Title 24 Building Efficiency Standards cycle. These will inform IOU planning.

Table 6: 2016 Title 24 Building Codes - Preliminary Measures

2016 Title 24 Preliminary Measures	
Preliminary Nonresidential Measures	
Measure	Description
Flicker specification for all dimming systems	Flicker is a function of the lighting source (ballast, driver) and the dimming control
Task/ambient lighting for offices	
Low W/sf HVAC systems	Prescriptive performance-based requirement, cap on total installed watts.
Optimized Window Area, Update Window VT's	Reduce WWR from 40% to 30% while maintaining visual comfort. Estimate that 0.11/WWR reduced VT reduced daylighting savings by 25%. See ASHRAE ECB reduced WWR by building type.
Nat ventilation, dedicated O/A, + chilled beam or radiant system	Drive down fan energy. Window sensors interlocked with fan system
Dual path approach PV vs High Eff HVAC	Base case has 1W/sf of roof area, alternate has high eff HVAC
Eliminate reheat	Through zoning of systems or designs such as dual duct design, reheat can be mostly eliminated.
Daylighting control dimming plus off.	Ballasts can use 20% of power when fully dimmed. In primary zone no light can be needed much of the day. Added savings.
Opaque envelope U-factors	ASHRAE roof values are significantly lower
Retail lighting including occupancy controls	Fix general lighting in tailored method. Further LPD reductions, trade-offs with occupancy sensing controls
Skylighting in lower ceiling heights	Skylighting required in spaces > 15 ft, related to cost of lighting well and spacing of skylights. Technologies to reduce cost of light wells and to spread light so skylights can be further apart.
Egress lighting	Turn all the way off when space is unoccupied. Effort involves working with state fire marshal and perhaps NFPA.
Economizers	Catch up to IECC - required down to 33 kBtu/h, FDD updates
Façade and landscape lighting	ASHRAE has lower LPDs
Parking lot lighting (tall pole motion	Motion controlled bi-level expanded to above 24 ft

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sensing?)	if technology ready. Consider expanding to other applications.
Solar pool heating for hotel/motels	Scoped out as cost-effective application of solar pool heating (year round operation)
Lab fume hoods, Occupancy sensing control of sash	Sash can be closed when no one is in front of fume hood. Saves energy and increases IAQ
Streamline and remove exceptions	Simplify and expand scope when possible
Plug-in hybrid and EV charging circuit	Reduces transportation costs and emissions, coincident with PV output
Plug for trucks at refrigerated warehouses	
Nonresidential ACM	
Refrigeration model in ACM	Allow trade-offs
Whole building (BEARS) model including deemed plug loads.	Software also generates BEARS rating and ZNE rating
Improved Natural Ventilation simulation	
PV model offsets consumption	Also useful; for ZNE rating
Radiant model including comfort	Provides accurate estimate of benefit of radiant cooling methods
Improved VRF simulation	Current model may be inaccurate. May require added manufacturer data for credit
Base case WWR by building type	ASHRAE 90.1 has reduced WWR for dome building types (i.e. 22% for schools, 11% for retail, 7% for grocery store, 19% for small office etc.)
Solar absorption air conditioning	
Combined heat and power	
Process Loads	
Evap fan speed control for walk-ins	Saves fan energy and compressor energy
Pipe sizing for compressed air systems	Pressure drop losses reduced
Specific efficiency requirements for refrigeration equipment	
Air dryer efficiency for compressed air	Modulating systems versus on/off systems
Capacity controls for centrifugal compressors	Remove exception from compressed air system requirements
Preliminary Residential Measures	
Low-rise multi-family prescriptive package	
QII - Quality Insulation Installation inspection	
All high efficacy lighting	Show availability of high quality high efficacy products for all sockets. Trade-off with PV

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Ducts in conditioned space or ductless HVAC	Variety of methods, cathedral ceilings, scissor truss, mini-splits etc.
Tested Infiltration < 3 ACH 50	Catch up with IECC, have to show IAQ is OK, may be done in conjunction with mandatory CALGreen to reduce source pollutants
Compact water distribution	Measured length of pipe between water heater and fixture
Controlled supply mech ventilation	Better air quality, cleaner house
Dual path PV with high efficiency HVAC and DHW	
Coastal compressorless comfort	White paper for 2013 standards
Walls - R-21 + R5 in all CZs	Also consider R-15+ R-8 exterior insulation
Windows 16% of floor area	Highly controversial, should be based on survey
Heat recovery ventilator	Heat recovery in very hot or very cold climates
Simplify and remove exceptions	
Plug-in hybrid and EV charging circuit (MF)	
High efficiency white goods	Credit in model perhaps prescriptive trade-off
Residential ACM	
Multi-family modeling	
Evaporative cooling modeling	
Ductless AC system modeling	
Sealed attic modeling	
Whole building (HERS) model including deemed plug loads.	Basis of HERS rating and ZNE
PV model offsets consumption	Supports ZNE goal
Locational efficiency credit when solar access is low	Prepare for ZNE or equivalent

Table 7 includes a preliminary list of Title 20 measures under consideration by the CEC for the 2012-2015 Title 2- cycle. These will inform IOU advocacy work .

Table 7: Title 20 Appliance Standards – Preliminary Measures.

Title 20 Measure	Description (all subject to change)
<i>Lighting</i>	
Dimming ballasts	Minimum efficiency standards for dimming ballasts, and possible limits on standby wattage. Standard would likely use the Relative System Efficacy (RSE) or the Ballast Luminous Efficiency (BLE) metric, with minimum performance requirements at full light output only or at several light levels.
Multifaceted-Reflector lamps	Minimum efficiency standards for multifaceted-reflector lamps, possibly with tiered standards. May also require minimum light quality/lamp performance standards.

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LED lamps	Require LED lamps to meet minimum performance requirements (e.g. dimming and lamp life), minimum light quality standards (e.g. CRI), and modest efficiency (lpw) requirements.
EISA exempt lamps	Apply existing T20 general purpose light bulb standards to EISA exempt bulb types, including: 3-way, 2,601 – 3,000 lumen, shatter-resistant. candelabra base, intermediate base. All can accommodate halogen capsules for reduced power. Consider coverage at similar stringency as non-exempt bulbs (approx. 30% lower power)
Lighting Accessories	Maximum energy use and standby power for nightlights (NL), maximum power/bulb requirements for decorative string lights (DSL), and maximum power requirements for illuminated house numbers (IHN).
Outdoor Lighting	Sets minimum performance requirements for pole-mounted outdoor lighting, including street, highway, parking, and area fixtures with “controls-ready” requirements in some cases.
Linear fluorescent fixtures	Propose test and list requirement for Energy Effectiveness Factor (EFF) and listing on product documentation resulting Target Efficacy Rating (TER) values from a combination of lamp lumens and ballast factors.
Illuminated street number signs	Set an efficacy standard (active power limit) to effectively require LEDs. Recommend requiring that all illuminated address numbers utilize photo-switches. Finally, recommend a standby power limit of 0.75 W.
Plug-in luminous signs	Set a standard establishing maximum power per square foot of illuminated area, and additional control requirements (required integral on/off switch, supplemental control for signs with face area(s) greater than 4 sqft).
Computers	Propose maximum energy requirements and power management enablement upon shipment for desktops and laptops; minimum power supply unit efficiencies for desktops. Exploring energy use limits or power limits in different operating modes.
Servers	Propose minimum power supply unit efficiencies and power proportionality for servers.
Game consoles	Set standard to require an auto power down feature and establish a maximum allowable standby power level.
Computer/video displays	Set maximum On Mode and Sleep Mode power consumption levels, as a function of screen size. Consider luminance and automatic brightness control requirements.
Set top boxes (terrestrial, cable and satellite)	Propose an energy use limit for new STBs. May include prescriptive requirements such as auto-off feature and performance-based maximum power demand per defined feature set (e.g., per tuner). Develop test and list requirements for small networking equipment.
Imaging Equipment	Propose maximum total energy consumption (TEC) levels for imaging equipment, which includes copiers, fax machines, printers, scanners, and all-in-one devices.

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Low power modes	May propose required low-power modes, with maximum power levels, for various equipment. Low power modes include sleep, standby, idle, off.
Power Factor Interactive Effects	Appliance energy efficiency performance is influenced by power factor, such that losses in distribution circuits can be reduced by improving poor power factor. This is currently being studied in PIER research. This proposal would bring PIER findings into code as a consistent policy for appliances where merited
<i>Water and Miscellaneous</i>	
Toilets and Urinals	This standard proposal revises the current standards in Title 20 regulations to conform to the legislatively enacted performance standards of AB715, by having toilets have 1.28 gallons per flush and urinals have 0.5 gallons per flush effective January 1, 2014.
Air Filter Labeling	Require a label for air filters (a consumer version of the existing AHRI 680 label) so that consumers and designers can select the appropriate filter for the system.
Pool and Spa Equipment	Update current regulations to better align with APSP 15. Add performance efficiency requirements for new and replacement motors and pool heater hydraulic performance. Require labeling of efficiency performance and compliance information on portable electric spas to better inform consumers.
Faucets	This standard proposal sets the maximum flow rate for lavatory faucets and lavatory replacement aerators at 1.5 gpm at 60 psi, effective January 1, 2014. It also expands the definition of lavatory replacement aerator to include all flow restricting accessories, to encourage design best practices.
Water Meters	Propose requiring testing for accuracy of residential water meters at levels indicative of household leaks, to better identify and prevent leaks.
Landscape Irrigation Equipment	Set performance standards and labeling requirements for landscape irrigation controls and sensors; require a rain shut-off device and a test and list for landscape irrigation controllers (and add-on devices) for standby mode power.
Commercial Clothes Dryer	Commercial gas dryers are regulated by neither federal nor California regulations; there exists the opportunity to establish new Title 20 standards for commercial gas dryers to be sold in California. The C&S program will develop the testing procedure for Energy Factor of commercial clothes dryers, and establish a minimum performance requirement.
Refrigeration Condensing Units	Develop test procedure for EER for fixed output refrigeration condensing units and part load EER for variable output refrigeration condensing units. Establish a minimum performance requirement. Require either floating head control; require systems operate at 70°F or lower min. condensing temp.

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Table 8 shows a preliminary list of federal appliance standards rulemaking events. IOUs will respond to rulemaking events carried out by USDOE, and possibly others, that impact California.

Table 8: Federal Appliance Standards

Product Category	DOE Proceeding Event Description	Anticipated Date
3-Phase CAC	Standard Preliminary Technical Support Analysis	Dec-13
	Standard Notice of Proposed Rulemaking	Dec-14
ASHRAE Products	Standard Final Rule	Nov-13
CACs, HPs (air-cooled)	Standard Final Rule	Jul-13
Ceiling Fans	Standard Final Rule	Jul-13
CFL (Medium Base)	Test Procedure Final Rule	Jun-13
Commercial Boilers	Standard Framework	Jul-14
Commercial Clothes Washers	Standard Preliminary Technical Support Analysis	Jul-13
	Standard Notice of Proposed Rulemaking	Jul-14
Commercial Ice Makers	Standard Final Rule	Jul-13
Commercial Refrigeration	Standard Final Rule	Jan-13
	Test Procedure Final Rule	Jan-13
Commercial Unit Heaters	Standard Final Rule	Jul-13
Dehumidifiers	Standard Preliminary Technical Support Analysis	Dec-13
	Standard Notice of Proposed Rulemaking	Dec-14
Dehumidifier (Active Mode)	Test Procedure Notice of Proposed Rulemaking	Jan-13
	Test Procedure Final Rule	Jul-13
Direct Heating Equipment	Test Procedure Final Rule	Sep-13
Dishwashers	Standard Preliminary Technical Support Analysis	Jul-13
	Standard Notice of Proposed Rulemaking	Jul-14
Exit Signs	Test Procedure Final Rule	Jun-13
	Standard Final Rule	Jul-13
Furnace Fans	Test Procedure Final Rule	Apr-13
	Standard Notice of Proposed Rulemaking	Dec-13
	Standard Final Rule	Dec-13
General Service Lamps	Standard Framework	Jan-14
GSFLs	Standard Notice of Proposed Rulemaking	Aug-13
	Standard Final Rule	Apr-14
HIDs	Standard Final Rule	Jan-13
IRLs	Standard Notice of Proposed Rulemaking	Aug-13

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	Standard Final Rule	Apr-14
Microwaves (Active)	Standard Framework Standard Preliminary Technical Support Analysis	Jan-13 Jul-14
Pool Heaters	Test Procedure Final Rule	Sep-13
Pre-rinse spray valves	Standard Final Rule	Jul-13
PTACs, PTHPs	Standard Framework	Sep-13
Ranges, Ovens	Standard Framework	Mar-14
Residential Boilers	Standard Preliminary Technical Support Analysis Standard Notice of Proposed Rulemaking	Dec-13 Dec-14
STBs	Test Procedure Final Rule Standard Final Rule	May-13 Jun-13
Televisions	Standard Final Rule	Jan-13
Torchieres	Standard Final Rule	Jul-13
Traffic Signals	Standard Final Rule	Jul-13
Vending Machines	Standard Framework	Jul-14
Water Heaters	Test Procedure Final Rule	Sep-13
Wine Chillers	Standard Preliminary Technical Support Analysis Standard Notice of Proposed Rulemaking	Aug-13 Aug-14

8. Coordination & Integration

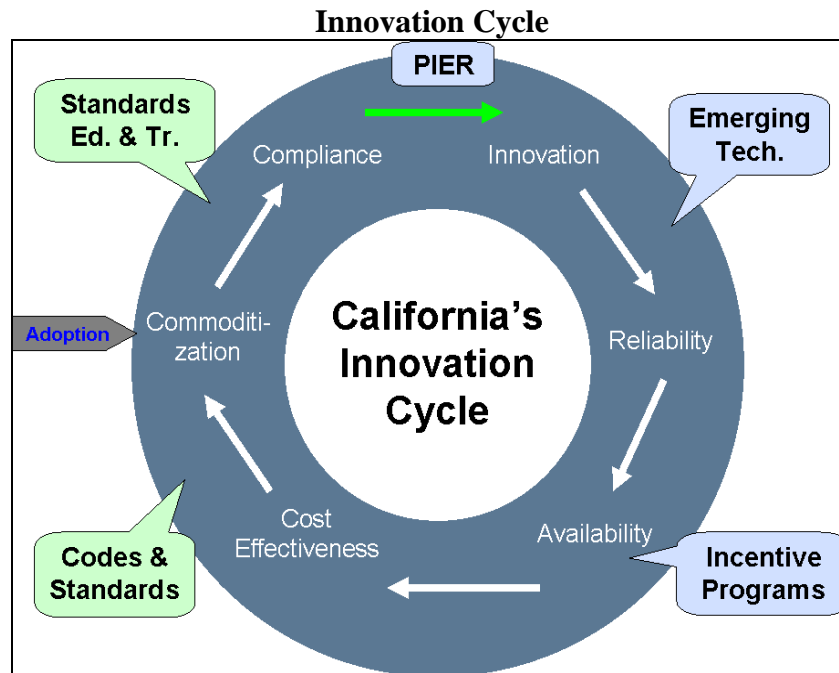
At the CPUC’s direction, the C&S program is adding a non-resource Planning and Coordination Subprogram to improve the integration of portfolio program offerings. The C&S team will coordinate with both internal and external entities to establish a dynamic and integrated planning and implementation process to methodically and purposefully accelerate the movement of successful, cost-effective measures from the ET program through voluntary offerings and ultimately to adoption into standards. The three primary functions of the planning and coordination subprogram include strategic planning, internal coordination and communication, and statewide collaboration.

a) C&S Statewide Coordination

Many requirements for C&S coordination are derived from the CPUC’s objective to mitigate climate change through regulatory objectives, including Title 20 and Title 24. While the C&S program comprises the primary intervention to achieve these objectives, it must be considered within the context of California’s innovation cycle:

- Adoption causes commoditization in the sense that a once high margin product becomes the industry standard.
- Commoditization spurs companies to innovate.
- Innovation creates new, differentiated, high-margin products for the competitive market.
- Voluntary programs commercialize new innovations.
- Commercialization creates code readiness leading to adoption.

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Since the primary purpose of the C&S program is to propose and support adoption of code enhancements, it is essential that IOUs collectively respond to all significant energy savings opportunities identified for a future code update cycle. For example, IOUs are now planning how best to coordinate efforts to address a long list of potential Title 24 code enhancements for the 2011 code cycle. In general, planning is conducted on an as needed basis.

Codes and standards operations are conducted relative to a multi-year time horizon, so statewide meetings organized on a quarterly basis are sufficiently frequent to coordinate activities. Some CASE studies are developed through co-funding agreements when multiple IOUs are interested in or have specific value-added knowledge, perhaps through previous research. More typically, however, code proposals are developed by one IOU on behalf of the statewide since each proposal is a fraction of the program budget. During these meetings, the primary objectives are to discuss CASE study objectives and develop mutual support for public proceedings.

The C&S program will enhance coordination and integration of codes and standards with other energy efficiency programs to maximize energy savings and demand reducing by coordinating training programs and utilizing the experience gained in resource programs to inform the development and advocacy of new codes. The C&S program will work with the Government Partnerships to improve code compliance, adopt above code ordinances, and provide training and education. The C&S compliance improvement subprogram will focus efforts on HVAC new installations and replacements in coordination with the HVAC program. The C&S program will

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also meet periodically with HVAC program staff to discuss compliance improvement strategies, training, and other program needs.

Coordination between C&S and other parts of the portfolio falls into one of two categories: existing standards and future standards. Compliance with code is essential to completing the commoditization process and capturing the benefit of commercialization efforts for the benefit of society, so the CI subprogram leads efforts to implement existing standards through development of core activities that can be delivered either through, or in coordination with, other programs. Opportunities are identified through small group meetings between C&S and each target group such as workforce education and training, local government partnerships, new construction programs. In addition, the IOUs will coordinate program efforts with the local utility integration teams and the Statewide Integration Task Force to identify successful integration approaches and offerings, potential pilot programs and metrics.

Small group meetings mentioned above, are particularly useful, as they serve to identify incentive program opportunities to leverage the pull of existing standards that have effective dates far enough in the future to accommodate program changes. For example, an appliance standard adopted with an effective date two years hence would provide an opportunity to develop an incentive program pull that complements the C&S push.

Coordination activities around future standards are, likewise, developed through individual targeted meetings. Once the C&S team has identified potential code enhancement opportunities for a future code proceeding, the team meets with Mass Market, Targeted Market, Emerging Technologies, HVAC, demand response, or general education and training leads to discuss gaps between adoption needs and current code readiness. As appropriate, new measures may be added to incentive programs, new projects may be added to the ET portfolio. Sometimes, when ongoing CEC proceedings coincide with incentive program planning, incentive offerings can be integrated with code enhancement proposals to increase influence on proceedings.

Coordination with external organizations falls into a few broad categories. A particular code proposal typically attracts directly affected industry stakeholders. If an industry employs associations organized to oppose energy efficiency standards – which is usually the case – IOUs will seek support from other advocates and share information that enables their advocacy, as well as ours. Sometimes IOUs are able to work directly with industries that are not, in principal, opposed to all regulations.

b) C&S Coordination with External Organizations & Entities

As Federal preemption continues to grow, and as DOE continues to increase federal proceedings activities, it is necessary for California IOUs to increasingly engage with national organizations such as ACEEE, ASAP, and the NNRDC. In particular, since the innovation engine, as pictured above, turns over once every three years in California and once every eight to ten years at DOE, the C&S program needs to work with

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national organizations to relax federal preemption policies to better help California meet AB 32 energy efficiency targets. California IOUs have ramped up operations to contribute materially DOE proceedings through analysis, letters, and negotiations.

At a statewide and local level, the C&S program will develop training and compliance improvement activities with entities that include, but are not limited to, California Building Industry Association, local chapters of the Building Industry Association, Build it Green, Institute of Heating and Air Conditioning Industries, International Brotherhood of Electrical Workers, National Electrical Contractors Association, California League of Cities. Additionally, outreach and communications for Title 20 will include industry associations such National Electric Manufacturers Association, American Lighting Association, California Retailers Association, and the International Pool and Spa Association.

**How the Codes & Standards Program will Coordinate with
Other Energy Efficiency Programs**

Program With Which C&S Will Coordinate	Coordination with Advocacy Subprograms	Coordination with CI or RC Subprograms
HVAC	<ul style="list-style-type: none"> ➤ Research possible scenarios to help improve HVAC quality construction ➤ Develop a whole building comfort metric that is the basis of compressorless homes in the coastal climate zones ➤ Review mandates to increase the use of FDD and improvements to FDD technologies 	<ul style="list-style-type: none"> ➤ Research the HVAC permitting tools available on the market, select permitting tools to test during the local government process pilot, and determine which best practices and tools to incorporate into the building official and HVAC contractor role-based training curriculum the program will develop. ➤ CI will work with the CEC, CALBO and the CSLB to identify possible penalties that may be applied to contractors who do not pull required permits or operate without the appropriate licenses. The program will investigate potential penalties during the local government process pilots and incorporate those penalties that prove effective during the pilot into the role-based training curriculum that the program will develop and roll out to additional jurisdictions.

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Program With Which C&S Will Coordinate	Coordination with Advocacy Subprograms	Coordination with CI or RC Subprograms
		<ul style="list-style-type: none"> ➤ CI subprogram personnel will work with HVAC Quality Installation and Workforce Education and Training program staff, utility education centers, and regulatory agencies to develop a brand, incentive mechanism, and consumer campaign, and technician training and certification programs. CE will evaluate the recently completed ACCA (Air Conditioning Contractors of America) Quality Installation Specification that has been adopted by the EPA ENERGY STAR Program to determine how to incorporate this into role- and measure-based training to be provided by the IOUs. ➤ Investigate the feasibility of an HVAC serial number tracking process to increase compliance. Various HVAC industry groups and HVAC distributors have expressed an interest in pursuing this as a way to increase the quality of installations and better ensure Title 24 compliance.
Government Partnerships		<ul style="list-style-type: none"> ➤ CI subprogram personnel will conduct a holistic process pilot in select building departments in addition to developing and delivering role-based tools and training to building department personnel. ➤ RC subprogram personnel will encourage local governments to lead by example, and to adopt codes for government buildings that match or exceed the

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Program With Which C&S Will Coordinate	Coordination with Advocacy Subprograms	Coordination with CI or RC Subprograms
		<p>requirements for the private sector within their jurisdiction. Those local governments that do not wish to adopt reach codes for the private sector will be encouraged to at least adopt more stringent codes for their own buildings.</p> <ul style="list-style-type: none"> ➤ Initial C&S efforts will focus on encouraging and supporting local governments, designers, and builders/contractors to implement and enforce existing acceptance testing requirements. CI will work with the CEC, CA Commissioning Collaborative, and industry organizations such as SMACNA to conduct outreach and provide acceptance testing education at all levels of the supply chain.
Workforce Education and Training		<ul style="list-style-type: none"> ➤ CI will work with Workforce Education and Training program managers, CABEC, Sonoma State University, CalPoly San Luis Obispo and others throughout the state to develop a curriculum that can be implemented at the state and community college level to expand current energy-related offerings and train building energy analysts in the theory and concepts of energy-efficient building design, simulation and construction. ➤ CI is working with IBEW, NECA, California Community Colleges, and others to develop and implement an electrical contractor’s training program for advanced lighting controls. This is a critical step in facilitating the installation of the sophisticated lighting controls that are essential

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Program With Which C&S Will Coordinate	Coordination with Advocacy Subprograms	Coordination with CI or RC Subprograms
		to meeting the AB1109 Huffman Bill and zero net energy goals.
Targeted Markets/Mass Market/Emerging Technologies	<ul style="list-style-type: none"> ➤ Through small group meetings, C&S will work with the Mass Market, Targeted Market and Emerging Technologies programs to identify incentive program opportunities to leverage the pull of existing standards that have effective dates far enough in the future to accommodate program changes. For example, an appliance standard adopted with an effective date two years hence would provide an opportunity to develop an incentive program pull that complements the C&S push. For promising measures that are evaluated by the ETP, the C&S program may propose that they are included in reach codes in parallel with EE incentive programs. ➤ C&S will work with the targeted and mass market program managers to require program participants to complete and submit the applicable acceptance tests required by Title 24 to receive an incentive for HVAC and lighting controls equipment. This will increase compliance with the acceptance tests and help assure the incented equipment is installed according to code intent. 	<ul style="list-style-type: none"> ➤ CI will work with fellow energy efficiency program managers to identify and fulfill code-related training needs in order to keep program managers up to date on current and future codes, and to help prepare IOU sales reps with the knowledge they need to effectively market incentive programs.

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Program With Which C&S Will Coordinate	Coordination with Advocacy Subprograms	Coordination with CI or RC Subprograms

9. Marketing & Outreach/Education & Training

Outreach for advocacy activities occurs through telephone calls and e-mails to industry stakeholders throughout the CASE study development process, leading up to commencement of a CEC rulemaking. After commencement of CEC rulemaking proceedings, CASE studies are presented during public workshops and hearings conducted by the CEC that are typically attended by building or appliance industry representatives, environmental groups, compliance industry representatives including local government officials, advocates from other states. In response to industry issues and concerns, the IOUs and their consultants will contact specific representatives or conduct stakeholder meetings to address specific issues more broadly. Following adoption hearings, the IOUs participate in developing compliance manuals.

Compliance improvement encompasses numerous industries engaged in supplying buildings and appliances to California; hence, outreach and marketing activities will be conducted through a variety of channels. IOU’s training centers will conduct direct outreach to industry associations such as the Contractor State Licensing Board, California Building Officials Association, California Association of Building Energy Consultants, Consumer Electronics Association, and National Electrical Manufacturers Association. E-mail solicitations and paper calendars are sent to individuals notifying them of upcoming classes. Local governments will also be contacted through local government partnerships and circuit riders assigned to provide consulting services.

10. Quality Assurance & Evaluation Activities

To help ensure quality assurance and effective evaluation, the IOUs will continue their ongoing efforts to track and assess the effectiveness of the C&S Program in advocating for new codes, and for increasing compliance with existing codes.

The C&S program will continue to support the impact evaluation efforts of the CPUC and its contractors by documenting code advocacy efforts, and documenting compliance improvement efforts and education and training efforts and their effects on participant behavior. The IOUs will coordinate with the CPUC and their impact evaluation contractors to ensure that the sufficient type and level of data are being collected at the appropriate level of detail to enable an estimation of energy savings related to codes and standards activities. This includes supporting the CPUC in their research effort to establish Title 20 and Title 24 baselines, and track changes in adoption and compliance over time. This includes providing appropriate program data, as well as encouraging the participation of vendors, contractors, building officials and others, as appropriate, in providing information for establishing baselines and changes in penetration over time.

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For the purpose of quality assurance in carrying out and improving the C&S program, the IOUs will be conducting various qualitative evaluation activities to establish IOU effectiveness in various market transformation activities. These include but are not limited to:

- Code adoption - Research with participants in the code adoption process to assess the level and quality of participation by the IOUs and other stakeholders. This includes interview-based research, as well as review of documentation of participation.
- Compliance Improvement – Effectiveness of various education and training activities, based on pre- and post- participation assessment of ‘knowledge swing’ of participants, and commitments to action made by participants and participant organization that stem from compliance improvement activity. Initial assessments will be succeeded by assessments in the post period to identify changes in code-related activity resulting from the CI subprogram.
- Reach Code Assistance – Effectiveness of IOU efforts to assist local governments in establishing, implementing and enhancing compliance with reach codes. Initial assessments of energy codes and code compliance, local code support capability and other factors will be followed by an ongoing assessment of the effects of IOU reach code assistance.

For compliance improvement, the IOUs will be using this assessment process to identify changes in awareness, capability and behavior change among individual CI participants, and participant organizations, resulting for the various compliance improvement activities. The IOUs will also look into calibrating our assessment of compliance improvement through evaluations of non-participant awareness, capability and behavior changes. For example, if there is a compliance improvement effort focused on building officials, the research could include an assessment of awareness, capability and behavior of building officials who did not participate in the training.

Additional, formative research will be conducted to provide insight into emerging issues related to current and pending codes and standards. Specifically, research will be carried out to identify issues and trends appearing along the delivery chain for appliances as well as for building practices.

11. Program Theory & Logic Model and Performance Indicators

On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. In addition, this Resolution approved updated logic models for the statewide programs. Below are the approved logic models for the C&S program.

- a) Building Codes
- b) California Appliance Standards
- c) Federal Appliance Standards
- d) Compliance Improvement
- e) Reach Codes
- f) Planning and Coordination

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Logic models will be improved based on experience and finalized based on application to specific industries, local governments.

Logic Models and the accompanying Program Theory and Program Indicators are tools designed to illustrate program structure and operation for the purpose of program management. This logic model is a schematic of the program as planned.

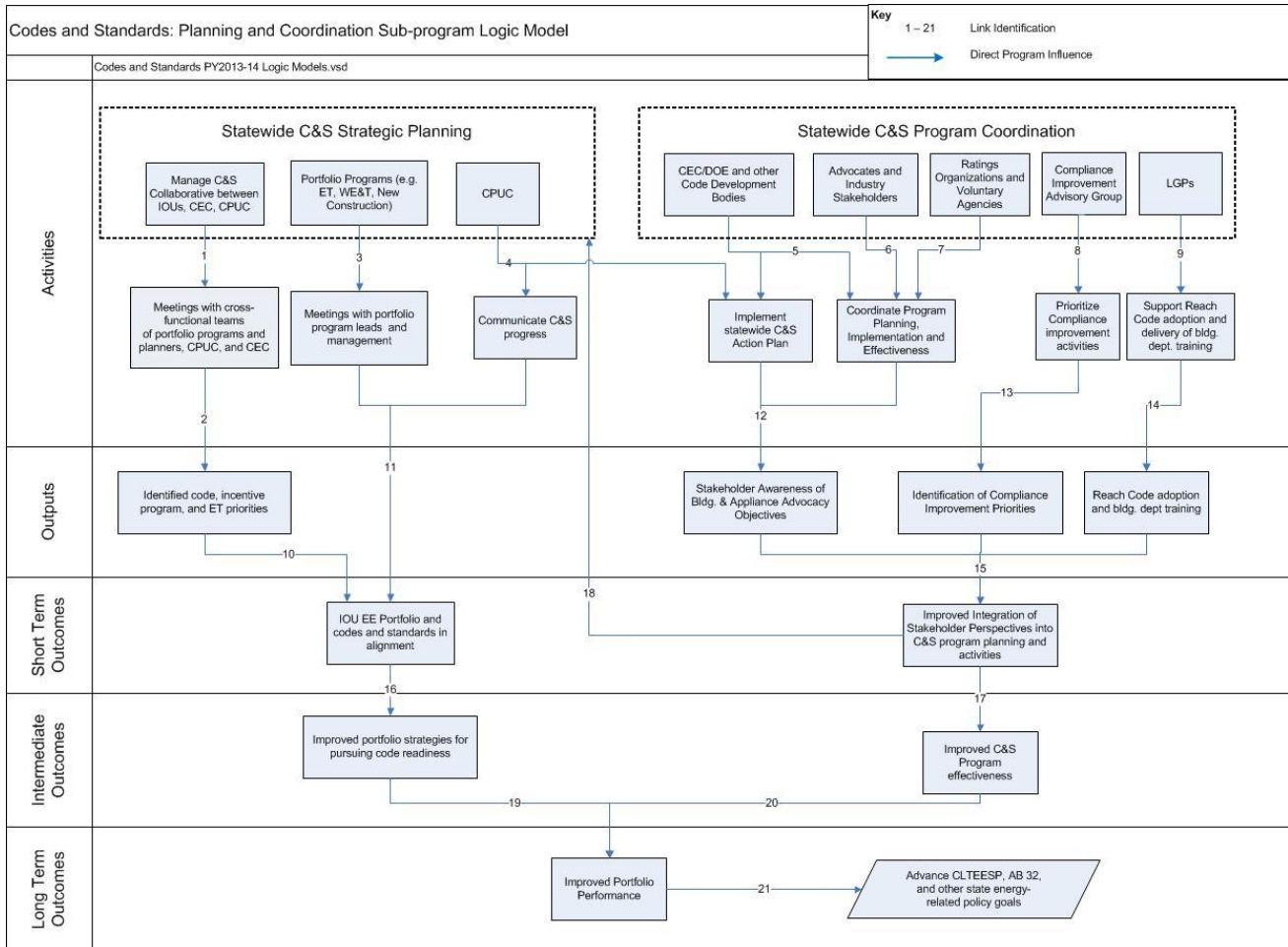
A program theory is the basis of a logic model. Effective program management applies program theory, and related performance indicators are used to determine whether program theory is correct. Indicators enable informed management responses that improve programs.

Performance indicators are intended to serve as a program's 'dashboard'; displaying information necessary for effective program operation. As with automobile dashboards; indications are neither good nor bad, but enable appropriate management responses that maintain and/or improve program performance.

Logic models, program theories, and performance indicators can provide evaluators an understanding of program activities, outputs and outcomes. However, they are not intended as the basis for estimating, valuing, or attributing program savings as they focus on program operation rather than program results. Revised logic models and program theory tables will be included in a future addendum to the PIP.

Revised logic models and program theory tables will be included in a future addendum to the program implementation plan.

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Codes and Standards: Planning and Coordination Program Theory and Indicators

Link	Program Theory/Activity	Potential Indicators
1	IOUs P&C Subprogram provides a process that maintains a Codes and Standards Collaborative with CEC and CPUC for strategic planning and aligns portfolio planning activities to advance long term strategic goals	<ul style="list-style-type: none"> • P&C subprogram holds quarterly statewide strategic planning meetings with CEC and CPUC • Communication with CEC and CPUC Collaborative members • IOUs document subprogram activities' alignment with California Long Term Energy Efficiency Strategic Plan (CLTEESP)
2	IOUs establish cross-functional teams with portfolio programs, the CPUC, and the CEC, to identify codes readiness priorities and other C&S priorities relative to policy goals.	<ul style="list-style-type: none"> • Coordination meeting with portfolio programs including incentive, emerging technologies, and workforce education and training (WE&T) programs to identify C&S readiness priorities • Coordination meeting with CEC to identify C&S priorities • Coordination meeting with representatives from CPUC, and CEC to review C&S priorities relative to policy goals, for example: zero net energy (ZNE), AB 1109, and other Action Plan objectives.
3	<p>C&S Program coordinates with other portfolio programs to develop an integrated, forward-looking approach to align new construction program offerings with base code and reach code.</p> <p>C&S program collaboration with the WE&T will prepare contractors and technicians to implement current codes, and prepare them with technical training on advanced technologies to improve code implementation</p>	<ul style="list-style-type: none"> • Coordination meeting with new construction program managers • Integrated plan that documents how new construction programs are aligned with base code and reach code requirements • Coordination meeting with WE&T program managers • Integrated plan that documents how WE&T training aligns with base code and reach code requirements.
4	C&S program on-going communication with the CPUC will improve implementation of the C&S Action Plan	<ul style="list-style-type: none"> • C&S program monthly calls with CPUC personnel to share progress and discuss issues • Progress report on implementing C&S Action Plan.

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5	C&S program on-going collaboration with state and federal code development bodies including CEC, DOE, ASHRAE, IECC and other code bodies will improve implementation and effectiveness of the C&S Action Plan and other building and appliance related code efforts	<ul style="list-style-type: none"> • C&S program meetings with CEC and DOE personnel and ASHRAE and IECC committee members to share progress and discuss issues • Progress report on implementing C&S Action Plan • C&S program periodic calls and meetings with other code development bodies to share progress and discuss issues • Progress report on coordination with other C&S efforts
6	C&S program on-going collaboration, and negotiation with building and appliance related code advocates and industry stakeholder will improve implementation and effectiveness of the C&S Action Plan and success of other C&S efforts	<ul style="list-style-type: none"> • Periodic calls and meetings with national industry stakeholders regarding building and appliances standards • Progress report on collaboration and negotiation efforts, implementation of C&S Action Plan and work on other code efforts
7	C&S program on-going collaboration and coordination with national ratings organizations and voluntary high performance programs will improve implementation and effectiveness of the C&S Action Plan and other C&S efforts	<ul style="list-style-type: none"> • Periodic calls and meetings with national ratings organizations (e.g. NFRC, CRRC) and voluntary programs (e.g. EnergyStar, CHPS, LEED) regarding building and appliances standards • Progress report on collaboration and negotiation efforts, implementation of C&S Action Plan and work on other code efforts
8	Creation and activity of Compliance Improvement Advisory Group will increase compliance activities coordination to improve compliance	<ul style="list-style-type: none"> • Quarterly meetings with Compliance Improvement Advisory Group regarding compliance improvement activities
9	Communication and coordination with Local Government Partnership (LGP) will increase compliance activities coordination to improve compliance	<ul style="list-style-type: none"> • Quarterly updates to LGP Program regarding reach code adoption progress and delivery of training to building departments
10	IOUs' cross-functional teams' coordination and agreement result in statewide codes and standards activities and proposals consistent	<ul style="list-style-type: none"> • Communication among team members including documentation of agreed upon goals and plans.

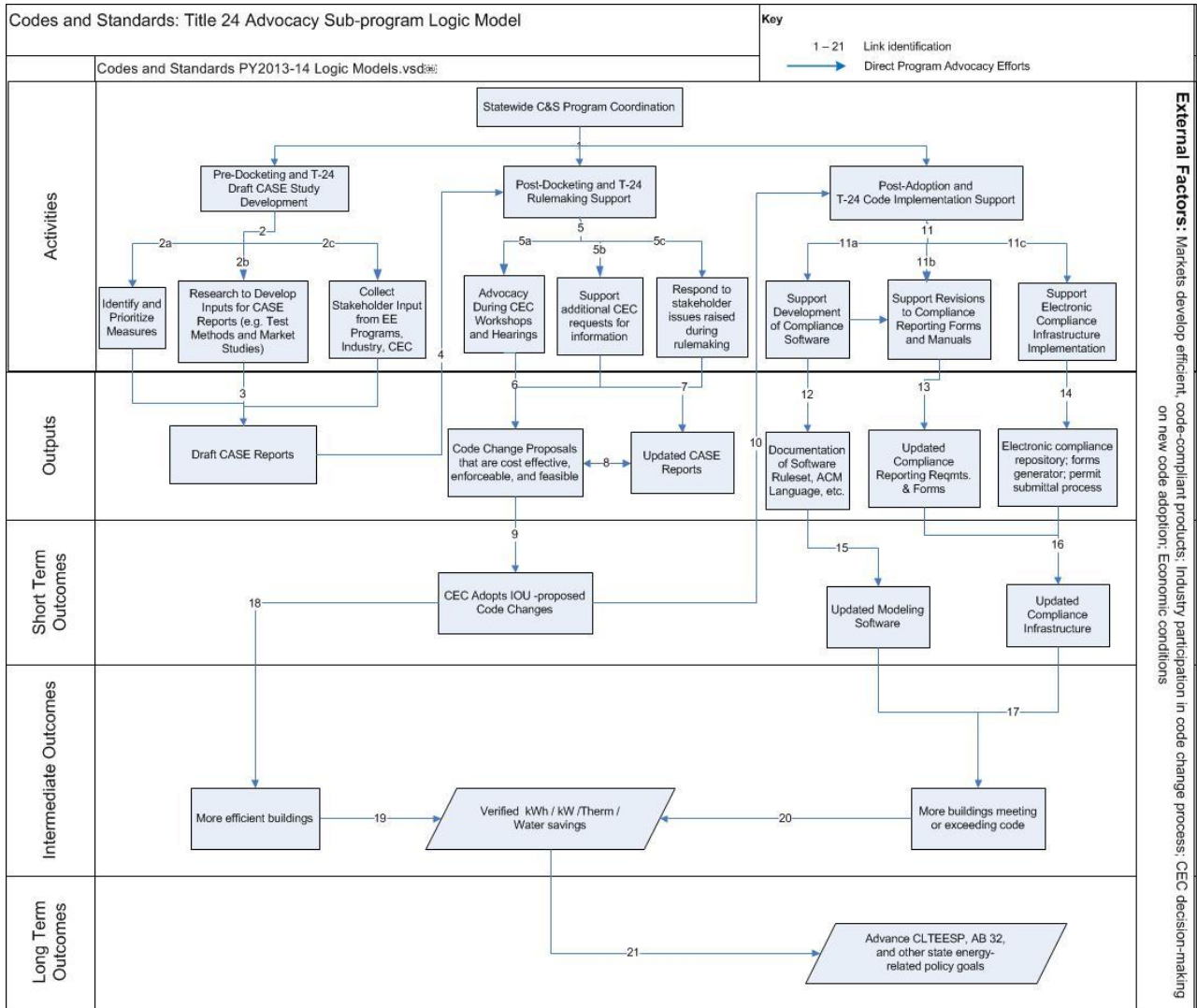
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	with IOUs' portfolio program goals	<ul style="list-style-type: none"> • Increased feasibility and code readiness of efficient products and practices • IOU program portfolio goals alignment with statewide codes and standards (CEC) plans and activity, for example: ZNE, AB 1109, and other Action Plan objectives
11	C&S Program coordination and collaboration with other portfolio programs, and communication to CPUC result in portfolio program goals consistent with statewide codes and standards activities and proposals	<ul style="list-style-type: none"> • Documentation of agreed upon goals and plans • IOU program portfolio goals alignment with statewide codes and standards (CEC) plans and activity, for example: ZNE, AB 1109, and other Action Plan objectives
12	C&S program on-going communication and coordination with all stakeholders leads to stakeholder awareness and understanding of the C&S Action Plan and advocacy, planning and activities.	<ul style="list-style-type: none"> • Progress report on implementing C&S Action Plan • Documentation of agreed upon objectives, goals, and plans
13	CIAG compliance improvement discussions and activities will result in prioritized code compliance improvement.	<ul style="list-style-type: none"> • Progress report on implementing C&S Action Plan • IOU compliance improvement activities are aligned with statewide codes and standards (CEC) plans and activity, for example: ZNE, AB 1109, and other Action Plan objectives
14	<p>C&S program coordination with LGP Program training to building departments will improve understanding of reach code activities</p> <p>Communication and coordination with Local Government Partnership (LGP) will increase compliance activities coordination and improve compliance</p>	<ul style="list-style-type: none"> • Quarterly updates to LGP Program regarding reach code adoption progress and delivery of training to building departments • Reduction in time for building officials to process paperwork • Reduction in number of compliance mistakes due to resources and training
15	Communication and coordination with CIAG, LGP and other stakeholders will improve integration of various perspectives into C&S planning and activities	<ul style="list-style-type: none"> • CIAG, LGP and other stakeholders recognition of C&S benefits, leading to support of activities to optimize codes through enforcement

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	Stakeholder awareness of C&S program advocacy objectives and goals leads to improved coordination and integration of planning and activities	<ul style="list-style-type: none"> • Documentation of integration of stakeholder perspective and objectives in C&S plans
16	Portfolio program goals consistent with statewide codes and standards activities results in improved strategies for pursuing code readiness	<ul style="list-style-type: none"> • IOU EE programs support test method development and provide collected test data • Increased market presence and acceptance of efficient products and practices based on IOU portfolio programs
17	Coordination with all stakeholders will improve C&S program effectiveness	<ul style="list-style-type: none"> • Technical responses to comments and concerns voiced by stakeholders • Improved program performance metrics including lower TRC and greater energy savings.
18	Integration of various stakeholder perspectives into C&S planning and activities enhances statewide strategic planning	<ul style="list-style-type: none"> • Progress report on implementing C&S Action Plan • Documentation of agreed upon goals and plans • IOUs document subprogram activities' alignment with Strategic Plan
19	Improved portfolio strategies lead to improved portfolio performance	<ul style="list-style-type: none"> • Increased awareness and understanding of codes and standards by stakeholders • Reduction of noncompliant practices and appliances
20	Improved program effectiveness leads to improved portfolio performance	<ul style="list-style-type: none"> • Increased awareness and understanding of codes and standards by stakeholders • Reduction of noncompliant practices and appliances • Improved program performance metrics including lower TRC and greater energy savings
21	Improved portfolio performance leads to advancement towards long term strategic goals	<ul style="list-style-type: none"> • State policy objectives are met to achieve environmental, macroeconomic, and other non-energy benefits

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Codes and Standards: Title 24 Advocacy Program Theory and Indicators

Link	Program Theory/Activity	Potential Indicators
1	C&S Program managers coordinate their program activities to present a united, statewide IOU C&S Program and conduct activities from pre-docketing through post-adoption of T-24 building standards.	C&S Program managers meetings and on-going communication
2	C&S Program conducts full range of advocacy efforts during pre-rulemaking processes to support successful code change development through outreach and advocacy to stakeholders	<ul style="list-style-type: none"> • 2a. Initial IOU assessment of measures/products indicates level of measure code-readiness
		<ul style="list-style-type: none"> • 2b. C&S Program documentation of market feasibility and cost-effectiveness • Documentation of test methods and required test results
		<ul style="list-style-type: none"> • 2c. C&S Program stakeholder meetings, outreach and on-going communication with IOU EE program managers, CEC staff and industry stakeholders • Documentation of IOU run stakeholder meetings, including invitee list, attendee list and meeting notes
3	C&S Program conducts initial assessment of code change opportunities based on feasibility, cost-effectiveness, market readiness and acceptance, availability of test methods and data, etc.	<ul style="list-style-type: none"> • Documentation of compliance research, market feasibility, potential energy savings, and cost-effectiveness • C&S Program stakeholder meetings, outreach and on-going communication • C&S Program supported test method development and test data • Communication with CEC, standard organizations committee members and other stakeholders
4	C&S program advocacy is presented at public CEC code proceedings	<ul style="list-style-type: none"> • Codes and Standards Enhancement (CASE) reports filed with CEC docket
5	C&S Program conducts full range of advocacy efforts to support rulemaking processes and successful code change development	<ul style="list-style-type: none"> • 5a. Communication with CEC, standard organizations committee members and other stakeholders
		<ul style="list-style-type: none"> • 5b. CASE reports include additional

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		<p>data, analysis and documentation based on comments raised during rulemaking</p> <ul style="list-style-type: none"> • 5c. Code enhancement support documents including compliance research, market feasibility, potential energy savings, and cost-effectiveness • Written response to stakeholders' comments and questions
6	C&S program provides technical responses to stakeholder issues raised in public rulemaking proceedings, including responding to comments and concerns voiced by stakeholders	<ul style="list-style-type: none"> • Communication with CEC, standard organizations committee members and other stakeholders • C&S Program input to stakeholder and CEC staff comments and questions on proposed code changes • CASE reports documenting code change proposals that are cost-effective, feasible and enforceable
7	CASE reports are revised and updated during the code proceeding process.	<ul style="list-style-type: none"> • CASE reports documenting code change proposals that are cost-effective, feasible and enforceable • CASE reports include additional data, analysis and documentation based on comments raised during rulemaking
8	CASE reports are updated to include proposed code change language and additional information presented during the public rulemaking proceedings	<ul style="list-style-type: none"> • CEC analysis and workshop discussions, public notices and scheduling of workshops • Updated CASE reports filed with CEC docket
9	IOU-proposed code change language is included in the CEC adopted Title 24 (T24) Standards	<ul style="list-style-type: none"> • Final published CASE reports • Updated T24 Standards adopted and published by CEC
10	After new T24 Standards are adopted C&S program initiates efforts to support the CEC in updating code compliance materials	<ul style="list-style-type: none"> • Communication with CEC, standard organizations committee members and other stakeholders
11	C&S Program conducts full range of advocacy efforts to support successful code change implementation	<ul style="list-style-type: none"> • 11a. C&S Program supported compliance software development
		<ul style="list-style-type: none"> • 11b. C&S Program developed revisions to compliance reporting forms and

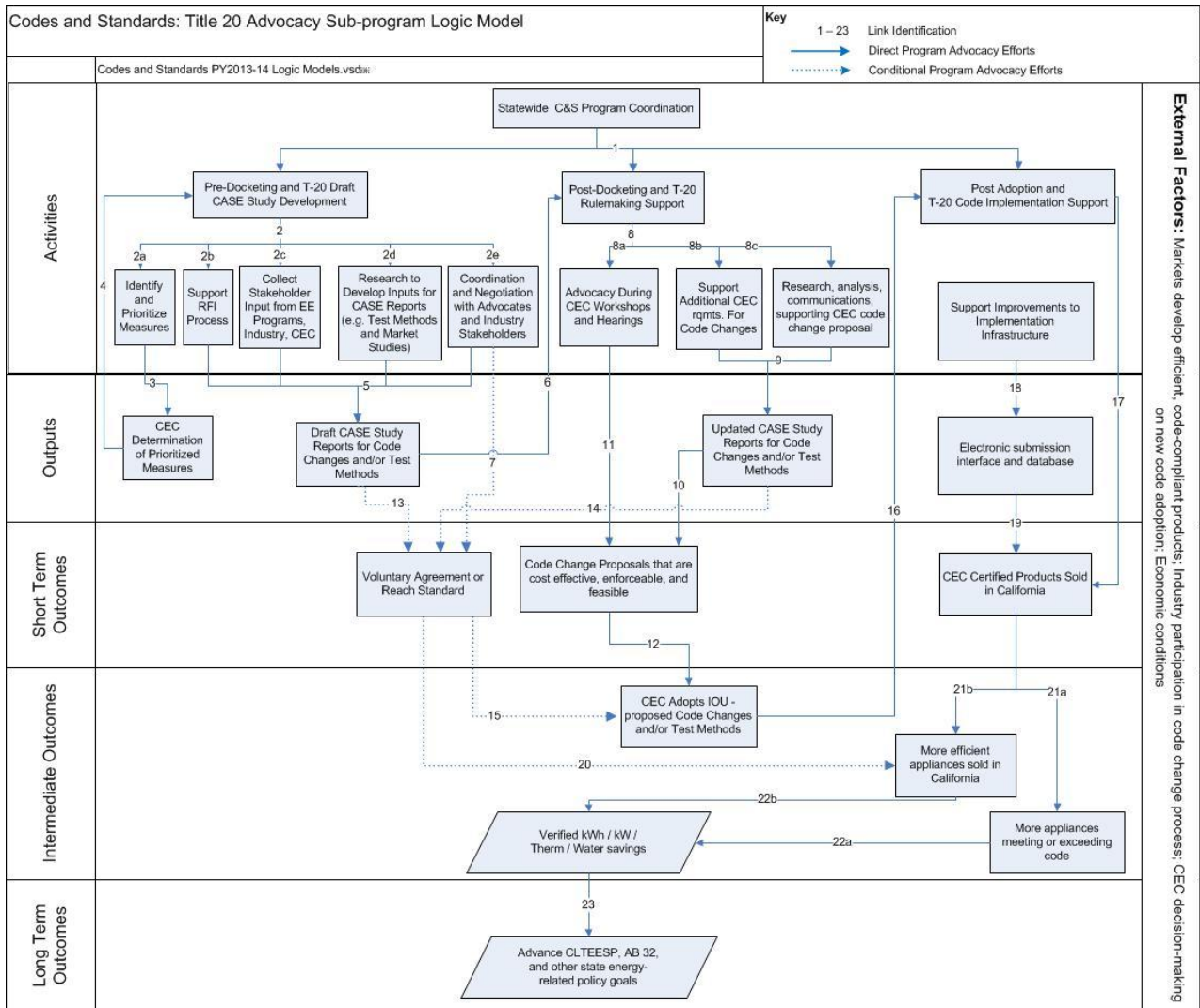
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		<p>manuals</p> <ul style="list-style-type: none"> • 11c. C&S Program supported compliance electronic infrastructure development, including electronic repository, pre-processing of electronic documents, and electronic input to the permit process
12	C&S program develops documentation to revise compliance software requirements to reflect the most recent code updates based on CASE Studies	<ul style="list-style-type: none"> • C&S program provides compliance software revisions documentation to the CEC
13	C&S program develops updated compliance reporting requirements and forms to reflect the most recent T24 updates based on CASE Studies	<ul style="list-style-type: none"> • C&S program provides revisions to T24 Standards manual and forms to the CEC
14	C&S program supports the CEC in developing a permit repository system, which generates and stores compliance forms	<ul style="list-style-type: none"> • Communication and meetings with CEC and other stakeholders on repository system development, including electronic repository, pre-processing of electronic documents, and electronic input to the permit process
15	C&S program documentation of code compliance software revisions is accepted and approved by the CEC	<ul style="list-style-type: none"> • CEC approves and implements updated compliance software
16	CEC compliance infrastructure is updated with new compliance manuals and forms, reporting requirements, and a new permit repository system	<ul style="list-style-type: none"> • CEC approves revised compliance reporting requirements • CEC approves revised compliance manuals and forms • CEC develops an electronic compliance repository and new electronic permit submittal process
17	Improved compliance infrastructure, system and modeling software leads to more buildings meeting or exceeding T24 requirements	<ul style="list-style-type: none"> • Energy savings calculations submitted for permit approval with compliance rates
18	New building efficiency (T24) standards lead to more efficient buildings	<ul style="list-style-type: none"> • Energy savings calculations submitted for permit approval

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19	More efficient buildings result in electric and gas energy savings, demand reduction, and water savings	<ul style="list-style-type: none"> • Energy savings calculations or building energy and water usage
20	More buildings meeting or exceeding code result in electric and gas energy savings, demand reduction, and water savings	<ul style="list-style-type: none"> • Energy savings calculations or building energy and water usage
21	Adopted and implemented codes lead to advancement towards long term strategic goals	<ul style="list-style-type: none"> • State policy objectives are met to achieve environmental, macroeconomic, and other non-energy benefits

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Codes and Standards: Title 20 Advocacy Program Theory and Indicators

Link	Program Theory/Activity	Potential Indicators
1	C&S Program managers coordinate their program activities to present a united, statewide C&S Program and conduct activities from pre-docketing through post-adoption of T-20 appliance standards.	<ul style="list-style-type: none"> • C&S Program managers meetings and on-going communication
2	C&S Program conducts full range of advocacy efforts during pre-rulemaking processes to support successful code change development through outreach and advocacy to stakeholders	<ul style="list-style-type: none"> • 2a Initial IOU assessment of measures/products indicates level of measure code-readiness • 2b. C&S Program support to CEC T20 RFI process • 2c. C&S Program stakeholder meetings, outreach and on-going communication with IOU EE program managers, CEC staff and industry stakeholders • 2d. C&S Program documentation of market feasibility and cost-effectiveness • Documentation of test methods and required test results • 2e. Negotiation meetings with advocates and industry stakeholders
3	IOUs share the code change screening results with the CEC and coordinate code change proposals with the CEC	<ul style="list-style-type: none"> • C&S program communications with CEC staff • C&S program assessments and recommendations presented to CEC
4	Initial CEC vetting of measures produces list of measures for consideration during the public rulemaking proceedings	<ul style="list-style-type: none"> • CEC analysis and workshop discussions of initial measures, public notices and scheduling of workshops • Supporting documentation from C&S Program
5	C&S Program conducts initial assessment of code change opportunities based on feasibility, cost-effectiveness, market readiness and acceptance, availability of test methods and data, etc.	<ul style="list-style-type: none"> • Documentation of compliance research, market feasibility, potential energy savings, and cost-effectiveness • C&S Program stakeholder meetings, outreach and on-going communication • C&S Program supported test method

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		<p>development and test data</p> <ul style="list-style-type: none"> • Communication with CEC, standard organizations committee members and other stakeholders
6	C&S program advocacy is presented at public CEC code proceedings	<ul style="list-style-type: none"> • CASE reports filed with CEC docket
7	C&S program advocacy is adopted voluntarily by industry or into local reach code ordinances	<ul style="list-style-type: none"> • Industry voluntary agreements and/or adoption of reach code standard based on IOUs C&S program negotiations
8	C&S Program conducts full range of advocacy efforts to support rulemaking processes and successful code change development	<ul style="list-style-type: none"> • 8a. Communication with CEC, standard organizations committee members and other stakeholders
		<ul style="list-style-type: none"> • 8b. CASE reports includes additional CEC requirements
		<ul style="list-style-type: none"> • 8c. Code enhancement support documents (compliance research, market feasibility, stakeholder outreach, and cost-effectiveness analyses)
9	CASE reports are revised and updated during the code proceeding process	<ul style="list-style-type: none"> • CASE reports documenting code change proposals that are cost-effective, feasible and enforceable • CASE reports include additional data, analysis and documentation based on comments raised during rulemaking
10	CASE reports are updated to include proposed code change language, test method requirements and additional information presented during the public rulemaking proceedings	<ul style="list-style-type: none"> • CEC analysis and workshop discussions, public notices and scheduling of workshops • Updated CASE reports filed with CEC docket supporting code change proposals and test methods that are cost effective, feasible and enforceable
11	C&S program provides technical responses to stakeholder issues raised in public rulemaking proceedings, including responding to comments and concerns voiced by stakeholders	<ul style="list-style-type: none"> • Communication with CEC, standard organizations committee members and other stakeholders • C&S Program input to stakeholder and CEC staff comments and questions on proposed code changes
12	IOU proposed code change language	<ul style="list-style-type: none"> • Final published CASE reports

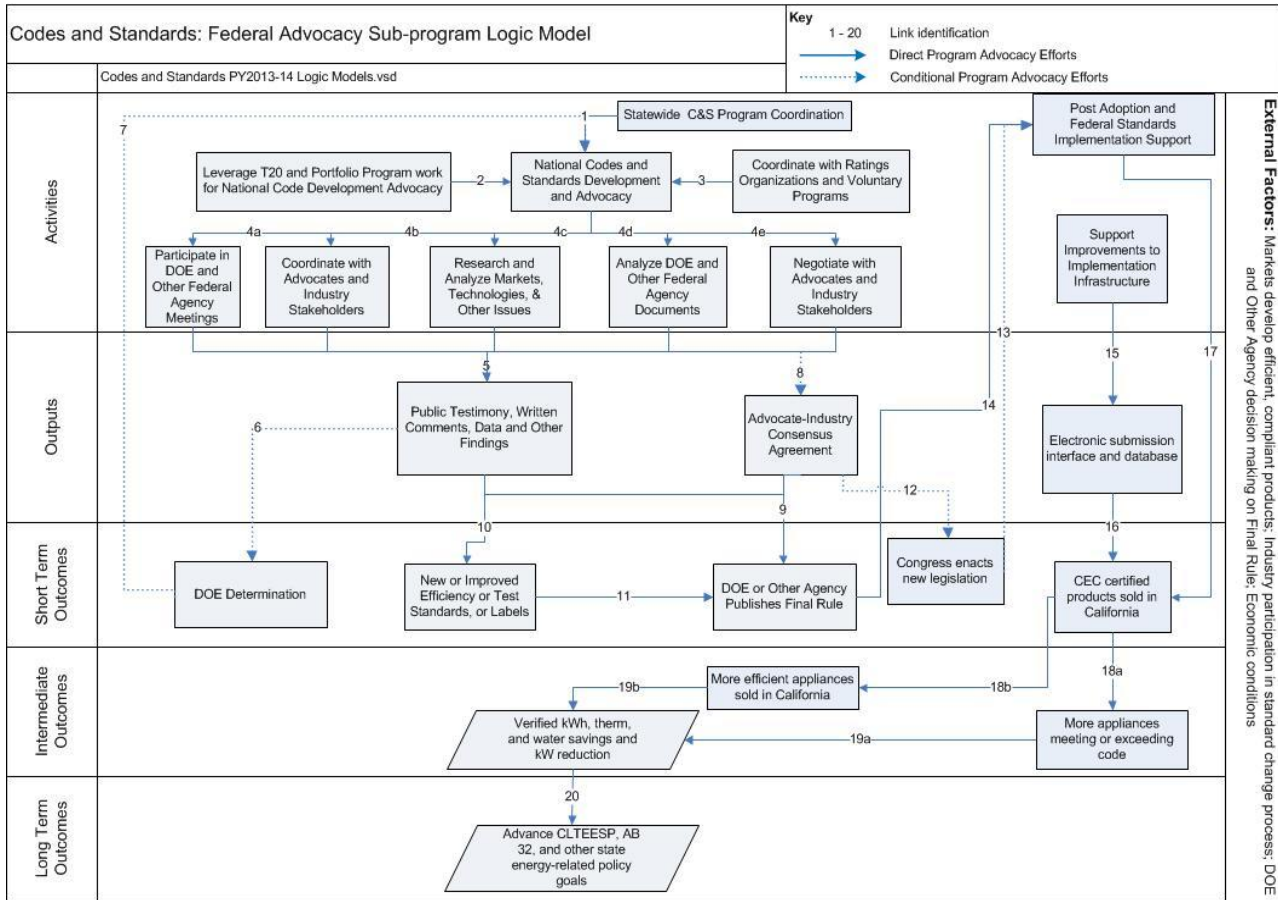
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	is included in the CEC adopted Title 20 standards	<ul style="list-style-type: none"> • Updated Title 20 Standards adopted and published by CEC
13	IOUs draft CASE report recommendations is adopted voluntarily by industry or into local reach code ordinances	<ul style="list-style-type: none"> • Industry voluntary agreements and/or adoption of reach code standard based on draft CASE reports
14	C&S program provides technical responses to stakeholder issues raised in public rulemaking proceedings, including responding to comments and concerns voiced by stakeholders, which are then adopted voluntarily by industry or into local reach code ordinances	<ul style="list-style-type: none"> • Industry voluntary agreements and/or adoption of reach code standard based on docketed, revised CASE reports
15	Development of locally adopted reach code ordinances leads to integration of more efficient building practices into future CEC Rule-making	<ul style="list-style-type: none"> • Future CEC Title 20 code change proposal and IOU code enhancement proposals based on reach code influenced appliance standards
16	After new Title 20 standards are adopted C&S program initiates efforts to support the CEC in updating code compliance materials	<ul style="list-style-type: none"> • Communication with CEC, standard organizations committee members and other stakeholders
17	The adoption of stringent energy efficient standards accelerates market adoption of efficient technologies	<ul style="list-style-type: none"> • Increased market presence and acceptance of certified products • Initial compliance rates
18	C&S Program promotes development of infrastructure to ensure successful code change implementation	<ul style="list-style-type: none"> • C&S Program-supported electronic infrastructure development including electronic repository, pre-processing of electronic documents, and electronic input to the permit process
19	Compliance electronic infrastructure is accepted and adopted by the CEC	<ul style="list-style-type: none"> • CEC approves and implements compliance electronic infrastructure
20	Market adoption, accelerated by industry voluntary agreements and/or reach codes, leads to market acceleration	<ul style="list-style-type: none"> • Increased feasibility and market presence of efficient products and practices

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21	The adoption of stringent energy efficiency standards accelerates market adoption of efficient technologies	<ul style="list-style-type: none"> • 21a. Increased market presence and acceptance of efficient certified products • 21b. Initial compliance rates
22	As market presence of high efficiency models increases, more products sold automatically meet the code requirement and compliance increases	<ul style="list-style-type: none"> • 22a. Increased market presence of efficient products improved compliance rate • 22b. Energy and water savings calculations with compliance rates
23	Adopted and implemented codes lead to advancement towards long term strategic goals	<ul style="list-style-type: none"> • State policy objectives are met to achieve environmental, macroeconomic, and other non-energy benefits

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Codes and Standards: Federal Advocacy Program Theory and Indicators

Link	Program Theory	Potential Indicators
1	<p>C&S Program leverages the experiences and expertise of portfolio programs and Title 20 activities to identify areas for federal appliance standard improvement opportunities</p> <p>Portfolio programs leverage C&S Program’s federal standards knowledge and expertise to identify new opportunities for programs</p>	<ul style="list-style-type: none"> • Obtain market and technical information from portfolio programs • Obtain market and technical information from the Title 20 sub-program • Portfolio programs obtain federal appliance standards information from C&S Program
2	<p>C&S Program leverages the experiences and expertise of portfolio programs to identify areas for state appliance standard improvement opportunities</p> <p>Portfolio programs leverage C&S Program’s state standards knowledge and expertise to identify new opportunities for programs</p>	<ul style="list-style-type: none"> • Obtain market and technical information from portfolio programs. • Portfolio programs seek and obtain state appliance standards information from C&S Program
3	<p>C&S Program coordinates with national ratings organizations (e.g. FTC) and voluntary programs (e.g. ENERGY STAR), including the development of test standards or labeling requirements</p>	<ul style="list-style-type: none"> • Coordination with ratings organizations such as FTC • Coordination with voluntary programs such as ENERGY STAR
4	<p>As part of C&S Program advocacy to DOE, C&S Program conducts research and testing, analyzes DOE documentation for key technical and policy issues, and coordinates with both energy-efficiency advocates and industry stakeholders on issues related to the federal appliance standard including the development of new industry test methods</p>	<ul style="list-style-type: none"> • 4a. Participation in meetings, including providing public testimony • 4b. Communication, including email and phone calls, with manufacturers, industry groups, and efficiency advocates • 4c. Research documentation and analysis in reports and internal communications • 4c. Participation in the development of industry test methods • 4d. Notes on key issues and internal communication regarding DOE documentation • 4e. Negotiation meetings with advocates and industry stakeholders
5	<p>C&S Program drafts IOU written comments submitted to DOE in advocacy of standards, participates in DOE public meetings, provides public testimony, and communicates with</p>	<ul style="list-style-type: none"> • Percentage of DOE rulemakings for which written comments are submitted by IOUs • Percentage of DOE meetings with IOU

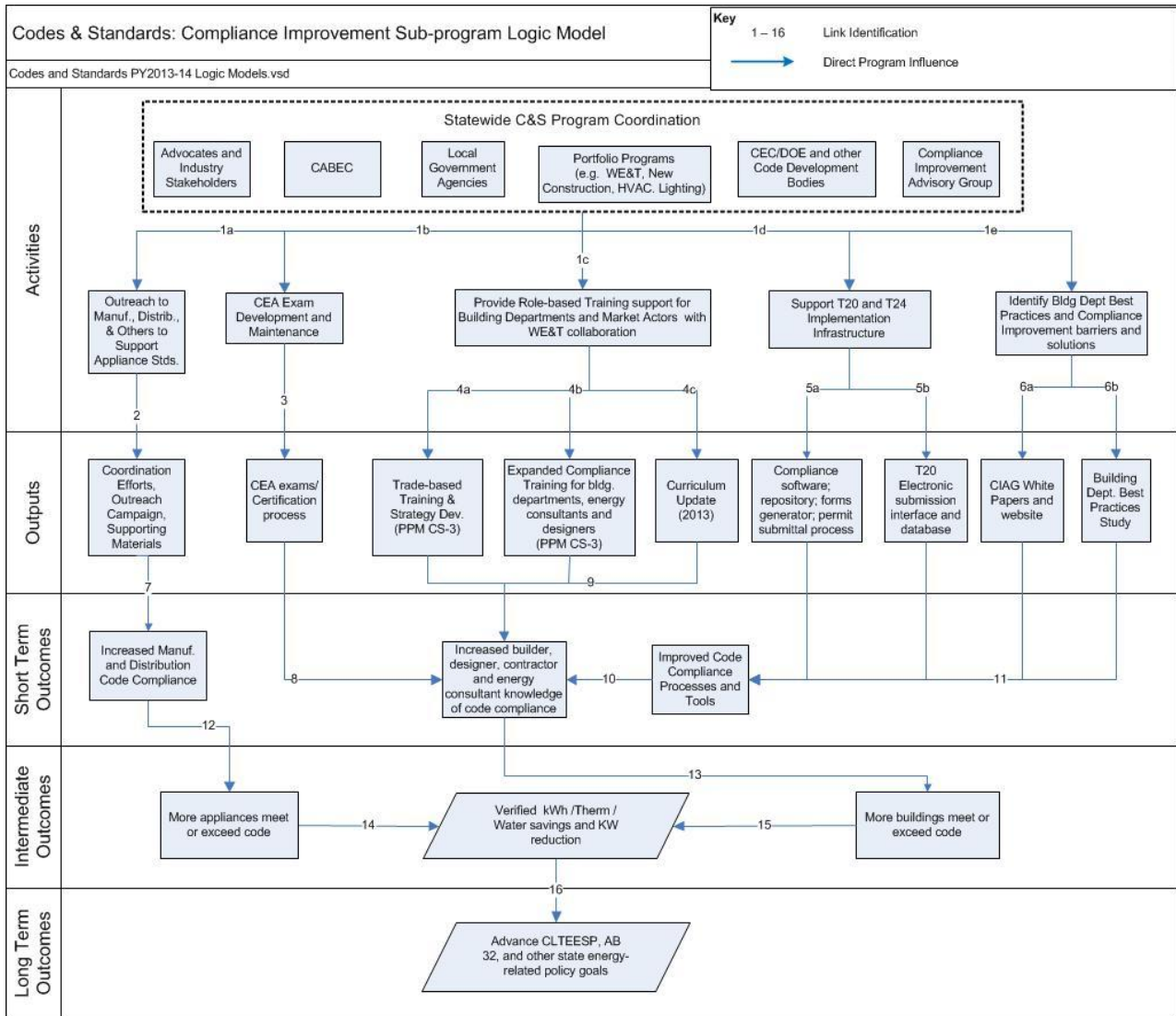
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	DOE staff and their consultants during the rulemaking.	<ul style="list-style-type: none"> participation • Communication, including email and phone records, with DOE staff and their consultants. • Public testimony to DOE
6	C&S Program comments and findings lead to DOE determination of which standards to consider for rulemaking	<ul style="list-style-type: none"> • DOE determination notice of standards considered for rulemaking • Acknowledgment of IOU contributions in DOE determination notice
7	DOE determination to pursue standards for rulemaking	<ul style="list-style-type: none"> • DOE determination notice • DOE proceeds with rulemaking
8	<p>C&S Program coordinates with other energy efficiency advocates and industry stakeholders to develop a consensus agreement on new standards and/or testing requirements, through a negotiation process</p> <p>C&S Program conditionally supports this pathway when it leads to quicker, greater energy savings than traditional rulemaking</p>	<ul style="list-style-type: none"> • Communications, including email, phone records, conference calls and in-person meetings, with stakeholders • Internal review, research, analysis and communication on potential negotiation positions • Draft negotiation positions and final consensus agreement
9	DOE uses consensus agreement from efficiency advocates and industry as the basis of their final rule	<ul style="list-style-type: none"> • DOE sets new federal standards based on standard levels and other provisions of consensus agreement
10	C&S Program data, findings, comments and testimony support DOE appliance standards rulemaking to establish new or amended federal appliance standards, test procedures and/or labels.	<ul style="list-style-type: none"> • DOE Federal Register publications, technical documentation, and public meetings. • C&S Program public testimony, written comments, and data in support of new or amended federal appliance standards, test procedures and/or labels
11	DOE publishes final rule with new or amended appliance standards, or new or amended test procedure	<ul style="list-style-type: none"> • DOE Final Rule is published in the Federal Register
12	Advocate-industry consensus agreement is finalized and provided to Congress for possible enactment through energy legislation	<ul style="list-style-type: none"> • Submittal of final consensus agreement to Congress
13	<p>Congress passes final energy legislation and President signs legislation into law</p> <p>C&S Program initiates efforts for post adoption implementation support</p>	<ul style="list-style-type: none"> • Final enacted legislation • Communication with standard organizations committee members and other stakeholders to identify implementation support needs
14	DOE publishes a Final Rule to integrate new standards and/or test procedures established	<ul style="list-style-type: none"> • DOE Final Rule published in the Federal Register

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	<p>by Congress, and related provisions, into the Code of Federal Regulations.</p> <p>C&S Program initiates efforts for post adoption implementation support</p>	<ul style="list-style-type: none"> • Communication with standard organizations committee members and other stakeholders to identify implementation support need
15	<p>C&S Program promotes development of, and improvements to, infrastructure to ensure successful code change implementation</p>	<ul style="list-style-type: none"> • C&S Program supported electronic infrastructure development and improvement including electronic repository, pre-processing of electronic documents, and electronic input to the permit process
16	<p>Compliance electronic infrastructure is accepted and adopted by the CEC</p>	<ul style="list-style-type: none"> • CEC approves and implements compliance electronic infrastructure
17	<p>The adoption of stringent energy efficient standards accelerate market adoption of efficient technologies</p>	<ul style="list-style-type: none"> • Increased market presence and acceptance of certified products • Initial compliance rates
18	<p>The adoption of stringent energy efficient standards accelerates market adoption of efficient technologies</p> <p>The adoption of stringent energy efficient standards leads to more appliances meeting or exceeding code</p>	<ul style="list-style-type: none"> • 18a. Initial compliance rates • 18b. Increased market presence and acceptance of efficient certified products
19	<p>As market presence of high efficiency models increases, more products sold automatically meet the code requirement and compliance increases</p>	<ul style="list-style-type: none"> • 19a. Increased market presence of efficient products demonstrates improved compliance rate • 19b. Energy and water savings calculations with compliance rates
20	<p>Adopted and implemented codes lead to advancement towards long term strategic goals</p>	<ul style="list-style-type: none"> • State policy objectives are met to achieve environmental, macroeconomic, and other non-energy benefits

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Codes and Standards: Compliance Improvement Program Theory and Indicators

Link	Program Theory	Potential Indicators
1	C&S Program coordinates with advocates and industry stakeholders, CABEC, local government agencies, CEC/DOE/other code development bodies, Compliance Advisory Group (CIAG), other IOU portfolio programs, and other organizations	<ul style="list-style-type: none"> • Communication with collaborative members
1a	<p>C&S program coordinates efforts with the appliance industry in improving code compliance through outreach to manufacturers, distributors and others to support appliance standards</p> <p>C&S program supports CEC outreach efforts</p> <p>C&S program staff attends trade shows, meetings and other outreach venues</p>	<ul style="list-style-type: none"> • Number of manufacturers contacted • Number of meetings • Participation in trade shows • Number of training sessions
1b	<p>C&S Program supports Certified Energy Analyst (CEA) examination development and maintenance, and training programs for various industry groups</p> <p>C&S program supports CABEC in developing technical and administrative guidelines to update the residential and nonresidential CEA examinations developed in 2010-2012 to properly test applicant CEAs under the 2013 standards and facilitating the roll out of the new certification process</p> <p>C&S Program assembles and trains a team of subject-matter experts to prepare exam questions</p>	<ul style="list-style-type: none"> • A trained team of subject-matter experts • Set of exam questions • Blueprint for exam preparation • Alpha and Beta test developed • Exam standards developed
1c	C&S program in collaboration with Workforce Education and Training sub-program (WE&T) prepare and deliver role-based training for building departments, energy consultants, designers, contractors and technicians to improve current code compliance	<ul style="list-style-type: none"> • Number of courses prepared • Number of sessions delivered • Number of course participants
1d	C&S program coordinates with the CEC/ DOE to provide T24 and T20 implementation infrastructure support	<ul style="list-style-type: none"> • Number of statewide/ CEC coordination meetings • Needs assessment recommendations

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Link	Program Theory	Potential Indicators
	C&S Program identifies building department best practices, and compliance improvement barriers and solutions through a needs assessment	
1e	<p>C&S Program assembles and facilitates the Compliance Improvement Advisory Group (CIAG). CIAG acts as ‘ear-to-the-ground’ to identify and prioritize compliance improvement initiatives for the C&S Program</p> <p>CIAG members represent CEC, California State License Board (CSLB), architects, builders, home energy raters, contractors, energy consultants, compliance software developers, and building officials</p> <p>C&S Program collaborates with a select group of building departments across the state to identify best practices for enforcing Title 24</p>	<ul style="list-style-type: none"> • An Advisory Group representative of key compliance improvement market actors • Number of CIAG coordination meetings • Number of participating building departments
2	<p>C&S Program coordinates with the CEC to conduct outreach to equipment manufacturers on existing code requirements, and to facilitate compliance from both a technical and administrative perspective</p> <p>C&S Program assists manufacturers to ensure equipment sold in California meets the minimum technical requirements, and to successfully complete the certification process with the CEC</p> <p>C&S Program staff write articles for CEC Blueprint and other publications addressing T20/T24 requirements</p>	<ul style="list-style-type: none"> • Campaign supporting materials • Number of manufacturers receiving assistance on use of CEC appliance database • Number of distributors informed • Number of articles published addressing T20/T24 requirements
3	C&S Program assists CABEC with the design, implementation and marketing of the CEA certification process, incorporating inputs from CEC	<ul style="list-style-type: none"> • CABEC certification process website • Number of certified Energy Analysts
4a	C&S Program collaborates with WE&T, CEC and major industry trade groups to develop and deliver enhanced workforce education and training to ensure proper installation, commissioning and maintenance as per code	<ul style="list-style-type: none"> • Needs assessment recommendations • Number of industry-specific courses • Number of training sessions

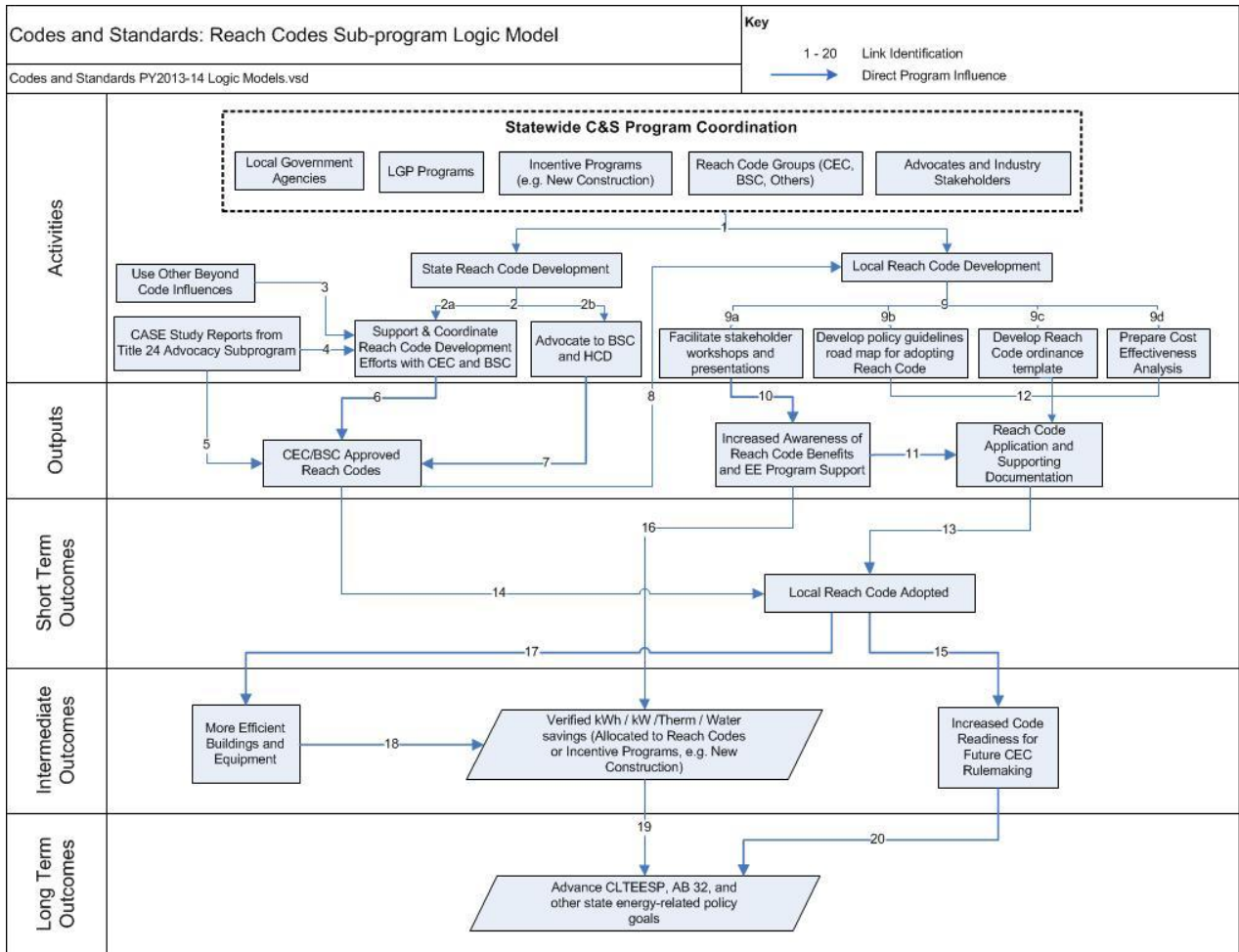
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Link	Program Theory	Potential Indicators
		<ul style="list-style-type: none"> • Number of participants
4b	C&S Program develops and implements compliance training to building departments, energy consultants and designers that expands beyond classroom-based training to include live webinars and other activity-based online training	<ul style="list-style-type: none"> • Number of training sessions • Number of courses developed • Number of training sessions • Number of participants
4c	C&S Program updates the current role-based building department and energy consultant training curriculum incorporating feedback from the CEC, WE&T and CIAG	<ul style="list-style-type: none"> • Updated curriculum to reflect 2013 Title 24 Standards
5a	C&S Program provides support to CEC/CPUC to develop a framework for an electronic repository database C&S Program coordinates with the CEC and Emerging Technologies Program (ETP) on needs assessment study to explore the potential for developing electronic compliance forms and technology options for a pilot online permitting process	<ul style="list-style-type: none"> • Needs assessment recommendations
5b	C&S Program provides feedback and support to CEC/CPUC to develop an improved user interface for the CEC appliance database	<ul style="list-style-type: none"> • Interface improvement recommendations
6a	CIAG prepares white papers that identify and prioritize compliance-specific issues, propose solutions and recommend next steps for C&S Program consideration C&S Program supports and maintains CIAG website that houses the white papers and collects feedback and disseminates information	<ul style="list-style-type: none"> • Issue-specific white papers (4-8) • CIAG website
6b	C&S Program, using information obtained from needs assessment and gap analysis, develops and tests building department-specific tools, training and strategies for optimizing Title 24 enforcement C&S Program works collaboratively with participating building departments to document best practices that are shared with local jurisdictions statewide	<ul style="list-style-type: none"> • Comprehensive best practices assessment and gap analysis report • Tools, training materials and implementation strategies
7	C&S Program outreach and coordination efforts results in increased awareness among manufacturers and distributors	<ul style="list-style-type: none"> • Increased number of certified products in CEC appliance database • Increase in availability of

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Link	Program Theory	Potential Indicators
		compliant products
8	Stringent CEA exam and certification process results in increased number of proficient energy analysts which leads to better code compliance	<ul style="list-style-type: none"> • Number of certified energy analysts • Increased number of compliant buildings • More accurate compliance documentation
9	Effective role-based and trade-based training results in increased code compliance knowledge among builders, contractors and designers which leads to better code compliance	<ul style="list-style-type: none"> • Increase in standards knowledge of training attendees (pre and posttests)
10	Improved processes and tools results in increased builder, designer, contractor and energy analyst code compliance knowledge	<ul style="list-style-type: none"> • Increased builder, designer, contractor and energy analyst knowledge of code compliance
11	Best practices study; CIAG white papers and website; improved Title 20/Title 24 electronic submission interface and database; and improved compliance software, repository, forms generator and permit submittal process increase the effectiveness of code compliance processes and tools, and reduce the frequency of compliance errors	<ul style="list-style-type: none"> • Reduced number of compliance errors due to resources and training • Reduced time for building officials to process paperwork
12	Outreach and compliance support in appliance manufacturing and distribution channels results in more appliances meeting code and greater utilization of efficient appliances and technologies	<ul style="list-style-type: none"> • Reduction in number of noncompliant appliances in the market • Increased utilization of efficient appliances and technologies
13	Improved compliance infrastructure, system and modeling software leads to more buildings meeting or exceeding T24 requirements	<ul style="list-style-type: none"> • Energy savings calculations submitted for permit approval with compliance rates
14	More effective enforcement processes, increased knowledge of code requirements throughout the market increases the number of appliances meeting or exceeding code, which results in verified kwh/ therm and water savings, and kw reduction	<ul style="list-style-type: none"> • kwh savings • therm savings • water savings • kw reduction
16	Adopted and implemented codes lead to advancement towards long term strategic goals	<ul style="list-style-type: none"> • State policy objectives are met to achieve environmental, macroeconomic, and other non-energy benefits

2013-2014 Energy Efficiency Programs Statewide Codes and Standards Program Program Implementation Plan



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Statewide Codes and Standards Program
Program Implementation Plan**

Codes and Standards: Reach Codes Program Theory and Indicators

Link	Program Theory	Potential Indicators
1	C&S Program coordinates and supports internal and external efforts to drive reach codes development and adoption, using the resources offered by the IOU Energy Efficiency and Local Government Partnership programs; and working with the CEC, Building Standards Committee (BSC), and industry groups	<ul style="list-style-type: none"> • Communication and meetings with CEC, standard organizations committee members and other stakeholders for model reach code ordinances • Communication and meetings with local jurisdictions to develop their reach code ordinances • Quarterly updates to LGP (Local Government Partnership) program regarding reach code adoption progress and delivery of training to building departments • Coordination efforts with local government agencies in conducting rulemaking process • Coordination of reach code features with IOU energy efficiency program offerings where possible • Coordinated C&S program and LGP outreach efforts to local jurisdictions • Solicitation for stakeholder involvement and work with stakeholders
2	C&S Program collaborates with CEC and BSC to provide support for developing local reach code ordinances to encourage buildings to achieve exemplary performance in the areas of energy efficiency	<ul style="list-style-type: none"> • 2a: Stakeholder meetings, outreach and on-going communication with CEC and BSC in development of statewide reach codes solutions such as CALGreen • 2b: Communication with BSC and HCD to advocate the benefits of the reach code
3	C&S Program supports the CEC/BSC CALGreen Tier 1 and Tier 2 standards development by leveraging C&S Program involvement in ASHRAE Standard 189 and other “beyond code” activities (e.g. CHPS)	<ul style="list-style-type: none"> • Stakeholder meetings, outreach and on-going communication with CEC and standards organization staff • Participation in ASHRAE 189 committee meetings and other “beyond code” organization activities
4	C&S Program CASE reports presented at reach code development meetings	<ul style="list-style-type: none"> • CASE reports include data, analysis and documentation for reach code development

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Program Implementation Plan**

5	IOU proposed code change language is included in CEC adopted reach code standards	<ul style="list-style-type: none"> Adoption of CEC-approved reach codes by BSC includes IOU proposed code change language
6	C&S Program efforts support the development of energy efficiency reach standards by CEC and BSC	<ul style="list-style-type: none"> Adoption of CEC-approved reach codes by BSC Support and contributions to CEC/BSC reach codes efforts, in particular CALGreen
7	C&S Program advocacy to BSC and HCD to support adoption of energy efficient standards into CALGreen	<ul style="list-style-type: none"> Advocacy for industry energy efficiency standards, such as ASHRAE Std 189, influence the CEC-approved reach codes adopted by BSC
8	BSC adopted reach code (CALGreen) is used for the basis of local reach code development	<ul style="list-style-type: none"> Local ordinance development begins with consideration of BSC adopted reach code (e.g. CalGreen Tier 1 or 2) Increase in regional code consistency (countywide or geographically contiguous jurisdictions)
9	C&S Program conducts full range of advocacy efforts to support to rulemaking processes and ensure successful reach code development, completed in collaboration with the local government, CEC, BSC, and others	<ul style="list-style-type: none"> 9a. Stakeholder meetings, outreach and on-going communication 9b. “Road Map” of policy guidelines for adopting reach code 9c. Reach code ordinance “template” that establishes clear definitions of when the ordinance is triggered 9d. Reach code cost-effectiveness documentation
10	Stakeholder outreach by C&S Programs and LGP increase reach code awareness and knowledge	<ul style="list-style-type: none"> Responses to requests for technical assistance from local government officials and stakeholders Input to stakeholder comments and questions on proposed code changes
11	C&S Program supports local government officials in the reach code application process by responding to requests for technical assistance and support materials	<ul style="list-style-type: none"> Technical support material and reach code policy and adoption guidance to local governments upon request
12	Local governments conduct rulemaking process, develop ordinance with technical support from C&S Program	<ul style="list-style-type: none"> Local ordinance adoption proceedings Reach code application developed with support from C&S Program

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13	C&S Program support leads to adopted local reach code ordinances	<ul style="list-style-type: none"> • Reach code ordinance adoption published by local jurisdictions
14	CEC/BSC model reach code, with C&S Program proposed code change language, is adopted by local ordinances	<ul style="list-style-type: none"> • Reach code ordinance adoption published by local jurisdictions
15	Development of locally adopted reach code ordinances leads to integration of more efficient building practices into future CEC rulemaking	<ul style="list-style-type: none"> • Increased acceptance and experience of reach code measures by builders, designers, and contractors prepares the market for future CEC reach codes
16	Stakeholder outreach and technical support by LGP and C&S Programs increase awareness and knowledge of reach code and EE incentive program benefits, resulting in greater utilization of efficient appliances and technologies	<ul style="list-style-type: none"> • Increased utilization of efficient appliances and technologies • Reduction of noncompliant practices and appliances
17	Adoption of reach code ordinances leads to more efficient buildings and equipment	<ul style="list-style-type: none"> • Increased market acceptance of reach code requirements and practices throughout the state
18	More efficient buildings result in electric and gas energy savings, demand reduction, and water savings	<ul style="list-style-type: none"> • Energy savings calculations or building energy and water usage
19	Adopted and implemented codes lead to advancement towards long term strategic goals	<ul style="list-style-type: none"> • State policy objectives are met to achieve environmental, macroeconomic, and other non-energy benefits
20	Increased market acceptance of building practices resulting from reach codes leads to advancement towards long term strategic goals	<ul style="list-style-type: none"> • Accelerated completion of state policy objectives to achieve environmental, macroeconomic, and other non-energy benefits

Attachment 1 Glossary of Acronyms

Acronym/Term	Description
AB 32	California Assembly Bill AB 32, California Global Warming Solutions Act of 2006
ACM	Alternate Component Method, The CEC's Public Domain Computer Programs, one of the CEC's Simplified Calculation Methods, or any other calculation method approved by the CEC.
AHRI	Air-Conditioning, Heating and Refrigeration Institute
ASHRAE	American Society of Heating, Refrigerating, and Air-Conditioning Engineers
ASHRAE 90.1	Energy Standard for Buildings Except Low-Rise Residential Buildings
ASHRAE 189	Standard for the Design of High-Performance, Green Buildings Except Low-Rise Residential Buildings
ASTM	American Society for Testing and Materials Now referred to as ASTM International
BSC	California Building Standards Commission
C&S	Codes and Standards program
CA	California
CABEC	California Association of Building Energy Consultants
CALBO	California Building Officials
CARB	California Air Resources Board
CASE	Codes and Standards Enhancement
CEC	California Energy Commission
CEE	Consortium for Energy Efficiency
CEPs	Compliance Enhancement Programs
CEQA	California Environmental Quality Act
CHPS	Collaborative for High Performance Schools
CPUC	California Public Utilities Commission
CRRC	Cool Roof Rating Council
CSLB	California State License Board
CSU	California State University
DOE	United States Department of Energy
DCA	California Department of Consumer Affairs
DR	Demand Response
DTSC	California Department of Toxic Substance Control
DSA	California Division of State Architect
DWR	California Department of Water Resources
EE	Energy Efficiency
EISA 2007	United States Energy Independence and Security Act of 2007
EOA	Extension of Advocacy
EPA	United States Environmental Protection Agency
ET (ETP)	Emerging Technologies (Emerging Technologies Program)
FDD	Fault Detection and Diagnostics
GHG	Greenhouse Gas
Green Globes	Green building rating system as administered by the Green Building Initiative

Acronym/Term	Description
HCD	California Department of Housing and Community Development
HERS	Home Energy Rating System
HID	High Intensity Discharge
Huffman Bill (AB1109)	California Assembly Bill AB 1109, Lighting Efficiency and Toxics Reduction Act
HVAC	Heating, Ventilating and Air Conditioning
IBEW	International Brotherhood of Electrical Workers
ICC	International Code Council
IESNA	Illuminating Engineering Society of North America
IOU	California Investor Owned Utility (PG&E, SCE, SDG&E, SCG)
LAUSD	Los Angeles Unified School District
LEED	Leadership in Energy and Environmental Design Green building rating system as administered by the USBGC
LG	Local Government
LGC	Local Government Commission
M&V	Measurement and Verification
NECA	National Electrical Contractors Association
NFRC	National Fenestration Rating Council
NRDC	National Resources Defense Council
OSHPD	California Office of Statewide Health Planning and Development
PG&E	Pacific Gas and Electric
RC	Reach Code
Reach Code	Codes, standards, regulations, policies and programs that exceed minimum energy codes such as Title 24, Title 20, ASHRAE Standard 90.1
ResNet	Residential Energy Services Network
SCE	Southern California Edison
SCG	Southern California Gas
SDG&E	San Diego Gas and Electric
SMACNA	Sheet Metal and Air Conditioning Contractors' National Association
SMUD	Sacramento Municipal Utility District
Title 20	Title 20, California Appliance Efficiency Regulations, Section 1601 et seq. of the California Code of Regulations.
Title 24	Title 24, California Building Energy Efficiency Standards, as set forth in the California Code of Regulations, Title 24, Part 6. Also known as the <i>California Energy Code</i> .
TDV	Time Dependent Valuation is the time varying energy caused to be used at by the building to provide space conditioning and water heating and for specified buildings lighting, accounting for the energy used at the building site and consumed in producing and in delivering energy to a site, including, but not limited to, power generation, transmission and distribution losses.
TOS	Time of Sale
UC	University of California
USGBC	United States Green Building Council
WE&T	Workforce, Education and Training

Attachment 2 - 2013 – 2014 Codes and Standards PIP Addendum

Codes and Standards Program Overview

The Codes and Standards (C&S) Program saves energy on behalf of ratepayers by influencing continuous improvements in energy efficiency regulations, improving compliance with existing codes and standards, and working with local governments to develop ordinances that exceed statewide minimum requirements. C&S program activities extend to all buildings and potentially any appliance in California, for both advocacy and compliance improvement.

The C&S Program consists of five subprograms: Building Codes Advocacy; Appliance Standards Advocacy; Compliance Improvement; Reach Codes; and, Planning and Coordination.

1. Building Codes Advocacy Subprogram

The Building Codes Advocacy subprogram primarily targets improvements to Title 24 Building Efficiency Regulations that are periodically updated by the California Energy Commission. The subprogram also seeks changes to national building codes that impact CA building codes. Advocacy activities include, but are not limited to, development of code enhancement proposals and participation in public rulemaking processes. The program may coordinate with or intervene in ratings organizations that are referenced in Title 24; for example, the National Fenestration Rating Council, and the Cool Roof Rating Council.

2. Appliance Standards Advocacy Subprogram

The Appliance Standards Advocacy subprogram targets both state and federal standards and test methods: improvements to Title 20 Appliance Efficiency Regulations by the California Energy Commission, and improvements to Federal appliance regulations by the US Department of Energy. Advocacy activities include, but are not limited to, development of code enhancement proposals and participation in the public rulemaking process (Title 20), and comment letters based on IOU research and analysis (USDOE), and participation in direct negotiations with industry. Additionally, the program monitors state and federal legislation and intervenes, as appropriate.

3. Compliance Improvement

The Compliance Improvement subprogram is a new subprogram that combines the previous Extension of Advocacy and Compliance Enhancement subprograms. It provides education, training, and other activities targeting building departments and other industry actors responsible for compliance with Building Energy Code and Appliance Standards requirements. Activities may include development of “best practices tools” and other infrastructure elements that serve multiple compliance improvement objectives.

4. Reach Codes Subprogram

The Reach Codes subprogram provides technical support to local governments that wish to adopt ordinances that exceed statewide Title 24 minimum energy efficiency requirements for new buildings, additions, or alterations. Support for local governments includes research and analysis for establishing performance levels relative to T-24 and cost effectiveness per Climate Zone, drafting of model ordinance templates for regional consistency, and assistance for completing and expediting the application process required for approval by the CEC. The subprogram also supports local governments that seek to establish residential or commercial energy conservation ordinances for existing buildings.

5. Planning and Coordination

The Planning and Coordination Subprogram provides a formal process that aligns planning activities across the IOU energy efficiency portfolio within the Codes and Standards program activities. This subprogram supports efforts to prepare the market for future code adoption (i.e., improve code readiness), to ensure higher code compliance rates and advance the CPUC Strategic Plan goals for achieving Zero Net Energy.

Codes and Standards 2013-2104 Activities by Sub-Programs

Building Energy Codes Advocacy

The Building Codes Advocacy program will continue conducting many of the same activities as were conducted in the 2010 – 2012 program cycle, but will focus on the upcoming 2016 Title 24 Energy Building Code cycle. In addition, the Building Codes Advocacy sub-program will expand activities at the national level. Primary activities for 2013-2014 include the following:

2013 Title 24 Energy Building Code

- Support implementation of adopted 2013 Energy Building Code:
 - Complete revisions to compliance manuals and forms

2016 Title 24 Energy Building Code

- Prepare CASE studies in coordination with CEC:
 - Conduct research for 2016 building code advocacy to advance State policy goals
 - Support activities to address Department of Finance review requirements
 - Research residential ventilation / IAQ requirements to reduce and control infiltration while maintaining and improving indoor air quality
 - Research and advocate methods to remove code barriers to the increased use of renewable energy in support of ZNE goals
 - Support development of 2016 compliance software

Appliance Standards Advocacy

The Appliance Standards Advocacy program will continue conducting many of the same activities as were conducted in the 2010–2012 program cycle, but will focus on preparing new measures pursuant to CEC’s adopted Order Instituting Rulemaking (“OIR”) for Title 20 Appliance Standards and U.S. Department of Energy’s ongoing rulemaking for Federal Appliance Standards. Primary activities for 2013-2014 include the following:

Title 20 Appliance Standards Rulemaking

- Prepare CASE studies pursuant to CEC’s adopted OIR:
 - Advocate and provide public testimony in State public proceedings
 - Conduct research and testing and submit supporting market and technical data to the CEC
 - Participate in consensus negotiations with industry and energy advocacy groups (which typically develop standards levels which CEC eventually adopts)
 - Develop voluntary agreements or reach standards

Federal Appliance Standards Rulemaking

- Provide support to DOE rulemaking process:
 - Advocate and provide public testimony in Federal public proceedings
 - Submit supporting market and technical data to the Department of Energy

- o Participate in consensus negotiations with industry and energy advocacy groups (which typically develop standards levels which DOE eventually adopts)
- o Develop voluntary agreements or reach standards

Compliance Improvement

For the 2013-2014 program cycle, the C&S team will combine the former Extension of Advocacy and Compliance Enhancement Program activities into one Compliance Improvement subprogram to enhance understanding of program objectives and activities. The subprogram will strive to improve compliance with the Title 24 and Title 20 efficiency standards while implementing an effective sector strategy with the Workforce Education and Training Program. Primary activities for 2013-2014 include the following:

Title 24 Compliance

- Title 24 Standards Essentials Role-Based training for building inspectors:
 - o Continue delivering training to plans examiners and energy consultants. Update curriculum to cover what's new in the 2013 code. (*per OP 93*)
 - o Expand role-based training curriculum to additional compliance improvement market actors such as the building trades and design professionals as guided by needs assessment
- HVAC Quality Installation and Other Programs with Direct Code Requirements
 - o Identify opportunities to insert code compliance modules in existing curriculum, such as training required for technicians
- On-line Compliance Training:
 - o Explore training delivery mechanisms beyond the traditional classroom to include live webinars, activity-based online training, and in-field demonstrations
- Tools and Process Improvements:
 - o Implement tools and process improvements as identified through the building department best practices study and the Compliance Improvement Advisory Group (CIAG)
- Forms and Compliance Documents:
 - o Support development of improved forms and compliance-related documentation for 2013 Title 24
- Nonmonetary Compliance Improvement Incentives:
 - o Explore a pilot project designed to improve compliance by providing incentives to local governments, contractors, or other key market actors. The pilot will be based on the CIAG's guidance and may include nonmonetary incentives such as training or provision of tools designed to streamline the permitting and inspection processes for additions and alterations (*per OP 94*)
- Target Low Compliance Problem Areas:
 - o Collaborate with the CEC to identify problem areas and potential compliance improvement solutions through white papers developed by CIAG members (*per OP 95*)
 - o Consider pilot project to improve compliance for measures with known challenges, which may include providing incentives to contractors for pulling permits, or motivation for other market actors. (*per OP 95*)
- Develop and Conduct Outreach Campaign to Improve Compliance:
 - o Collaborate with the CEC to develop and implement an outreach campaign designed to improve compliance with Title 24 and Title 20 standards. The campaign will be based on the CIAG's guidance and may include activities such

as developing flyers for contractors to provide to potential customers explaining the code requirements and benefits, mini measure-based code seminars for big box store employees, etc. (per OP 93)

- CEA exam development, facilitation support, and maintenance
 - Collaborate with the California Association of Building Energy Consultants to improve the working knowledge, skills, analytic ability and accountability of individuals using energy compliance software and preparing the appropriate Title 24 documentation for permit submittal. C&S will support updating the beta Residential and Nonresidential CEA examinations developed in 2010-2012 to properly test applicant CEAs under the 2013 standards and facilitating the roll out of the new certification process.

Title 20 and Federal Standards Compliance

- Surveys and Technical Support:
 - Conduct surveys and provide technical support to CEC and industry to facilitate compliance.
- Education and Outreach:
 - Collaborate with CEC on implementing an education and outreach campaign targeted to distributors, retailers, contractors, and possibly consumers. (*OP 93*)

Reach Codes

For the 2013-2014 program cycle, the IOUs will continue to collaborate with the CEC and Local Government Partnership Program to identify, and provide technical assistance to, local jurisdictions interested in adopting Reach Codes. In addition, the IOUs will continue to collaborate with CEC to provide support for developing voluntary standards to encourage buildings to achieve exemplary performance in the areas of energy efficiency. Primary Reach Code activities for 2013-2014 include the following:

Reach Code Technical Assistance

- Cost Effectiveness Studies:
 - Prepare Cost Effectiveness studies for each of the California climate zones (to be updated for 2013 Energy Building Code) that have been vetted with the CEC, resulting in expedited CEC review of reach code application submittals.
- Policy Guidelines:
 - Provide a “Road Map” of Policy Guidelines for adopting Reach Code including an overview of some of the implications and important choices in writing and adopting these types of ordinances, and recommendations intended to improve implementation and compliance.
- Ordinance Template:
 - Provide a Reach Code Ordinance “template” that establishes clear definitions of when the ordinance is triggered, including CEC-required language which states that all buildings shall meet all applicable requirements of the Building Energy Code.
- Workshops & Presentations:
 - Facilitate public workshops and presentations to interested stakeholders including elected officials, city staff, industry organizations, and community groups that address the following:
 - Critical role that energy efficiency plays in reducing greenhouse gas emissions

- Understand how Reach Codes and complementary new construction incentive programs such as California Advanced Homes help meet CalGreen's voluntary Tier 1 and Tier 2 Energy requirements, accelerate advancement of zero net energy building practices, and mitigate project-level GHG impacts pursuant to CEQA requirements.
- Explain the process for developing and adopting a legally enforceable Reach Code pursuant to CEC requirements
- Work with industry organizations and other market actors to conduct outreach to local governments to inform them of available Reach Code assistance.

Planning and Coordination (Non-Resource Subprogram)

The Planning and Coordination Subprogram supports planning activities that improve alignment across the IOU energy efficiency portfolio with respect to future C&S program activities. C&S staff will coordinate with IOU energy efficiency portfolio programs to support efforts to prepare the market for future code adoption (i.e., improve code readiness), to ensure higher code compliance rates and advance the CPUC Strategic Plan goals for achieving Zero Net Energy.

This subprogram will consist of four elements: 1) Strategic planning and coordination; 2) Outreach within each IOU to other program areas; 3) Statewide planning and coordination; and, 4) Workforce education and training. Primary activities for 2013-2014 include the following:

Strategic Planning (per OP 91)

- Codes and Standards Collaborative:
 - Maintain a Codes and Standards Collaborative to conduct strategic planning
- Code Readiness:
 - Establish cross-functional teams, including representatives from voluntary programs (incentive, emerging technologies, and education and training), the CPUC, and the CEC, will be established to identify code readiness priorities relative to policy goals, for example: zero net energy, AB 1109, and other Action Plan objectives.

Internal Coordination and Communications

- Periodic Meetings:
 - Conduct a variety of internal coordination activities based on respective needs of each IOU, including periodic meetings with program leads in other areas as well as management teams.
- Ongoing Communication:
 - Inform planners and support groups regarding future code changes, collaboration on evaluation and regulatory matters.
 - Solicit input from other groups re advocacy efforts, aligning education and training activities with incentive programs.

Statewide Collaboration

- Integrated Dynamic Approach to Portfolio Planning:
 - To support the state's Zero Net Energy objectives, the C&S team, will work closely with new construction programs to develop an integrated approach to align new construction program offerings with base code requirements as well as reach codes where possible.

- The C&S team will work with core retrofit programs as well as local government partnerships and third parties to coordinate offerings with anticipated code changes. *(per OP 91, 152)*
- CPUC Communication:
 - Conduct monthly calls with CPUC personnel to share progress and discuss issues *(per OP 91)*
- CEC Communication:
 - Maintain statewide weekly calls with CEC staff regarding building codes and appliance standards *(per OP 91)*
- National Stakeholders Communication:
 - Conduct regular conference calls with national stakeholders regarding appliances *(per OP 91)*
- Compliance Advisory Group Communication:
 - Host quarterly meetings with Compliance Improvement Advisory Group regarding compliance improvement activities *(per OP 91, 152)*
- Local Government Partnership Communication:
 - Provide quarterly updates to Local Government Partnership Program regarding reach code adoption progress and delivery of training to building departments *(per OP 91)*

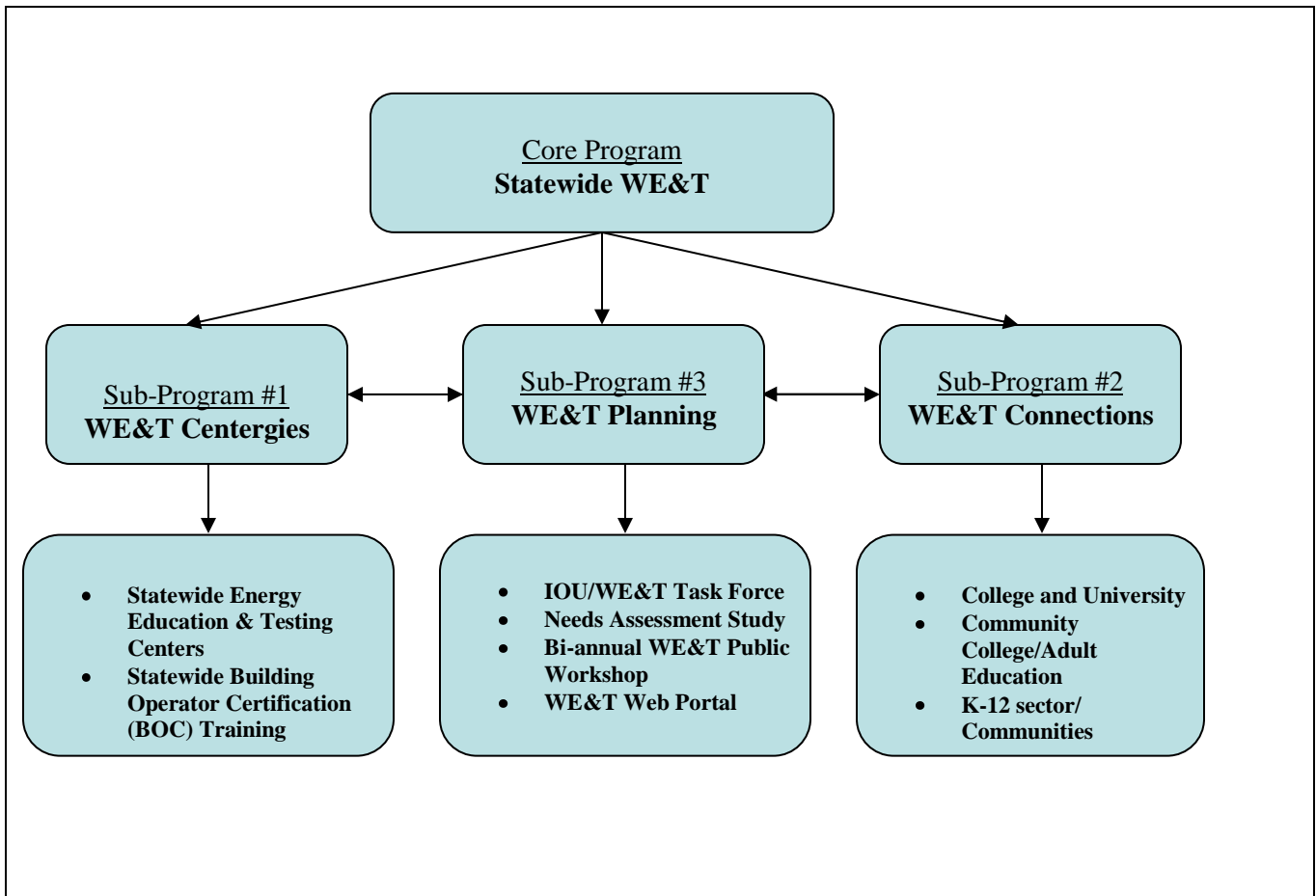
Workforce Education and Training (WE&T)

- Sector Strategies for WE&T:
 - C&S and WE&T personnel will meet periodically to coordinate activities that will enhance support for the appropriate market actor roles responsible for new and emerging codes and standards implementation according to priorities established by needs assessments. C&S will collaborate with the WE&T Centergies sub-program to not only prepare contractors and technicians to implement current codes, but to also prepare them with technical training on advanced technologies that are projected to become part of reach codes and then the statewide code. *(per OP 92 and OP 152)*

**2013- 2014 Energy Efficiency Programs
Statewide Workforce, Education and Training Program
Program Implementation Plan**

- 1. Program Name:** Statewide Workforce, Education & Training Program
Program ID: SCG3729 – SW-WE&T-Centergies
 SCG3730 – SW-WE&T-Connections
 SCG3731 – SW-WE&T-Strategic Planning
Program Type: Statewide Core Program

Diagram I: Statewide WE&T Core Program Implementation Structure¹



¹ Sub-Program write-up contains detail on cross-cutting coordination and strategies with market sectors and market segments, as well as descriptions of specific shared component activities, projects and implementation models.

**2013- 2014 Energy Efficiency Programs
Statewide Workforce, Education and Training Program
Program Implementation Plan**

2. Projected Program Budget Table

Table 1: Total Projected Program Budget by Category

Program #	Main/Sub Program Name	Administrative Amount	Marketing Amount	Direct Implementation Amount	Incentive Amount	Total Program Budget Amount
	SW Workforce Education & Training Program					
3729	SW-WE&T-Centergies	\$452,313	\$258,206	\$4,289,453	\$0	\$4,999,972
3730	SW-WE&T-Connections	\$52,399	\$0	\$802,182	\$0	\$854,580
3731	SW-WE&T-Strategic Planning	\$15,812	\$0	\$284,188	\$0	\$300,001
	TOTAL:	\$520,524	\$258,206	\$5,375,823	\$0	\$6,154,553

See Attachment 3 to the WE&T PIP for additional funding information for energy center classes, sector strategy efforts and training partnerships as requested in Commission Decision 12-11-015 Approving 2013-2014 Energy Efficiency Programs and Budgets (EE Decision) OP 36.

3. Projected Program Gross Impacts Table

WE&T is considered a non-resource program and thus is not expected to provide energy savings impacts for the IOU Energy Efficiency portfolio for the 2013-2014 program years. However, as part of the ongoing efforts of the IOUs and recommendations taken from future study results, the IOU WE&T programs are continually seeking methodologies that can support energy savings contributions for WE&T activities.

Table 2: Total Projected Program Savings by Subprogram

Program #	Main/Sub Program Name	2013-2014 Gross kW Savings	2013-2014 Gross kWh Savings	2013-2014 Gross Therm Savings
	SW Workforce Education & Training Program			
3729	SW-WE&T-Centergies	0	0	0
3730	SW-WE&T-Connections	0	0	0
3731	SW-WE&T-Strategic Planning	0	0	0
	TOTAL:	0	0	0

4. Program Description

a) Program description

The Statewide IOU Workforce Education and Training (WE&T) Program represents a portfolio of education, training, and workforce development planning and implementation funded by or coordinated with the Investor-Owned Utilities (IOUs): Pacific Gas and Electric (PG&E), Southern California Edison (SCE), San Diego Gas & Electric (SDG&E), and Southern California Gas (SOCALGAS). Education and training are vital components of each of the IOU's energy efficiency portfolio filings for 2013-2014 and are integral in supporting the achievement of IOU energy savings targets and the workforce objectives set forth in the California Long-Term Energy Efficiency Strategic Plan (Strategic Plan). Workforce Education and Training has become an important crosscutting activity for the IOUs in an effort to not only educate and train current workers, but to prepare future workers to be better able to successfully perform the jobs needed to help achieve increased energy savings targets for the IOUs and California's clean energy goals.

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WE&T relies on statewide coordination to collaboratively create a comprehensive training platform that leverages the potential of key stakeholders with the resources, knowledge, and commitments to implement an education and training strategy that focuses on integrating existing workforce skills with new workforce needs, as well as expand outreach efforts to increase awareness of and demand for green careers.

California wants to expeditiously increase statewide workforce development and training relying on strategically coordinated planning and administration to deliver energy efficiency and demand side energy management in the public and private sectors. This effort will require concerted planning among secondary and post-secondary educational leaders, technical and professional organizations, state agencies, economic and labor development organizations, utilities, construction and manufacturing businesses that deliver energy management and efficiency solutions.

The Strategic Plan's vision for WE&T is that "[b]y 2020, California's workforce will be trained and engaged to provide the human capital necessary to achieve California's economic energy efficiency and demand-side management potential."² To do this, the Statewide IOU WE&T Program must be constructed in an implementable form to: 1) initiate and drive long-term WE&T development and strategic planning, including identification of funding streams and market sector specific needs; 2) support community college and adult education efforts to develop education based on visible career paths in energy efficiency and related fields; 3) incorporate energy efficiency and integrated demand side energy management into traditional contractor and technician training; 4) support the creation or expansion of energy management and efficiency focused curriculum by college and university programs and foster this knowledge in clear view of students and faculty; 5) support development of K-12 curriculum to include a basic understanding of energy fundamentals, including environmental and greenhouse gas impacts as well as solutions to mitigate energy use impacts such as EE, DSM, and associated behavioral changes, identify how career education in energy-related fields can be incorporated across the grades, and bolster high school career counseling to improve community college enrollment in green job training programs; and 6) achieve the fullest participation by minority, low income and disadvantaged communities in training and education at all levels of DSM and the energy/resource efficiency industry. Diagram I illustrates the proposed program implementation structure for the Statewide IOU WE&T Program to best deliver the strategies outlined by the Strategic Plan.

Throughout the approved IOU Program Implementation period, the WE&T Program will strive to continuously initiate and facilitate ongoing dialogue with a broad group of market and education sector stakeholders to define, introduce and drive long-term WE&T development and solutions to establish EE and DSM education and training at all levels of California's educational system and accommodate the dramatic increase in EE activities envisioned by the Strategic Plan. The IOUs will modify curriculum and

² California Long Term Energy Efficiency Strategic Plan, p. 74.

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delivery methods to incorporate feedback and guidance from sources, including the California WE&T Needs Assessment, customer feedback from the 2010-2012 Process Evaluation, the Guidance Decision the Final Decision 2013-2014 energy efficiency programs and budgets. Such modifications include, but are not limited to, approaching curriculum development with the sector strategy approach.

The Statewide IOU WE&T Program includes three pivotal Sub-Programs that form an integrated and cohesive structure for implementing WE&T curriculum and related activities in support of IOU energy savings targets and the long-term strategic goals for the state of California as prioritized and outlined by the Strategic Plan and Big Bold Energy Efficiency Strategies (BBEES). These three Sub-Programs include:

- i. The **WE&T Centergies Sub-Program** is generally organized around market sectors and cross-cutting segments to facilitate workforce education and training appropriate for achieving the energy savings, demand reductions and related energy initiatives required of the IOUs. The Energy Centers, which have many years of experience in creating and disseminating high-quality programs, represent the largest component of this Sub-Program and provide WE&T curriculum and related deliverables—training courses, seminars, workshops, clean energy technology demonstration, equipment efficiency testing, interactive training exhibits and lectures—to promote industry trends and developments for advancing energy efficiency as a professional discipline. For many years, they have served as the IOU’s primary delivery channels for mid- and upstream workforce education and training, information dissemination, and education/outreach coordination. IOU-administered Third Party, Local Government and Emerging Technology, Codes and Standards, Heating, Ventilation and Air Conditioning (HVAC), and Energy Savings Assistance (ESA) programs, as well as other community-based training efforts, are supported by the Energy Centers to sponsor workforce training courses. (Refer to WE&T Centergies Sub-Program Section 6.1 for a more detailed discussion of 2013-2014 program implementation.)

The Statewide Building Operator Certification (BOC) Training Partnership, the second component of this Sub-Program, will continue to play a major role in improving and maintaining California’s green collar building workforce stock of building engineers, stationary engineers, maintenance supervisors, maintenance workers, facility coordinators, HVAC technicians, electricians, , and others in the facility operation and maintenance field. The IOUs have been collaborating with BOC to offer California building operators competency-based training and certification, resulting in improved job skills and more comfortable, efficient facilities. Operators earn certification by attending training and completing project assignments in their facilities. Training topics include facility electrical, HVAC, and lighting systems; indoor air quality; environmental health and safety; and energy conservation. The IOUs will work with BOC to shape and realign the

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BOC certification program to be consistent with the Strategy Plan.

- ii. The **WE&T Connections Sub-Program** is organized around downstream and upstream relationships between the IOUs and the educational sector, entry and intro-level community-based training efforts that support workforce development in energy efficiency, energy management, and new emerging green careers. This Sub-Program emphasizes education curriculum and related activities that inspire interest in energy careers, new and emerging technology, and future skills development to advance the energy initiatives and goals of the state. This Sub-Program involves expanded relationship-building to foster curriculum development and related training that result from existing and expanding industry needs. IOUs will work with education institutions, labor and communities to nurture interest in green careers by K-12, community college, occupational, vocational, and major university students, as well as assist in the growth of low-income and transitional workforce targeted clean energy training programs. (Refer to WE&T Connections Sub-Program Section 6.2 for a more detailed discussion of 2013-2014 program implementation.)

- iii. The **WE&T Planning Sub-Program** involves the management and execution of several strategic statewide planning tasks and resulting project implementation actions initiated by the Strategic Plan. The tasks and projects are seen as instrumental in delivering mechanisms and protocols that facilitate ongoing momentum and focus on the achievement of workforce, education and training long-term goals. The WE&T Planning Sub-Program facilitates implementation and completion of the four key strategic tasks identified in the Strategic Plan to drive long-term WE&T development:
 - 1) Form an IOU/CPUC WE&T Task Force
 - 2) Conduct a Needs Assessment
 - 3) Create a WE&T Specific Web Portal
 - 4) Facilitate annual WE&T Public Workshops

(Refer to WE&T Planning Sub-Program Section 6.3 for a more detailed discussion of 2013-2014 program implementation.)

b) List of current measures/curriculum

Refer to WE&T Sub-Program Sections 6.1 and 6.2 for specific detail.

- i. WE&T Centergies
 - a. Statewide Energy Education and Testing Centers (Centers)
The Centers will continue to offer and expand their curricula to current and new audiences that make up California's energy efficiency workforce. Attached to this addendum as Attachment 2 is Socalgas's list of courses and programs planned for 2013-2014, using the template provided in the Guidance

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Decision (Appendix C). Course offerings may be modified, based on market training demands and input from industry stakeholders.

- b. Statewide Building Operator Certification (BOC) Training Partnership
BOC will continue to be a WE&T partner with the IOUs. The IOUs will expand and improve the BOC partnership. The “measures” to be provided in the BOC program include delivery of the Level I (7-class series) and Level II (4-class series) certification courses listed in Section 6.1. BOC will also track certification statistics.
- ii. WE&T Connections
- a. College and University sector: The Statewide University program that operates at UC/CSU campuses offers the following as well as advances the Strategic Plan goals:
 - IOU and /or program staff will work with the UC Office of the President of Academic Affairs and the CSU Office of Degree Programs and Educational Opportunities to 1) promote energy minor or major degree programs, 2) collaborate and/or provide expertise in the development of complementary new and revised courses that will form a comprehensive integrated approach to energy education, and 3) consult with campus-specific administrators to define additional courses needed to meet the growing need for graduates with skills in energy efficiency and related fields.
 - Student interns will work with many campus groups and organizations to promote energy efficiency and green careers to the student body.
 - Student interns will work with campus EOP Programs to ensure that minority, low income, and disadvantaged students are fully engaged in our energy efficiency and green career path programs. Many students do not apply for admission to college because no one in their family has ever attended college or because college seems too expensive. EOP aims to improve the access, retention, and graduation of students who have been historically disadvantaged, either socially or economically.
 - Student Interns promote energy efficiency throughout the campus by performing energy assessments and providing recommended actions to operate more efficiently.
 - The program provides a pathway to green jobs through professional development, training, mentoring, integrated academic curricula, internships, project based learning, and a broad-based professional networks.
 - Students are offered job shadowing and internships with IOUs, universities, other entities, and government agencies.

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- b. Community College sector: The Community College program will better position California's workforce to meet the growing need for energy professionals as well as advance Strategic Plan goals:
- The California Community College training and education program currently provides energy efficiency courses for CCC facilities, operations, and maintenance staff in an effort to create an energy efficient environment, help in the development energy efficient policies, take advantage of DSM programs, and implement distributed generation programs,
 - IOUs are in the early stages of discussion with the Community Colleges to develop a Utility Workforce Education and Training program. The first step is to gather labor market information from employers in the energy sector and use this information to develop new certificate and degree programs that focus on energy efficiency and demand side management.
 - IOUs will work with campus EOP Programs to ensure that minority, low income, and disadvantaged students are fully engaged in our energy efficiency and green career path programs. Traditionally, minority, low income and disadvantaged students heavily favor community colleges because they are economically more feasible or because students' GPA or standardized test scores were not high enough to get into a university. EOP provides support and helps students transition to universities if that is the goal of the student. EOP aims to improve the access, retention, and graduation of students who have been historically disadvantaged, either socially or economically.
- c. K-12 sector: The various K-12 educational components all offer the following as well as advance Strategic Plan goals:
- Ensure that minority, low income, and disadvantaged communities fully participate in training and education programs: At least 50% of each program is offered in minority, low income, and disadvantaged communities, determined by school lunch program data.
 - Designed to promote green careers to K-12 students through energy and environmental curriculum and highlight green careers/jobs: Students will learn about a range of green jobs and participate in shadowing and training program and classroom instruction to help them consider and prepare for future green employment. A focus will be on experimental learning models, including contacts with both blue and white collar workers now working in the green economy.
 - Designed to educate students on energy, water, renewable energy, demand response, distributed generation, and greenhouse gases and impacts to the environment, with the goal of influencing the day-to-day energy efficiency decisions of students and their households (customer awareness focused).

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- Designed to educate schools on the benefits of implementing energy efficiency policies and demand response programs at their sites to impact energy use in schools.
- The IOUs and/or our third party vendors will work with the State's Department of Education (Curriculum Commission) as well as Counties' Departments of Education to be included in curriculum development advisory boards so that we can contribute to tailored K-12 curriculum that includes the science of energy, energy efficiency, and some discussion about green careers.

c) List non-incentive customer services

i. WE&T Centergies

Common Center elements include:

- Educational seminars
- Technical consultations
- Outreach efforts
- Food Service Test Protocols
- Tool Lending Libraries
- Educational Partnerships
- HVAC sector strategy
- Energy Design Resources integration and collaboration

These non-incentive customer services will be used to direct the Centers' customers to the IOU's incentive programs through inclusion of program materials in class course books, through information integration on Centers' class websites, and literature displays in Centers' exhibits. (Refer to WE&T Centergies Sub-Program section 6.1 for specific details.)

5. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Information

Market transformation is embraced as an ideal end state resulting from the collective efforts of the energy efficiency field, but differing understandings of both the MT process and the successful end state have not yet converged. The CPUC defines the end state of MT as "Long-lasting sustainable changes in the structure or functioning of a market achieved by reducing barriers to the adoption of energy efficiency measures to the point where further publicly-funded intervention is no longer appropriate in that specific market."³ The Strategic Plan recognizes that process of transformation is harder to define

³ California Public Utilities Commission Decision, D.98-04-063, Appendix A.

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than its end state, and that new programs are needed to support the continuous transformation of markets around successive generations of new technologies⁴.

Market transformation programs differ from resource acquisition programs on 1) objectives, 2) geographical and 3) temporal dimensions, 4) baselines, 5) performance metrics, 6) program delivery mechanisms, 7) target populations, 8) attribution of causal relationships, and 9) market structures⁵. Markets are social institutions⁶, and transformation requires the coordinated effort of many stakeholders at the national level, directed to not immediate energy savings but rather to intermediary steps such as changing behavior, attitudes, and market supply chains⁷ as well as changes to codes and standards. Resource acquisition programs rely upon the use of financial incentives, but concerns have been raised that these incentives distort true market price signals and may directly counter market transformation progress⁸. According to York⁹, “Market transformation is not likely to be achieved without significant, permanent increases in energy prices. From an economic perspective, there are 3 ways to achieve market transformation: (1) fundamental changes in behavior, (2) provide proper price signals, and (3) permanent subsidy.”

The question of what constitutes successful transformation is controversial because of a Catch-22: Market transformation is deemed successful when the changed market is self-sustaining, but that determination cannot be made until after program interventions are ended. Often, however, the need for immediate energy and demand savings or immediate carbon-emissions reductions will mean that program interventions may need to continue, which would interfere with the evaluation of whether MT is self-sustaining. Market transformation success has also been defined in terms of higher sales of efficient measures than would have otherwise occurred against a baseline absent of program interventions. The real world, however, provides no such control condition. Evaluators must estimate these baselines from quantitative factors such as past market sales that may be sparse and/or inaccurate - particularly for new products. Evaluations must also defer to expert judgments on what these baselines may have been as well as on the degree of

⁴ California Public Utilities Commission (2008) *California Long Term Energy Efficiency Strategic Plan*, p. 5. Available at <http://www.californiaenergyefficiency.com/docs/EEStrategicPlan.pdf>

⁵ Pelozo, J., and York, D. (1999). “Market Transformation: A Guide for Program Developers.” Energy Center of Wisconsin. Available at: <http://www.ecw.org/ecwresults/189-1.pdf>

⁶ Blumstein, C., Goldstone, S., & Lutzenhiser, L. (2001) “From technology transfer to market transformation”. Proceedings of the European Council for an Energy Efficient Economy Summer Study. Available at http://www.ecee.org/conference_proceedings/ecee/2001/Panel_2/p2_7/Paper/

⁷ Sebold, F. D., Fields, A., Skumatz, L., Feldman, S., Goldberg, M., Keating, K., Peters, J. (2001) *A Framework for Planning and Assessing Publicly Funded Energy Efficiency*. p. 6-4. Available at www.calmac.org.

⁸ Gibbs, M., and Townsend, J. (2000). The Role of Rebates in Market Transformation: Friend or Foe. In *Proceedings from 2000 Summer Study on Energy Efficiency in Buildings*.

⁹ York, D., (1999). “A Discussion and Critique of Market Transformation”, Energy Center of Wisconsin. Available at <http://www.ecw.org/ecwresults/186-1.pdf>.

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successful market transformation¹⁰. Due to the subjective nature of these judgments, it is imperative that baselines as well as milestone MT targets be determined and agreed upon through collaborative discussion by all stakeholders, and these targets may need periodic revision as deemed necessary by changing context.

Market transformation draws heavily upon diffusion of innovation theory¹¹, with the state of a market usually characterized by adoption rate plotted against time on the well-known S-shaped diffusion curve. In practice, however, the diffusion curve of products may span decades¹². Market share tracking studies conducted 3, 5 or even 10 years after the start of an MT program may reveal only small market transformation effects¹³. The ability to make causal connections between these market transformation effects and any particular program's activities fades with time, as markets continually change and other influences come into play.

These challenges mentioned above are in reference to programs that were specifically designed to achieve market transformation; and these challenges are only compounded for programs that were primarily designed to achieve energy and demand savings. However, since the inception of market transformation programs almost two decades ago, many lessons have been learned about what the characteristics of successful MT programs are. First and foremost, they need to be designed specifically to address market transformation. "The main reason that (most) programs do not accomplish lasting market effects is because they are not designed specifically to address this goal (often because of regulatory policy directions given to program designers.)"¹⁴ The Strategic Plan recognizes that regulatory policies are not yet in place to support the success of market transformation efforts¹⁵, but also reflects the CPUC's directive to design energy efficiency programs that can lay the groundwork for either market transformation success or for codes and standards changes.

Above all else, the hallmark of a successful market transformation program is in the coordination of efforts across many stakeholders. The most successful MT programs have involved multiple organizations, providing overlapping market interventions¹⁶. The Strategic Plan calls for coordination and collaboration throughout, and in that spirit the utilities look forward to working with the CPUC and all stakeholders to help achieve market transformation while meeting all the immediate energy, demand, and environmental needs. Drawing upon lessons learned from past MT efforts, the Energy

¹⁰ Nadel, S., Thorne, J., Sachs, H., Prindle, B., and Elliot, R.N. (2003). "Market Transformation: Substantial Progress from a Decade of Work." American Council for an Energy-Efficient Economy, Report Number A036. Available at: <http://www.aceee.org/pubs/a036full.pdf>

¹¹ Rogers (1995) Diffusion of Innovations, 5th Ed.

¹² Example in bottom chart of this graphic from NYTimes:

<http://www.nytimes.com/imagepages/2008/02/10/opinion/10op.graphic.ready.html>

¹³ Sebold et al (2001) p. 6-5,

¹⁴Nadel, Thorne, Saches, Prindle & Elliot (2003).

¹⁵ CPUC (2008) Strategic Plan, p. 5.

¹⁶Nadel, Thorne, Saches, Prindle & Elliot (2003).

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Center of Wisconsin’s guide for MT program developers¹⁷ suggests that the first step is not to set end-point definitions, progress metrics or goals. Rather, the first steps include forming a collaborative of key participants. As the Strategic Plan suggests, these may include municipal utilities, local governments, industry and business leaders, and consumers. Then, with the collective expertise of the collaborative, we can define markets, characterize markets, measure baselines with better access to historical data, and define objectives, design strategies and tactics, implement and then evaluate programs. The collaborative will also provide insights that will set our collective expectations for the size of market effects we can expect, relative to the amount of resources we can devote to MT. No one organization in the collaborative will have all the requisite information and expertise for this huge effort. This truly needs to be a collaborative approach from the start.

On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. The Commission gave each PPM a metric type which indicated the reporting frequency: Metric type 2a indicates that the IOUs should report on the metric on an annual basis (unless indicated otherwise). Metric type 2b indicates the IOUs should report on the metric at the end of the program cycle.

Program Performance Metrics (PPMs)

The IOUs have evaluated 2010-2012 PPMs in Resolution E-4385 for applicability to the 2013-2014 program cycle and propose to work collaboratively with Energy Division to develop revised program targets and PPMs as appropriate for the 2013-2014 program cycle. The IOUs’ will propose revisions in an advice letter, per additional guidance from Energy Division.

Table 3.1: Short-Term PPMs

Below are the approved PPMs and metric types for the Workforce Education & Training Statewide Program (Resolution E-4385, Appendix A). The WE&T Program staff have been in conversation with Energy Division to refine the definition of these metrics, which may change for the 2013-2014 reporting period.

WORKFORCE EDUCATION AND TRAINING (WE&T)		
<i>Subprogram</i>	PROGRAM PERFORMANCE METRIC (PPM)	Metric Type
<i>Centergies</i>	Percent increase in educational collaboration with partners from 2011 baseline. <u>(Tracked and reported by educational level, and by number of partners operating in Title-1 communities.)</u> * Educational “collaboration” is defined as: seminars, outreach events and consultations as	2b

¹⁷ Pelozo & York, (1999).

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	needed. These collaborations include exchanges of monetary or in-kind support and services (i.e., sharing meeting facilities, marketing/promotional services, etc.).	
	2. Percent increase in educational collaboration with organizations serving disadvantaged communities * Educational “collaboration” is defined as: seminars, outreach events and consultations as needed. These collaborations include exchanges of monetary or in-kind support and services (i.e., sharing meeting facilities, marketing/promotional services, etc.).	2b
	3. Number of IDSM educational classes with substantial IDSM (EE, DR, and DG) content. * “Substantial” is defined as approximately 50% or more of class content must address IDSM subject matter.	2b
Connections	1. Percent increase in educational collaboration with partners. (<u>Tracked and reported by educational level, and by number of partners operating in Title-1 communities.</u>) * Educational “collaboration” is defined as: seminars, outreach events and consultations as needed. These collaborations include exchanges of monetary or in-kind support and services (i.e., sharing meeting facilities, marketing/promotional services, etc.).	2b
	2. Percent of K-12 WET Connection program participants that are from Title-1 schools	2a
	3a. Complete <u>baseline study to determine the current number of partnerships.</u> (Y/N) 3b: Number of high school continuing education outreach partnerships** in WET Connection	2a* * Starting 2011.
WE&T HVAC	4. Status of progress towards completion (activities, concrete actions taken) of detailed WE&T roadmap (plans, goals, timelines and recommendations).	2a

Table 3.2 Long Term PPMs

SoCalGas includes long term PPMs¹⁸ per Energy Division guidance received in December 2012. As stated in the Joint Utilities’ comments to the Commission in R. 09-11-014 dated November 21, 2011, and discussed between IOUs and ED on January 9, 2013, IOUs plan to finalize long term PPMs in further discussions with involved stakeholders and propose updates to Energy Division at a later date.

MTI Index#	RE-CATEGORIZED Metric (LTPPM - or SPI) [E-4385 Appendix B original text except for noted edits]	Unresolved Issues
HVAC-6	<u>MT Indicator 1</u> – Percentage of California HVAC-training institutions offering courses using Quality Installation and Quality Maintenance standards.	

b) Market Transformation Information

Per Resolution E-4385, a subset of market transformation indicators (MTIs) for statewide energy efficiency programs and subprograms was presented at a public workshop on November 7, 2011 to allow for public comments and further discussion before being finalized. No MTIs were identified for the WE&T Program. Although WE&T was not identified in the Guidance Decision as a market transformation oriented program, the IOU EM&V staff plan to participate in the collaborative effort to determine market

¹⁸ From the Energy Division’s file “Revised MTIs_10 27 11-formal-release-ED-May-2012.xlsx”

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transformation indicators for IOU energy efficiency programs. Per guidance from Energy Division received in December 2012, the approved Market Transformation Indicators for 2013-2014 are filed as a Joint IOU matrix, included as Appendix F.

c) Program Design to Overcome Barriers

The Statewide IOU WE&T Program structure illustrated by this document is intended to address several new and recent challenges and existing barriers in order to implement a sustainable long-term education and training strategy, while leveraging the resources of the CA-IOUs to help influence energy efficiency curriculum and training content among education, labor and community sectors in a way that incorporates best practices and coordinates investment throughout the state.

The national, statewide and local economic downturn poses a real barrier to change, creating the risk of distracted focus and resistance to invest in projects. The IOUs currently represent a long and stable commitment to energy efficiency and demand-side management education and training. The IOUs have demonstrated the ability to offer a targeted breadth of education and training program, but market transformation toward a new green workforce will require an urgent commitment to change by educational sector stakeholders.

The challenge of introducing new technology into the marketplace has historically relied on coordination between technology development, research and technology commercialization. IOUs have demonstrated flexibility in identifying new and emerging technology training needs and introducing workforce training courses to both private and public sectors. However, market transformation to meet target dates associated with net zero new construction and code adoptions will require a rebound in the economy and interest in new investment.

The IOUs offer a broad statewide contiguous view on workforce, education and training which few other parties have. The proposed implementation plan leverages the statewide IOU assets and resources to the extent possible to address gaps in the workforce landscape, and IOUs can act as conduits to identify new or successful local and regional workforce training models that can be migrated across the state into underserved areas via IOU implementation or IOU administration of third-party sponsored implementation. Such an effort cannot occur solely from IOU funding, so there will need to be additional financial stimulus from alternative resources.

IOUs recognize that there is a need to better serve low income and disadvantaged communities through IOU WE&T efforts. IOU efforts to better serve low income and disadvantaged communities may include, but not be limited to collaborating with organizations who are already serving those communities to co-fund curriculum development, co-fund existing curriculum licensing, serve as subject matter experts on curriculum advice and development, serve as guest lecturers and instructors, increase awareness of existing programs, serve as a board member, and implement regular communications.

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WE&T Connections

Energy education is critical to assuring a stable and reliable supply of energy in California. Educating students will create a new generation of Californians who understand the significance of energy in their lives, their role in its efficient use and the importance of managing our limited resources for the future. This knowledge and information can also lead to life-long energy savings habits and a concern for the environment and its limited resources for not only the students but, for their family and friends. This knowledge and education can also lead the interest in a future green career path. However, given the budget cuts at schools, cuts to curriculum and longer work hours for teachers, getting this message across may not be possible without the assistance of these IOU sponsored programs.

WE&T Connections program components are designed to be both flexible and effective across diverse learning environments. All program components promote the science of energy, energy efficiency, demand response, distributed generation, and empower K-12 and college students to become advocates of smart energy management in their homes, schools, and communities. The program effectively combines classroom learning with hands-on activities such as:

The program will address lost opportunities in the schools market by implementing a comprehensive, innovative approach that involves incorporating:

- Some of the nation's leading energy education programs. These programs are 1) designed to promote green careers through energy and environmental curriculum, 2) designed to educate students on energy, water, renewable energy, demand response, distributed generation as well as green house gases and impact to the environment, with the goal of influencing day-to-day decisions of students and their households, 3) also designed to educate schools/facilities on the benefits of implementing energy efficiency policies and demand response programs at their sites so as to impact energy use in schools and, universities and to project energy and environmental leadership by example
- The program is developed in collaboration with natural gas, electricity and water agencies to promote and encourage the adoption of energy efficiency, demand response, distributed generation and water conservation options.
- Collaboration and integration with residential and business incentive programs that result in firm energy savings for homes and schools.

The WE&T Connections program will address the needs of schools through a combination of student, teacher, and school administrator education programs that increase their awareness and knowledge as well as provide support in developing curriculum and/or lesson plans that support these objectives. Additionally, once school-aged children learn something new like energy efficiency, they become advocates by taking that knowledge home and teaching/motivating their parents and siblings to take actions to reduce energy and water consumption. University students can conduct

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valuable research and effectively educate their peers and campus administrators about energy efficiency:

- Educational campaigns can result in significant energy savings on campus facilities and dorms by changing behaviors and purchasing decisions;
- Students are effective advocates, able to reach their peers, communities and high-level decision makers in promoting green jobs on campus.
- IOUs will coordinate with the Department of Education Curriculum Frameworks and Instructional Resources Division to discuss how curricula on energy efficiency fundamentals, GHG issues and global climate change can be included in the Science Framework (PG&E has submitted an application to be on the Science Curriculum Framework and Evaluation Criteria Committee for the revision of Science Framework, adoption in 2012). Additionally, coordinate with the Dept. of Ed for inclusion of curricula of green career options in energy-related fields in the Career Technical Education Framework for 7-12.
- IOUs updated the “Resource Guide for Teachers” developed by PG&E that provides an annotated listing of sites and curricula for teachers and students covering issues related to energy, energy efficiency and the environment. Distribution is expected in January 2013.
- IOUs are coordinating with partners in the educational community through our Education Sector Strategy’s K-Post Secondary committee established in 2012 to work collaboratively to expand outreach into K-12 schools that have curricula on energy, water, and environmental issues (e.g., California Department of Education of Education, Water Districts, California Department of Energy, California Energy Commission, Air Quality Management Districts).
- As an outcome of the collaboration of partners representing curricula mentioned above suggestions on how to integrate career options in energy-related fields will be explored. In the interim the IOU’s will review the existing curriculum programs that they support and work together to see where career options can be incorporated into their curricula.
- The IOUs and/or our third party vendors will work with the appropriate (as described in program description) K-12, Community College and University agencies responsible for developing curriculum, courses and programs needed to educate students about energy, energy efficiency and prepare them for a green career path.

d) Quantitative Program Targets

Refer to WE&T Sub-Program sections for specific details.

e) Advancing Strategic Plan goals and objectives

The proposed Statewide IOU WE&T program implementation structure, integrating WE&T Planning as a Sub-Program in parallel with the two other major statewide IOU Sub-Programs, WE&T Centergies and WE&T Connections is intended to better integrate long-term planning with WE&T implementation. As stated in the Strategic Plan, “This cross-cutting sector demands a truly statewide coordination effort that integrates energy efficiency training into a wide range of public and private programs. This effort will

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include the California Department of Education, the Department of Employment Development, industry and labor associations, educational institutions at all levels, technical and vocational training organizations, community based nonprofit organizations and the business community.”¹⁹

California today is faced with an unprecedented challenge: the generation of students graduating high school in 2009 will need to stabilize carbon emissions in the 30+ years of their work careers. Additionally, this generation will need to develop and train the next generation of energy technologies. Transforming California’s current building industry into one that exemplifies carbon neutrality by 2020 will require major changes in our existing market infrastructure and business models. This will result in many new jobs and industries.

One of the keys to success for future implementation of energy efficiency technologies is the need to train the next generation workforce in energy-related positions. The Statewide IOU WE&T Program, supported by the strategic activities of the WE&T Planning Sub-Program activities, establishes a connection among statewide implementers for increasing the knowledge and skills of the current generation - from local code officials, energy managers, and HVAC technicians to school teachers - to develop the muscle needed to achieve market transformation.

Achieving success in creating a workforce well educated in energy efficiency matters will require large-scale, ongoing, collaborative education, and training efforts to match evolving demands for both the type of jobs and number of workers needed to fully implement the Strategic Plan. Addressing human capital resource requirements will require collaborative efforts of federal, state, and local governments; financial institutions; community-based and non-profit organizations; industry and labor organizations and utilities. These entities present potential funding sources and opportunities for partnerships.

Students benefit from energy efficiency education and training opportunities with the ultimate goal of students entering careers in energy efficiency, advancing within their established career paths, and ultimately helping the state to meet very intense energy efficiency goals. A better trained workforce will advance the purpose of DSM implementation, policy, research and development, and education.

The educational components offered by the WE&T Connections program provide energy efficiency education and training at most levels of California’s educational systems. The program also ensures that minority, low income and disadvantaged communities fully participate in training and education programs at all levels of the DSM and energy efficiency industry. The expected results are that:

¹⁹ California Long Term Energy Efficiency Strategic Plan, p. 75.

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1. Students develop careers, and existing workers develop skills and knowledge that advance DSM business, policy, research and development, and education; and
2. Individuals from the targeted communities take advantage of programs that specialize in energy disciplines at all levels of the educational system and successfully advance themselves into rewarding careers in the energy services fields.

The Statewide IOU WE&T Program is structured to implement workforce training and workforce curriculum development in cooperation with the California Community Colleges Chancellor's Office, the California Board of Education and Adult Education Leadership. WE&T Planning Taskforce and annual workshops will help to nurture technical training and education services that support community college and adult education within the first 12 months of the program cycle. Together, these relationships will be able to outline the foundational learning plan(s) needed to prepare students for career paths in energy efficiency and related fields. Based on experience, learning plan outlined through this collaborative effort could provide students with entry points for entering the field of energy efficiency and/or result in career development tracks within a traditional education system. IOUs would initially suggest learning plans be based on the "working backwards" exercise of asking what knowledge, skills, educational background and abilities are needed for particular sets of jobs and careers. Once these various attributes have been identified, learning plans shall be developed which will drive the development of curricula and training programs and support the knowledge and skills sets needed to prepare students for the "green collar" workforce. The Statewide IOU WE&T Program will build on existing training activities to address "gaps" in the learning plans as appropriate and diagnosed by the needs assessment.

The Statewide IOU WE&T Program is modeled to generate stronger linkages to K-12, advising on energy curriculum and coordination between K-12, Community Colleges Chancellor's Office and the adult education sector. The Statewide IOUs will exchange instruction and curricula with community colleges, industry and labor on HVAC, Energy Audits, Home Performance Retrofits and Building Operator Certification. The Statewide IOU WE&T Program will also advance consistency among the IOUs to use training curricula through established partnerships with the community colleges, vocational / technical / trade schools and apprenticeship programs.

The Statewide IOU WE&T Program establishes a framework for cross-sectional expansion of training curricula and related workforce development programs to address HVAC quality installation and maintenance, building construction, home performance audit and retrofit services, building operator certification, facilities maintenance, and other technical fields. The Sub-Programs will build on the established partnerships with key actors to deliver technical information through a wide variety of training and education services for upstream stakeholders such as contractors, installers, inspectors, plan checkers, designers, architects, engineers, vendors, installers, and other technical skilled personnel to increase actions, awareness, and attitudes toward energy efficiency.

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The Statewide IOU WE&T Program as structured supports the Big / Bold Strategies adopted by the CPUC in the Strategic Plan by continuing to offer training programs on quality installation and maintenance of HVAC systems and equipment selection based on whole building design, training and certification, compliance improvement and new technologies. Education and Training will continue its focus on the building envelope and overall home performance by providing HVAC quality installation, maintenance and service courses based on ACCA (Air Conditioning Contractors of America) and other appropriate standards. Education and Training will also continue to offer programs on new and emerging technologies in HVAC (e.g., variable refrigerant flow (VRF) systems) and will encourage HVAC participants to become certified under the North American Technician Excellence (NATE) certification program or other appropriate credentials as a means of demonstrating technicians and installers' ability to perform quality work.

The Statewide IOU WE&T Program will work with Marketing Education and Outreach implementers on effective marketing and outreach strategies that will be designed to maximize participation in green career paths. For example, to increase awareness of the availability of training and career development programs, WE&T will contribute to the Energy Upgrade California (EUC) web portal project with WE&T specific content to ensure that "green education" opportunities are accessible through the web portal once the ME&O program and web portal enhancements for 2013-2014 are approved by the Commission.

During the first 24 months of the program cycle, the Statewide IOU WE&T Program will be a guide for collaboration among the Department of Employment Development, community colleges, technical and vocational schools, industry and labor associations specifically on building job training programs and internships for students and preparing them for energy efficiency careers and related career paths. Collaboration will be aided by recruitment of key resources to help in promoting to students and continuing education participants the types of employment prospects available in energy derived from the WE&T Assessment study and other market data.

Within the first 24 months of the program cycle approval, the Statewide IOU WE&T Program structure will demonstrate its effectiveness to drive statewide coordination among key stakeholders to expand continuing education and college extension programs to include a greater focus on energy/resource efficiency, sustainability and green technologies. The Statewide IOU WE&T Program structure clearly shows the inclusion to collaborate with the UC/CSU system and California's community colleges to bring an expanded focus on energy/resource efficiency to students and faculty; utilize the extension programs available through the colleges and universities to incorporate a continuing education curriculum component; and work with these educational institutions to help them with expansion of their green degree programs. The Statewide IOU WE&T Program will seek ways of increasing awareness of the importance of energy efficiency, sustainability and green technologies to California, and the key partners will be able to positively impact participation and enrollment in educational programs and green careers.

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The Statewide IOU WE&T Program enhances relationships with K-12 public and private educators to share best practices to attract students and facilitate interest in energy efficiency careers and the study of energy efficiency and GHG emissions. The WE&T Connections Sub-Program implementation, in collaboration with WE&T Planning activities, will engage industry experts and educational specialists including but not be limited to: the State Department of Education, educators working at County Offices of Education, leaders in teacher organizations [e.g., California Science Teachers Association (CSTA), California Regional Environmental Education Community (CREEC), Regional Occupational Centers and Programs (ROCP), California Integrated Waste Management Board (CIWMB), and the California Environmental Protection Agency for the K-12 market to determine the inventory of educational resources, funding mechanisms, and include a breakdown of workforce development and strategic planning needed to establish career training for energy-related fields.

The California EPA and the California Integrated Waste Management Board (CIWMB) are involved in the implementation of AB1548. This is the development of a “unified education strategy to bring education about the environment into California’s primary and secondary schools.”²⁰ Identified are fourteen specific environmental topics where curriculum is currently being developed. The WE&T will engage in the State Department of Education Science Framework revision to encourage incorporation of energy efficiency and renewable energy emphasis.

The Statewide IOU WE&T Program will help steer more training outreach and green careers education toward minority, low-income and disadvantaged communities. The IOU administered ESA program is expected to dramatically expand the number of units that will receive education and weatherization services during the 2013-2014 program cycle. To meet the significantly higher goals, more communication and joint WE&T coordination will be necessary and desirable. The Statewide IOU WE&T Program creates an implementation framework to focus on expanding behavior modification in existing training programs to increase emphasis on energy efficient practices, steps that will enable installers, weatherization crews and energy specialists to build on the information they provide to minority, low-income and disadvantaged communities to achieve California’s economic energy efficiency potential.

6. Program Implementation

a) Statewide IOU Coordination

As part of the overall Program Implementation Strategy, the statewide IOU WE&T program plans to institute protocols and processes to identify and facilitate statewide migration of quality training models into each IOU service area, as well as into underserved communities within the respective IOU service areas, where appropriate.

Summary table of WE&T target sectors, program implementation and implementers:

²⁰ www.calepa.ca.gov/Education/EEI/workgroups/envirotopics

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Workforce Education and Training	Sub-Program	Sub-Program coordinated implementation
Schools	Green Campus; Energenius; PEAK	WE&T; IOU UC/CSU/CCC Partnerships
Commercial Market Segments	Tool Lending; Food Service; Building Design Training; Building Operations and Maintenance	WE&T (Energy Centers); Statewide Commercial Resource Programs; IOU Local Government Partnerships; BOMA; BOC; USGBC; New Construction; Codes and Standards
HVAC Industry	Tool Lending ;ACCA; IHACI - QI/QM (ACCA standards inclusive)	WE&T (Energy Centers) Community Colleges Statewide Residential and Commercial Resource Programs, including their HVAC Sub-Programs
Residential Market Segments	Building Design and Construction Training; Energy Partners (PG&E); CLEO (SOCALGAS,/SDGE,SCE)	WE&T (Energy Centers) BIA – Remodelers; Statewide Residential Resource Programs; New Construction; BPI; ESAP
Industrial/Agriculture Market Segments	Tool Lending; Audits/Assessments	WE&T (Energy Centers) Statewide Residential Resource Programs; DOE

b) Program delivery and coordination

Three areas of focus for the IOUs to deliver training curriculum to expanded audiences are:

Joint statewide training and seminars – comprehensive energy efficiency and clean energy educational seminars and conferences jointly hosted, promoted and sponsored among the IOUs, municipalities, government agencies, non-profits and industry experts.

Distance learning – web-based platform for synchronous and asynchronous access to digitally transmitted and pre-recorded (catalogued) on-line education and training

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modules. Distance learning enables webcasting as a communication tool to reach larger workforce audiences with specific training topics in a low cost manner. IOUs can explore co-production and access to on-line training curriculum with other agencies (i.e., CARB, CAL-EPA) to provide more comprehensive energy solutions training.

Outreach – Assist community-based training programs that offer energy efficiency and hands-on training green job curriculum to trainees in minority and other disadvantaged communities. These types of relationships will be coordinated with Low-Income Energy Efficiency programs and likely piloted regionally by IOUs to develop best practices, determine cost effective designs and fine tune a model for turnkey statewide migration. IOUs can help community training programs implement best practices, measure impacts and revise programs, while helping to shape and form standardize integrated resource curriculum (i.e., water, air emissions) beyond what can be offered by IOUs.

- i. **Emerging Technologies Program**
The Statewide WE&T Program is collaborating with the Emerging Technologies program in an improved manner to allow external participation in the ET process. Working closer with ET to increase knowledge and confidence in emerging technologies, the WE&T programs are supporting implementation of these new technologies disseminating information and training to enhance market transformation and acceptance into the marketplace.

- ii. **Codes and Standards Program**
The Statewide WE&T Program structure segregates Sub-Program curricula to make it easier to identify training opportunities that: 1) enhance interest in C&S career positions, 2) provide training on the codification process of energy efficiency and green laws, 3) provide direct industry training on energy and green implementation strategies in response to current or impending codes and standards, and 4) prepare the workforce for code compliance improvement tasks.

WE&T Centergies work closely with the Codes and Standards Program to support development of a sector strategy to support workforce development in an area with low compliance, for example, in HVAC. WE&T is maintaining ongoing communications with the C&S staff to ensure coordinated development and inclusion of code-related content.

- iii. **WE&T Efforts**
The Statewide WE&T Program will support the other IOU EE Programs as appropriate. Refer to Section 6.b.iii for each Sub-Program for additional plans, if applicable.

- iv. **Program-specific marketing and outreach efforts**
Refer to Section 6.b.iv. for each Sub-Program, if applicable.

- v. **Rationale for selection of sub-contractors**

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Refer to Section 6.b.v. for each Sub-Program, if applicable.

vi. Non-energy activities of program
Refer to Section 6.b.vi. for each Sub-Program, if applicable.

vii. Non-IOU programs
The proposed Statewide IOU WE&T Program structure is very significant in that they represent a feasible and respected leader to help flesh out the common ground for delivering and coordinating statewide workforce training program among IOU and non-IOU sponsored trainers. WE&T as a strategic platform can help facilitate energy neutral training, coordination and funding among not only IOUs, but other stakeholders linked to California's energy plans. Refer to Section 6.b.vii for each Sub-Program for additional plans, if applicable.

viii. CEC work on Electric Program Investment Charge (EPIC)
Not applicable.

ix. CEC work on C&S
Please see Section 6.b.ix. for each Sub-Program, if applicable.

x. Non-utility market incentives
Refer to Section 6.b.x. for each Sub-Program, if applicable.

c) Best Practices

In addition to showing the relationship of the Statewide WE&T Program and Sub-Programs, Diagram I also illustrates the bi-directional interaction anticipated between the Sub-Programs under this structure. This represents IOU commitment to the WE&T strategic plan and its objectives, as well as IOU interests in facilitating stakeholder input in presenting, identifying and supporting IOUs efforts to create well-coordinated processes to connect and migrate local and regional WE&T models across the state based on best practices identified by a variety of stakeholders. The WE&T taskforce, with CPUC, IOU and statewide stakeholder roles can have a long-term impact on WE&T implementation plans of IOUs by maximizing the benefits of the structure presented. Regularly scheduled meetings among WE&T taskforce members will ensure that voices can be heard, IOUs implementation plans can be discussed and long-term WE&T strategic progress is addressed. As has been described in this section in some length, by layering the strategies outlined in the Strategic Plan on the Statewide IOU WE&T PIP, the IOUs see that as a sustainable framework for achieving the various goals sought by the CPUC from the IOUs.

d) Innovation

Refer to Section 6.d. for each Sub-Program, if applicable.

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e) Integrated/coordinated Demand Side Management (IDSM)

The statewide WE&T team continue to coordinate IDSM education and training efforts by working with IDSM program staff. SoCalGas is able to provide meaningful support to IDSM strategies delivering classes where the curriculum meet the revised statewide definition for integrated content that ED and the IOUs agreed upon in 2011. Per direction from Energy Division, the IOUs will file an advice letter to formalize the revised integrated training definition.

f) Integration across resource types

Refer to Section 6.f. for each Sub-Program, if applicable.

g) Pilots

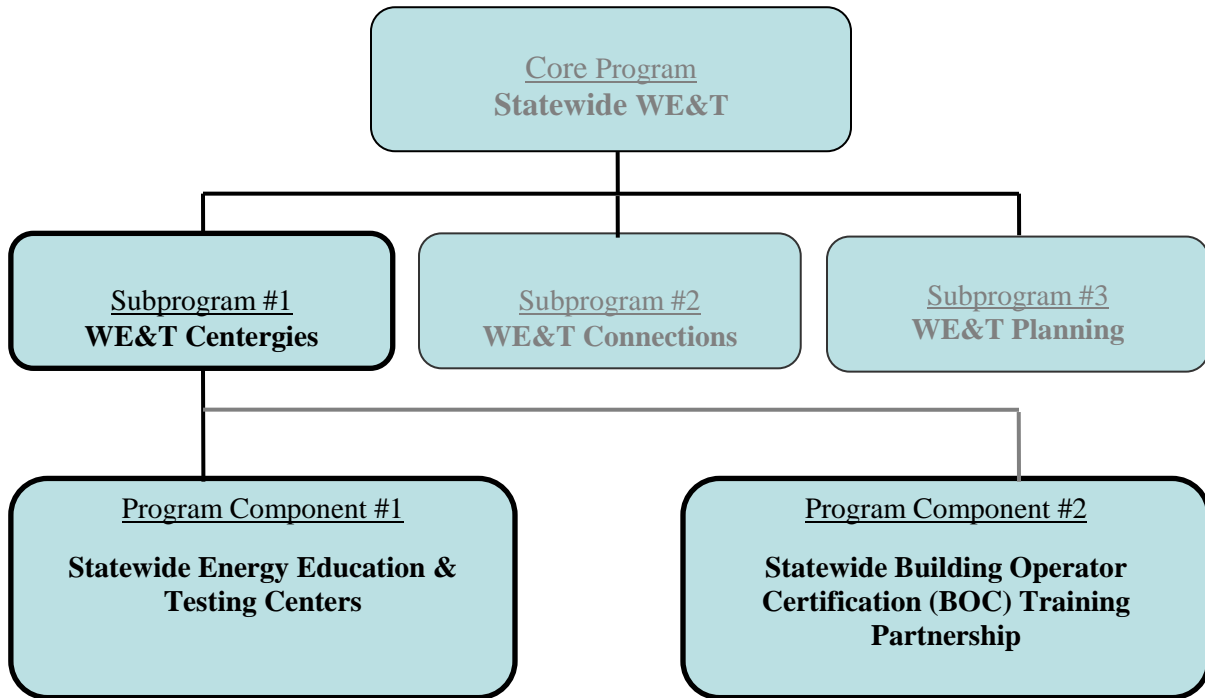
No pilot programs are planned for WE&T in 2013-2014.

h) EM&V

The utilities are proposing to work with the Energy Division to develop and submit a comprehensive EM&V Plan for 2013-2014 after the program implementation plans are filed. This plan will include process evaluations and other program-specific studies within the context of broader utility and Energy Division studies. More detailed plans for process evaluation and other program-specific evaluation efforts will be developed collaboratively by the utilities and the Energy Division. Development of these plans will occur after the final program design is approved by the CPUC and, in many cases after program implementation has begun, since the plans need to be based on identified program design and implementation issues.

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6.1) Sub-Program Implementation – WE&T Centergies – SCG3729



a) Statewide IOU Coordination

i. Program name

The Statewide WE&T “Centergies” is a Sub-Program within the Statewide WE&T Core Program. The “Centergies” Subprogram has two primary components which are diagramed above and described in greater detail below. Parts to the “components” shall be referred to as “elements”.

ii. Program delivery mechanisms

The IOUs will continue to deliver workforce education and training through two delivery mechanisms: Statewide Energy Education and Testing Centers and through the Building Operator Certification (BOC) program.

Statewide Energy Education and Testing Centers

Through their energy education and testing centers (Centers), California’s IOUs have been supporting the energy efficiency workforce and partnering with 3rd Party and Local Government Partnerships, in some cases, for over 30 years. The Energy Training Center (ETC), Food Service Technology Center (FSTC), and Pacific Energy Center (PEC) will align with the statewide WE&T goals of the

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Strategic Plan by addressing the training needs of the midstream and upstream mass market, commercial, industrial, and agricultural actors through state-of-the-art classes designed to enable building professionals to reduce energy consumption in new and existing residential and small commercial buildings. As disseminators of information, the Centers are structured to deliver integrated energy efficiency, demand response, and renewable energy program information through their offerings described below. The Centers serve as a “public face” in interactions with the community and as a conduit to California’s local and statewide energy efficiency programs. Through the 2013-2014 transition period, the Energy Centers will partner with appropriate California industry and labor organizations, professional organizations, trade and vocational schools, community colleges, universities, third-party entities, government partners serving low-income or disadvantaged communities, and other IOU and POU education and training centers. By delivering technical information through a wide variety of courses and technical consultations, the Energy Centers will support and enhance programs which address demand side management (DSM), demand response (DR), distributed generation (DG), water and energy use, codes and standards, emerging technologies, renewables, and all incentive programs. The Energy Centers will ensure maximum effectiveness and impacts needed to achieve long-term energy savings goals for California. With some variation at the local level, the Centers have and will continue to evolve their elements to:

- Deliver high-quality integrated educational seminars to train members of the energy efficiency workforce, including entry-level contractors, disadvantaged community members, university and community college students, architects, food service facility designers and operators, HVAC engineers, equipment installers, manufacturers, developers, and commissioning agents. Based on factors, including changes in technology, changes in codes and standards, and feedback from seminar participants, seminars will be modified to more effectively integrate topics such as distributed generation, DR, and EE as described in section 6.2.e and 6.2.f. Seminars will continue to include transferring skills on energy audits to members of the EE workforce at various stages in their careers—novices to seasoned energy auditors.
- Provide technical consultations and equipment demonstrations through building design plan and equipment schedule reviews, technical advice on new equipment and system technologies, technical advice on best-practice methods, and site visits for identifying energy efficiency opportunities. Site visits shall not replicate the efforts of the energy audits program, but rather be conducted when necessary to provide technical advice.
- Where Outreach falls under the local Center, provide on- and off-site outreach programs for disseminating technical EE information, and promoting utility energy efficiency incentive programs to green- and white-collar building professionals. Outreach programs will include, but not be limited to: on-site

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facility tours, off-site short presentations about Centers' offerings, participation in environmental fairs and events. Centers shall work with their IOU's marketing groups so as to collaborate, but not duplicate efforts.

- Design, certify, and maintain food service equipment test protocols that allow for unbiased measurement of energy efficiency and production capacity while engaging manufacturers and chain operators to test equipment and build user accessible performance results databases. This data provides the foundation for future training programs across the Food Service spectrum as well as the technical support for rebate and other programs provided by the IOUs.
- Expand and integrate tool lending library programs that provide building and system performance measuring instrumentation, instrument use information, and measurement protocols. Tool lending libraries will loan tools free of charge to people working on short-term EE projects in California. Patrons will include building operators, facility managers, designers and other professionals who use the tools for building diagnostics, site analysis, power and energy consumption studies, research projects, and educational efforts.
- Expand energy efficiency educational partnerships with institutions that include government, professional, and trade organizations that will help Centers deliver IOU programs and information to a broader audience. Examples of such groups include, but are not limited to the U.S. Green Building Council, Building Owners and Manufacturers Association, American Institute of Architects, American Society of Heating, Refrigerating, and Air-conditioning Engineers, the Association of Energy Engineers, the Illuminating Engineering Society, Institute of Heating and Air Conditioning Industries, Air Conditioning Contractors of America, Affordable Comfort Inc., Building Performance Institute, Residential Energy Services Network, Apprenticeship Training Programs, North American Technician Excellence, the National Restaurant Association, Foodservice Consultants Society International, North American Foodservice Equipment Manufacturers, National Environmental Balancing Bureau, Stationary Engineer Unions, U.S. Environmental Protection Agency / Department of ENERGY STAR, American Society for Testing and Materials, the California Energy Commission, California Division of Apprenticeship Standards, International Brotherhood of Electrical Workers, National Electrical Contractors Association, Sheet Metal and Air Conditioning Contractors' National Association, Counselors of Real Estate, Institute of Real Estate Management, and the International Facility Management Association. More detail on educational partnerships is available as part of the Statewide WE&T Connections Sub-Program.
- Support building energy efficiency by developing training sessions to prepare the marketplace for new HVAC codes (acceptance testing and HERS verification), technologies, and innovative whole building approaches to new

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and existing buildings. Since the HVAC Big Bold initiative will expand training and education aimed at the HVAC industry, the WE&T program will coordinate carefully to complement HVAC industry training by providing educational support to related market actors such as energy consultants, Home Energy Raters, engineers, architects, and home performance contractors. It is anticipated that the robust HVAC industry training proposed by the HVAC program will create important collaboration opportunities to not only increase training opportunities, but to embellish energy center offerings and impacts.

- Increase statewide Energy Design Resources (EDR) Integration. (EDR) is an existing statewide energy efficiency resource website featuring design materials on how to effectively integrate energy efficient designs into nonresidential facilities. EDR has begun developing the structure to expand the materials and tool offerings to include residential design requirements. While EDR is not funded through WE&T, EDR content is very relevant to the Centers' WE&T direction and goals. Centers will integrate EDR content (online classes, case studies, materials, etc) as statewide resources that are relevant to specific classes, outreach efforts, and consultations. The table below summarizes common Center elements defined above.

Centers' Elements	SCE AGTAC	SCE CTAC	PG&E ETC	PG&E PEC	PG&E FSTC	SDGE SDERC	SoCal Gas ERC	SoCal Gas FSEC
WE&T Seminars	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Technical Consultations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Outreach	No**	No**	Yes	Yes	Yes	Yes	Yes	Yes
Food Service Test Protocols	TBE	Yes	N/A	N/A	Yes	TBE	N/A	Yes
Tool Lending Library	Yes	TBE	Yes	Yes	TBE	Yes	N/A	N/A
Educational Partnerships	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

TBE = To be established (based on information collaboration with other Centers)

** Outreach efforts not part of this Center and occurs in other parts of the utility

N/A = Not applicable to Center's primary target audience

SoCalGas - Centergies Program Goals

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Program Name	Program Target 2013	Program Target 2014	Totals
WE&T Seminars / Trainings	125	125	250
Technical Consultations	220	220	440
Outreach	40	40	80
Tool Lending Library*	0	0	0

NOTE: Goals are expressed as full-year performance to be prorated according to the effective date of the final decision approving the 2013-2014 portfolio.

* SoCalGas continues efforts to identify feasible opportunities for gas-only applications.

A. Changes for 2013-2014 Statewide Program Coordination through IOU Energy Centers:

The IOUs will modify Centergies curriculum and delivery methods to incorporate feedback and guidance from sources, including the California WE&T Needs Assessment, customer feedback from the 2010-2012 Process Evaluation, and the Guidance Decision for 2013-2014. Such modifications include, but are not limited to, approaching curriculum development with the sector strategy approach.

1. Heating Ventilation and Air Conditioning (HVAC)

IOUs will incorporate and integrate HVAC education and training programs into its Workforce Education and Training Centergies sub-program to deliver a dedicated, industry-specific education and training opportunities targeted at all levels of the HVAC value chain. As part of this effort, IOUs will convene various stakeholders from, but not limited to, community colleges, trade organizations, professional organizations, employers, and apprenticeship/pre-apprenticeship programs including through the IOU-sponsored Western HVAC Performance Alliance stakeholder collaboration group, which has WE&T-specific committees already built into its structure. This will allow for identifying skill gaps and to identify opportunities for collaboration in a coordinated effort toward implementing recommendations needed to close gaps at all levels of the industry.

HVAC Sector Strategy Plan:

In response to the Guidance Decision, the IOUs began work in 2012 to develop a plan as described below to expand their educational efforts toward more direct effect on trade organizations that have memberships involved with installation and maintenance of commercial HVAC systems. IOUs will tested a non-residential HVAC sector strategy. A core component will be the

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development of a multi-stakeholder partnership to develop a full implementation plan to apply the CALCTP sector strategy approach to the HVAC non-residential industry. The IOUs began with Quality Maintenance to provide the foundation, and then included a Quality Installation sub-strategy. Cornerstones of the Quality Maintenance implementation plan include identifying priority emerging technologies for improving EE related non-residential HVAC systems, identifying the knowledge, skills and abilities (KSAs) professionals need to install and maintain systems efficiently and safely as well as the linkage of these KSAs to ANSI or ISO certifications, and, developing a steering committee.

Starting in 2012, PG&E embarked upon leading a statewide HVAC Sector Strategy. Detailed objectives and milestones for this sector strategy effort include the following phases

Phase 1	<ul style="list-style-type: none"> ● Finalize project plans and develop agreements for partnership implementation, including establishing respective roles and financial contributions ● Begin project plan execution ● Determine success metrics ● Link HVAC pilot(s) to other relevant IOU sector strategies such as PG&E’s Energy Workforce Sector Strategy ● Re-assess stakeholders and modify Committee(s), as needed
Phase 2	<ul style="list-style-type: none"> ● Continue project plan execution ● Assess initial progress made via success metrics developed ● Expand project plan to include additional HVAC sector WE&T needs and develop agreements for partnership implementation ● Enhance and/or form additional Steering Committee and/or Advisory Committees, as needed ● Develop specific timeline and budget for 2014
Phase 3	<ul style="list-style-type: none"> ● Continue project plan execution ● Begin to identify any lessons learned from 2012-13 activities
Phase 4	<ul style="list-style-type: none"> ● Complete project plan execution ● Quantify and formalize lessons learned from 2012-14 activities

IOUs have collaborated on a statewide memorandum of understanding (MOU) with the California Division of Apprenticeship Standards. The MOU will provide a framework for partnering with labor, trade, and professional organizations that resembles the existing CALCTP program. Such an MOU will help to reinforce cooperation in achieving goals of the sector strategy test of having certified training modules, performance based principles to test and

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diagnose the HVAC system, site information for the contractor to design and implement real solutions for customer comfort and efficiency, training that takes good HVAC technicians to the next level and gives them the tools to maximize efficiency, comfort and safety of customers in the construction of new systems, and real-time analysis to track and maintain data from completed projects by trained participants.

Because of early activities with sector strategies, IOUs will be applying any lessons learned from related efforts within Commercial EE to the HVAC sector strategy, as it develops.

IOUs will work with qualified partners to institute a test that will enable HVAC workforce member to attend various HVAC classes and receive credit towards industry-recognized certifications or other appropriate credentials. The IOUs will also contact and extend partnership opportunities designed to improve installation and maintenance quality of Commercial HVAC units.

The IOUs have initiated discussions to determine the parameters of an HVAC sector strategy, to be deployed in 2013. The IOUs have identified a core group from across lines of business, and externally, the IOUs have begun to discuss pilot concepts with the other IOUs and external stakeholders such as the Western HVAC Performance Alliance and the Division of Apprenticeship Standards.

Based on best practices from CALCTP the IOUs recommend starting with a Needs Assessment to determine where gaps and opportunities exist, prior to determining the HVAC sector strategy's specific objectives and goals.

With Quality Maintenance as a test, the IOUs intend to glean lessons learned from that approach, to be subsequently extended into the quality installation approach to the HVAC sector strategy.

The IOUs will endeavor to have skills standards for HVAC installations established by the end of 2013. The IOUs will continue to provide necessary training as a component of the quality installation and quality maintenance programs. The current design is geared toward providing the highest possible level of installation and maintenance expertise for contractors and technicians working within the HVAC subprograms. The IOUs will continue to use the basic foundations of Title 24 acceptance testing regulations and the consensus HVAC industry standards as the basis of requirements for this training. The IOUs will continue necessary training as a component of HVAC programs. These programs will continue to evolve as needed to meet program changes as they develop.

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In order to estimate costs associated with requiring certification or sector strategy-induced skills standards, the IOUs have started to collaborate with the Commission’s Energy Division through the HVAC EM&V Project Coordination Group (PCG) on the new, baseline research needed to best address questions regarding impacts or potential benefits, according to appropriate EM&V best practices.

2. Support for California Advanced Lighting Controls Training Program (CALCTP)

The IOUs will continue to partner with CALCTP to offer CALCTP trainings as part of their portfolio of classes to various sectors of the advanced lighting controls workforce, including electricians, contractors, business managers, installers, specifiers, marketing reps, and designers. Where appropriate, IOUs will serve as program advisors and instructors, and provide direct financial and in-kind support to help sustain the program. IOU contributions will augment funding and support from other stakeholders, including employers, unions, other training partners, and manufacturers. Where appropriate, IOUs will continue to provide letters of support to secure grants to help support CALCTP and will continue to serve on the CALCTP board of directors and advise CALCTP curriculum developers.

To assess mandatory or voluntary incentive-based approaches to promoting high-road skills standards as part of the HVAC sector strategy initiative or CALCTP training, IOUs will work with relevant resource program managers to identify opportunities to create or enhance incentive programs that are linked to the participation of members of the workforce who have specific qualifications and/or credentials. For example, IOUs will explore the opportunity to provide an additional incentive directly to the customer if the customer hires a CALCTP certified electrician, in order to help create demand for participation in IOU-supported training programs such as CALCTP. The same model can be applied to the HVAC industry as well as other sector strategy approaches. In response to the guidance decision (at p. 283), the IOUs provide the following information about the CALCTP program.

Request	CALCTP Information
(1) data or estimation of the incremental customer cost, if any, of requiring skill standards;	(1) There is no comprehensive current research on the cost of labor to install advanced lighting controls by a CALCTP certified contractor versus a non-certified contractor. However, evidence from six CALCTP pilot studies indicates savings in the range of 10 - 30% ²¹ . An

²¹ Office of the Future Landmark Square Pilot Results (Design and Engineering Services, SCE, October 2010); Office of the Future 25% Solution Assessment (Emerging Technology Solutions, December 2010) ; Advanced Office Lighting Systems (Energy Research and Development, SMUD); High Efficiency Office, Low

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	overall savings estimate of 15% is reasonable. Lower costs are due to CALCTP training, which enables more accurate bids, faster installation, and higher initial system performance as a result of greater familiarity and expertise with advanced lighting controls ²² .
(2) data or estimation of the average and range of permitting/compliance costs across permitting jurisdictions in the IOUs' service territories;	(2) Currently, no cities, towns, counties, or other governmental agencies in California require CALCTP certification so there are not permitting or compliance costs related to CALCTP installations.
(3) data or estimation of impacts, if any, mandatory skill standards would have on program participation rates;	<p>(3) Over the years, IOU incentive programs for lighting controls have had relatively low participation rates, in large part due to the poor performance of the control systems which has been linked to substandard installation, inadequate commissioning, and lack of proper maintenance. As a result of the poor performance, many customers were not willing to invest in the systems - even with an incentive.</p> <p>With proper incentive levels and education of the segment, it is anticipated that adoption/participation could increase significantly because CALCTP installed systems work properly and enable customers to realize expected energy and cost savings. The optimum performance of CALCTP installed systems is already beginning to change customer perception of the value of investing in advanced lighting control systems. IOU incentives based on mandatory skill standards could drive up control system performance, which would have a major impact on the reputation of the systems, which in turn would likely push participation rates to a much higher level²³.</p>
(4) data or estimates of the	(4) A literature review by Lawrence Berkeley Lab

Ambient/Task Lighting Pilot Project (Large Office) Heschong Mahone Group; Low Ambient/Task Lighting Pilot Project (Small Office) Emerging Technologies Associates; Advanced Lighting Controls System Assessment (Emerging Technology Associates)

²² Brookfield Properties, SCE Engineering Services for Case Study

²³ IBID

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<p>incremental energy savings and customer cost savings over the life of the equipment;</p>	<p>indicates that customers who install advanced lighting controls will achieve a minimum savings of 25%²⁴ over traditional lighting efficiency measures. Depending on the level of control, and the comprehensiveness of the lighting control system, savings may increase an additional 5% - 10%. Actual dollar values will be determined as incentive program adoption occurs, customer site performance is monitored, and data is collected.</p>
<p>(5) any other potential benefits associated with higher standards, such as fewer call-backs, lower frequency of customers over-riding control systems, lower life-cycle costs, and increased consumer uptake of measures based on higher quality and certainty.</p>	<p>(5) Additional benefits include:</p> <p>Because CALCTP training translates into high performance operation and maintenance, operational data on CALCTP installed systems, to date, indicates an extremely low rate of installation difficulties, callbacks, re-works, changes, etc. CALCTP training also enables contractors and electricians to properly train facility managers in the effective operation of the control systems²⁵. Therefore, CALCTP installed lighting control systems installed to date have not been overridden. Long term expectations are that the frequency of customers overriding control systems would be extremely low²⁶.</p> <p>IOU assessments have shown that fewer, if any, callbacks will be experienced when the system is installed by a CALCTP certified installer. This positive experience is in marked contrast to non-CALCTP certified installations where numerous call backs, change orders, and other problems have been experienced.</p> <p>Optimum energy saving operation and increased proper maintenance both contribute to lower lifecycle costs. Energy, long term maintenance, and lamp replacement costs are all lowered because of reduced loads and hours of operation as well as lower system stress.</p>

²⁴ Leukos, Volume 8, Number 3 (Lawrence Berkeley Labs) Lighting Controls in Commercial Buildings, (Williams, Atkinson, et. al)

²⁵ "Lighting Controls: Savings, Solutions, Payback and Vendor Profiles" CleanTech Article

²⁶ "Advanced Lighting Control Can Reduce Operating Costs and Improve Worker Satisfaction" Encelium Technologies article, March 2010

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Additional system related benefits will accrue when graphic interfaces and other higher visibility applications are utilized to report actual lighting energy use, and track GHG emission reductions.

Finally, all the above benefits and advantages will combine to create a positive industry “buzz” as customers begin talking about how well their advanced lighting control systems perform and how much money they are saving. That buzz will fuel even higher rates of participation for the mandatory skill standards incentive program.

3. Coordination with Energy Upgrade California (EUC)

The IOUs will continue to develop and produce a core set of offerings in 2013-2014 that will be geared to providing interested contractors and technicians with the program knowledge necessary to provide entry, as well as support for their continued participation into EUC.

To increase emphasis on workforce training for EUC, the utilities will work with various “trade organizations” to share existing and future course offerings for their membership. The sharing of these courses is intended to expand the relevant knowledge base of partnering organizations, with regards to EUC, and thereby improve the quality of energy efficient products installed throughout California.

SoCalGas will continue its current efforts to offer “continuing education credits” for organizations such as NATE, BPI, AIA, NARI, and other certification programs to be approved.

In consultation with local governments, the utilities will expand their training networks to include specific contractor and technician training. In addition, the utilities will work with local governments to identify geographic listings of contractors and technicians who will address community needs and comply with local codes and standards. In addition, the IOUs will conduct a gap

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assessment with local governments to identify additional needs not currently addressed.

SoCalGas will continue to work through our local government partnerships to ensure we have identified and marketed to contractors in areas served by those local jurisdictions, including multifamily programs.

- Coordination with Energy Savings Assistance Program (ESAP) Training and Certification

In 2012 the IOUs engaged with various Community Based Organizations, Local Training Facilities and Colleges to identify the most appropriate methods to partner with them to serve disadvantaged members of their communities. In 2013-2014, based on results of discussions with other relevant organizations, the IOUs will develop agreements to offer or share existing curricula with these partners to better serve their communities. These curricula will be designed to provide potential employment tracks within EE through entities such as trade organizations, IOU weatherization programs and weatherization programs offered through State agencies.

Partnership with the Energy Savings Assistance Program has provided low income utility customers with a variety of energy efficiency improvements for their homes for over 30 years.

The community colleges and the community based organizations have demonstrated that they can offer equivalent training for skills based training through their facilities which results in a reduced cost to contractors wishing to hire new assessors and installers for the program. The result of the articulation also reduces the initial cost of training for participating contractors (a key consideration in the hiring decision) making the individual more likely to be successful in their employment search. In addition, the contractors that have taken advantage of this symbiotic relationship have also found it has resulted in essentially these prescreened candidates are more likely to be long term employees of the program. Building upon the initial success with these partnerships, IOUs will lend other support to these partners through curriculum development, in-kind resources and developing new connections via the IOUs' sector strategy activities. This will begin to be developed in the first quarter of 2013, deployed throughout the second and third quarters of 2013.

On an ongoing and regular basis, the IOUs will collaborate with other market actors, including workforce investment boards, non-profit organizations, and post-secondary systems that serve disadvantaged and low income populations to identify people that may benefit from the

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IOU's WE&T efforts. The IOUs will leverage these market actors to identify currently unemployed workers who may already be equipped with the skills needed to meet energy efficiency program needs.

In the first half of 2013, the IOUs will explore best practices and consider possible initiatives that offer disadvantaged workers employment opportunities upon training completion. The IOUs will explore weaving this approach into their existing sector strategy activities currently underway.

- **Real Estate Agent Training**

In 2012 the IOUs began work seeking courses designed to stimulate interest within the Real Estate community to expand their knowledge of benefits of EE in resale of residential and commercial properties as well as provide continuing education opportunities through partnership with various local, state and national oversight entities. Consultations in 2012 with relevant stakeholders are planned to continue into 2013-2014, so that ongoing feedback can lead to continuous improvement of these efforts. In 2013-2014 these offerings will be restructured, if necessary, and expanded to meet increased needs of these groups.

The utilities in 2012 evaluated initial entries into partnerships with various real estate groups within their territories in an attempt to gauge possible obstacles to EUC trainings to enhance knowledge of EE by their memberships. In addition, the first forays into workshop offerings will be targeted at areas likely to be receptive to the sessions. In 2013-2014 the partnerships and offerings will be increased to provide a better understanding of the value of EUC in real estate transactions. Consultations with relevant stakeholders were planned into 2013-2014, so that ongoing feedback can lead to continuous improvement of these efforts.

4. Additional information Required in Guidance Decision

- **Serving Low Income and Disadvantaged Communities**

IOUs will build partnerships with community-based organizations to offer on-location joint utility workshops in disadvantaged communities. These workshops will promote IOU low income programs, training, and certification opportunities at IOU Energy Centers and community-based organization locations. IOUs will explore providing presentations and materials in languages other than English, as appropriate to each community and partnership, to overcome any barriers of communication to customers in the disadvantaged communities. Please see additional

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information regarding efforts to serve low income and disadvantaged communities in Attachment 1 to this addendum.

- Other Program Coordination

WE&T will work with the Continuous Energy Improvement Program to introduce the CEI process, lessons learned, and case study input to community colleges and universities. CEI has a goal of integrating into energy engineering curriculum. IOUs will also work with CEI to assess and determine specialized WE&T training to help target working energy management professionals, industry professionals, and those pursuing education in universities and colleges. IOUs will also continue with WE&T coordination and cost sharing to transition the linkages and integrate sector strategy approaches.

SoCalGas has begun implementing a sector strategy to accelerate the development of the Commercial demand-side management workforce needed by IOUs and larger EE industry. This implementation is the result of statewide research and cross-stakeholder collaboration, with a focus on deepening partnerships between education and industry. Moving forward, SoCalGas will be refining those programs, developing new programs and building an overall project plan for deliverables in 2012 as well as in 2013 and beyond. This strategy has already begun to provide key lessons for application towards similar strategies within other priority sectors.

In 2013-2014, WE&T will work with the Benchmarking and IDSM Programs in similar manner as proposed for the Continuous Energy Improvement Program to introduce the processes, lessons, and case studies curriculum to working energy management professionals, industry professionals, IOUs will consider a sector strategies approach in furthering development of these collaborative effort.

In 2010-2012, hundreds of IOU customers participated in IOU-sponsored benchmarking and IDSM classes. These classes were developed in collaboration with groups outside of WE&T to assure that IOU program information was part of the course content. In 2013-2014, IOUs will continue to work with their internal benchmarking and IDSM program managers on course content that provides participants with do's and don'ts on building benchmarking relative to legislation.

In 2013-2014, the IOUs will continue relationships with internal and external organizations (e.g. Building Operator and Manager Association, International Facilities Managers Association, and the Institute of Real Estate Managers) to educate course participants about benchmarking, These benchmarking and IDSM courses will include speakers and course

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material from IOU benchmarking, energy efficiency, demand response, and distributed generation groups outside of WE&T.

- **Safety Related Training**
The IOUs currently conduct Natural Gas Appliance Testing (NGAT) training where appropriate, and in particular when working with providers of low income weatherization programs. No lead or asbestos abatement certification is currently required as part of IOUs' low income weatherization training programs, only identification of potential conditions, because licensed contractors are expected to obtain such training as required.

SoCalGas through many of its contractor training programs currently provides training and consulting services for the appropriate combustion safety protocols (Natural Gas Appliance Testing (NGAT) or LIHEAP Combustion Appliance Safety (CAS) protocols for the Energy Savings Assistance Program's weatherization programs, and augmented Building Performance Institute (BPI) protocols for non-low income weatherization programs.

- **Attachments to Addendum**

Attached to this addendum as Attachment 1 is additional information the Staff requested be provided in its May 24, 2012 guidance documents, Appendix F.

Attached to this addendum in Attachment 2 is SoCalGas's list of courses and programs planned for 2013-2014, using the template provided in the Guidance Decision (Appendix C). Course offerings may be modified, based on market training demands and input from industry stakeholders. Per WE&T's Joint Advice Letter²⁷, IOUs will redesign and structure select courses offered in 2013-2014 such that they become part of a series.

Attached to this addendum as Attachment 3 is SoCalGas's budget breakdown of funding for energy centers, sector strategy efforts, and training partnerships, as required in the EE Decision. Also included in Attachment 3 is an updated narrative description of SoCalGas's training partnerships and sector strategy initiatives and activities.

²⁷ SDG&E 2260-E-B/2041-G-B, SOCALGAS 4249-B, SCE 2588-E-B, and PG&E 3212-G-B/3852-E-B

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Statewide Building Operator Certification (BOC) Training Partnership

In addition to IOU coordination of Energy Center activities, the IOUs will continue to offer Building Operator Certification training to the commercial building workforce in their territories.

Building operators are a sector of California’s green collar workforce that will continue to play a major role in improving and maintaining California’s energy efficient building stock.

Buildings at all scales—small commercial to high-rise commercial and universities—that are designed to operate at a high level of energy efficiency and comfort often fall short of design expectations for many reasons, including unexpected occupancy or use patterns, malfunctioning controls, incorrect installation, and equipment that falls out of calibration over time. Building operators and facility managers play major roles in ensuring buildings are performing at the level of efficiency and comfort they were designed to perform.

Building Operator Certification (BOC®) is a national program providing education and accreditation in the field of energy efficiency of commercial and institutional buildings. BOC has been recognized by the American Council for an Energy Efficient Economy (ACEEE) as one of the country’s “Exemplary Programs.” With more than 6,000 facility professionals earning the credential, BOC is widely recognized by key employers as a means to distinguish skill proficiency for energy management in buildings.

As an active national training program, BOC is well positioned to provide training for workers looking to establish or enhance their building energy efficiency skill sets as well as those who may need foundational building and energy efficiency training as an entry point to a growing clean energy career path. BOC’s target workforce audience includes building engineers, stationary engineers, maintenance supervisors, maintenance workers, facility coordinators, HVAC technicians, electricians, operations supervisors, operations technicians, and others in the facility operation and maintenance field.

The BOC curriculum supports a credential at two levels. The Level I certification provides a strong grounding in commercial building systems, the key energy using equipment within the building, and how improved energy management technology and practices can reduce operating costs, improve comfort and productivity, and reduce the building’s carbon footprint. The Level II certification builds on the Level I competencies with additional technical specificity in key building energy use areas such as HVAC, controls, and electrical equipment. In total, the BOC curriculum offers a comprehensive 130 hours of training.

BOC Beyond the Classroom

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BOC offers a classroom training component supplemented by both an exam process for credentialing and a practicum component. Participants utilize a set of project assignments which help ensure that energy management principles are well understood and can be actively applied in buildings. The program has had numerous third party evaluations over the past 10 years and has been rated very positively by participants and their employers. These evaluations have consistently reported significant energy savings for employers who utilize credentialed BOC employees. Utilities across the country are supporting BOC and many utilize the core training program as a means for professional development of their internal staff.

Employers and BOC

BOC is being used by employers across the country for their energy management training needs. Public agencies, private employers, property managers, schools, universities, and healthcare institutions are all active BOC participants. Many companies and public institutions use BOC as a component of their professional development track for their employees. Examples of employers using BOC include California State University System, Irvine Company, Providence Health System, Raytheon, State Farm Insurance, and Washington State General Administration.

IOUs and BOC

The IOUs have been collaborating with BOC to offer California building operators competency-based training and certification, resulting in improved job skills and more comfortable, efficient facilities. Through a coordinated effort, the four California IOUs offer BOC training to their commercial and institutional customers. The statewide program combines classroom training, exams and in-facility project assignments to train and certify building engineers and O&M technicians in the practice of energy efficient building operation and maintenance. NEEC has implemented the program for the IOUs since 2002.

The IOUs will work with BOC to shape and realign the BOC certification program to be consistent with the California Long Term Energy Efficiency Strategy Plan (Strategic Plan) as well as other guiding documents, including the California WE&T Needs assessment and the Guidance Decision. Changes to the BOC curriculum and program will include:

- Following up with program participants to assess content implementation into existing facilities;
- Expanding the number of and improving the dissemination of case studies of model energy efficiency projects conducted by program participants in combination with other demand side management (ex: onsite generation and demand response) improvements when applicable;
- Incorporating BOC materials and findings into broader IOU Centers' curriculum and vice-versa;

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- Better integration between BOC and other utility and utility-sponsored integrated EE, DR, and distributed generation programs;
- Better integration between BOC and other utility-sponsored energy efficiency education and other demand side management programs, including the BOMA Energy Efficiency Program (BEEP);
- Continuous updating of curriculum materials to include information about monitoring and operating zero-net energy buildings;
- Emphasizing diagnostic and troubleshooting strategies in BOC curriculum and including materials of the use of measurement equipment; and
- Developing an annual awards program for BOC program participants annual awards program to recognize graduates for their energy efficiency building operations implementation efforts, including improved building performance from measured energy savings, documented improvement in occupant satisfaction/comfort, or document tenant complaints.
- Per feedback received from the 2010-2012 Process Evaluation via Opinion Dynamics, offering the BOC four-part webinar series as a cost-effective way to address a growing demand for web-based learning, increasingly limited budgets among building operations staff, and for continuing education credits for maintaining certification.
- As resources allow, working with local workforce investment boards (WIBs) to develop specific programs to offer BOC trainings to experienced, but displaced building operators at a significant discount. Such programs will also include opportunities to implement course material into actual buildings as well as development of “soft skills,” including resume writing and interview techniques.

Local BOC Program Variations among IOUs:

IOUs will implement the BOC program statewide as described above throughout their territories.

2013-2014 BOC Course and 4-Part Technical Webinar Series Targets

	2013			2014		
	Level 1	Level 2	Webinar	Level 1	Level 2	Webinar
SCE	4	2	0	4	2	0
PG&E	3	1	2	3	1	2
SoCalGas	0	1	1	1	0	1
SDG&E	2	1	4	2	1	4

iii. Incentive levels

Not applicable.

iv. Marketing and outreach plans, e.g. research, target audience, collateral, delivery mechanisms

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Over the years, the Energy Centers have identified and cataloged these individuals as having the greatest capability of exerting significant influence on the energy efficiency decisions of customers based on the multiplier effect. Energy Centers will continue to expand their marketing efforts by incorporating innovative and creative approaches to reach new target audiences including industry and labor partners, colleges and universities, local governments, and third party partnerships, and will continue to cross-market their courses through its established relationships with various professional organizations. Energy Centers have and will continue to rely on email promotions to people in their combined database of potential students. The Centers will continually update their database to ensure accuracy and targeted marketing for seminars.

Training sessions and workshops will be marketed through SoCalGas's Internet Event Business Management System (IEBMS) training website (www.SocalGas.com/erc), the Energy California Upgrade web site, professional organizations' websites, HVAC distributors and vendors, California Community Colleges, energy fairs, trade shows, and energy efficiency / environmental events designed to increase awareness of the Energy Centers and their education programs to prospective participants.

Over the past several years, the Energy Centers have worked with labor and industry to qualify many of their courses for accreditation. Through these outreach efforts, the Energy Centers have been able to certify many of its for continuing education credits from the following organizations: Build It Green (BIG), North American Technical Excellence (NATE), American Institute of Architects (AIA), National Council for the Qualification of Lighting Professionals (NCQLP), and the National Association of the Remodeling Industry (NARI). The U.S. Green Building Council (USGBC) will soon begin a continuing education program for its LEED™ Accredited Professionals to maintain their accreditation, thus providing another target audience for the Energy Centers' courses. The Energy Centers will continue to reach out to these and other industry groups and labor organizations, and will expand their marketing to vocational training institutions and programs which serve low-income, disadvantaged communities.

The Energy Centers will leverage their long-standing partnerships with the California Community Colleges, UC/CSU system, State of California Community Services Department, USDOE Industrial Technology Program, the Building Operator Certification (BOC), and the California Energy Commission Industrial and Agricultural Programs during 2013-2014 as part of its overall marketing and outreach efforts to attract and train the next generation of the green collar workforce. In addition, the Energy Centers will partner with the Energy Savings Assistance Program (ESA) to improve, expand, and extend training offerings to disadvantaged communities. The Energy Centers will also coordinate with the ESA Program to enhance recruitment of low-income workers.

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FSTC works directly with SCE and SoCalGas on coordinating the seminars and events relating to food service. The statewide food service energy center team provides the technical support for the statewide Energy Wise Food Service Equipment rebate programs and for target market incentives for food service. The target audience for FSTC and the statewide energy center activities is to a significant extent; corporate or franchise customers whose decision makers are located outside of PG&E's service territory or, more likely, outside of California. FSTC maintains close communication with the other IOUs and the food service energy center teams in order to provide coordination of programs or information aimed at these customers.

- v. IOU program interactions with CEC, ARB, Air Quality Management Districts, local government programs, other government programs as applicable

Carbon neutrality – Energy Centers will support AB32 compliance by incorporating waste and greenhouse gas (GHG) emissions reduction information into all appropriate training courses. Energy Centers will prioritize its training and DSM efforts based on the carbon content of sources used to meet building energy loads and by challenging people to eliminate carbon consumption. Technical expertise, educational programs and support for the Big Bold Zero Energy New Home goal and California's vision of achieving zero net energy residential buildings by 2020 and commercial buildings by 2030 will also be made, as well as training on methods needed to achieve deep energy savings retrofits for existing homes.

Codes and Standards – The Energy Centers will continue their long-standing partnership with the Codes and Standards team and the California Energy Commission (CEC) to offer training on the latest updates to the Title 24 Energy Standard through improved code compliance and design / installation methods for exceeding code requirements in residential new construction and HVAC retrofits.

As described in the Statewide WE&T C&S PIPs, the programs will continue to coordinate activities that will enhance support for the appropriate market actor roles responsible for current, new and emerging C&S implementation according to priorities established by the Needs Assessment. In 2013-2014, the IOUs will build on the relationships that are developed in the classroom between building department personnel and C&S experts. Similarly, the Standards Essentials courses recently developed specifically for energy consultants will continue to be delivered at the energy training centers. All of these courses will be updated to help prepare the audiences for implementing the new code on January 1, 2014.

FSTC and the statewide food service energy center team provide technical support to staff of the CEC as Title 20 appliance regulations are developed for commercial food service equipment. Efficiency regulations for commercial kitchen equipment tend to go hand-in-hand with the voluntary ENERGY STAR

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program. The ENERGY STAR database and criteria are used to qualify (through testing and labeling) the top quartile of equipment efficiency while CEC seeks to through regulation the bottom quartile of equipment on the same list.

FSTC works with the Bay Area Air Quality Management District (based in San Francisco) directly or through ASHRAE on projects and technologies aimed at efficiently reducing food service effluents. For the major equipment categories and candidates for national energy and water savings, the FSTC and the statewide food service energy center team will provide technical support to establish efficiency criteria for EPA's ENERGY STAR program. On an appliance-by-appliance basis, FSTC and the statewide food service energy center team will work with EPA and leading manufacturers to implement ENERGY STAR for commercial food service equipment and to support the Federal Energy Management Program (FEMP) interagency program on energy-efficient federal purchasing.

FSTC and the statewide food service energy center team will continue to work with the LEED "Working Group" to finalize the list of recommended proscriptive measures and baselines for energy modeling of commercial food service facilities. This group provides insight and submits formal CIRs on EA Credit 1 to the Retail Core Committee to help mature the language to yield a clear guideline for all types of retailers, including restaurants.

vi. Similar IOU and POU programs

The food service (FS) programs offered by the three IOUs are coordinated through two levels, first at the FS program level through interactions between FSTC (PG&E), FSEC (SoCalGas), and the Energy Innovations Center (SDG&E) to develop program offerings, schedule combined outreach programs, and develop support programs such as Rebate Workpapers. Second, the FS programs are coordinated at the Energy Center level through the statewide Energy Center coordinating committee. The Food Service Coordination deals with the scheduling and logistics of cooperative events such as seminars and supporting outreach materials, workshops, Executive Planning Committee meetings, outreach events such as trade shows, joint energy efficiency program advertisements, and trade articles and general promotion of both the seminar and rebate programs.

b) Program delivery and coordination

Between 2013-2014, the Energy Centers will work closely with all programs to coordinate and conduct seminars and workshops that address the knowledge and skill gaps of builders, developers, contractors, designers, installers, plant engineers and operators, agricultural owners and managers, and city and county building department staffs. Additional services will include technical assistance and support, consultations and tool loans.

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i. Emerging Technologies program

The Energy Centers continue to coordinate and collaborate with the Emerging Technologies program to introduce new equipment, installation practices, and whole building concepts to key market actors. Such support helps expand implementation of new energy efficiency products and services. For example, Energy Centers partner with Emerging Technology projects by: developing demonstration and testing facilities, jointly developing curricula, organizing product showcases, and incorporating new products into training sessions.

The ERC will collaborate with the Emerging Technologies (ET) program to coordinate training programs for training the trainer and training programs with information about technologies on the horizon for introduction to the marketplace. ET will also play a significant role in advising the PEC on fixed and portable displays and exhibits for its interactive lighting classroom.

The IOUs will coordinate efforts with the Codes and Standards program and with the California Energy Commission to identify critical early planning workforce training needs for advanced technologies.

IOUs will collaborate with their respective Emerging Technologies groups, the statewide Emerging Technologies Coordinating Council, State agencies, and IOU codes and standards groups to identify and deliver on opportunities for teaching targeted parts of the workforce about emerging technology products as they relate to energy savings opportunities through energy efficiency and demand response. WE&T programs will also include content on proper installation and commissioning of ET products/systems.

ii. Codes and Standards Program

The Centers will collaborate through their educational seminars with compliance improvement efforts planned by the Codes and Standards (C&S) Program. Typically, these efforts will focus on training of building department staff. Centers will focus on building standards training for architect, engineers, energy consultants, home performance contractors, home energy raters, and green building programs.

The Energy Centers will directly impact improved compliance with Title 24 energy standards through rigorous updates that go beyond new construction to include revolutionary impacts on the existing housing market. The ERC will work with HVAC contractors and building department officials to overcome information and training barriers to code compliance and enforcement. Since 1998, the Energy Centers have proactively offered training on Title 24 code updates and changes to residential / small commercial building standards. The ERC will continue to go “beyond code” by providing state-of-the-art, building

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science-based information about the best available systems, technologies and techniques for minimizing building and operational energy consumption while optimizing whole building or system performance and occupant satisfaction or enhanced productivity. Additionally, the FSTC and the statewide food service energy center team provide technical support to C&S staff for Title 20 appliance and Title 24 building regulations as relating to commercial food service equipment, operations and facilities.

In collaboration with WE&T, C&S will enhance support for the appropriate market actor roles responsible for new and emerging codes and standards implementation according to priorities established by needs assessments. C&S will collaborate with the WE&T Centergies sub-program to not only prepare contractors and technicians to implement current codes, but to also prepare them with technical training on advanced technologies that are projected to become part of reach codes and then the statewide code.

In support of the Zero Net Energy goals, C&S will continue to build on existing training offerings and will expand activities to coordinate more closely with WE&T. In collaboration with WE&T, C&S will develop a sector strategy to support workforce development in an area with low compliance, for example, the Commercial Air Conditioning Quality Maintenance and Installation Program. C&S will maintain ongoing communications with WE&T staff to ensure coordinated development and inclusion of code-related content WE&T programs will offer market actor-specific training on Codes and Standards to address ongoing code changes and code compliance.

iii. WE&T efforts

Energy Centers

The Centers will collaborate and coordinate where possible to be in alignment with California's Strategic Plan. Statewide collaboration among Centers will increase sub-program consistency and information/cost sharing for what the Centers offer to their customers (seminars, tool lending library development assistance, portable exhibits).

BOC Program

In alignment with the goals of the Strategic Plan, BOC's curricula incorporate relevant information about the Emerging Technologies, Codes and Standards, and HVAC Quality Installers/Quality Maintenance programs. As appropriate, BOC instructors will enhance the depth of the learning experience by discussing new technologies and ways to meet and exceed the state's code and standards.

Through its two levels of training and certification, BOC offers supplemental training in existing technical positions by providing knowledge and skill building for technician-level facilities personnel including building engineers, stationary

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engineers, maintenance supervisors, maintenance workers, facility coordinators, HVAC technicians, electricians, general repairers, and head custodians.

BOC has been recognized by several industry and labor organizations as one of value to its members. This recognition reflects the program's efforts to meet the needs of these organizations through solid, industry relevant curricula development. Among the organizations recognizing BOC's training program are the International Facility Management Association (IFMA), the Building Owners and Managers Institute (BOMI), the National School Plant Management Association (NSPMA), local chapters of the society of healthcare engineering, and the California State Employees Trades Council (SETC). NEEC also partners with California statewide partnerships including the UC/CSU/IOU Partnership and other Local Government Partnerships (e.g. Association of Monterey Bay Area Governments).

- iv. Program-specific marketing and outreach efforts (Budget provided in Table 1)

Energy Centers

Each of the Centers will distribute their own print calendars to a more focused target audience to ensure notifications of Centers' offerings reach key actors. Innovative and creative approaches will be applied to attract and retain new customers and market actors to the Centers. This will include aligning the Centers' activities with corporate and statewide direction. Centers will contribute content to the Statewide Web portal described above and below. Classes and other Center activities will be promoted through the following venues: the Centers' print calendars, collaboration with professional and trade organizations, Center's Web sites, Centers' email communications with students who have opted in to receiving email notifications, and other partnerships, including non-profit organizations and existing academic channels (community colleges, UC/CSU).

Centers will continue to promote and collaborate on marketing efforts with established and new partnerships involving other utility segments, across utilities, and with government, academic, research, professional/trade, and non-profit organizations focused on efforts supporting the Strategic Plan.

BOC Program

Northwest Energy Efficiency Council (NEEC) works closely with the IOUs to promote Building Operator Certification (BOC) seminars. IOU-sponsored BOC classes shall be mentioned in Energy Centers' calendars and email-marketing campaigns targeting commercial and institutional customers. NEEC will also target potential participants with direct marketing materials including informational brochures, case studies and bi-annual bulletins. The program's website also serves as a promotional channel. In 2013-2014, BOC will undertake promotional activities that build on customer interest in national initiatives such as the ENERGY STAR® Challenge and LEED for Existing Buildings. It will also

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work with large employers to organize closed-enrollment sessions for facilities engineering departments at a single site. Where the IOUs offer the Building Owners and Managers Association (BOMA) Energy Efficiency Program seminars, BOC shall be cross-marketed.

BOC will continue to promote training and certification through its highly successful educational partnerships with professional associations representing the facilities engineers. These include the International Facility Management Association (IFMA), Building Owners and Managers Association (BOMA), Association of Physical Plant Administrators (APPA - higher education), National School Plant Management Association, and the American Society Healthcare Engineering (ASHE). BOC will participate in the annual events and program meetings of these associations to share information about opportunities to reduce operating costs through energy efficient building operations.

v. Non-energy activities of program

The Centers and BOC shall remain focused on delivering content centered around integrated DSM programs, including EE, DR and distributed generation. The Centers have and will continue to explore other program topics that do not have direct energy connections, but that do contribute to improving California's building stock. Such topics include indoor air quality, occupant comfort, recycling, and environmental stewardship and preservation. The LEED™ Green Building Rating System provides an outline for other topics that can help inform Centers' program managers and instructors about other resource types.

The Energy Centers provide low-cost centralized meeting space for the benefit of program implementers. Volume of activity for non-energy program participants lowers the average cost of energy efficiency training due to volume discounts. Non-energy participants are not subsidized by this program. FSTC supports water conservation through its work on hot water heating and use in FS, hot water systems research, testing and rating of water using cooking and refrigeration equipment. Air Quality work is being coordinated with Air Quality Districts on reduction of kitchen effluents.

vi. Non-IOU Programs

IOU program will interact with CEC, ARB, Air Quality Management Districts, local government programs and other government programs as applicable. The Centers will interact with the CEC to develop and deliver training to support improved compliance with building and appliance standards. Compliance with retrofit HVAC requirements is a key strategy in the Big Bold Initiative that will rely on collaborative training efforts.

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The Sacramento Municipal Utilities District (SMUD) operates its Energy Technology Center (ETC) that provides similar functions as the IOU's Centers. The IOUs will reach out to SMUD to collaborate on WE&T elements. The IOUs are active partners with Community Colleges to support and embellish green career technical education. This collaboration will provide professional development for instructors to aid in adjustments to curricula to support green job training. Such an endeavor may set the stage for expanded collaboration to support instructors and develop additional programs.

BOC has and will continue to support CEC adoption of minimum energy efficiency standards.

- vii. CEC work on Electric Program Investment California (EPIC)

Not Applicable

- viii. CEC work on codes and standards

The Centers will work with the CEC and the IOU C&S programs to improve code compliance through coordinated education and training delivery. For more details on these integration efforts, refer to the HVAC WE&T PIP.

- ix. Non-utility market initiatives

The Energy Centers collaborate with certification and training initiatives by the following organizations: North American Technician Excellence (NATE), Affordable Comfort, Inc. (ACI), Building Performance Institute (BPI), National Association of the Remodeling Industry (NARI), American Institute of Architects (AIA), BuildItGreen (BIG), and Home Energy Rating System (HERS) Providers [California Building Performance Contractors Association (CBPCA), U.S. Green Building Council (USGBC), American Society of Heating, Refrigerating, and Air-conditioning Engineers (ASHRAE), California Home Energy Efficiency Rating System(CHEERS) and CALCerts].

FSTC and the statewide food service energy center team utilize their relationships with ENERGY STAR and various restaurant and food service industry organizations to promote their programs and leverage these relationships to pursue efficiency objectives. (Refer to Section 6.2.b.v. above.)

c) Best Practices

The Centers will continue to implement best practice methods as prescribed in prior statewide evaluation reports, including "Evaluation of the 2003 Statewide Education and Training Services Program" by Wirtshafter Associates, Inc., 2005 and "2004-2005 Statewide Education, Training and Services Program Evaluation" by KEMA, 2007.

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Many of the training programs conducted through the Energy Centers incorporate adult learning theory by utilizing a “hands-on” approach that enables students to visualize and experience the impact proper system design, installation and maintenance can have on operation and energy efficiency.

Throughout the 2013-2014 transition period, the Energy Centers will develop additional training props and equipment for use in many of the courses offered to enhance learning and provide real-world experience in the classroom. In addition, both Energy Centers will expand their courses to include more “Train the Trainer” classes to expand the reach of their training efforts and materials.

FSTC, through its research, testing, and constant customer contact continually updates its technology and operational practices knowledge base. The Best Practice partner Program is a manifestation of this constant improvement.

The ETC also interacts with Affordable Comfort, Inc., in a leadership, planning and strategic mode to audition and recruit the best talent and state-of-the-art topics for delivery in California, capitalizing on long-term relationships that gain access to best practice providers.

BOC teaches commercial and institutional facility staff how to operate and maintain building systems for energy efficiency, optimal performance, and occupant comfort. BOC combines classroom training, exams, and in-facility project assignments to train and certify building engineers and operations and maintenance technicians in the practice of energy-efficient building operation and maintenance. The curriculum was developed to provide knowledge and skill building for technician-level facility personnel including HVAC technicians, electricians, general repairers, and head custodians. BOC curriculum is taught by practicing professionals who implement best practice building operations strategies toward improving building energy efficiency. The curriculum is updated on a regular basis. Trained instructors share best practices with one another as BOC curriculum is updated on an annual basis.

d) Innovation

In 2013-2014,

- Centers will work together and collaboratively with other utility groups (i.e. Emerging Technologies) to develop new exhibits with up-to-date technology that can be either replicated and/or shared across utilities to maximize cost-effectiveness of new exhibit development.
- Centers will work together and collaboratively with other utility groups and stakeholders to create an educational series describing paths to zero net energy residential buildings by 2020 and commercial buildings by 2030. This is in support of CPUC and CEC commitments and directives.

BOC Innovation

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As a credential program, BOC is uniquely positioned to maintain a long term relationship with graduates through its certification renewal program. Graduates must earn continuing education hours annually to maintain the BOC credential. This provides an opportunity to direct graduates to the utility education and training centers to earn continuing education hours towards renewal.

Energy efficiency project work also qualifies for continuing education. Graduates may earn continuing education hours through engagement of EE and DR projects at their facilities. In 2006, almost 20% of BOC graduates earned hours through completion of efficiency projects. Finally, BOC graduates and their supervisors are informed about energy efficiency and demand response program opportunities through the BOC Bulletin, a bi-annual newsletter mailed to 1,500 California IOU customers.

Continue, and even increase, utility presence at BOC trainings: Students expressed satisfaction with utility account representative presentations in BOC classes. This should be continued and even expanded on by involving account reps in promoting BOC to key accounts in advance of the course series start date.

e) Integrated/coordinated Demand Side Management

In 2010-2012, the IOUs and Energy Division staff revised the definition of integrated content:

If a training program meets either or both of these criteria, the programs are classified as “integrated”:

1. Integration through a balance of building systems content
Course content includes material on at least two building systems (i.e. mechanical, building envelope, lighting, solar, water, etc.) their relevance to one another, and how an integrated systems approach optimizes overall demand management with impacts that address energy efficiency, demand response, and smaller renewable energy systems.
2. Integration through technology content
Technologies discussed can be used to fulfill at least two of the three subjects of Integrated Demand Side Management (EE, DR, DG). IDSM technology examples would include dimming ballasts, Energy Management Systems, controls, or any technology with a work paper that includes both kW and kWh savings. Energy efficiency technologies result in permanent load reduction. Demand response technologies have the ability to respond to a demand response event for temporary load reduction. Distributed generation technologies deliver power to an individual building or set of buildings.

Per Energy Division guidance, the IOUs will file an advice letter to formalize the above definition of integrated content for training courses.

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Centers will develop their programs to incorporate other DSM opportunities, including demand response (DR), and distributed generation. The Centers have taken the first steps toward integrating DG and energy efficiency into their exhibits and educational seminars. They have also developed seminars and exhibits focused on DG, EE, and DR. The next step is to work with the DG and DR groups to develop programs that integrate the three in a way that is consistent with other utility programs and with the long-term energy efficiency strategic plan towards zero net energy residential buildings by 2020 and commercial buildings by 2030. Centers will integrate training offerings with codes and standards programs as described in section 6-b above.

NEEC recognizes California's demand side management needs are not fully addressed through energy efficiency alone, but rather through a blend of multiple DSM options including rigorous building codes and standards, demand response, and on-site generation. The BOC curricula are structured to offer flexibility for the incorporation and promotion of relevant demand side management options (rebate and non-rebate) available through the IOUs. NEEC has and will continue to work with the IOU's to customize BOC curriculum to the California market to address technologies and practices associated with demand reduction and to stimulate uptake of utility programs in energy efficiency, demand response, and on-site generation. In 2005 and 2006, BOC curriculum modules were supplemented with material on the topics of enhanced automation strategies for demand reduction and operational best practices to ensure persistence of savings from building retro-commissioning. In 2008, BOC curriculum modules were supplemented with material on the topic of O&M practices for sustainable buildings covering a full range of resource conservation topics. The curricula are also flexible to include information pertaining changes and/or implications to support implementation of and compliance with the CEC's Title 24 to Title 24 2008 Building Energy Efficiency Standards, AB32 (Greenhouse Gas Reduction bill), and other initiatives.

In 2013-2014, WE&T will work with the Benchmarking and IDSMS Programs in similar manner as proposed for the Continuous Energy Improvement Program to introduce the processes, lessons, and case studies curriculum to working energy management professionals, industry professionals, IOUs will consider a sector strategies approach in furthering development of these collaborative efforts.

f) Integration across resource types

IOU Centers recognize that energy efficiency can be achieved through programs that go beyond traditional energy efficiency education and training. The Centers have and will continue to offer seminars and build partnerships that remain focused on energy efficiency and go a step further to show the benefits of energy efficiency upon other areas (e.g., air quality). The Centers will also work together and collaboratively with other utility groups and stakeholders to incorporate the benefits of achieving efficiencies with other types of resources (e.g. water efficiency) upon whole building energy use. This integration can be achieved by developing courses on specific topics like water efficiency since any use of water requires energy consumption. The highest impact for water efficiency integration occurs when water is also heated on site. The LEED™ Green

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Building Rating System provides an outline for other topics that can help to inform Center program managers and instructors about other resource types.

BOC's Level II course structure offers unique flexibility to integrate the curricula from other resource management areas relevant to building operation and maintenance such as water, waste, and indoor air quality. Level II supplemental classes are offered in tandem with core classes to customize the course series to regional and topical interests in the California building operator market. Three one-day supplemental classes in the topics of water efficiency, O&M for sustainable buildings, indoor air quality, and demand response have been developed and successfully delivered to 500 building operators since the program's inception.

g) Pilots

No pilots are proposed for Centergies Subprogram. Several sector strategy initiatives will be pursued in coordination with IOU programs, as discussed in previous sections.

h) EM&V

The utilities are proposing to work with the Energy Division to develop and submit a comprehensive EM&V Plan for 2013-2014 after the program implementation plans are filed. This plan will include process evaluations and other program-specific studies within the context of broader utility and Energy Division studies. More detailed plans for process evaluation and other program-specific evaluation efforts will be developed collaboratively by the utilities and the Energy Division. Development of these plans will occur after the final program design is approved by the CPUC and, in many cases after program implementation has begun, since the plans need to be based on identified program design and implementation issues.

7. Program Diagram

See above Section 6.2.

8. Program Logic Model

Below is the logic model for the WE&T Centergies Subprogram.

The activities specified in the logic model focus on several types of actions. One is to promote and market center services to target audiences. These activities involve gathering labor market information from employers in the energy sector and designing programs to meet their needs. They also include leveraging existing relationships with colleges, and professional and trade organizations to market courses and other energy center offerings.

A second activity focus is marketing and reaching out to disadvantaged communities to facilitate energy-related job skills in those communities. This will be accomplished by partnering with industry and labor organizations, professional organizations, trade and vocational schools, community colleges, third-party entities, government organizations and other partners that service low-income or disadvantaged communities in order to reach members of these communities and bring them into energy center training programs.

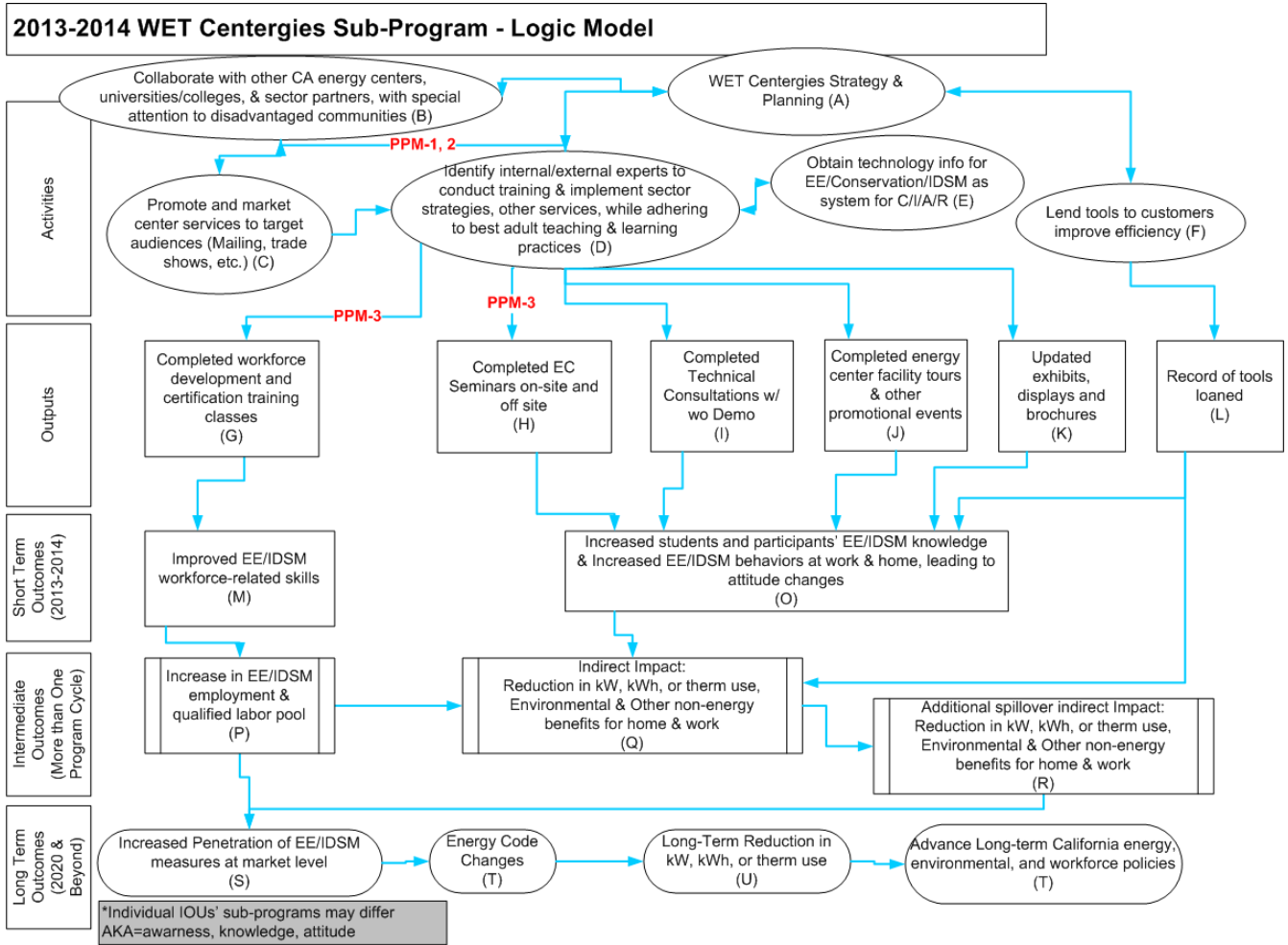
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A third activity focus is to identify internal and external experts to conduct training and other services, while adhering to best practices in adult learning. The centers are developing and using many new training props to give students first-hand experience with how energy-saving technologies and practices work and how they produce savings. They are also including energy modeling tools to teach students to estimate savings resulting from the technologies and practices they learn in the classes. In addition, the centers are reviewing seminar content to be sure the adult learning principles are being incorporated.

A fourth activity in the logic model is the lending of tools to customers that will allow them to judge the energy efficiency of their equipment and make changes and adjustments to increase efficiency.

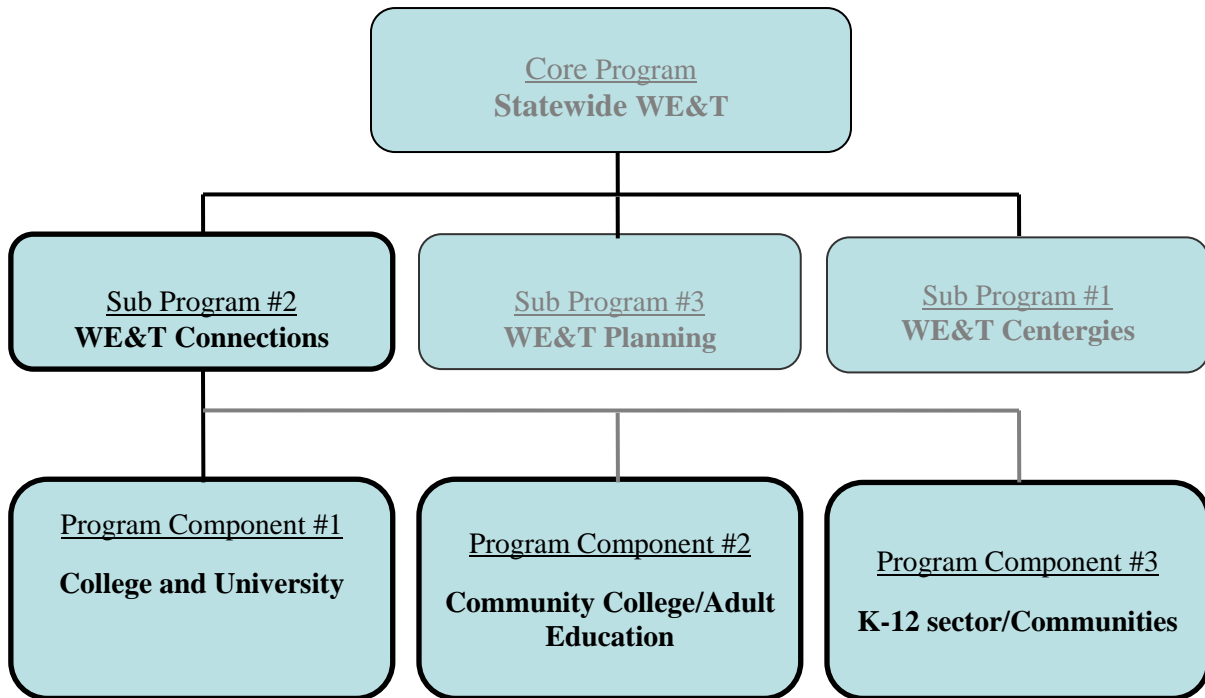
All of these activities are all expected to result in classes, consultations, promotional events, exhibits, and tool lending that increase participants' energy efficiency and IDSM knowledge and behaviors. Ultimately, these activities and outputs are expected to result in indirect energy savings.

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6.2) Sub-Program Implementation – WE&T Connections SCG3730



2. Program Description

a) Describe program

WE&T Connections is a three-fold marketing, outreach and workforce education and training program. This Sub-Program offers K-12, Adult Education (post-high school), Technical Training, Community College and University level education programs that support the Strategic Plan’s vision for educating and training California’s workforce for “green” jobs.

- First, the programs promote green careers to K-12, Adult Education (post-high school), Technical Training, Community College and University students through energy and environmental curriculum, college credit courses at high schools, college degree programs, job shadowing and internships.

The IOUs and/or our third party vendors will continue to work with California Department of Education (Curriculum Commission) as well as curriculum coordinators from the County Offices of Education to be included in curriculum development advisory boards so that we can contribute to tailored K-12 curriculum that includes the science of energy, energy efficiency, Demand Response, Renewable Resources and some discussion about green careers. We will also work with the California Community College Chancellor’s office, UC Office of the President of

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Academic Affairs and the CSU Office of Degree Programs and Educational Opportunities to 1) promote energy minor or major degree programs, 2) collaborate and/or provide expertise in the development of complementary new and revised courses that will form a comprehensive integrated approach to energy education, and 3) consult with campus-specific administrators to define additional courses needed to meet the growing need for graduates with skills in energy efficiency and related fields. Throughout the process, we will also work to incorporate and promote a green career path.

- Second, the programs are intended to educate students on energy, water, renewable energy, demand response, distributed generation as well as greenhouse gases and the environmental impact, with the goal of influencing day-to-day decisions of students and their households.
- Third, the programs educate K-12/Community Colleges/Universities on the benefits of adopting energy efficiency and demand response policies at their facilities to help them save energy and money. Having these programs at schools and campuses serves to reinforce that schools practice what they preach. Some students truly pay close attention to see if the schools are just providing lip service or if they are leading by example.
- Finally, marketing efforts will increase focus on building partnerships with community colleges and adult education, CBOs, and other government and non-government gateways to reaching the disadvantaged population, attention will be given to including relevant green job and training information from trade organizations.

b) List measures

WE&T Connections program offers seven energy education program components—Green Campus, DEEP, PEAK, Energenius, LivingWise, Green 360 program (formerly Green Pathways) and Green Schools—and effectively integrates specific content for the science of energy, energy efficiency, water conservation, renewable energy, demand response, distributed generation, greenhouse gases to address awareness in the communities, barriers faced by schools as well as growth and demand for green careers. These programs are designed to be both flexible and affective across diverse learning environments as well as to empower K-12/college students to become advocates of smart energy management in their homes, schools, and communities. Each program component will also leverage all other available energy efficiency, demand response, and distributed generation programs for consumers as well as existing business incentives for schools, all to achieve immediate and long-term energy savings and demand reduction in homes, communities, schools and universities.

c) List non-incentive customer services

WE&T Connections is a non-incentive based, education and training sub-program.

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3. Program Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Information

See core program Section 5.a. for program performance metrics (PPMs) and Section 5.b. market transformation information.

b) Market Transformation Indicators (MTIs)

There were no market transformation indicators (MTIs) identified for the WE&T program.

c) Program Design to Overcome Barriers

Energy education is critical to assuring a stable and reliable supply of electricity in California. Educating students will create a new generation of Californians who understand the significance of energy in their lives, their role in its efficient use and the importance of managing our limited resources for the future. This knowledge and information can also lead to life-long energy savings habits and a concern for the environment and its limited resources for not only the students but, for their family and friends. This knowledge and education can also lead the interest in a future green career path. However, given the budget cuts at schools, cuts to curriculum and longer work hours for teachers, getting this message across may not be possible without the assistance of these IOU-sponsored programs.

WE&T Connections program components are designed to be both flexible and effective across diverse learning environments. All program components promote the science of energy, energy efficiency, demand response, distributed generation, and empower K-12 and college students to become advocates of smart energy management in their homes, schools, and communities. The program effectively combines classroom learning with hands-on activities.

The program will address lost opportunities in the school market by implementing a comprehensive, innovative approach that involves incorporating:

- Some of the nation's leading energy education programs. These programs are 1) designed to promote green careers through energy and environmental curriculum, 2) designed to educate students on energy, water, renewable energy, demand response, distributed generation as well as greenhouse gases and their impact to the environment, with the goal of influencing day-to-day decisions of students and their households, and 3) also designed to educate schools/facilities on the benefits of implementing energy efficiency policies and demand response programs at their sites to impact energy use in schools and, universities and to project energy and environmental leadership by example.
- The program components are developed in collaboration with natural gas, electricity and water agencies to promote and encourage the adoption of energy efficiency, demand response, distributed generation and water conservation options.

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- Collaboration and integration with residential and business incentive programs that result in firm energy savings for homes and schools.

Energy costs for schools can be an enormous expense and are often the second largest expense for schools after employee salaries. Declines in school funding over the last 20 years have left little to no room in budgets for incorporating high performance measures during major repairs or renovation in existing buildings. This is where our business incentives programs come into play when promoting these educational programs to schools. Not only are these educational components funded by the IOUs, but the schools can also see a measurable utility savings. Also, when the schools teach something that children can take home that helps parents save on their utility bills, the parents are more likely to be active in their students' education. Failure to take advantage of these educational and facility programs represents a significant missed opportunity.

The U.S. Department of Energy estimates that schools could save approximately 20% of their energy costs by incorporating energy efficiency measures²⁸. To start, schools can begin with no cost behavioral and operational changes. Additional funds and/or incentives are needed before schools would seriously consider the more serious energy efficient options.

IOUs will continue to promote low-to-no-cost energy efficiency measures, as well as retrofits programs for their school facilities. In most cases, the benefit of the IOUs assisting school in ways to save on energy cost is the selling point to getting school district cooperation in implementing the educational components. Schools practicing what they teach with respect to energy efficiency, demand response, distributed generation and other helps reinforce the importance of practicing smart energy management with students, thus creating a new generation of energy smart citizens and potential future members of a green workforce.

The WE&T Connections program will address the needs of schools through a combination of student, teacher and school administrator education programs and increase their awareness and knowledge as well as provide curriculum and/or lesson plans that support these objectives. Also, once school-aged children learn something new like energy efficiency, they are great advocates for taking that knowledge home and teaching/motivating their parents and siblings to take actions to reduce energy and water consumption. University students can conduct valuable research and effectively educate their peers as well as campus administrators about energy efficiency:

- Students are effective advocates, able to reach their peers, communities and high-level decision makers in promoting green jobs on campus.
- Educational campaigns can result in significant energy savings on campus facilities and dorms by changing behaviors and purchasing decisions.

²⁸ Per DOE website. [<http://www.eere.energy.gov/buildings/info/schools/>]
[http://eere.energy.gov/buildings/energysmartschools/howto_operating.html]

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- The IOUs and/or our third-party vendors will develop curriculum and lesson plans for K-12 as well as work with the appropriate community college and university agencies responsible for, college courses and programs needed to educate students about energy, energy efficiency and prepare them for a green career path.

Addressing the interaction between energy and water use is essential, as well as the link between energy conservation and the reduction in greenhouse gases. Water conservation lowers energy use and energy bills; particularly, when energy used to heat water can be reduced and energy conservation reduces emission and global warming. The utilities and water agencies will extend the reach of their programs and services and promote integrated solutions.

The primary goal of the program is to educate and create awareness among K-12 and college students about the importance of energy and water efficiency and how to apply at home and in their communities what is learned at school and to promote green careers to K-12 and college students to meet California’s need for green jobs, A secondary goal of the program is to improve public education facilities and inform facility operators and administrators about the benefits of energy efficient equipment and operation practices.

The basis of the program theory is that increased awareness will result in increased levels of energy and water efficiency in communities and at home where energy conservation starts, and increase conservation efforts at schools and universities. The combination of education and environmental awareness at schools and campuses are expected to motivate students not only to change their energy use behavior, but also to provide them with another very real and worthy option for a career path.

d) Program Targets

The proposed targets may be modified due to funding restrictions.

Program Name	Program Target 2013	Program Target 2014
University Sector		
Green Campus (Statewide)	14-16 campuses**	14-16 campuses**
Community College Sector		
DEEP (SCE only)	3 campuses	3 campuses
K-12 Sector		
PEAK (Statewide)	18,000 students**	18,000 students**
Energenius (PG&E)	60,000 students	60,000 students
Green 360* (PG&E)	1,000 Online Course/Community	3,300 Online Course/Community

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	Participants	Participants
LivingWise (SoCalGas, SCE)	20,000 - 30,000 students**	20,000 - 30,000 students**
Green Schools (SCE)	25,000 students	25,000 students
<p>* Green 360 serves grades 9-12; goals will be determined upon approval of final budget. Transition</p> <p>** Program targets have been revised to reflect statewide budget reductions and reallocations as required in the decision.</p>		

- e) Advancing Strategic Plan goals and objectives
See core program PIP.

4. Program Implementation

- a) Statewide IOU Coordination

- i. Program delivery mechanisms

WE&T Connections programs will be taking a sector strategy approach around education collaborations with K-12 and College stakeholders and organizations. The strategy's multi-faceted goals include increasing engagement of all students, particularly minority, low-income or disadvantaged, in energy-related coursework and programs, poising them for careers in Energy Efficiency (EE) and a life-long appreciation of energy conservation and efficiency.

The California Public Utilities Commission has provided a framework to make EE a way of life in California by refocusing rate-payer funded EE programs on achieving long-term savings. Goals of this framework include (1) establishing EE education and training at all levels of California's educational systems; and, (2) ensuring that minority low-income and disadvantaged communities fully participate in training and education programs at all levels of the Demand Side Management and EE industry.

Education collaborations are integral to achieving the goals laid out above. The K-12 and College Sector Strategy, led by the IOUs and implemented by a cross-stakeholder driven partnership, will include the below key elements to ensure these goals are achieved.

While traditional sector strategies often include specific employer hiring commitment or funding, the K-12 Sector Strategy will not directly include this component due to the target population being years away from career entry points. However, other sector strategy hallmarks will be included in this approach. These include:

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- Developing a regional partnership which includes a cross-section of stakeholders from the EE sector.
- Ensuring employer commitment to help align training to market demand.
- Working towards career pathway development, including “stackable” credentials that enable students’ education to build upon previous trainings.

Ultimately, via the Sector Strategy work, the IOUs will have a thorough understanding of K-12 and College resources and programs that currently exist, and, *through collaborations*, (1) propose enhancements to current programs, (2) identify new program needs that fill gaps understood from our mapping work, and (3) create opportunities to “link” programs and build education pathways. The ultimate goal is to increase the engagement of students in energy-related K-12 programs, and ultimately, energy efficiency careers.

Key Elements

- Supporting K-12 and college efforts to assist students to develop education based on visible career paths in EE and related fields.
- Creating and/or expanding college and university programs with EE focus.
- Fostering green campus efforts to apply EE knowledge in clear view of students and faculty.
- Continued refinement of existing curriculum to ensure EE fundamentals are included.
- Identifying career options in energy-related fields.
- Continue incorporating career exploration into programs and developing a systematic effort to institutionalize energy awareness and career awareness programs that is aligned with state content standards.
- Expanding collaborations with career academies, regional occupational programs and community colleges.

Proposed Objectives

- Students develop an awareness and appreciation for energy, energy conservation and the impact to the environment;
- Students develop careers that advance DSM business, policy, research and development and education; and
- Individuals from the targeted communities take advantage of programs that specialize in energy disciplines at all levels of the educational system and successfully advance themselves into rewarding careers in the energy services fields.
- Linking existing training programs, across modalities, so that students’ options are increased and pathways begin to be developed, e.g., pathways to post-secondary programs.
- Increase engagement of at-risk or disadvantaged students in energy-related coursework.
- A plan for more fully leveraging utility training centers for K-12 stakeholders.

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College and University sector

Green Campus (statewide)

The Green Campus Program is implemented on college and university campuses by student interns engaged and/or enrolled in environmental studies and/or other related areas. This team of 2 – 6 student interns per campus engages other students through forums, and other means on the importance of energy conservation and the link to the environment. They also lead the way in addressing energy efficiency in the higher education sector by meeting with faculty, staff and administrators and work with them to incorporate energy, energy efficiency and discussions about a green career path into their courses/programs as well as work with campus officials to implement energy efficiency projects on campus and add value with educational outreach campaigns. Green Campus addresses behavioral and operational changes and product retrofits for campus facilities as well as serves as a direct pipeline of emerging environmental/energy professionals.

Green Campus WE&T aspects are exemplified by the advanced technical and professional development skills that the students develop as part of their internship, and that non-intern students develop from interaction with Green Campus interns. Green Campus projects include dorm energy competitions, energy efficiency curricula development, building energy assessments and recommendations, technology pilots, and outreach events. Interns actively market their projects and the program by completing monthly newsletters, working with campus and local media and presenting at conferences – including biannual program convergences.

Green Campus Program is being reviewed to determine if it qualifies as a resource program.

Program Delivery

Student Intern assistance to Facility Management stakeholders; Housing and Dining; and energy service companies (ESCOs), as appropriate, to help them increase measurable energy savings: Green Campus Interns play a key role in helping campus staff, administrators and energy efficiency professionals with their energy savings targets. As a means to this end, students will organize such activities as dorm energy competitions, laboratory fume hood educational campaigns and competitions, technology pilots, office energy assessments and recommendations.

- *Recruit, train and support Green Campus Interns at each campus in implementing program activities.* Interns are hired and trained to implement many aspects of the program throughout the school year. Green Campus program staff works closely with interns, campus stakeholders,

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utility partners and ESCOs as they identify their objectives and draft a detailed implementation plan.

- Hold two planning meetings per year with student organizers and IOU program managers, campus administrators, facilities staff, faculty, IOU program managers and, energy service company representatives at each campus. After conducting implementation planning exercises prior to or early in the fall term, Green Campus Interns will bring new participants up to speed on the program goals, expectations, report on activities conducted to date, unveil future plans, and solicit feed-back.
- *Building in Efficiency to the Fabric of the Academic Framework:* Program staff will work with the UC Office of the President, Office of Academic Affairs, CSU Office of Degree Programs and Educational Opportunities, or Office of the Chancellor to:
 - develop a database of EE-related courses on UC and CSU campuses,
 - consult with system-level as well as campus-specific administrators to define additional courses needed to meet the growing need for graduates with skills in energy efficiency and related fields, and
- Utilize the Green Campus program as a tools to promote energy, sustainability, environmental and other related courses on campus
- *Ramping Up Green Campus Reach:* Every aspect of the Green Campus Program offers a pathway to green jobs –academic course offerings, training in technical and “soft” professional skills, experiential hands-on energy efficiency projects, and providing a statewide network composed of utilities professionals, other professionals and academics, students, and program alumni. We plan to increase the number of students who participate in Green Campus activities through growing the “concentric circles” of GC activities:
 - Students who are employed as GC interns (approximately 60 students)
 - Increase the number of volunteers who participate in GC activities without being paid
 - Interns conducting awareness campaigns on campus will invite students to sign up as honorary Green Campus students and pledge to advance the WE&T message across campus. They will carry the message forward and ask others to do the same. Interns will gather pledge information so that they can be contact via email to gather information on courses they are taking or jobs they might be in.
 - Increase the number of students who take classes taught or facilitated by GC interns (currently over 600 per year total)
 - Students who are exposed to Green Campus messages on campus (This is already 400,000 student contacts per year statewide)

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- *Ensure that minority, low income and disadvantaged communities fully participate in training and education programs.* Green Campus program will be made available at campuses serving low-income, minority and disadvantaged communities. Interns outreach to high schools, community colleges and CBO's. Outreach consists of mentoring, training, energy assessments, etc.
- *Mid-year and year-end meetings of all Green Campuses.* The mid-year meetings bring interns together with IOU program managers, campus administrators, faculty, and facilities staff from various campuses to share successes, discuss challenges, and plan Green Campus activities for the next half of the academic year. The year-end meetings are used to review the year's progress, recognize group and individual accomplishments or best practices, and plan for the summer and following year.
- *Coordinate with other IOU departments to promote consumer and business incentive programs.* Green Campus through IOU Account Executives will provide information to campus administrators and facilities managers about Business Incentive Programs and encourage them to take advantage of these opportunities for making energy efficiency changes more cost effective. These facilities energy savings projects are needed for numerous reasons 1) for students to see that campuses are practicing what they are teaching, and 2) to serve as a lab for students to practice energy efficiency through identification and implementation of projects on campuses, and 3) building a career pathway.

Community College Sector

CCC IOU Partnership

The 2013-2014 California Community College program will build upon, enhance, and streamline the implementation strategies employed in the 2010-2012 partnership and adopt new strategies over the life of the program as they emerge or are proven as ready for the market. The implementation plan will be refined to adopt best practices and lessons learned program elements for the 2013-2014 programs will include:

- An improved program management and structure that adopts lessons learned from the past cycle resulting in a more streamlined, effective approach;
- In the process of expanding the existing CCC training and education program from simply training facilities, operations and maintenance staff to include working with community stakeholders on curriculum development for students and industry with the objective of developing future energy professionals and a green workforce. Please refer to Advancing Strategic Plan goals and objectives for details on IOUs role in developing a Utility Workforce Education and Training program as well as our plan to ensure low income, minority and disadvantaged students are included.

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Adult School/Post High School (SCE)

The delivery mechanisms include in-language seminars, outreach to schools, community events, faith-based organizations and Workforce, Education & Training.

- In-language seminars: The objective of in-language seminars will be to provide a classroom style forum to empower residential customers to conserve resources by teaching them simple ways of saving electricity, gas and water. This strategy will also align itself with a goal of the WE&T Strategic Plan so that minority, low-income and disadvantaged communities fully participate in education programs by providing elements that will seek to encourage interest toward careers in the energy efficiency industry. Seminars will also be used to promote other IOU program offerings such as Comprehensive Home Performance and of course demand response and other integrated DSM offerings like Summer Discount.
- Community booths: CLEO will continue participating in prominent ethnic cultural booths such as the ‘Chinese New Year’ and ‘Harvest Moon Festivals’. This will also include coordinating with SCE’s and SoCalGas’s Energy Centers and faith-based organizations and other cultural opportunities.
- Schools outreach: In 2013-2014, the CLEO program will expand its schools outreach efforts by providing a comprehensive schools initiative. In addition to continuing the ‘Energy-Artist’ contest, this initiative will also introduce a ‘Carbon Footprint’ contest where schools could potentially compete against each other for the highest decrease in energy use. The PEAK Program will be utilized to encourage energy efficiency behavior for fourth graders. Outreach efforts will also include coordination with SCE’s Mobile Energy Unit and will also target Adult Education centers. Primary focus will involve K-12 elementary schools.
- Faith-Based Organizations (FBO’s) and Community Center outreach: Local community FBO’s and religious forums form the backbone of the ethnic community. FBO’s also provide a forum for community events and an excellent platform to market and encourage energy efficiency. CLEO will cultivate and add to the existing relationships with churches and local community centers to effectively cultivate program participation and promote energy conservation
- Community / city partnership and outreach: This outreach strategy will build upon existing relationships with the cities of Monterey Park, San Gabriel, Alhambra, Walnut, Diamond Bar and others to promote energy efficiency in the community. CLEO will place information kiosks at city community centers and will participate in community events to further promote energy efficiency in the community. CLEO will also integrate components of the program with other existing partnership programs with higher ethnic populations.
- Workforce, Education and Training: CLEO will expand its reach in the Workforce, Education and Training (WE&T) area by providing in-language energy efficiency education and training at various Adult Learning Centers and Community Colleges. The focus will be on educating those whose primary language is not English. Program participants will learn about the green jobs industry, energy efficiency

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measures / technologies, programs and services offered, as well as be placed on a 'green' career-path for participants to build upon.

K-12 Sector

Some of these programs target the same grade levels but, none of the current or proposed programs target the same districts/schools. We have and will continue to ensure that students participating in one program will not also participate in another similar IOU provided program.

PEAK (statewide) SoCalGas

For 2013-2014, PEAK is proposed as a continuation of a successful program by PG&E, SDG&E, SoCalGas and SCE. The participating IOUs will continue to work together to ensure that the program design and delivery is consistent across the IOUs.. Other changes planned for 2013-2014 are revisions to include lessons on Water/Energy Nexus to reflect WE&T goals.

Brief description of the program.

PEAK Student Energy Actions (PEAK) is a standards-based energy education program for grades 3rd through 7th grade (with possible expansion into other grades), that empowers youth to save energy in their homes, schools, and communities and promotes workforce development in energy-related industries.

Program Key Elements

The core of this program is built on four PEAK Student Energy Actions which are used thematically to educate students on how their personal behavior and the behavior of others has a direct impact on the demand for energy and on the environment. The four PEAK Student Energy Actions are: 1) Shifting Use Off Peak Demand Times 2) Cutting Waste Through Conservation 3) Plugging Into New and Efficient Technologies 4) Exploring Renewable Energy

Overall Program Goals:

- Deliver high-quality energy education to the next generation of energy consumers.
- Actively engage students, their families, and schools to save energy through energy efficiency, smart resource management, sustainability and demand response awareness.
- Provide career awareness, career exploration, and/or career preparation to appropriate grades on industries related to energy and environmental sectors.
- Create sustainable behavioral changes that result in the achievement of immediate and long-term energy savings and demand reduction in schools and homes.
- Promote positive relationships between the end user, the community, and their serving utility.

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Program Rationale

PEAK complements each level of the Integrated Demand Side Management model by using education as a means of shifting behavior. The Energy Coalition's PEAK program will support IOUs in meeting recommendations outlined in the California Long Term Energy Efficiency Strategic Plan (CLEESP) and Workforce Education and Training (WE&T) Needs Assessment by providing integrated education on demand response, energy efficiency, energy and water conservation and sustainability through its curriculum. Participating students will receive workforce education related to career awareness, career exploration, and career preparation in order to ensure that they are equipped with the necessary pathway to enter the workforce. PEAK also promotes various rebate and incentive programs such as the Home Energy Efficiency Survey offered in Southern California Edison and Southern California Gas Company service territory.

Alignment with CLTEESP

PEAK is aligned with the following CLTEESP Workforce Education and Training goals: 1) Establish energy efficiency education and training at all levels of California's educational system 2) Ensure the minority, low-income and disadvantaged communities fully participate. The PEAK program supports the state in meeting its 2020 goal to have a workforce that is trained and fully prepared to achieve California's economic energy efficiency and demand-side management workforce potential.

Core Program Coordination

The PEAK program fits with the current IOU WE&T programs in that PEAK both provides and continuously develops 3 – 7 grade curriculum to include energy efficiency fundamentals (e.g. math, science, behavior) and identify career pathway options in energy-related fields. In addition, PEAK supports existing IOU programs by funneling participating student families into energy efficiency programs including distribution of IDSM education through student take-home materials. The Energy Coalition will work with the utility to further connect additional utility rebate and incentive opportunities that support energy efficiency management at the school facility level.

Target Audience

PEAK is designed to engage students, educators, school district officials, school site administrators, parents, and community members. The PEAK program is tailored to educate 3rd through 12th grade students as change agents within the utility territory and develop educator expertise that supports the program core energy concepts as well as environmental education. In alignment with the CPUC's goals, PEAK will place emphasis on enrolling schools into the program that have been designated as low-income.

Implementation Strategy

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Implementation strategy consists of the following components:

Professional Development

- Provide a Teacher Orientation & Training session for all new PEAK teachers. Offer advanced Teacher Training and Orientation to returning teachers.
- Support innovative project development in the areas of energy and the environment.

PEAK On-site Support

- Complete up to 2 PEAK educational campaigns or contests per school year.
- Conduct PEAK Events and Site Visits upon request or as deemed appropriate by PEAK and school staff.
- Provide on-site career explorer/career preparation opportunities upon request or as deemed appropriate by PEAK and school staff.

PEAK Curriculum Development

- Enhancements to improve relevance and comprehensiveness include: STEM and service learning-components, expansion to out of school time (OST), extension to 3rd -12th grade education, and expansion of components to include , Water-Energy Nexus, Smart Meters, renewable energy and other sustainability concepts.
- It is essential for PEAK to focus its efforts on career development especially in the areas of unemployed and underemployed workers. Two components will be developed: career exploration (grades 3-8) and career preparation (grades 9-12) if applicable. The Energy Coalition will realign the current curriculum so that students will explore the careers in the energy field as they engage in energy action activities, thus providing practice and engineering for success. For the career preparation component, The Energy Coalition will develop curriculum alongside the energy education to incorporate hands-on job preparation opportunities as the students prepare for the jobs of the future.

Program Activities

Water/Energy Nexus module: PEAK will create a new module/s to include Water/Energy Nexus and how the use of one impacts the use of the other.

Classroom Lab Toolkit: PEAK teachers receive a toolkit that contains the supplies needed to complete each hands-on lesson for a class of 36 students. Toolkit supplies are replenished on an as-needed basis.

Energy Challenge Software: PEAK's website at www.peakstudents.net houses interactive games that allow students to simulate the effects of energy efficient

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behaviors at home and in the community. The web page will be expanded to include new program features; renewable energy; demand response; greenhouse gases and, their environmental impact.

Energy Education in the Community: PEAK staff facilitates educational assemblies featuring Bulbman, PEAK's energy-saving mascot. Participants learn such concepts as how electricity is generated, how much energy is saved by a CFL, demand response, greenhouse gases and the 4 Student Energy Actions.

Saving Energy at Schools Facility Audits: Facility audits and retrofits will be offered to PEAK schools to improve facility energy use and enhance PEAK energy education. This initiative serves as an additional hands-on student learning opportunity, where students are encouraged to participate in the process and learn about the impacts of proposed changes. Students are also more engaged in energy conservation when they see that the schools are also practicing what they teach. In fact, most districts have energy managers that manage the green effort at schools and, students are able to see a green career in action.

Coordinate with other IOU departments to promote and facilitate Consumer and Business Incentive Programs.

Coordinate events with Mobile Energy Unit (MEU) where available: PEAK program activities are tailored to suit the needs of PEAK participants. This customized approach is implemented in all PEAK activities including planning special events and product distributions, developing teacher trainings, promoting green jobs through career discussions, and organizing student field trips. PEAK's proactive support generates a feedback loop which lends itself to quality internal program monitoring and ensures a constantly evolving, living program. PEAK education ultimately produces behavior modifications and attitudinal shifts that result in immediate measurable kW, kWh and therm reductions in both the student's school and home.

PEAK complements each level of the Integrated Demand Side Management model by using education as a means of shifting behavior. PEAK's comprehensive, hands-on program is correlated to the State of California's science, math and language arts standards for grades three through seven. The program teaches students the science of energy and instills an ethic of smart energy management as well as engages students on discussions about green jobs. Throughout their participation in the PEAK program, students are presented with the necessary tools to formulate thoughtful conclusions about energy usage at the individual and community levels.

LivingWise (SoCalGas and SCE)

For 2013-2014, LivingWise® is proposed as a continuation of a successful program partnership between SCE and SoCalGas. LivingWise® program target 5th and 6th grade students, and is usually incorporated into the science and math classes over a 4 week period. Local water providers are also contacted regarding their interest to co-sponsor the LivingWise® Program in their service territories. LivingWise® provides

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classroom learning activities and take-home kits to elementary and middle school classes. The kit contains energy and water-saving products such as a compact fluorescent lamp and high efficiency showerhead as well as other items to introduce energy efficiency and water conservation to children and their parents. The program features a blend of classroom learning activities, hands-on energy survey and installation projects which students complete in their homes with parental assistance. In addition, LivingWise® participants will be provided lesson plans as well as classroom discussion in the area of energy efficiency, demand response, distributed generation, water conservation and careers and job opportunities in the new green economy. These lesson plans come in the form of an activity booklet that addresses electric, gas and water conservation as well as greenhouse gases, renewable energy and careers in green jobs.

Program Activities

Interactive: Interactive school-to-home program for students

LivingWise® Activity book: The LivingWise Teacher Activity Guide enables teachers to meet academic content standards in science, math, and environmental. Lessons are designed to be fully comprehensive and contain the following: student learning objectives, post-activity reflection and environmental impacts.

The activity books contain the following lessons:

- Electricity;
- Natural gas;
- Water conservation;
- Renewable energy;
- Distributed generation;
- Greenhouse gases;
- Demand response; and
- Careers in the new green economy.

Classroom activity: Teacher-designed classroom activities that reinforce student work on critical State Standards for core subject areas (math, Science, environmental).

Hands-on: Hands-on projects that utilize kits containing energy and water efficiency technologies that students directly install in their homes, thus reinforcing education results.

Family involvement: Involvement of parents to shape family habits and awareness of the benefits of energy and water efficiency

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Fully integrated energy efficiency program: Collaboration with Southern California Gas Co and local Water agencies ensures that program covers electric, gas, and water as well as greenhouse gases, renewable energy and careers in green jobs.

Coordinate with internal departments to promote and facilitate Consumer and Business Incentive Programs.

Teachers are required to incorporate lessons from each of the following areas; electricity, natural gas, renewable resources, GHG and green jobs into their math, science or environmental classroom activities as possible. This program is very adaptable to different teaching styles and compliments California's science and math curriculum.

Initial implementation includes program customization to promote utility energy efficiency programs, demand response, distributed generation, water conservation as well as a green career path. The program also features a) pre-survey – that kids complete at the start of the program to determine their knowledge of energy efficiency, b) Household report card – that provide valuable information about household environment and conservation behaviors, c) post-survey – the kids complete after going through the program and allows us to see program effects on their knowledge.

College and University sector

Green Campus

Marketing and outreach efforts to increase the transparency of campus energy efficiency goals and results, as well as Green Campus projects: Green Campus Interns will launch termed and ongoing educational campaigns for students, faculty, staff and administrators. In order to achieve and sustain cross-campus buy-in for energy efficiency goals and projects set by individual campuses and/or utilities, the program will:

- Promote campus awareness of energy efficiency opportunities and work being done on campus. Green Campus Interns will publish a monthly newsletter describing their ongoing campus outreach efforts, in order to increase awareness about their projects and those of the campus stakeholders and university system.
- Distribute IOU Energy Savings brochures containing details about our commercial and residential EE, DR, DG and Renewable energy programs are provided on campus to administrators and students, and
- Place an emphasis on working with minority and disadvantaged groups throughout the campus.

Community College Sector

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California Community College IOU Partnership

The partnership will implement a training and education (T&E) program focusing on energy efficiency courses for CCC facilities, operations and maintenance staff. The partnership is also actively working with other CCC and community stakeholders on curriculum and Workforce Education and Training Strategies (WE&T) for students and industry to develop a green career path and workforce in support of the Strategic Plan goals. The basis of the T&E program will be to coordinate with the IOU training centers to customize existing course offerings in the HVAC, controls, lighting, commissioning, and green building areas and deliver them to the CCCs via direct training at the campuses or via telecasts or webinars to many campuses on a distributed basis.

Adult School / Post High School

CLEO

The CLEO program will promote all energy efficiency and demand reduction programs that would benefit that community using brochures and written materials, interactive displays, newspaper advertising, radio advertising, online website presence, and static displays.

The CLEO program message will encourage customers to participate in SCE's programs and services, and will coordinate with SoCalGas and the local water agencies and will promote increased awareness for customers to understand the structure and opportunities for energy conservation and efficiency, both at home and in their businesses.

K-12 Sector

PEAK (statewide)

This program will be targeted to associations, school districts and teacher conferences. Part of this marketing will include targeting low income and disadvantaged communities. The method used to identify low income and disadvantaged communities is by the percentage of students on school lunch programs. In fact, our goal is that 50% of program participants come from the low income and disadvantaged groups.

- Design & production of PEAK tradeshow marketing materials including a new marketing brochure and other targeted marketing pieces that are consistent with statewide marketing.
- Participate in community events that support marketing of program.
- Enhance the peakstudents.org website.

LivingWise® (SoCalGas and SCE)

Marketing consists of targeted mailing to schools and districts within the affected service area. Information about the program is mailed, emailed, faxed and made

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available via a web site. Interested schools or teachers would contact the third party vendor to participate in the program. The third party vendor first validates the schools are in IOU service area by contacting the IOU. Once schools have been involved with the program, they request it again in following years as well as refer other teacher to the program.

- Marketing will also target low income and disadvantaged communities and, our goal is that 50% of program participants come from the low income and disadvantaged groups. Low income and disadvantaged communities are identified by the percentage of students on a school lunch program.
- Information about our residential EE, DR, DG, and renewable energy programs are provided through the LivingWise® program. This information will be included as part of class discussion as well as taken home to be discussed with parents.
- Teachers truly see the benefit of this program and the impact it has on the students and their families and, it is evidenced by requests year after year to have this program at their schools.

K-College Outreach

- Will continue to work with State Department of Education (Curriculum Commission) on the development of Energy and Utilities Sector Curriculum Standards that includes the science of energy, energy efficiency and some discussion about green careers.
- Will also work with the UC Office of the President of Academic Affairs and the CSU Office of Degree Programs and Educational Opportunities to 1) promote energy minor or major degree programs, 2) collaborate and/or provide expertise in the development of complementary new and revised courses that will form a comprehensive integrated approach to energy education, and 3) consult with campus-specific administrators to define additional courses needed to meet the growing need for graduates with skills in energy efficiency and related fields.
- Will work with CBOs, FBOs, NGOs, and others as part of the through a WE&T taskforce in an effort to advance WE&T goals.
- Will work with water management agencies, air management agencies or other government entities to establish a network of internship opportunities for students in pursuit of a green career.

b) Program delivery and coordination

i. Emerging Technologies Program

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This program will have regular communication with the ETP, as emerging technologies will be very important in what is taught all levels of the education system.

ii. Codes and Standards Program

We have discussed this WE&T effort with Codes and Standards and have agreed to keep the lines of communication open and schedule ongoing discussions.

iii. WE&T Efforts

The WE&T Connections Subprogram will support the other IOU EE Programs as appropriate.

iv. Program-specific marketing and outreach efforts (Budget provide in Table 1)

Refer to Section 6.2.a.iv. for all discussion of marketing and outreach plans.

v. Non-IOU Programs

We currently collaborate with local water agencies with a few of our programs and will continue doing so for the 2013-2014 cycle. Additionally, we will work to involve and coordinate some of our educational efforts with environmental agencies/groups to show the linkages between energy conservation and the environment.

vi. CEC work on PIER

No anticipated direct work with PIER from this Subprogram's activities.

vii. CEC work on codes and standards

The IOUs will work with the CEC and the IOU Codes and Standards programs to improve code compliance through coordinated education and training delivery.

viii. Non-utility market initiatives

Refer to WE&T Planning Subprogram Section 6.3 for more discussion on efforts in the education and community sectors.

c) Best Practices

These programs have incorporated already California Needs Assessment Study recommendations and will work to incorporate Opinion Dynamics study recommendations as the study is released in 2012.

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Green Campus – Lessons learned from past program cycles have been transformed into best practices as well as feedback of past process and impact evaluations, and included in program re-designs. Some recommendations provided in mid-cycle that were feasible for implementation, were implemented successfully. Additionally, the California Needs Assessment recommendation have incorporated has been included in the redesign for 2013-2014.

CLEO - Media marketing has proven to be the primary mechanism to generate community awareness about the CLEO Program and its offerings. Internal metrics further outline the importance of the marketing mix, as well.

The program relies on a dynamic EM&V to gauge the program’s success and to listen to the customer for feedback. These are transformed to ‘lessons learned’ and incorporated in to the program strategy and offerings. For example, in 2006-2008, costly television spots were swapped for effective newspaper and radio spots, as illustrated above.

PEAK – The first PEAK program was launched in Laguna Beach in 1979 and since then has evolved into the comprehensive, standards based program that exists today, reaching thousands of students across California. Past experiences have lead to best practices in the following years. Additionally, PEAK is the recipient of the 2010 Governor’s Environmental and Economic Leadership Award.

Another important practice that has increased in importance over the years is the early involvement of classroom teachers beginning with pre-development focus groups. Teachers are recruited to review draft materials and submit written evaluations. The piloting of selected lessons and activities with students is encouraged. Input from teachers, both formal and informal, has been valuable in the development of the teacher guides, student activity books and other materials found in the eight Energenius programs.

Exhibiting and meeting teachers at educational conferences has been another important practice. Besides providing a “pulse” to what is going on in schools teachers at these conferences offer numerous comments and ideas related to existing and future materials. Teachers for example, at an early childhood conferences were asking when PG&E will have its pre-kindergarten program as we know that “good energy-saving habits” begin early.

LivingWise® - Lessons learned from past program cycles have been transformed into best practices as well as feedback of past process and impact evaluations, and included in program re-designs. Some recommendations provided in mid-cycle that were feasible for implementation, were implemented successfully. Additionally, the California Needs Assessment recommendations have been incorporated in the redesign for 2013-2014 .

Green Schools - Lessons learned from past program cycles have been transformed into best practices as well as feedback of past process and impact evaluations, and included in

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program re-designs. Some recommendations provided in mid-cycle that were feasible for implementation, were implemented successfully. Additionally, the California Needs Assessment recommendations have been incorporated in the redesign for 2013-2014.

d) Innovation

This area will be addressed once process evaluations are complete.

e) Integrated/coordinated Demand Side Management

IDSM concepts are incorporated in Connections programs on an age appropriate basis, as described in previous sections.

f) Integration across resource types

All of the University, Community College, and K-12 components will include curriculum to help students understand the science of energy, energy efficiency and conservation, demand response, and renewable and distributed generation, as well as the environmental and economic impacts of energy consumption. Also, the goal is for students to understand the energy-related environmental connections, such as global climate change and the linkage between greenhouse gas emissions and energy use. In addition, materials will go beyond the energy efficiency fundamentals and introduce information on careers and job opportunities in energy-related fields and in the green economy.

g) Pilots

No pilots are being proposed for SoCalGas.

h) EM&V

The utilities are proposing to work with the Energy Division to develop and submit a comprehensive EM&V Plan for 2013-2014 after the program implementation plans are filed. This plan will include process evaluations and other program-specific studies within the context of broader utility and Energy Division studies. More detailed plans for process evaluation and other program-specific evaluation efforts will be developed collaboratively by the utilities and the Energy Division. Development of these plans will occur after the final program design is approved by the CPUC and, in many cases after program implementation has begun, since the plans need to be based on identified program design and implementation issues.

5. Program Diagram

See above Section 6.2.

6. Program Logic Model

Below is the logic model for the WE&T Connections Subprogram.

The activities shown in the Connections logic model fall into two primary categories. The first is focused on marketing programs, especially to hard-to-reach and disadvantaged communities. In addition to marketing efforts directed at Title 1 schools, this activity will include partnering with organizations that operate in the communities of Title 1 schools.

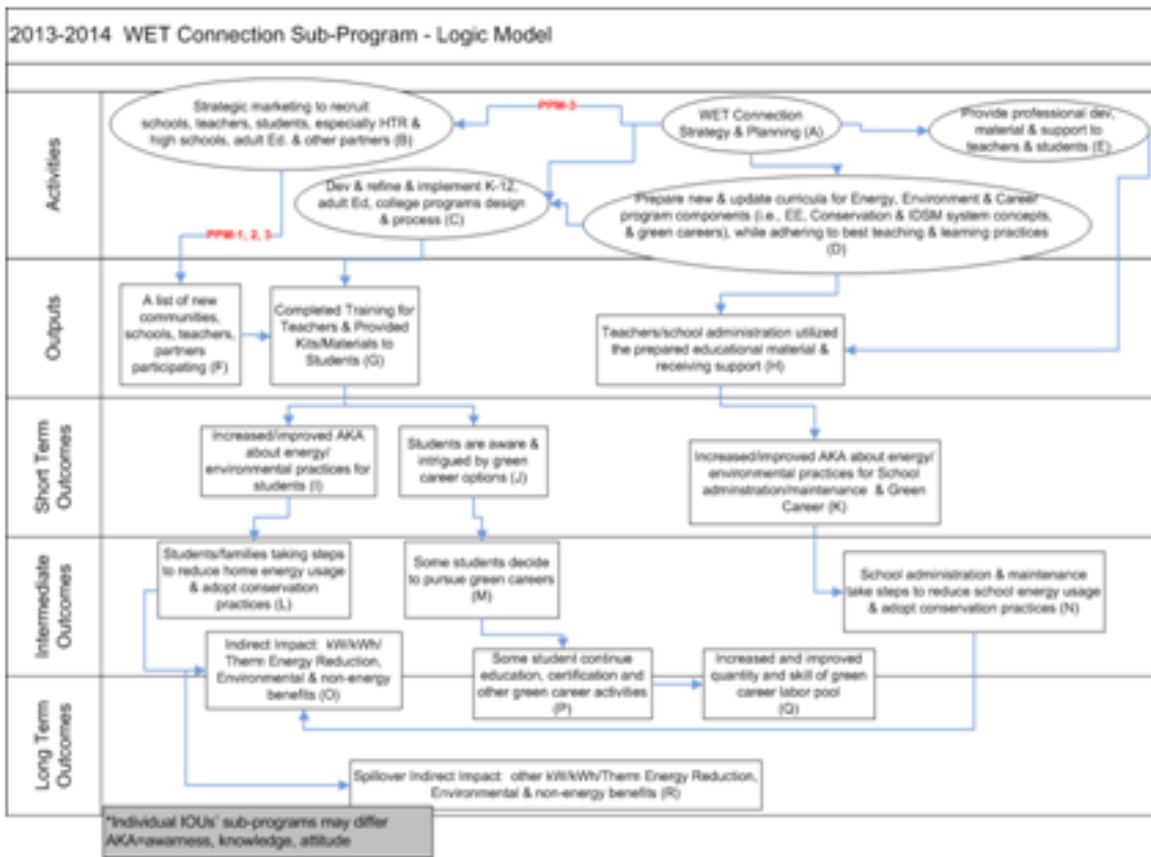
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The second focus of the Connections activities is on preparing new curricula and refining program design and processes. It is expected that these activities will produce programs and curricula that lead students to understand energy and conservation and their importance, as well as how to use energy efficiently in their households. They are also expected, as a result, to influence their families to do the same. Likewise, some curricula support the incorporation of energy efficient practices and technologies in classrooms and schools.

The curricula and program design will include information and resources on career options in energy-related fields, with an intended outcome being that some of the students exposed to green career resources will ultimately decide to pursue green careers as a result.

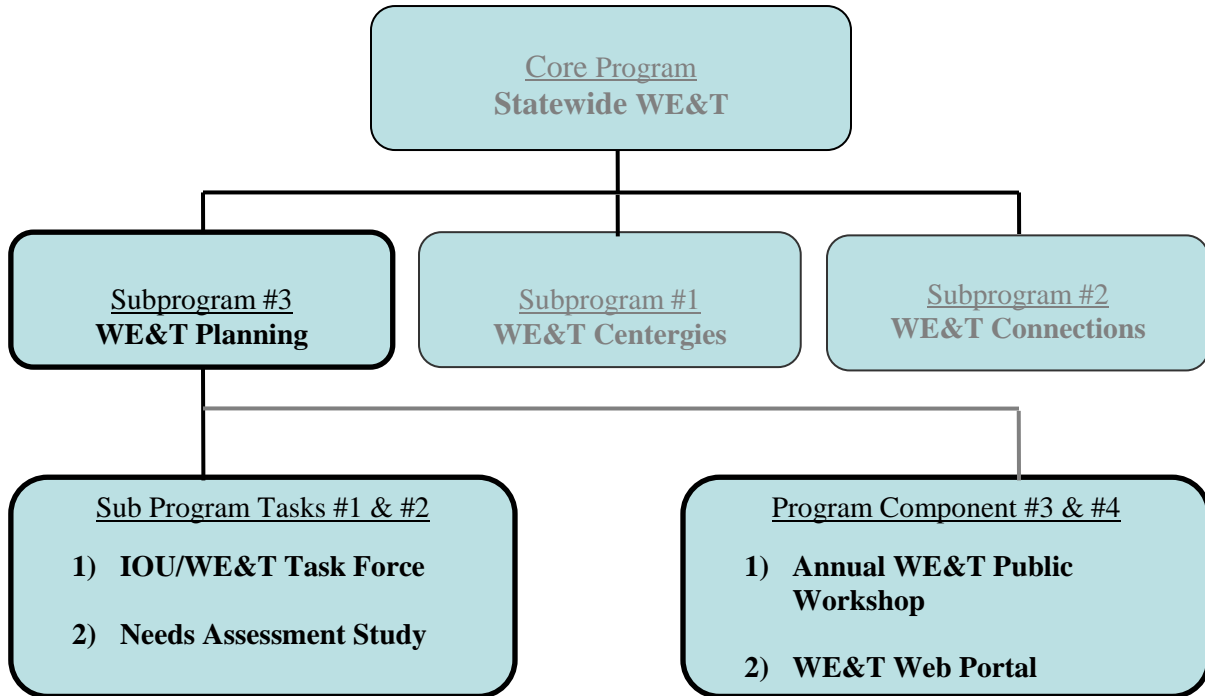
All of these activities are expected to lead to classes that improve AKA of students, their families and teachers and encourage students to pursue green career options. Activities focusing on saving energy on school campuses will also lead to improved AKA about energy and environmental practices within the school and at home for the students. Ultimately, these activities and outputs are expected to result in indirect energy savings.

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6.3) Sub-Program Implementation – WE&T Planning – SCG3731



a) Statewide IOU Coordination

i. Program name

Statewide WE&T Planning is a Sub-Program within the Statewide WE&T Core Program, formed by the IOUs as a direct response to the California Long-Term Energy Efficiency Strategic Plan (Strategic Plan). The WE&T Planning Sub-Program involves management and execution of several strategic statewide planning tasks intended to help sustain momentum in long-term WE&T development and strategic planning, including identification of funding streams and market sector specific needs.

The WE&T Planning Sub-Program was created to facilitate implementation and completion of the four key strategic tasks identified in the Strategic Plan to drive long-term WE&T development:

- 1) Form an IOU/CPUC WE&T Task Force
- 2) Conduct a Needs Assessment
- 3) Create a WE&T Specific Web Portal
- 4) Annual WE&T Public Workshops

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In order to meet the state's growing workforce demand, a concerted planning effort that includes a variety of initiatives and funding sources beyond ratepayer funds is required. Such an effort will demand the collaboration and involvement of secondary and post-secondary education leaders, technical and professional organizations, state agencies, economic and labor development organizations, utilities, and construction and manufacturing businesses that deliver energy efficiency solutions. The IOUs will support the larger statewide effort, and will help ongoing development of WE&T programs through their WE&T Planning coordination.

Additionally, a relatively new aspect of the WE&T Planning Sub-Program was recently developed to optimize execution of WE&T goals outlined in the PIP, across the statewide WE&T value chain. This includes developing a statewide strategic implementation plan with the support of a workforce expert (or experts) who will support the IOUs in refining existing and building new strategies that facilitate reaching and exceeding Strategic plan goals. Specifically, the EE Decision suggests the external consultant should focus on:

- a. Explore ways to leverage (with green jobs programs, community-based and non-profit organizations, educational institutions, the business community, and labor organizations, etc.) wherever possible and incorporate teaching minority, local low-income, disabled, displaced, and other disadvantaged communities the skills needed to meet energy-efficiency program needs, where feasible.
- b. Explore ways to leverage these same potential partners, wherever possible, to identify currently unemployed workers already equipped with the skills needed to meet energy-efficiency program needs, where feasible;
- c. Consider possible pilot programs during 2013-2014 to test new quality standards for energy efficiency projects accompanied by necessary training, increased pay for performance for contractors, and links to job placement for completing training.

The IOUs, led by PG&E will solicit a broad range of feedback to inform the development of a WE&T Expert Request for Proposal (RFP). Feedback will be sought via an initial Request for Information as well as through a public forum. The IOUs will target the RFP to be issued in January 2013 and to choose an expert (or experts) by late February.

Pending finalization of the scope of work, potential activities for the expert(s) may include, but not be limited to:

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- Identifying new trainings, perhaps expanding EUC training appropriate for ancillary market actors; developing training to support adoption of Emerging Technologies, and; developing Codes and Standards compliance training that could positively impact energy savings and trainee placement outcomes.
- Developing a sector strategy model including definitions, success metrics and implementation strategies. Identifying synergies across sector strategies and weaving individual efforts into a larger cohesive strategy.
- Developing success metrics for the training centers.
- Providing assistance with market demand research..
- Surveying IOU professional certification programs.
- Developing concrete ideas for demand-pull strategies such as internships, First Source hiring practices or EE incentives for CALCTP participation.
- Integrating and connecting IDSM, DAS, EUC and ESA Program into an overall WE&T strategy.
- Developing a comprehensive plan for outreach to low income and disadvantaged workers.

With the help of the awarded consultant(s), the IOUs will begin incorporating these potential activities into existing activities as recommendations are made available, while concurrently working on a broader implementation plan to be deployed in 2015.

ii. Program delivery mechanisms

Implementation activities will be informed by the statewide scoping study and needs assessment. The IOUs are expected to direct much of the work needed to complete the assessment, which will identify existing WE&T infrastructure and capacity, anticipate future needs, and specify urgent gaps that need to be addressed.

Based on the statewide needs assessment, a strategic plan, outlining at least existing and anticipated green collar jobs and the skill sets that are likely to be demanded by industry, will be presented. Organizing these skill sets into practical career paths should influence communication, development, and implementation of future WE&T programs.

Funding for actions based on the above mentioned scoping study, needs assessment, dialogue with stakeholders and task force conclusions will be required to impact the WE&T needs in time to support the urgent needs of the Integrated Demand Side Management (IDSM) Portfolio. Such implementation

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actions may include collaboration with appropriate educational sectors as prioritized by the needs assessment to act as catalysts to enhance conventional educational efforts to accelerate the mainstream adoption of green career support.

The statewide IOU Planning tasks will be shared among any other statewide planning and training implementers and be coordinated, where plausible, with the IOU WE&T Centergies and IOU WE&T Connections Sub Programs. A statewide WE&T web portal could ultimately serve as a central repository for exchanging training and job opportunities, as well as statewide and national developments linked to California workforce initiatives.

Four specific key actions to be completed in the near term to drive long-term WE&T development and strategic planning. The Taskforce formed from the California strategic plan is intended to identify funding streams other than ratepayer funding, identify market sector specific needs, and inform short-term actions to initiate longer-term strategies for each market and educational sector.

- 1) *Energy Efficiency WE&T Task Force.* The Task Force is expected to be comprised of energy efficiency and demand side management IOU program representatives, CPUC staff, labor, industry representatives, and educational experts to fulfill administrative functions including: developing a needs assessment RFP; selecting the third party to conduct the needs assessment; and managing the needs assessment evaluation. The Task Force members will continue to help implement the goals and strategies set forth in this Strategic Plan. Beyond the representation listed above, the WE&T Task Force will rely on commitments for involvement from educators and educational administrators, labor representatives, community-based job training leaders and other non-IOU energy efficiency program implementers

The WE&T Task Force is in the early stages of formulation. Reports on existing WE&T related programs and efforts as well as discussion of new WE&T programs and efforts will be core topics of these meeting sessions. The Taskforce will provide a formal framework for all members to get updates, provide feedback and be actively involved in discussing studies, programs, projects, and WE&T efforts being implemented under the strategic plan and other related state initiatives. Task force meetings represent work sessions to review and refine WE&T coordination efforts among stakeholders.

During 2013-2014, the Task Force is no longer in its early stages of formulation and will continue to engage with stakeholders and provide updated reports on WE&T programs and efforts.

An update on Needs Assessment recommendations was provided in the Joint IOU WE&T Annual Report, submitted on May 1, 2012. Per the

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Guidance Decision, the IOUs will work with Commission Staff on the WE&T Task Force to develop a data request template to be submitted by Staff as needed for periodic updates on the status of the utility's Sector Strategy activities. This provides a more specific and extended role for the Task Force.

- 2) *WE&T Needs Assessment*: The Workforce Needs Assessment study identifies preliminary findings, and in some instances, recommendations, for statewide WET program and/or subprogram considerations. The Joint Utilities worked collaboratively with Energy Division staff to select a subset of these findings and/or recommendations to evaluate implementation feasibility as part of the 2010-2012 program activities, which were approved by the Commission through a joint WE&T Advice Letter. The findings of the Needs Assessment (ordered in Decision 08-09-040) and recommendations were presented within one month of dissemination at a public workshop to allow for public comments and further discussion. The findings were made publicly available through posting to the energy efficiency web portal to the service list in this proceeding and the Distributed Generation and Demand Response proceedings. Within 60 days from the date of the workshop the utilities will jointly file an Advice Letter to modify the existing Workforce Education and Training statewide program consistent with the Needs Assessment.

Update from May 2012 PIP Addendum:

In compliance with Commission Decision 09-09-047, a joint IOU advice letter was approved by Energy Division by letter dated October 28, 2011.

SoCalGas has initiated steps to develop sector strategies in other sectors, including the commercial building HVAC sector, the architectural design sector, and small/medium business building audits. IOUs have restructured educational programs toward structured course series to serve particular sectors. SoCalGas has often allocated resources and partnered with community colleges and workforce investment boards to assist unemployed building operators toward completing a certificate program series.

Details on these efforts will be provided in the 2012 WE&T Annual Report.

IOUs will implement WE&T sector strategy programs started in 2012. In compliance with Decision (D.) 09-09-047, the Investor Owned Utilities submitted for approval their joint IOU Advice Letter (AL) and supplemental filing proposing modifications to the existing Statewide Workforce Education and Training (WE&T) program based on the recommendations of the WE&T Needs Assessment. The Needs Assessment recommendations focused on a Sector Strategies approach, working closer with trades associations, collaborating with more parties on credentials and certifications, restructuring Energy Center course

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presentment, support for curricula development, targeting of disadvantaged workers, and evaluation of workforce outcomes. Other relevant Needs Assessment recommendations focused on collaboration with the all educational sectors, career education, and evaluation plans on K-12 programs.

The AL provided a general outline of the plan the IOUs would be following to achieve progress for enhancing and more clearly demonstrating necessary changes to the IOU WE&T program to align with shifts in IOU resource program requirements and industry workforce demands. Comments submitted prior to the Guidance Decision illustrate the varying uncertainty on long-term career pathways into green jobs. The IOUs indicated actions to be achieved during 2012 based primarily in response to the Needs Assessment recommendations, recognizing there were impending change forthcoming in such areas as IOU Residential, Commercial and HVAC SW programs. The current 2013-2014 Guidance Decision provides significant guidance that will allow the IOUs to move more decisively on its Sector Strategies action plan. The general plan of action proposed for 2012 will take greater shape and the 2013-2014 period will provide a critical space to apply and align Sector Strategies approaches with the Residential sector Energy Upgrade California program, Emerging Technologies, Commercial Buildings programs and Codes & Standards.

Per the AL, activities to develop sector strategies that are currently in progress and will be put into place as other workforce sectors become part of the Energy Centers' focus include:

- Develop partner criteria desired to help achieve goals and objectives for each targeted Sector Strategy area
- Identify potential Sector Strategy Partners based on desired criteria and existing collaborations as well as necessary “new” ones for each targeted Sector Strategy area
- Outreach to identified partners for each targeted Sector Strategy area
- Initiate IOU / Partner working group for each targeted Sector Strategy area.
- Identify shared goals & objective for each targeted Sector Strategy area.
- Develop a shared vision & mission statement with corresponding goals & objectives for each targeted Sector Strategy IOU / Partner working group
- Identify and develop timelines & roadmaps / action items / roles & responsibilities for each targeted Sector Strategy IOU / Partner working group
- Identify reporting vehicles and reporting schedule for each targeted Sector Strategy IOU / Partner working group
- Within each Sector Strategy working group, initiate identification of lessons learned / best practices and executable partnership activities that help achieve goals and objectives previously identified. These lessons learned, best practices and activities will be included in program planning for the next program cycle.

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The IOUs propose continuation of the approved joint IOU AL plan of action through 2013-2014 in coordination with changes occurring among resource programs directed in this Decision, as well as workforce skills and qualifications demanded in the market place.

- 3) *WE&T Web Portal*: The web portal will include links to various demand-side management (DSM) related training programs and will allow for a single point of communication. The portal will also serve as a repository for demand-side management and energy efficiency training, educational conferences, and career opportunities. This portal will be created and funded in collaboration with other appropriate entities, and linked to the statewide energy efficiency web portal. The initial planning was to develop the WE&T web portal within the existing EE Web Portal (www.engage360.com). However, the October 13, 2011 Assigned Commissioner's Ruling from Commissioner Ferron required that IOUs suspend all spending on the EE web portal. Further direction was provided in D. 12-05-015 (OP 127) that the web portal content from Engage 360, shall be fully migrated to the Energy Upgrade California web portal, with the Engage 360 web portal decommissioned, by no later than the end of 2013. Once the web portal content has been migrated, the WE&T Program seeks to also minimize web portal maintenance costs while maintaining its commitment to delivering a workforce portal. IOUs will work with the ME&O program to explore creating web content linked to the statewide Energy Upgrade California web portal.

IOUs propose continuing portal development of relevant WE&T functionality under EUC portal as part of 2013-2014:

- Including links to training programs, adult educational facilities, labor and trade organizations, as well as IOU training.
- Include an events and activities component that highlights upcoming green energy conferences and workshops.
- Feature a Career Center that will be organized around the Energy Upgrade California.
- Include information on industry authorities, associations and advisory bodies, including the WE&T statewide Task Force.
- Leverage features of the EUC web portal that support profile pages, online repository and connectivity with IOU programs and market opportunities. Integrate/utilize available social web technologies/applications to build online interaction.
- Leverage connectivity tools/functionality of the EUC web portal to connect users with specific interests, job listings, training program announcements, webinars, and conferences.
- Explore the ability for users to communicate with other users, hosted on the site.

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4) *Identify And Implement Specific Programs For Each Educational Sector:*
WE&T needs are best studied and approached by supporting educational sectors. Thus, five educational sectors have been identified as key in fulfilling WE&T needs and opportunities: Kindergarten through high school, adult education and community colleges, technical training, colleges and universities, and minority, low income and disadvantaged communities.

iii. Incentive levels

Not applicable

iv. Marketing and outreach plans

Market Transformation Information

Completion of the Needs Assessment, along with the aggregation of other developing study workforce training could be used to establish baselines from which to establish measureable goals. A few reasonable metrics to measure market transformation in the interim might be identifying funding streams for statewide parties to implement WE&T programs; WE&T Taskforce initiated actions, status and results; measuring utilization of WE&T web portal statistics.

Market Barriers and Solutions

The WE&T Planning Sub Program is intended to focus performs tasks that keep statewide stakeholders connected and focuses on delivering a sustainable long-term education and training network that creates a green jobs workforce. The tasks to be completed involve leveraging the resources of the CA-IOUs to help disseminate available statewide energy efficiency curricula and training from among education, labor, industry and grassroots community sectors. This will require a considerable commitment and trust among disparate agencies and entities that make up these sectors where there are inherent barriers which make it difficult to form an effective energy career training network.

The WE&T Planning is a complimentary program to make the best use of IOU resources to achieve multiple objectives. The IOU education and training activities primarily center around utilization of Energy Center and Training Center assets, but training efforts now reach beyond the internal walls of IOU facilities shown in the form of relationships with non-IOU training contractors, education institutions, community groups and governmental agencies. This is important in order for IOUs to help share a role in the growth of coordinated statewide workforce education and training. But just as the IOUs have pursued statewide consistency in offering education and training over several years, expectations to see the same occur among California's various education and training stakeholders cannot be over simplified.

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The IOUs have represented a reliable and experienced delivery channel of education and training program curricula when few other options have been available. Like other service providers, all parties must expect a process that will involve progressive steps toward solutions that make achievement the State's energy objectives reasonably possible.

Advancing Strategic Plan goals and objectives

In support of the Strategic Plan vision that "by 2020 California's workforce is trained and engaged to provide the human capital necessary to achieve California's economic energy efficiency and demand-side management potential," IOUs plan to implement a variety of workforce development strategies that encourage and nurture the development of "green collar" jobs through their strategic planning initiatives, and education and training programs.

Training that advances the business of DSM, EE, and green energy technology benefits students, who then enter green careers and advance the State's very intense energy efficiency goals. Statewide IOU representatives, key traditional education sector representatives, the business community and professional / industry associations at all levels will work together to share protocols and best practices for energy efficiency education through the WE&T Taskforce.

WE&T Planning tasks are intended to outreach to minority, low income and disadvantaged communities for greater participation. This more focused and targeted step will be coordinated with IOU Low-income, Community outreach and Community affairs departments, as well as coordination, where possible, with Marketing, Education and Outreach.

California must quickly increase and integrate statewide efforts to train people at all levels to plan, administer, and deliver energy efficiency in the public and private sectors. The effort will require planning among secondary and post-secondary educational leaders, technical and professional organizations, state agencies, economic and labor development organizations, utilities, and construction and manufacturing businesses that deliver energy efficiency solutions. The Statewide IOU WE&T Program is directed to initiate ongoing dialogue with market participants and education stakeholders by means of annual stakeholder public workshops to help advance a long-term workforce training designs and plans at all levels of California's educational systems and accommodate the dramatic increase in energy efficiency potential envisioned by the Strategic Plan.

The proposed Statewide IOU WET Program relies on collaboration among CPUC Staff, representatives from the education sector, state bodies, each of the IOUs, professional/trade organizations, and the business community to be successful in initiating energy efficiency training needs, along with recommended existing and

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potential educational delivery strategies and resources that will serve each market an educational sector in the Strategic Plan through 2020 and beyond.

The WE&T Program is constructed to work in cooperation with the IOUs and the WE&T Taskforce to identify sponsors and funding sources to design and expand effective workforce training activities and projects throughout the state.

Strategy 1-1: Define, initiate and drive long-term WE&T development and strategic planning, including identification of funding streams and market sector specific needs.

Implementation Actions:

Potential Stakeholders	<ul style="list-style-type: none"> • Statewide IOU Team, including other utilities as well as internal partners • CPUC Staff • Key traditional education sector representatives, including UC/CSU, community colleges, and accreditation programs • Business Community • Professional organizations, including the AIA and United States Green Building Council
Sub Program Implementation	<ul style="list-style-type: none"> • Conduct an in-depth formal statewide energy efficiency training and education resource inventory and needs assessment. • Assess current and alternative funding and partnership mechanisms for WE&T activities. • Create a WE&T specific Web portal and identify entities to co-fund and co-sponsor the Web portal with utilities. Partners shall contribute content toward Web portal • Initiate regular on-going dialogue with broad group of market participant and education stakeholders by way of annual workshops. • Establish task force to oversee and help to evaluate utility specific WE&T activities.
Delivery Channel	<p><i>WE&T Taskforce</i> – Conduct resource inventory and needs assessment.</p> <p><i>WE&T Taskforce</i> – Assess and summarize various funding mechanisms for WE&T activities as a needs assessment element.</p> <p><i>WE&T Taskforce</i> – Work with statewide team to develop Web portal for workforce needs.</p> <p><i>WE&T Taskforce</i> – Facilitate the convening of stakeholders for initial and ongoing dialogue with stakeholders.</p> <p><i>Ed Train</i> - Collaborate with WE&T program to inform the process.</p> <p><i>WE&T</i> – Be specific about the scope of work to define what can/will be done and what lies outside the scope of the task force.</p>

Other long-term strategies and implementation efforts included as goals for the Statewide IOU WE&T Program are addressed in detail within the WE&T Centergies and WE&T Connections Sub-Program sections of the PIP. In summary however, they include:

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Strategy 1-2: Support the community college and adult education efforts to allow students to develop their education based on visible career paths in energy efficiency and related fields

Potential Stakeholders	<ul style="list-style-type: none"> • California Community Colleges Chancellor’s Office • California Board of Education • Adult Education Leadership • Department of Employment Development • Industry and Labor Associations • Business Community • Professional organizations with members who need to maintain accreditation • Building Operators Certification Program (BOC)
Sub Program Implementation	<ul style="list-style-type: none"> • Utilize community colleges to provide technical training, such as HVAC maintenance and building operator certification. • Develop appropriate linkages with K-12 programs, focusing on high-school “green academy.” • Coordinate with the community colleges and adult education sector to incorporate energy and resource efficiency. Component into their career laddering concept. • Explore ways of disseminating materials electronically through effective use of the Internet.

Strategy 1-3: Incorporate energy / resource efficiency and demand side energy management into traditional contractor and technician training, such as for plumbers and electricians, and expand training resources to produce target numbers of trained workers.

Summary:

Potential Stakeholders	<ul style="list-style-type: none"> • California Community Colleges Chancellor’s Office • Community College HVAC program • California Board of Education • Adult Education Leadership • Department of Employment Development • Industry / Labor Associations • Technical and Vocational Training Programs
Sub Program Implementation	<ul style="list-style-type: none"> • Expand or establish training curricula and training and professional career development programs in building construction, services, building operator and other energy efficiency technical fields. • Establish or expand key financial and placement partnerships that demonstrate employment prospects for trained personnel. • Expand upon existing certification programs to try to include student certificate in “green workforce.”

Strategy 1-4: Create or expand college and university programs with energy efficiency focus and foster green campus efforts to apply this knowledge in clear view of students and faculty.

Summary:

Potential	<ul style="list-style-type: none"> • California Community Colleges Chancellor’s Office
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Stakeholders	<ul style="list-style-type: none"> • WE&T Task Force • UC/CSU education system • ACEEE education committee
Sub Program Implementation	<ul style="list-style-type: none"> • Utilize existing UC/CSU extension programs to incorporate a continuing education curriculum component. • Work with Universities and colleges to expand professional energy related degree offerings and contribute to tailored curriculum. • Work with colleges and universities to formalize internship opportunities with energy and resource efficiency institutions, including engineering firms, architecture firms, and utility programs.

Strategy 1-5: Develop K-12 curriculum to include energy efficiency fundamentals (e.g., math, science, behavior) across various content areas and identify how career education in energy-related fields can be incorporated across the grades.

Summary:

Potential Stakeholders	<ul style="list-style-type: none"> • CPUC Staff • Key traditional education sector representatives • California Board of Education • WE&T Task Force • Business community • After-school community education programs
Sub Program Implementation	<ul style="list-style-type: none"> • Identify opportunities to leverage governor’s career technical initiative. • Identify opportunities to work with the California Department of Education to develop curricula with specific content for energy and GHG issues. • Support outreach into • K-12 schools on energy, water and environmental issues. • Support K-12 schools to develop curricula that support their local communities as part of class assignments.

Strategy 2-1: Collaboratively identify appropriate goals and strategies to build California’s energy efficiency workforce through 2020, focusing on training that increases participation from within minority, low-income and disadvantaged communities in achieving California’s economic energy efficiency potential.

The number of units receiving education and weatherization services during 2013-2014 program period is expected to expand greatly. During 2009, WE&T will focus on expanding behavior modification in existing training programs to increase emphasis on energy efficient practices.

Additionally, training in the form of train-the-trainer sessions may be possible with third party groups to design and expand teaching of weatherization and energy efficiency in minority and disadvantage communities specifically.

Summary:

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Potential Stakeholders	<p>WE&T Task Force</p> <ul style="list-style-type: none"> • CPUC • Key traditional education sector representatives • Business Community • California Community Colleges Chancellor’s Office • Continuing Education Programs • Laney and Delta College HVAC program (PG&E) • Department of Employment Development • Industry / Labor Associations • Technical and Vocational Training Programs (e.g., State Prison System) • Community Youth Centers (e.g., YMCA)
Sub Program Implementation	<ul style="list-style-type: none"> • Leverage Marketing Education and Outreach and WE&T task forces to partner with community based organizations and provide targeted outreach on employment opportunities with energy efficiency. • Develop Low Income WE&T Plan • Train qualified diverse business enterprises from minority, low-income and disadvantaged communities to undertake or expand efficiency services.

b) Program delivery and coordination

WE&T Planning includes involvement from a wide range of stakeholders. Implemented in the appropriate manner, WE&T Taskforce members will represent technology, industry, government, community groups, utilities, education and non-energy segments which should facilitate discussion on ways to share current and emerging opportunities to expand the scope of existing WE&T training curriculum, but introduce new WE&T training activities in the area of emerging technologies, codes and standards, and non-IOU programs.

c) Best Practices

Formulation of statewide WE&T Taskforce and regularly scheduled meetings with statewide WE&T stakeholders represent a best practice that facilitates open discussion among are vested parties. The WE&T planning process will have best practice inputs gathered from evaluation of IOU education and training programs to rely upon in discussing real opportunities and the long-term considerations of programs being shared and presented to the WE&T taskforce and IOUs.

d) Innovation

The whole program can be considered innovative to the degree that statewide coordination and strategic planning is being done, which will help shape California economics in the near term.

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e) Integrated/coordinated Demand Side Management

WE&T Planning includes involvement from a wide range of stakeholders. The IOU WE&T representatives in support of the long-term workforce strategy of California to achieve statewide coordination, will work to create coordinated technology demonstration and DSM training to ensure there are no missed opportunities for offering IDSM training and that opportunities to receive such training are made available to the fullest extent possible which will aid efforts in achieving energy neutral buildings by 2020.

f) Integration across resource types

WE&T Planning includes involvement from a wide range of stakeholders. Implemented in the appropriate manner, WE&T Taskforce members will represent technology, industry, government, community groups, utilities, education and non-energy segments and facilitate discussion on ways to share current and emerging opportunities to expand the scope of existing WE&T training curriculum to include water and GHG mitigation.

g) Pilots

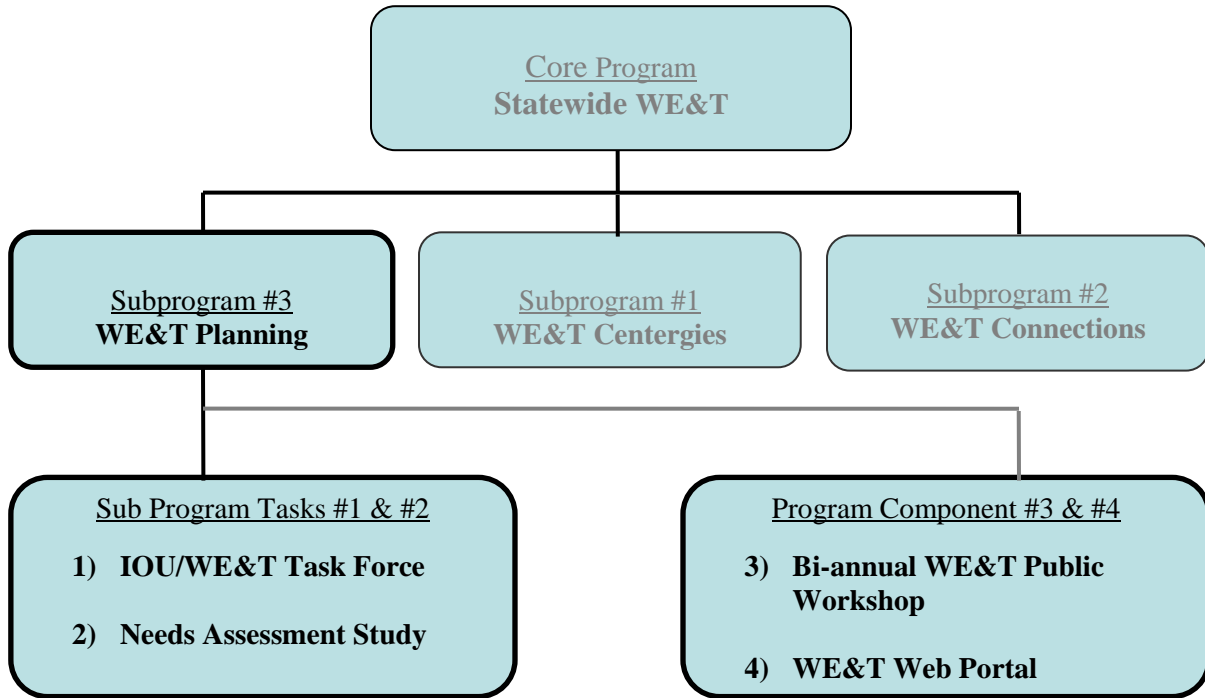
The whole program can be considered innovative to the degree that statewide coordination and strategic planning with regard to workforce training is being done in a manner that require iteration and learning in order to arrive at implementation models and action steps that can be deemed effective.

h) EM&V

The utilities are proposing to work with the Energy Division to develop and submit a comprehensive EM&V Plan for 2013-2014 after the program implementation plans are filed. This plan will include process evaluations and other program-specific studies within the context of broader utility and Energy Division studies. More detailed plans for process evaluation and other program-specific evaluation efforts will be developed collaboratively by the utilities and the Energy Division. Development of these plans will occur after the final program design is approved by the CPUC and, in many cases after program implementation has begun, since the plans need to be based on identified program design and implementation issues.

9. Diagram of Program

See above Section 6.2.



ATTACHMENT 1

Workforce Education and Training PIP Addendum

Joint IOU Response to Staff Request for Additional Informationⁱ

In the program description section of the IOU's WE&T PIPs include the following, as applicable, for relevant WE&T programs:

- Describe "soft skill" training efforts such as business and sales development, marketing skills, and hands-on training strategies.

IOU Response:

"Soft skill" training efforts include classes that teach students critical non-technical skills that will help them during the interview process and/or while on the job interacting with customers. Such skills include sales and marketing, communication skills, interview techniques, resume writing, and workplace conduct.

There is some 'soft skill' training provided at IOU Energy Centers through, and as part of, industry member organizations. Rather than conduct these trainings themselves, the IOUs propose to provide students a list of resources available through existing organizations like workforce investment boards, community college courses, and professional development resources. Where appropriate, IOUs will also partner with organizations that provide such soft skills to better direct interested participants to resources for acquiring soft skills.

PG&E will build upon its "soft skills" classes, including courses on financial analysis classes for selling energy efficiency. Such classes provide the energy efficiency workforce tools for calculating and presenting the right financial model for presenting a case to invest in energy efficiency to various audiences, including customers, CEOs, individual contributors, etc.

- Include estimates of training related costs for programs, participating contractors, and customers, as well as related increases in energy savings benefits, lower costs over lifecycle of equipment, and creation of higher quality jobs (Decision X, Section X)

IOU Response:

As the IOUs implement sector strategies, they will gather estimates of training related costs for programs, participating contractors, and customers. IOUs will work with EM&V to assess and track related increases in energy savings benefits, lower costs over lifecycle of equipment, and creation of higher quality jobs.

At the time of drafting this Program Implementation Plan, since IOUs are in the

process of planning sector strategies for various sectors, information requested herein does not yet exist. However, requested information about CALCTP is provided in the IOU's filing as a response to language in the Decision page 278, and provided below for reference.

- 1) When the program requires CALCTP certified installers, the cost to the customer for the labor component of the project may be 10% - 15% more than prior when no certification was required.
 - 2) Compliance and permitting cost are directly associated to the cost of proper training programs for designers, installers, manufacturers, etc. which may be equivalent to an additional 20% to the project cost. However, proper collaboration with industry associations and manufacturers may offset this cost.
 - 3) With proper incentive levels and education of the segment, it is anticipated that adoption/participation would increase since the misperceptions of advanced lighting control systems, potential for demand response and how DR or ADR works will be corrected causing more demand for the control solution.
 - 4) It has been proven with advanced lighting control system assessment projects at PG&E, SCE and SDG&E that the customer will achieve a minimum of an additional 30% savings over traditional lighting efficiency measures. And dependent upon the level of control allowed to individual employees, savings may increase an additional 5% - 10%. With the opportunity to participation in DR, the customer will achieve even greater cost savings due to the ability to shave or control peak loads. The actual dollar values will be determined as the program adoption occurs and customer site performance is monitored and data collected.
 - 5) Additional benefits include: a. systems do not get overridden due to better understanding as well as the system being designed and installed. Also, ease of proper training of customer personnel regardless of turnover with the local certified installer; b. SCE proved in their assessments, fewer, if any, call backs will be experienced when the system is installed by a certified installer. In contrast, an SDG&E project required numerous call backs before the system was able to be commissioned when a non-certified installer was used. c) increased proper maintenance, d) higher visibility of actual energy use in lighting due to the potential of graphic interfaces and other reporting. e) ability to track GHG emission reductions. f) create market disruption as customers begin talking to others about how well their advanced lighting control system is working and saving them money due to proper design and installation.
- Identify existing skill standards and certification supported by the training activities. Identify any new standards to be developed including identification of partnership entities that will help develop them. Include descriptions of efforts to ensure program contractors support high road strategies¹ and track and report on these efforts.

IOU Response:

The IOUs will work with existing and new industry partnerships and applicable

¹ WE&T Needs Assessment, p. X)

DSM programs to support and promote new skills standards training. Currently, the IOUs offer education and training from among the following continuing education and certificate programs and organizations:

- American Institute of Architects (AIA)
- American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)
- APPA: Leadership in Educational Facilities
- ASIS International
- Association of Energy Engineers (AEE)
- Association for Facilities Engineering (AFE)
- Building Owners and Managers Association (BOMA)
- BOMI International
- Building Performance Institute (BPI)
- California Home Energy Rating System (C-HERS)
- Carpet and Rug Institute (CRI)
- Cleaning Management Institute (CMI)
- CoreNet Global
- Counselors of Real Estate (CRE)
- Institute of Real Estate Management (IREM)
- International Brotherhood of Electrical Workers (IBEW)
- International Facility Management Association (IFMA)
- ISSA, The Worldwide Cleaning Industry Association
- National Association of the Remodeling Industry (NARI)
- National Council on Qualifications for the Lighting Professions (NCQLP)
- National Electrical Contractors Association (NECA)
- North American Technician Excellence (NATE)
- San Diego Association of Realtors (SDAR)
- Society for College and University Planning (SCUP)
- Society of Industrial and Office Realtors (SIOR)
- U.S. Green Building Council (USGBC)

As part of their shift toward a sector strategy approach and as identified in the Needs Assessment, where applicable and possible, IOUs will work with organizations to modify course content and/or create credential programs that result in stackable credentials that are of value to employers.

Residential and Commercial HVAC Quality Maintenance and Quality Installation programs in the portfolio ensure that contractors support high-road strategies through the programs' requirements that the minimum level of services conducted and incentivized through the programs are based on the HVAC industry's own set of quality standards that define the appropriate high-road level of installation and maintenance services for customers. Tracking of the success of these program requirements that demand high-road quality levels is done through the regular tracking of these HVAC programs that measure the increasing use of these practices as the uptake in the programs grow.

- Describe how the program will target low-income and disadvantaged populations for participation in training programs and/or demand side management (DSM) program delivery.

IOU Response:

IOUs will leverage existing communication channels to reach members of low-income and disadvantaged communities. At a local and regional level, IOUs work with local community-based organizations that have established relationships to support their low-income and disadvantaged population. This is often done with the aid of Public Affairs, Community Relations and Diverse Business Enterprises. IOUs will also collaborate with their individual low-income energy efficiency program managers and partners as another channel toward reaching low-income and disadvantaged persons and helping to increase their awareness and participation in IOU education and training opportunities.

Through its PowerPathway Training Network for Energy Efficiency (PPTNEE), PG&E will continue and expand its partnerships with organizations, including but not limited to RichmondBUILD, Rising Sun Energy Center, Proteus, Inc., and the Central Valley Opportunity Center, that have been serving members of the disadvantaged and low income communities. Such partnerships will allow PG&E to leverage their resources and subject matter expertise to work with organizations that already have those connections to low-income and disadvantaged populations.

- Describe how the program will support entry level career pipelines and pathways supporting development of entry level skills leading to higher skill sets utilizing state apprenticeship and pre-apprenticeship programs as appropriate.

IOU Response:

IOUs will collaborate with existing implementers of career skills development programs targeted to high school students with degrees, continuing education and post-secondary students for entry level career pipelines and pathways and higher skill sets aligned with pre-apprenticeship and state apprenticeships. Given the wide range of apprenticeship and pre-apprenticeship programs, IOUs will work with State agencies, including the California Division of Apprenticeship Standards, to determine which apprentice/pre-apprenticeship programs should be targeted during the 2013-2014 bridge period. The goal of the partnerships will be to increase awareness and participation in the wide range of training options for students to develop their careers. Trainings will support the spectrum of knowledge and skill level being applicable to someone just entering the energy field, to someone seeking to advance his/her place in a specific career path.

IOUs will collaborate on an effort to develop a statewide memorandum of understanding (MOU) with the California Division of Apprenticeship Standards.

The MOU will provide a framework for partnering with labor, trade, and professional organizations that resembles the existing CALCTP program.

- For WE&T sector strategy efforts describe which characteristics will be sought for employer partners, such as level of joint investment in training efforts, support and participation in apprenticeship programs, enforcement of permitting, code, safety compliance, and other labor laws.²

IOU Response:

IOUs will involve other organizations that can help to leverage existing and new IOU training opportunities. Potential partners will be sought from government agencies, employers, community colleges, labor organizations, manufacturers, professional organizations, and community-based organizations. IOUs will expect partners to commit direct and indirect resources toward developing specific sector strategies. Partners will need to help drive training program participation to their target audiences, and will be expected to support and participate in apprenticeship programs, support and enforcement of permitting, code and safety compliance and other laws, as appropriate to their roles and activities involved, include participating in leadership roles where possible.

- Also, describe the following:
Describe the governance structure within sector strategy partnerships, such as processes for agenda development, recording minutes, and decision making;

IOU Response:

Each sector strategy effort will be led by one IOU with other IOUs as major contributors and partners. IOU sector strategies efforts will include a steering committee to drive overall development and governance over the strategy. Some sector strategy efforts could require an Advisory Council to drive specific issues within the strategy such as certifications or knowledge, skills, and abilities attached to a particular occupation. The lead IOU will be responsible for assuring that meeting logistics, including agenda development, meeting notices, and recording/disseminating minutes are well-orchestrated.

- Describe the process to develop a mutually agreed upon plan to support existing or new training certifications for each subsector or technology in the non-residential HVAC sector strategy effort and any other sector strategy efforts the IOUs pursue;

IOU Response:

All 2013-2014 sector strategy approaches will include a plan for cross-sector stakeholder support towards an existing or new certification, or other appropriate set of qualifications that lead to support of Strategic Plan goals. Such industry-recognized credentials are an essential and necessary hallmark of a successful

² Decision X, Section X.

sector strategy. IOUs will work closely with the internal and external team involved in the HVAC installation programs and associated stakeholders, including through the Western HVAC Performance (WHPA) to develop a mutually agreed plan to support any appropriate existing or new training certifications or set of qualifications for each aspect of the non-residential HVAC sector strategy effort. A similar approach is anticipated in coordinating a sector strategies approach on WE&T intervention for Emerging Technology adoption, codes adoption with Codes & Standards and targeted training of market agents critical to the success of Energy Upgrade California. Through careful and thorough assessment of options, and ongoing and open dialogue with varied stakeholders across the sector at issue, the strategy will be predicated on cross-stakeholder support towards an agreed-upon certification(s) or other appropriate set(s) of qualifications.

- Describe how the program will develop skill upgrade programs that are aligned with the state approved apprenticeship training programs. Skill upgrade programs should include robust entry prerequisites and pathways to other educational establishments.

IOU Response:

IOUs will collaborate with stakeholders in a manner similar to that of the WE&T Taskforce structure, taking input on revisions to the sector strategies approach, course portfolio, and training partnerships. IOUs will also work with implementers of career skills development on career pipelines and pathways that lead into higher skill set training equivalents to those of pre-apprenticeship and state approved apprenticeship. IOUs will create a forum for discussion among these stakeholders to continuously evaluate training alignment. Given the wide range of apprenticeship and pre-apprenticeship programs, IOUs will work under an MOU with State agencies, including the California Division of Apprenticeship Standards, to determine which pre-apprentice/apprenticeship programs should be targeted during 2013-2014. A core component of this plan will be the development of partnerships, which will include an implementation plan similar to that used in the CALCTP sector strategies approach

In the budget section of the WE&T PIPs (section X), include a separate table indicating allocated funding for:

- Sector strategy efforts

IOU Response:

The IOUs do not see Sector Strategy efforts as mutually exclusive of current WE&T Centergies implementation strategy. IOUs will support sector strategies as a way of restructuring portions of their programs to focus on specific audiences. IOU staff will be allocated on priority sector strategies efforts such as for Commercial HVAC, but in all cases being efficient and effective in funding sector strategies efforts.

PG&E will continue to support CALCTP as a proven sector strategy approach toward upskilling the lighting sector, including electricians, installers, middle-management and salespersons. PG&E will lead the statewide sector strategy effort for commercial HVAC, considering both quality installation and quality maintenance efforts for the program-WE&T connection, in order to determine a best path for a timely pilot, and so that the pilot can lead most directly to improvements of the broader HVAC workforce education and training effort. Other sector strategy efforts will include, but not be limited to the architectural design sector as well as small/medium business commercial building auditors. Where appropriate, all sector strategy efforts will be advised by stakeholders, including community colleges, 4-year colleges and universities, trade organizations, labor organizations, professional organizations, and state agencies.

- Efforts to target low-income and disadvantaged populations

IOU Response:

IOUs will proactively partner with community-based organizations, workforce investment boards, community colleges and other local workforce development and training programs to both articulate training leading to certification and assist in easy access to energy center offerings. In addition, where applicable, IOUs will continue to or begin to partner with their internal groups that serve low income and disadvantaged communities.

PG&E will continue its support of the Energy Savings Assistance Program (ESAP). ESAP provides no-cost weatherization services to low-income households who meet the CARE income guidelines. Services provided include attic insulation, energy efficient refrigerators, energy efficient furnaces, weather-stripping, caulking, low-flow showerheads, water heater blankets, and door and building envelope repairs which reduce air infiltration.

In section 13 of the PIP describe an evaluation plan that will collect, monitor, and track:

- Hours of instruction and locations of classes;
- Partner organizations and related co-funding / resource sharing arrangements;
- Specific commitments from employers that support high-road strategies (WE&T NA, p.X);
- Number, specific occupation, skill level, and demographic characteristics of participants;
- Associated certifications and skill standard requirements being leveraged with current training efforts. Track new standards developed and/or required for DSM program delivery;

- Training completion and job placement rates;
- A listing of resource programs that are aligned with training and certification WE&T efforts ;
 - Include a description of career pathways in which the relevant resource program is embedded, including points of entry and paths for advancement;
- Improvements in the quality of installations and / or service activities for contractors participating in the sector strategy.
- Strategies to identify job creation and metrics that result from sector strategy training activities and coordination of training activities with core DSM programs.

IOU Response:

IOUs have been making changes to their tracking methods, processes, and infrastructure. To protect customer privacy, certain data such as specific occupation, skill level, and demographic characteristics of participants will be collected on a voluntary basis during time of registration.

Data such as job placement rates, commitments from employers, strategies to identify job creation will be tracked for specific sector strategies as opposed to the thousands of energy center participants that participate in energy center classes.

Tracking information such as improvements in the quality of installations and/or service activities for contractors participating in IOU sector strategy efforts and strategies to identify metrics that result from sector strategy training activities and coordination of training activities with core DSM programs will be considered and monitored with assistance from IOU EM&V groups within the collaborative EM&V effort managed by CPUC Energy Division.

ⁱ Attachment 1 is additional information the Staff requested be provided in its May 24, 2012 guidance documents, Appendix F.

2013 -2014 WE&T Course / Program Listing Legend:

	Column Header	Definition	Code
(1)	Ed. Level	Education Sector	CSU, UC, K-12, CC (Community College), Trade / Labor (including IOU only courses)
(2)	Collaborators	External Entities Partnering with the IOU to provide resources for training effort (ex: Facilities, materials, trainers, outreach)	List Name of Collaborator
(3)	Class Length	Number of Days	Half-Day, Full Day, Two Day, Three Day, Annual (if traditional school schedule), etc.
(4)	Continuing Education, Entry Level, or Both	Indicate if the target audience for the class are entry level participants or continuing education or both.	C - Continuing Education, E - Entry Level, Both - B Include the designation EE, DR, and /or DG to indicate which demand side resources are covered by the class.
(5)	Integration - Existing Bldgs.	The class incorporates other demand side technologies (EE, DR, & DG) via an integrated systems approach.	X - if applicable
(6)	Zero Net Energy	The class addresses primarily new buildings, incorporating all demand side technologies (EE, DR, & DG) in a whole building perspective.	X - if applicable
(7)	Low Income Outreach	The class is actively promoted to low income participants and a procedure is in place to make it more affordable and convenient for these entities to participate.	X - if applicable
(8)	Emerging Technology	The class includes training for emerging technologies	X - if applicable
(9)	Sector Strategies	The class is offered as part of a more comprehensive "sector strategy" (Pursuant to SDG&E AL 2260-E-B/ 2041-G-B <i>et al.</i>) effort involving educational/ training partnerships with external partners and addresses recommendations identified in the Statewide WE&T needs assessment, published by UCB in March of 2011.	X - if applicable
(10)	Needs Assessment	The class addresses a recommendation area included in the Statewide WE&T needs assessment.	Indicate which NA recommendation area the class addresses; SS - Skills Standards, C - Certifications, JP - Job Placement.)
(11)	Market Sector	Indicate what market sector the course caters to. Use the same market sectors identified in the strategic plan. If codes & standards are included in the training indicate by including "C&S" after the market sector identification.	Commercial, Residential, Industrial, Agricultural

Attachment 3
WET PIP Addendum- Budget Template

IOU Name	Statewide Program and Sub-Program Number	Statewide Program and Sub-Program	\$ Energy Center Classes	\$ Sector Strategy Efforts for HVAC	\$ Sector Strategy Efforts for CALCTP	\$ Other Sector Strategies	\$ Training Partnerships with Community Colleges and Adult Education	\$ Training Partnerships with Trade Organizations, Employers, and Labor	\$ Training Partnerships with CBOs and Other Government Agencies	Narrative Description of partnerships and WE&T Strategic Plan Strategies and WE&T Activities Pursued. Describe if the training effort supports IDSM and if so how.
SoCalGas	3729, 3730, 3731	WE&T Statewide Program	\$2,000,000.00	\$125,000.00	\$0.00	\$225,000.00	\$230,000.00	\$400,000.00	\$235,000.00	
	3729	Centergies	\$1,945,000.00	\$100,000.00	n/a	\$150,000.00	\$150,000.00	\$350,000.00	\$150,000.00	refer to Attachment 3 (Narrative)
	3730	Connections	n/a	n/a	n/a	\$30,000.00	\$50,000.00	n/a	\$50,000.00	refer to Attachment 3 (Narrative)
	3731	Planning	\$55,000.00	\$25,000.00	n/a	\$45,000.00	\$30,000.00	\$50,000.00	\$35,000.00	refer to Attachment 3 (Narrative)

Dollars reflected are only projected funding allocations from WE&T Program budget and do not reflect the entire 2013-2014 WE&T budget or any co-funding possibilities. Actual spending may vary from shown projections.

Per EE Decision request for more detail on WE&T budget allocations (OP 36), Table 3 above provides estimates based on the current status of each item. These amounts are subject to change based on ongoing progress and dialogs with partners. IOU WE&T programs provide other activities to customers that are not reflected in this budget table.

Budget figures above include, where pertinent, the following:

1. Energy center classes (include assigned staff labor for coordinating, teaching, registration; contracts; catering; special equipment)
2. Sector strategy efforts (include, as applicable, assigned staff labor for coordinating, teaching, registration; contracts; catering; special equipment)
3. Sector strategy consultant (SoCalGas's portion of total contract amount of \$500,000)
4. Training partnerships with community colleges and adult education (include assigned staff labor and contracts)
5. Training partnerships with trade organizations (include assigned staff labor and contracts)
6. Training partnerships with community-based organizations (CBOs) or other government agencies (include assigned staff labor and contracts)

Attachment 3.1

Sector Strategy Efforts

Sector Strategy efforts for HVAC is described in WE&T PIP (Centergies p 36-42).

HVAC

Reference Centergies section 6.1a ii 1 in the SoCalGas PIP.

In 2013, Socalgas has scheduled 56 IHACI HVAC evening workshops for technicians and installers. These workshops are scheduled in the evening to ensure that the HVAC technicians have the opportunity to attend. These trainings will prepare technicians to take the North American Technician Excellence (NATE) certification exam for HVAC technicians.

Other Sector Strategies

Reference Centergies section 6.1a ii 3 in the Socalgas PIP.

Strategies in collaboration with the Energy Upgrade California program focus on how to best educate and train peripheral industry stakeholders on the technical mechanics of the program to help growth. Socalgas WE&T Centergies will participate with IOU Residential staff and sector stakeholders on curriculum and strategy targeting peripheral market agents to expand program. Socalgas strategies to low-income and disadvantaged communities focuses on how to commence more formal relationships with CBOs to target disadvantaged workers community contractors and businesses in low-income and disadvantaged for participation in IOU programs and associated training. Special focus will be on outreach to promote career opportunities relating to sustainability certification, program enrollment of small businesses, HVAC and technician seminars, training and workshops.

Continuous Energy Improvement- Superior Energy Performance (CEI-SEP) has a goal to help create certified practitioners in Energy Management Systems (CPEnMS). SoCalGas is offering benchmarking training to accelerate the development of the Commercial demand-side management workforce needed by IOUs and larger EE industry. Moving forward, SoCalGas will be refining those programs to build a project plan that looks closely at CEI-SEP to introduce processes, lessons, and curriculum to working energy management professionals, industry professionals.

IDSMS Content

WE&T will partner with the IDSMS team to engage on comprehensive ways for identifying and delivering integrated IDSMS content throughout our curriculum. Through this effort, WE&T intends to explore both internal and external resources in order to deliver the maximum educational experience.

WE&T has taken initial steps, integrating DG and EE into their exhibits, existing training and seminar curriculum. Next steps include collaboration with Emerging Technologies, Engineering and curriculum developers to connect IDSMS education with other IOU programs with a focus on the long-term energy efficiency strategic plan and zero net energy goals.

Narrative description of PARTNERSHIPS

Community Colleges and Adult Education

Targeting California Community Colleges faculty and staff has been for the purpose of partnering on California long-term strategic plan initiatives and will continue to be so. Socalgas will work with the CCC District and Adult Education system to coordinate on ways to expand these relationships. Enrolled CCC and Adult Education students are also encouraged to attend Sustainability, Food Equipment and HVAC introductory seminars, training and workshops.

- Los Angeles Trade Technical College – Community College after hours Energy Efficiency introductory training, seminars, tours and demonstration
- El Camino College – Community College (HS mentorship), in collaboration with LA chapter -United States Green Building Council (USGBC), targeting disadvantaged high schools to provide subject matter speakers on environmental and energy efficiency study topics and career opportunities.
- Joint Apprenticeship Committee (JAC)/Local 501 – After-hours introductory seminars and trainings in energy efficiency solutions to provide early intervention and introductory curriculum on integrated demand-side management solution.

Trade Organizations, Employers and Labor

Targeting Trade Organizations, employers and labor resource groups has been for the purpose of partnering on California long-term strategic plan initiatives and will continue to be so. Recent activities have organized around training partnerships and targeting industrial sectors pertinent to the industry. Relating to Sector Strategy efforts, Trade Organizations, employers and labor resources represent key components of relevant partnership and thus, Socalgas is allocating funding to leverage these expanded resources to improve impacts and outcomes of its training investments.

- Institute of Heating and Air Conditioning Industries (IHACI) – HVAC training & curriculum targeted to technicians and contractors. Training provides course series for advancing HVAC skills and knowledge related to whole home and building quality installation and maintenance practices. Training portfolio includes the opportunity to test for industry certification, North American Technicians Excellence (NATE), to individuals deemed ready.
- Local 501 – International Union of Operating Engineers – Commercial Boiler, Indoor Air Quality (Safety) Training provided to targeted technicians and professionals. Training and advanced certification is available to support process improvements, and integrated demand-side approaches for efficiency solutions in plant and facility operations for identifying energy savings.
- California Metals Coalition (CMC) – Industry-specific trade seminars for direct support of energy savings solutions. Training and advanced certification is available to support process improvements, and integrated demand-side approaches for efficiency solutions in plant and facility operations for identifying energy savings.

CBOs and Other Government Agencies

Targeting Community-based organizations and government agencies will be for the purpose of partnering on California long-term strategic plan initiatives and will continue to be so. IOUs will

leverage existing communication channels to reach members of low-income and disadvantaged communities.

- California State University System – Funding faculty and students on Energy Efficiency projects that accelerate in-class curriculum development, student engagement on energy efficiency projects and connect IOUs with disadvantaged communities through the CSU Center for Community Engagement.
- At a local and regional level, IOUs work with local community-based organizations that have established relationships to support their low-income and disadvantaged population. This is often done with the aid of Public Affairs, Community Relations and Diverse Business Enterprises.
- IOUs will also collaborate with their individual low-income energy efficiency program managers and partners as another channel toward reaching low-income and disadvantaged persons and helping to increase their awareness and participation in IOU education and training opportunities.

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Program Implementation Plan**

- 1. Program Name:** Statewide Finance Program
Program ID: SCG3735 – On-Bill Financing (OBF)
SCG3736 – ARRA-Originated Financing
SCG3737 – New Financing Offerings

Program Type: Statewide Core Program

2. Program Description (general)

The Statewide Finance Program is designed to support the Commission’s goals to help achieve the following potential major benefits:

- Encouraging customers to invest in projects that will achieve deeper energy savings.
- Overcoming the “first cost” barrier of energy efficiency upgrades;
- Leveraging ratepayer funds by bringing in private capital;
- Increasing sales of energy efficient products and services; and
- Reaching a broader set of customers and market segments.

The Statewide Finance Program consists of a portfolio of financing options to be implemented consistently on a statewide basis, including continuation of the On-Bill Financing (OBF) program, continuation of the American Recovery and Reinvestment Act (ARRA)-originated financing programs, and a set of new financing programs for single-family and multi-family residential customers as well as for small business and broader non-residential customers.

These financing offerings are intended to eventually support all types of demand-side investments, including energy efficiency, demand response, distributed generation, and storage.

In order to expedite and coordinate the development and expansion of the Statewide Finance program, the Commission directed SoCalGas and SDG&E, on behalf of all utilities, to hire an expert financing consultant, in an effort that will be co-funded by all of the utilities and will come from unspent 2012 program funds and/or 2013-2014 funding.

The expert financing consultant convened a set of working groups that addressed:

- Program design issues for new financing programs.
- Energy project and loan performance data collection and dissemination issues.

The expert financing consultant has recommended financing pilot programs in 2012 to be launched in 2013 and scaled up in 2014. The utilities and the expert financing consultant have consulted with the local governments and their partners on financing program development experience gained in the past few years through PACE and ARRA funded programs and have recommended programs to continue to receive funding.

The new financing programs recommended are based on the following principles as directed by the Commission:

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- Each financing product will be uniform across the state
- “Keep it simple and fast”, avoid overly-complex design or paperwork and allow contractors and other marketing agents to present finance information to the borrower/energy-user to drive transactions.
- For the non-residential on-bill repayment program, a single servicing agent will be considered to relay simple finance payment information to the utility bill.
- The single servicing agent will be responsible for all special adjustments, the originator will be responsible for consumer inquiries, and there will be a separate program dispute resolution process for issues with contractors.

The expert financing consultant will identify and define these elements in more detail in 2012 for launching pilots in 2013. The 2013 and 2014 pilot programs will be explicitly designed to gain program experience and data, particularly with respect to debt repayments and estimated project energy savings, with the intent of attracting additional capital resources from interested financial institutions and other businesses. The expert financing consultant provided an overview of recommended EE Finance Pilot Program design at a Public Workshop on October 2, 2012 and presented a written report to the CPUC on October 19, 2012,

In consultation with the expert financing consultant and a working group convened by the consultant, the utilities will develop for California (or perhaps in collaboration with a national effort), a database of financing-related project performance and repayment data. This database will protect individual customer privacy, be shared publically, and will contain, at a minimum:

- Customer type,
- Host site characteristics,
- Customer payment history to the utility,
- Customer/borrower credit scores and energy project repayment histories,
- Energy project performance data (by building or customer, not only by measure),
- Billing impacts comparing pre- and post-installation utility bills.

3. Total Projected Program Budget and Savings

The statewide portfolio of financing programs will be funded at a level of at least \$200 million statewide over 2013-2014.

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Table 1: Total Projected Program Budget by Subprogram

Program #	Main/Sub Program Name	Administrative Amount	Marketing Amount	Direct Implementation Amount	Incentive Amount	Total Program Budget Amount
	SW Finance Program					
3735	SW-FIN-On-Bill Financing	\$110,667	\$73,193	\$1,043,518	\$500,000	\$1,727,378
3736	SW-FIN-ARRA-Originated Financing	\$0	\$0	\$3,200,000	\$0	\$3,200,000
3737	SW-FIN-New Financing Offerings	\$0	\$0	\$10,267,622	\$0	\$10,267,622
	TOTAL:	\$110,667	\$73,193	\$14,511,140	\$500,000	\$15,195,000

Table 2: Total Projected Program Savings

Program #	Main/Sub Program Name	2013-2014 Gross kW Savings	2013-2014 Gross kWh Savings	2013-2014 Gross Therm Savings
	SW Finance Program			
3735	SW-FIN-On-Bill Financing	0	0	750,001
3736	SW-FIN-ARRA-Originated Financing	0	0	0
3737	SW-FIN-New Financing Offerings	0	0	0
	TOTAL:	0	0	750,001

4. Short description of each subprogram

On-Bill Financing (OBF)

The OBF subprogram is a continuation of and improvement on the existing utility on-bill financing programs for non-residential customers. OBF offers interest-free, utility ratepayer financed, unsecured energy efficiency loans to qualified non-residential customers with qualified projects. OBF allows customers to achieve energy savings through the purchase and installation of efficient equipment. Customer loans are repaid through a fixed monthly installment on their utility bills.

American Recovery and Reinvestment Act (ARRA) Originated Financing Programs

Several financing programs were funded through ARRA and that funding will expire during 2012. The IOUs will continue to fund selected ARRA-originated programs which have been, and will continue to be, implemented by 3rd parties, local governments, and/or via the California Energy Commission. Successful ARRA-originated programs have been selected based on the following criteria:

- Potential for scalability to larger markets;
- Ability to leverage ratepayer funds with private capital
- Ability to test unique/new program design and delivery
- Ability to serve previously un-served or under-served markets
- Ability to offer low interest rates to consumers
- Effective utilization of total combined ratepayer funding support from all sources.

The utilities have provided ARRA Finance Continuation funding in 2012 per the May Guidance decision. SoCalGas will provide continued funding and administrative support for selected ARRA Finance programs in 2013-2014. Some of these programs will be funded with ratepayer dollars as part of contract agreements with the Regional Energy Networks (RENs) with the remainder funded under the ARRA origination Sub-Program.

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New Financing Offerings

These are new, scalable, and leveraged statewide financing products to be designed in 2012 to help customers produce deeper energy savings. As described above, they will also be designed to gain program experience and data on debt repayment and project energy savings. Specifically the new offerings will include:

- A credit enhancement strategy for the single-family residential market;
- A multi-family residential market strategy that includes both credit enhancement and an on-bill repayment option that may require legislative change to fully implement;
- A credit enhancement strategy for the small business market; and
- An on-bill repayment strategy for all non-residential customers.

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Sub-Program

Program Implementation Plan Template

1. **Sub-Program Name:** On-Bill Financing (OBF)
2. **Sub-Program ID number:** SCG 3735
3. **Type of Sub-Program:** Core Third Party Partnership
4. **Market sector or segment that this sub-program is designed to serve:**
 - a) Residential
 - i. Including Low Income? Yes No;
 - ii. Including Moderate Income? Yes No.
 - iii. Including or specifically Multifamily buildings Yes No.
 - iv. Including or specifically Rental units? Yes No.
 - b) Commercial (List applicable NAIC codes: All Commercial NAICS Codes)
 - c) Industrial (List applicable NAIC codes: All Industrial NAICS Codes)
 - d) Agricultural (List applicable NAIC codes: All Agricultural NAICS Codes)
5. **Is this sub-program primarily a:**
 - a) Non-resource program Yes No
 - b) Resource acquisition program Yes No
 - c) Market Transformation Program Yes No
6. **Indicate the primary intervention strategies:**
 - a) Upstream Yes No
 - b) Midstream Yes No
 - c) Downstream Yes No
 - d) Direct Install Yes No
 - e) Non Resource Yes No

Loan checks may be payable to OBF contractors if customers so designate.
However, in this situation, the loan proceeds represent payment from customer for work completed and not an incentive from the Utility.

7. **Projected Sub-program Total Resource Cost (TRC) and Program Administrator Cost (PAC) (Rough Estimate, If Possible)** TRC ___ PAC ___

TBD: TRC and PAC analysis is subject to final CPUC guidance regarding the methodology for claiming energy savings within Finance Sub Programs.

8. **Projected Sub-Program Budget**

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Table 1. Projected Sub-Program Budget, by Calendar Year (Rough Estimate, If Possible – Components may need to be modified for financing) ¹

On-Bill Financing*	Program Year		
	2013	2014	Total
Admin (\$)	\$ 26,110.32	\$ 26,110.32	\$ 52,220.64
General Overhead (\$)	\$ 29,223.29	\$ 29,223.29	\$ 58,446.58
Loan Funding Implementation(\$)	\$513,109.01	\$513,109.01	\$ 1,026,218.02
Marketing & Outreach (\$)	\$ 36,596.38	\$ 36,596.38	\$ 73,192.76
Education & Training (\$)	\$ 8,650.00	\$ 8,650.00	\$ 17,300.00
Total Budget (\$)	\$613,689.00	\$613,689.00	\$ 1,227,378.00

* This table only reflects the non-incentive finance budget; \$500,000 in incentives for 2013-2014 are not shown.

9. Sub-Program Description, Objectives and Theory

a) Sub-Program Description and Theory:

Statewide On-Bill Financing offers interest-free, unsecured energy efficiency loans to qualified non-residential customers with qualified projects. OBF will build on the success of the past program cycle to allow customers to achieve energy savings through the purchase and installation of efficient equipment. Customer loans will be repaid through a fixed monthly installment on their utility bills. There is no prepayment penalty. Loans are not transferable. Partial or non-payment of loan could result in shut-off of utility service and turned over for collection. OBF funding for 2013 and 2014 was approved at \$1.7 million for SoCalGas.

The primary market barrier that the OBF subprogram is intended to overcome is the lack of up-front capital for customers to invest in real and sustainable long-term energy cost reductions.

The 2010-2012 On-Bill Financing Process Evaluation and Market Assessment (<http://www.energydataweb.com/cpucFiles/pdaDocs/846/OBF%20Final%20Report,%20May%202012.pdf>) concludes that utilities should continue to offer OBF into 2013-14 while maintaining the key features that have driven participation:

- **Reduce or eliminate customer first-cost hurdles** - by enabling qualified customers to complete energy-efficiency projects with no up-front costs, OBF eliminates one of the major barriers to participation in energy efficiency.
- **Interest-free loans** - reduces customer cost
- **Estimated Bill-neutrality** – this program design feature has proven to be an effective tool for vendors, distributors, utility account executives, and other

¹ Individual utility specific information to be provided in this table

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marketing agents to encourage customers to finance necessary upgrades while reducing customer bill-impacts (average monthly energy cost savings generally are greater than monthly debt service costs).

The Statewide OBF Team has worked closely to align program features and requirements so OBF will be consistently structured and delivered across all IOUs' service territories.

- **Eligible customers** - Non-residential customers (including institutional customers) and owners of multifamily units who do not reside on the premises.
- **Credit approval** – Based on customers' account history. By reviewing the individual customers' bill payment record, utility administrators have the ability to approve loans without the added time, cost, and subjective review of a third-party credit check. The IOUs have adopted this best practice due to the historically low OBF loan defaults to date.
- **Loan term** – Loan terms are up to 10 years and up to 5 years for taxpayer-funded institutional and non-institutional customers, respectively. Utilities will structure loan requirements to tailor loan terms to specific types of projects under specific guidelines, allowing longer maximum loan terms for more comprehensive or deeper energy savings projects and shorter maximum loan terms for projects with shorter payback periods (e.g. lighting and low cost equipment). Specific details shall be adjusted pending the final ruling on the Statewide Finance Program.
- **Loan minimum per meter**- \$5,000
- **Loan maximum per meter** - \$100,000 for non-institutional customers; \$250,000 for taxpayer-funded institutional customers; eligible State of California accounts may qualify up to \$1,000,000
- **Relationship to rebate/incentive** –2013 will be a transition year for IOUs to analyze possible program design options and determine which are most likely to succeed. Piloting the appropriate balance between rebates/incentives and financing for the same measure will begin in 2014. Incremental energy savings associated with OBF projects will be counted toward the loan program and not rebate/incentive programs, thus avoiding double counting.
- **Financed equipment** – All measures in an OBF project must qualify for another utility rebate/incentive program (i.e. must be CPUC approved energy efficiency measures).
- **Signing of loan agreement:** Prior to project installation
- **Loan payee** – The loan payee can be either customer or contractor, as authorized by the end use customer.
- **Site bundling** – Allowed for taxpayer-funded institutional customers only.
- **Multi-program participation** - A single project cannot receive funds from more than one loan program supported by ratepayer dollars. For example, a small business customer receiving credit enhancement offered through the utility for a specific project will not be eligible to receive an OBF loan for the same project.
- **Co-funding loans with another utility** – Utilities with bordering/overlapping service territories will work together to co-fund qualified projects to common customers that will optimize gas and electric cost savings.

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- **Vendor support** – Utilities will adopt vendor support guidelines and standard participation agreements to monitor performance, manage customer expectations, and set clear roles and responsibilities for all parties.

b) Sub-Program Energy and Demand Objectives- If this sub-program has energy and demand objective, please complete Table 2.

Table 2. Projected Sub-Program Net Energy and Demand Impacts, by Calendar Year (Rough Estimate, If Possible)²

Program #	Main/Sub Program Name	2013-2014 Gross kW Savings	2013-2014 Gross kWh Savings	2013-2014 Gross Therm Savings
	SW Finance Program			
3735	SW-FIN-On-Bill Financing	0	0	750,001

c) Program Non-Energy Objectives:

Track OBF project and loan performance data to contribute to the financing-related project performance and repayment database.

d) Cost Effectiveness/Market Need: What methods will be or have been used to determine whether this program is cost-effective?³ If this is a non-resource program, describe the literature, market assessments or other sources that indicate a need for this program.

Methods contained in the Standard Practice Manual will be used.

e) Measure Savings/ Work Papers (Rough Estimate, If Possible) :

- a. Indicate data source for savings estimates for program measures (DEER, custom measures, etc).

CPUC approved customized and DEER measures.

- b. Indicate work paper status for program measures:

Table 4 – Work paper Status

See the Work paper Status table in the Statewide Industrial Program, the Statewide Commercial Program, and the Statewide Agricultural Program.

10. Program Implementation Details

- **Timelines:** List the key program milestones and dates. An example is included below.

² Individual utility specific information to be provided in this table

³ If the program has energy and demand objectives, simply state that the methods contained in the Standard Practice Manual will be used. If the program does not have energy and demand objective, propose an approach to assess cost-effectiveness.

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Table 5: Sub-Program Milestones and Timeline

Table 5: Sub-Program Milestones and Timeline

Milestone	Date
Statewide Coordination Meeting	Oct-12
Statewide Vendor Participation Guidelines Completed	Nov-12
Vendor training module completed	Nov-12
Marketing materials completed	Feb-13
SW OBF Finance Manual Draft 1 Completed	Feb-13
Loans funded	2/2013 – 12/2014

- **Geographic Scope:** List the geographic regions (e.g., CEC weather zones) where the program will operate

Table 6: Geographic Regions Where the Program Will Operate

See Table 6 in Attachment 2.

- **Program Administration**

Table 7: Program Administration of Program Components (Rough Estimate, If Possible)

See Table 7 in Attachment 2.

- **Program Eligibility Requirements**

- i. **Customers:** List any customer eligibility requirements (e.g., annual energy use, peak kW demand)

SoCalGas' customer eligibility requirements include, but are not limited to the following:

- Non-residential customers (including institutional customers) and owners of multifamily units who do not reside on the premises.
- Customer must have continuous utility service with SoCalGas for at least 24 of the immediately preceding months in the same business and with a minimum of 12 months of energy usage history at the current meter.
- Customer must be in good credit standing as determined by the Utility.
- Project must meet terms and conditions of one or more energy efficiency programs offered through the Utility.

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Table 8: Customer Eligibility Requirements (Joint Utility Table)

See Table 8 in Attachment 2.

Contractors/Participants: List any contractor (and/or developer, manufacturer, retailer or other “participant”) eligibility requirements (e.g. specific IOU required trainings; specific contractor accreditations; and/or, specific technician certifications required).

Refer to customer eligibility requirements as stipulated in Subsection i. above.

Table 9: Contractor/Participant Eligibility Requirements (Joint Utility Table)

See Table 9 in Attachment 2.

- **Program Partners**

- a. **Manufacturer/Retailer/Distributor partners:** For upstream or midstream incentive and/or buy down programs indicate⁴: The OBF program does not explicitly link to upstream and/or midstream programs.

Table 10: Manufacturer/Retailer/Distributor Partners (N/A)

See Table 10 in Attachment 2.

- b. **Other key program partners:** Indicate any research or other key program partners.

Key partners include:

- Industry contractors/vendors
- Business Improvement Districts
- Chambers of Commerce
- Statewide and Local Government Utility Partners
- Program Advisory Group and subcommittees
- Process Evaluation Stakeholders and other participants
- Loan administrators
- Financial Institutions⁵

⁴ Provide in a consistent format for all IOUs. Indicate program partners across all IOU territories in one table or spreadsheet. Append to end of PIP.

⁵ Financial Institutions may be interested in purchasing OBF loans from IOUs

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- **Measures and incentive levels:** E3 calculators will provide the list of measures and incentive levels to be provided via the program. In this section the utilities should provide a summary table of measures and incentive levels. **(Rough Estimate, If Possible)**

Table 11: Summary Table of Measures, Incentive Levels and Verification Rates (Rough Estimate, If Possible)

See the Summary Table of Measures, Incentive Levels and Verification Rates in the Statewide Industrial Program, the Statewide Commercial Program, and the Statewide Agricultural Program.

(Rough Estimate, If Possible)

See Table 11 in Attachment 2.

- a. Use a single excel spreadsheet to indicate the eligible measures for the program across all IOUs. Indicate the expected incentive level by measure or measure grouping for each IOU, making clear where these vary. **(Rough Estimate, If Possible)**
- b. For each incented or rebated measure, indicate the market actor to whom this will be provided. **(Rough Estimate, If Possible).**

Incentive proceeds are payable to the end use customer or a customer designated payee. OBF loan proceeds are payable to the end use customer or a customer designated customer authorized agent.

- **Additional Services:** List additional services that the sub-program will provide, to which market actors.

This subprogram coordinates with commercial, industrial, and agricultural calculated sub programs that offer energy audits, site surveys, energy savings assessments, and information on other utility programs to program participants.

- a. For each service provided, indicate any expected charges to market actors of the services, and/or the level at which any such services will be incented or funded.

These additional services are generally offered to program participants free of charge.

Table 12: Additional Services

See Table 12 in Attachment 2.

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- **Sub-Program Specific Marketing and Outreach:** Please describe, providing timelines (suggested word limit: 300 words)

OBF marketing and outreach is performed through various channels including vendors, account executives, workforce education & training, IOU web-site outreach, CPUC web-site outreach, and utility energy efficiency marketing & outreach groups. As the utilities move towards a more uniform approach to OBF, and CPUC guidance around EE finance is finalized, a general marketing plan will be developed in Q1/Q2 2013 to collaborate on a consistent strategy, message, and tactics that will serve the key stakeholders in each of the IOU service territories.

Utilities with bordering/overlapping service territories will work together to develop and provide joint marketing approaches targeting integrated electric and gas savings opportunities. A key challenge will be coordination and integration (as relevant) with the ARRA-originated financing programs and the non-residential pilots.

- **Sub-Program Specific Training:** Please describe, providing timelines (suggested word limit: 300 words)

IOUs will adopt best practices and recommendations to provide quarterly training for key market actors for OBF as well as additional program-appropriate modules. The training may include customer forums, Technology Center classroom trainings, Contractor forums, and Webinars. Training content will include:

- Program overview and requirements
- Customer & project eligibility
- Calculation of project scope
- Program application steps and requirements
- Application process and communications
- Vendor Participation Agreement guidelines
- OBF best practices and case studies
- Other Demand Side Management and Self-Generation program offerings – e.g. Direct Install, Rebates, Incentives, Demand Response, and California Solar Initiative programs.

- **Sub-Program Software and/or Additional Tools:**

- a. List all eligible software or similar tools required for sub-program participation. (**Rough Estimate, If Possible**). Project applications may be submitted using SCE's integrated on-line incentive application tools and the associated OBF Application.
- b. Indicate if pre and/or post implementation audits will be required for the sub-program. ___ Yes ___ No **See below**

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Pre-implementation audit required Yes ___ No
Post-implementation audit required ___ Yes No

All OBF Projects require pre and post inspections; however, post-installation audits may be required based on the nature of the project.

- c. As applicable, indicate levels at which such audits shall be rebated or funded, and to whom such rebates/funding will be provided (i.e. to customer or contractor). **(Rough Estimate, If Possible).**

Not Applicable.

Table 13: Post-implementation Audits (Rough Estimate, If Possible)

(Rough Estimate, If Possible)

See Table 13 in Attachment 2.

- **Sub-Program Quality Assurance Provisions:** Please list quality assurance, quality control, including accreditations/certification or other credentials **(TBD)**

Table 14: Quality Assurance Provisions (TBD)

See Table 14 in Attachment 2.

- **Sub-program Delivery Method and Measure Installation/Marketing or Training:** Briefly describe any additional sub-program delivery and measure installation and/or marketing & outreach, training and/or other services provided, if not yet described above.

Measure installation will be performed by a licensed contractor of the customers' choosing. OBF is delivered through contractors/vendors as well as utility account executives. Contractors/vendors who are paid through OBF loan funds will be required to attend training and sign a Vendor Participation Agreement. IOUs are exploring the development of a uniform statewide Vendor Participation Agreement to align all programs for vendors who participate throughout the State. **SoCalGas markets its gas-only OBF program primarily through its Account Executives and does not have a formal OBF Vendor Participation program due to lack of interest from natural gas equipment vendors. SoCalGas will offer training to interested natural gas equipment vendors and provide a Vendor Participation Agreement to sign so they could work directly with potential OBF customers, however, does not require customer-selected vendors to sign the Vendor Participation Agreement or attend training since all program-related paper work is handled by utility Account Executives on behalf of their customers**

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- **Sub-program Process Flow Chart:** Provide a sub-program process flow chart that describes the administrative and procedural components of the sub-program. For example, the flow chart might describe a customer's submittal of an application, the screening of the application, the approval/disapproval of an application, verification of purchase or installation, the processing and payment of incentives, and any quality control activities.

Process flow charts were submitted as part of the response to Question 55 of the Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge submitted September 5, 2012.⁶

SoCalGas does not require customer-selected vendors to sign the Vendor Participation Agreement or attend training since all program-related paper work is handled by utility Account Executives on behalf of their customers.

- **Cross-cutting Sub-program and Non-IOU Partner Coordination:** Indicate other IOU EE, DR or DG sub-programs with which this sub-program will regularly coordinate. Indicate also key non-IOU coordination partners. Indicate expected coordination mechanisms⁷ and frequency⁸:

Table 15: Cross-cutting Sub-program and Non-IOU Partner Coordination

See Table 15 in Attachment 2.

- **Logic Model:** Please append the logic model for this sub-program to the end of this PIP. Describe here any additional underlying theory supporting the sub-program intervention approach, referring as needed to the relevant literature (e.g., past evaluations, best practices documents, journal articles, books, etc.). - Logic Models were submitted as part of the response to Question 55 of the Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge submitted September 5, 2012.⁹

11. Additional Sub-Program Information

⁶ Joint Response of San Diego Gas & Electric and Southern California Company to Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge, Attachment B, at p. 64.

⁷ "Mechanisms" refers to communication methods (i.e. quarterly meetings; internal list serves; monthly calls, etc.) and/or any cross-program review methods (i.e., feedback on program plans; sign off on policies, etc.) or harmonization techniques (i.e. consistent certification requirements across programs, program participant required cross trainings, etc).

⁸ This does not mean there would be mutual understanding of the on the mechanism or a known frequency of coordination; rather, just provide enough information to give a general sense of the coordinate efforts.

⁹ Joint Response of San Diego Gas & Electric and Southern California Company to Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge, Attachment B, at p. 64.

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- a) **Advancing Strategic Plan Goals and Objectives:** Describe how sub-program advances the goals, strategies and objectives of the California Long Term Energy Efficiency Strategic Plan (word limit: 150 words)

On-Bill Financing is designed to facilitate the adoption of energy efficiency by removing one of the major barriers to participation – up-front costs. By allowing customers to finance upgrades, OBF advances the objectives of the California Long Term Strategic Plan; specifically, the commercial programmatic goal of zero net energy by 2030.

Additionally, OBF enables customers to take a holistic approach to projects and acts as a catalyst to implement improvements regardless of capital improvement budgets or schedules constraints. This holistic approach supports the 3rd of the Big Bold Strategies by funding HVAC measures in order to facilitate market transformation so that its energy performance is optimal for California.

b) **Integration**

- i. **Integrated/coordinated Demand Side Management:** As applicable, describe how sub-program will promote customer education and sub-program participation across all DSM options. Provide budget information of non-EE sub-programs where applicable.
CPUC guidance explicitly precludes the use of ratepayer funding for non EE measures under the OBF program. OBF marketing and outreach plans, strategy, and implementation will, however, be coordinated with IDSM strategies to assure relevant and allowable leveraging of OBF project development with IDSM initiatives.

Table 16: Non-EE Sub-Program Information

See Table 16 in Attachment 2.

- ii. **Integration across resource types** (energy, water, air quality, etc): If sub-program aims to integrate across resources types, please provide rationale and general approach.

CPUC guidance explicitly precludes the use of ratepayer funding for non EE measures under the OBF program. OBF marketing and outreach plans, strategy, and implementation will, however, be coordinated with IDSM strategies to assure relevant and allowable leveraging of OBF project development with IDSM initiatives.

See Table 16 in Attachment 2.

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- c) **Leveraging of Resources:** Please describe if the subprogram will leverage additional investments by market actors or other state, local or federal agencies.

The recent passage of SB 758 and Proposition 39 creates opportunities for synergies and integration with the OBF subprogram. The utilities support the notion that funds generated through SB 758 and Prop 39 may serve to augment and/or substitute for ratepayer OBF funding and will seek out opportunities to work with the IOU's and CPUC to leverage these funds to the maximum extent possible to assure the most cost-effective and prudent application of ratepayer funding to OBF programs.

- d) **Trials/ Pilots:** Please describe any trials or pilot projects planned for this sub-program.

None.

- e) **Knowledge Transfer:** Describe the strategy that will be used to identify and disseminate best practices and lessons learned from this sub-program. The utilities will continue to work closely with the CPUC, as has been done over the 2010-2012 to maximize insights developed from current IOU administration of OBF programs to improve this sub-program and other EE Finance programs. Examples where continued knowledge transfer may focus upon include, but are not limited to market segment participation, project end-use analysis, service delivery channel analysis, credit default/write-off rates, optimum loan terms, rebate/incentive interdependency, and other areas of interest.

12. Market Transformation Information: For programs identified as market transformation programs, include the following (suggested page limit- five pages)

- i. A summary of the market transformation objectives of the program.
- ii. A description of the market, including identification of the relevant market actors and the relationships among them;
- iii. A market characterization and assessment of the relationships/dynamics among market actors, including identification of the key barriers and opportunities to advance demand side management technologies and strategies;
- iv. A description of the proposed intervention(s) and its/their intended results, and specify which barriers the intervention is intended to address;
- v. A coherent program, or "market," logic model that ensures a solid causal relationship between the proposed intervention(s) and its/their intended results¹⁰;

¹⁰ If this logic model is the same as that requested in #10.(O), only provide once. As needed, provide a more detailed logic model emphasizing the market transformation elements of the program and/or how such elements integrate with resource acquisition elements.

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- vi. Appropriate evaluation plans and corresponding Market Transformation indicators and Program Performance Metrics based on the program logic model.

Not applicable, this program has not been identified as a market transformation program.

13. Additional information as required by Commission decision or ruling or as needed:

Include here additional information as required by Commission decision or ruling (As applicable. Indicate decision or ruling and page numbers):

Not applicable.

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ON-BILL FINANCING - ATTACHMENT 1

Program Non-Energy Objectives

For New or Substantially changed programs and sub-programs, provide the following information for Program Non-Energy Objectives and follow the format used for the previous cycle Program Performance Metrics found in Resolution E-4385.

- i. List the primary SMART¹¹ non-energy objectives of the program. These should correspond to key methods identified above to overcome the market barriers, areas of concern or gaps, and to the outputs and short, mid- and long-term non-energy outcomes identified in the logic model requested below. **(Rough Estimate, If Possible)**

TBD. Shall be updated to reflect the Commission's pending EM&V plan and approval.

- ii. For each SMART objective, identify the quantitative targets, direction or percent of change that you hope to achieve during the program cycle.¹² **(Rough Estimate, If Possible)**

TBD. Shall be updated to reflect the Commission's pending EM&V plan and approval.

- iii. For each proposed SMART objective, describe any relevant baseline data on current market conditions that you have assembled or plan to assemble and the sources. **(Rough Estimate, If Possible)**

TBD. Shall be updated to reflect the Commission's pending EM&V plan and approval.

¹¹ A SMART objective is one that is Specific (i.e. quantitative and quantifiable generally, in terms of the results to be achieved), Measurable, Ambitious, Realistic, and Time-bound. For example, for a vender training component of an innovative commercial program, two SMART mid-term objectives and one long-term objective might be:

- a) During the period 2013-2014, the number of HVAC installers in the SCE service territory who are able to perform quality installations of energy efficient packaged air conditioners will increase by 20%.
- b) During the period 2013-2014, the number of installations of energy efficient packaged air conditions in the SCE service territory that are considered quality installations will increase by 25%.
- c) By 2020, installations of energy efficient packaged air conditions in the SCE service territory that are considered quality installations will increase by 75%.

¹² Please also add any new program objectives and quantitative targets for statewide programs to the portfolio PPM/MTI reporting template.

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- iv. **Quantitative program targets (PPMs) (Rough Estimate, If Possible):** If not already provided above, indicate estimates of the number of measure units, buildings, etc. projected to be treated by the sub-program.

Table 3. Quantitative Program Targets (PPMs)
See Table 3 in Attachment 2.

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Sub-Program

1. **Sub-Program Name:** American Recovery and Reinvestment Act (ARRA)
Originated Financing Programs
2. **Sub-Program ID number:** SCG3736
3. **Type of Sub-Program:** Core Third Party Partnership
4. **Market sector or segment that this sub-program is designed to serve¹³:**
 - a) Residential
 - i. Including Low Income? Yes No;
 - ii. Including Moderate Income? Yes No.
 - iii. Including or specifically Multifamily buildings Yes No.
 - iv. Including or specifically Rental units? Yes No.
 - b) Commercial (List applicable NAIC codes: _____TBD_____)
 - c) Industrial (List applicable NAIC codes: _____TBD_____)
 - d) Agricultural (List applicable NAIC codes: _____TBD_____)
5. **Is this sub-program primarily a:**
 - a. Non-resource program Yes No
 - b. Resource acquisition program Yes No
 - c. Market Transformation Program Yes No
6. **Indicate the primary intervention strategies:**
 - a. Upstream Yes No
 - b. Midstream Yes No
 - c. Downstream Yes No
 - d. Direct Install Yes No.
 - e. Non Resource Yes No.
7. **Projected Sub-program Total Resource Cost (TRC) and Program Administrator Cost (PAC) (Rough Estimate, If Possible)** TRC _____ PAC _____

TBD. TRC and PAC analysis is subject to final CPUC guidance regarding the methodology for claiming energy savings within Finance Sub Programs.

8. Projected Sub-Program Budget

Table 3. Projected Sub-Program Budget, by Calendar Year (Rough Estimate, If Possible – Components may need to be modified for financing)¹⁴

¹³ Check all that apply

¹⁴ Individual utility specific information to be provided in this table

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ARRA-originated Financing Programs	Program Year		
	2013	2014	Total
IOU Admin-Oversight of ARRA Continuation Programs (\$)	TBD	TBD	TBD
IOU General overhead (\$)	TBD	TBD	TBD
ARRA Finance Product Funding (\$)	TBD	TBD	TBD
ARRA Program Administrator Funding-Admin, Mktg, and Development (\$)	TBD	TBD	TBD
Total Budget (\$)	\$1,600,000	\$1,600,000	\$3,200,000

9. Sub-Program Description, Objectives and Theory

- a) **Sub-Program Description and Theory:** Clearly describe the goals of the sub-program and the sub-program theory. As part of this, describe the market barriers, specific areas of concern and/or gaps that the sub-program is designed to address. Then describe the way the sub-program will seek to address each barrier, area of concern or gap¹⁵ (suggested work limit: 600 words per subprogram).

The utilities will provide funding for continuing and augmenting previously ARRA-funded programs that can help establish California energy project and loan performance records. Selected programs were evaluated against success criteria, as set forth in Section 5.3.2 (p.112 and 113) of the D.12-05-015 and the following IOU developed criteria:

1. Administrative funding (target < 10%) versus Finance Product funding
2. Coordination with and enhancement of utility Whole House programs to increase customer participation
3. Demonstrated ability to serve eligible IOU customers
4. Minimal duplication of same or similar finance products within the same geographic area

The IOUs identified different needs among current ARRA Finance Program participants. For example:

¹⁵ Through marketing, delivery mechanisms, information, incentives, etc. If barriers vary by market sub-sector, provide this information. As part of this, succinctly describe the role of any market actors upstream from the customer such as installers, vendors, architects, etc.; indicate if and why the program approach constitutes “best practice,” is “innovative” or reflects “lessons learned” in market strategies, program design and/or implementation techniques.

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1. Some wish to continue existing programs,
2. Some wish to modify existing programs, or
3. Some wish to apply remaining or available resources to enhanced or proposed programs.

In many cases, ARRA Finance Program recipients have not exhausted initial ARRA funding, but sought additional funding to leverage or enhance current ARRA-funded programs. The IOUs considered all requests for ARRA Finance Program continuation and evaluated these against CPUC success criteria and IOU criteria.

The primary goal of this subprogram is to continue developing loan and project performance data and experience to share with larger capital market players to ensure their confidence in both debt repayment behavior and the cash flow profile of energy savings associated with the projects.

In Decision 12-11-015, Conclusions of Law Paragraph 52, the Commission indicates that pilot financing programs originally funded under ARRA have shown promise and should be allowed to continue with energy efficiency program funding for two years. Per the Commission's expectation on p. 63 of Decision 12-11-015 for the utilities to indicate the exact programs to be funded by ARRA, SoCalGas hereby submits a list of the ARRA continuation finance programs that have been selected to receive energy efficiency funding in 2013-2014:

- I. County of Santa Barbara (with PG&E and SCE):
 - a. The emPowerSBC program
emPowerSBC is a residential financing program, which includes complementary services (e.g. administrative, contractor engagement, and marketing activities) and EUC support/promotion in Santa Barbara County. With EE funding from the IOUs, it is planned that the program will be expanded geographically into Ventura and San Luis Obispo County as well new markets (e.g. multifamily and small businesses), subject to all appropriate approvals.
- II. City of Los Angeles
 - a. The LA Commercial Building Performance Partnership (LACBPP)
The LACBPP was designed to promote deeper investment in energy efficiency, water efficiency and on-site renewable in commercial buildings by offering a range of services and resources, including educational campaigns, no-cost energy audits, as well as creation of directories of qualified contractors and capital providers. In addition, LACBPP introduces PACE and other project funding options to help move audited projects into implementations.
 - b. Multifamily Retrofit Program and Gateway to Green
Multifamily Retrofit Program and Gateway to Green offers financing to affordable housing developers to retrofit multifamily properties. In addition, "Green" criteria are added to the housing inspection program.

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- c. **Municipal Green Retrofit**
Municipal Green Retrofit Program: Offers a loan loss reserve to cover potential shortfalls on Qualified Energy Conservation Bonds (QECCBs) payments during construction.

III. County of Los Angeles (with SCE)¹⁶

- a. **Single Family Loan Loss Reserve**
LA County Single Family LLR offers a loan loss reserve to support EUC projects.
- b. **Multifamily Loan Loss Reserve**
LA County Multifamily LLR: Funding has been reserved for this program pending its approval by CPUC.
- c. **Non Residential Property Assessed Clean Energy (PACE)**
Non Residential PACE, as proposed by LA County, provides a debt service reserve for commercial PACE projects. As directed by the Commission, SoCalGas and SCE will fund administrative and marketing costs associated with this program.
- d. **Public Building Loan Loss Reserve**
Public Building LLR is a loan loss reserve program for public facility energy upgrade projects. As directed by the Commission, SoCalGas and SCE will fund administrative and marketing/outreach costs for this program.
- e. **Public Building Revolving Loan Fund**
As directed by the Commission, SoCalGas and SCE will fund the administration and marketing costs associated with this program.

IV. CHF's MIST II (with SCE)

CRHMFA Homebuyers Fund (CHF) will utilize EE funding from the IOUs to leverage private financing to provide a residential energy retrofit program. The private financing source will issue loans to utility customers to implement energy efficiency projects, and CHF will administer the Loan Loss Reserve with funds from the IOUs.

- b) **Sub-Program Energy and Demand Objectives-** If this sub-program has energy and demand objective, please complete Table 2.

Table 4. Projected Sub-Program Net Energy and Demand Impacts, by Calendar Year (Rough Estimate, If Possible) ¹⁷

¹⁶ County of Los Angeles' finance programs will be funded directly under SoCalREN.

¹⁷ Individual utility specific information to be provided in this table

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Program #	Main/Sub Program Name	Administrative Amount	Marketing Amount	Direct Implementation Amount	Incentive Amount	Total Program Budget Amount
3736	SW-FIN-ARRA-Originated Financing	\$0	\$0	\$3,200,000	\$0	\$3,200,000

It is not feasible to develop energy savings for these programs as IOUs have no experience with these program elements. Additionally, it is not feasible at this time to estimate the Net Energy and Demand Impacts until the eligible measures for the ARRA Finance programs are finalized.

c) **Program Non-Energy Objectives:**

Continue developing loan and project performance data and experience to share with larger capital market players to ensure their confidence in both debt repayment behavior and the cash flow profile of energy savings associated with the projects.

d) **Cost Effectiveness/Market Need:** What methods will be or have been used to determine whether this program is cost-effective?¹⁸ If this is a non-resource program, describe the literature, market assessments or other sources that indicate a need for this program.

The methods contained in the Standard Practice Manual will be used.

e) **Measure Savings/ Work Papers (Rough Estimate, If Possible):** Measure level impacts to be developed upon completion of ARRA program selection and finalization of energy savings estimation evaluation criteria for Finance Programs.

a. Indicate data source for savings estimates for program measures (DEER, custom measures, etc).

CPUC approved measures as set forth in DEER, and CPUC approved customized and deemed measures, and other eligible measures, as designated by the CPUC.

b. Indicate work paper status for program measures:

Table 4 – Work paper Status

See Table 4 in Attachment 2.

10. Program Implementation Details

¹⁸ If the program has energy and demand objectives, simply state that the methods contained in the Standard Practice Manual will be used. If the program does not have energy and demand objective, propose an approach to assess cost-effectiveness.

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- a) **Timelines:** List the key program milestones and dates. An example is included below.

Table 5: Sub-Program Milestones and Timeline (example)

Milestone	Date
Commitment of \$5-\$10 Million to Selected ARRA Finance Programs	August 2012
Research and Evaluation of ARRA Program Funding Continuation for 2013 and 2014	June-July 2012
Selection of Specific ARRA Program Funding Continuation and Amounts for 2013-2014	August-Sept 2012
Funding of ARRA-Originated Finance Programs	January 2013-December 2014

Table 5: Sub-Program Milestones and Timeline (example)

- b) **Geographic Scope:** List the geographic regions (e.g., CEC weather zones) where the program will operate

To be determined based upon final negotiations with selected ARRA Program Administrators.

Table 6: Geographic Regions Where the Program Will Operate

- c) **Program Administration**

Table 7: Program Administration of Program Components (Rough Estimate, If Possible)

To be determined based upon final negotiations with selected ARRA Program Administrators.

See Table 7 in Attachment 2.

- d) **Program Eligibility Requirements :**
i. **Customers:** List any customer eligibility requirements (e.g., annual energy use, peak kW demand):

Table 8: Customer Eligibility Requirements (Joint Utility Table)

SoCalGas' customer eligibility requirements include, but are not limited to the following:

- Non-residential customers (including institutional customers) and owners of multifamily units who do not reside on the premises.

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- Customer must have continuous utility service with SoCalGas for at least 24 of the immediately preceding months in the same business and with a minimum of 12 months of energy usage history at the current meter.
- Customer must be in good credit standing as determined by the Utility.
- Project must meet terms and conditions of one or more energy efficiency programs offered through the Utility.

See Table 8 in Attachment 2.

- ii. Contractors/Participants:** List any contractor (and/or developer, manufacturer, retailer or other “participant”) eligibility requirements (e.g. specific IOU required trainings; specific contractor accreditations; and/or, specific technician certifications required).

Refer to customer eligibility requirements as stipulated in Subsection i. above.

Table 9: Contractor/Participant Eligibility Requirements (Joint Utility Table)

See Table 9 in Attachment 2.

e) Program Partners :

Program partners include local government,s, non-government organizations (NGO’s), ARRA program administrators, financial institutions, contractors, vendors, and trade associations.

- a. **Manufacturer/Retailer/Distributor partners:** For upstream or midstream incentive and/or buy down programs indicate¹⁹: TBD. Subject to final negotiations with ARRA Program Administrators; however, it is not anticipated that there is an overlap between upstream and/or midstream incentive and/or buy down programs and the selected ARRA Finance Continuation programs.

Table 10: Manufacturer/Retailer/Distributor Partners (N/A)

See Table 10 in Attachment 2.

- b. **Other key program partners:** Indicate any research or other key program partners:

¹⁹ Provide in a consistent format for all IOUs. Indicate program partners across all IOU territories in one table or spreadsheet. Append to end of PIP.

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Key program partners include Expert Finance Consultant team, CPUC EMV staff, CPUC EMV consultants, IOU EMV staff, IOU EMV consultants.

- f) **Measures and incentive levels:** E3 calculators will provide the list of measures and incentive levels to be provided via the program. In this section the utilities should provide a summary table of measures and incentive levels. **(Rough Estimate, If Possible)**

Energy and Demand Impacts and underlying measure estimates to be developed upon completion of ARRA program selection and finalization of energy savings estimation evaluation criteria for Finance Programs.

Table 11: Summary Table of Measures, Incentive Levels and Verification Rates (Rough Estimate, If Possible)

See Table 11 in Attachment 2.

- a. Use a single excel spreadsheet to indicate the eligible measures for the program across all IOUs. Indicate the expected incentive level by measure or measure grouping for each IOU, making clear where these vary. **(Rough Estimate, If Possible)**

Energy impacts and underlying measure estimates to be developed upon completion of ARRA program selection and finalization of energy savings estimation evaluation criteria for Finance Programs.

- b. For each incented or rebated measure, indicate the market actor to whom this will be provided. **(Rough Estimate, If Possible)**

A project for which ARRA Finance funds are available are payable to the end use customer or a customer designated payee.

- g) **Additional Services:** List additional services that the sub-program will provide, to which market actors.

- a. For each service provided, indicate any expected charges to market actors of the services, and/or the level at which any such services will be incented or funded.

To be determined based upon final ARRA program negotiations, although it is not anticipated that there will be material out of pocket fees in addition to standard residential mortgage finance fees.

Table 12: Additional Services

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See Table 12 in Attachment 2.

- h) Sub-Program Specific Marketing and Outreach:** Please describe, providing timelines (suggested word limit: 300 words)

To be determined based upon finalization of ARRA Program negotiations and to be performed by ARRA Program Administrator.

- i) Sub-Program Specific Training:** Please describe, providing timelines (suggested word limit: 300 words)

To be determined based upon finalization of ARRA Program negotiations and to be performed by ARRA Program Administrator.

- j) Sub-Program Software and/or Additional Tools:**

To be determined based finalization of ARRA Program negotiations and to leverage ARRA Program Administrator software and database tools. Targeted timeline for more detailed information Q2 2013.

- a. List all eligible software or similar tools required for sub-program participation. **(Rough Estimate, If Possible)**

Indicate if pre and/or post implementation audits will be required for the sub-program. Yes No

- b. Pre-implementation audit required Yes No
Post-implementation audit required Yes No

- c. As applicable, indicate levels at which such audits shall be rebated or funded, and to whom such rebates/funding will be provided (i.e. to customer or contractor). **(Rough Estimate, If Possible)**

Not anticipated to be applicable; however, it is subject to final negotiations with ARRA Program Administrators.

Table 13: Post-implementation Audits (Rough Estimate, If Possible)

See Table 13 in Attachment 2.

- k) Sub-Program Quality Assurance Provisions:** Please list quality assurance, quality control, including accreditations/certification or other credentials

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Not applicable.

Table 14: Quality Assurance Provisions

See Table 14 in Attachment 2.

- l) Sub-program Delivery Method and Measure Installation /Marketing or Training:** Briefly describe any additional sub-program delivery and measure installation and/or marketing & outreach, training and/or other services provided, if not yet described above.

No additional services anticipated at this time, but subject to finalization of ARRA Finance negotiations.

- m) Sub-program Process Flow Chart:** Provide a sub-program process flow chart that describes the administrative and procedural components of the sub-program. For example, the flow chart might describe a customer's submittal of an application, the screening of the application, the approval/disapproval of an application, verification of purchase or installation, the processing and payment of incentives, and any quality control activities.

Process flow charts were submitted as part of the response to Question 55 of the Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge submitted September 5, 2012.²⁰

- n) Cross-cutting Sub-program and Non-IOU Partner Coordination:** Indicate other IOU EE, DR or DG sub-programs with which this sub-program will regularly coordinate. Indicate also key non-IOU coordination partners. Indicate expected coordination mechanisms²¹ and frequency²²: **(Rough Estimate, If Possible)**

Table 15: Cross-cutting Sub-program and Non-IOU Partner Coordination (TBD)

See Table 15 in Attachment 2.

²⁰ Joint Response of San Diego Gas &Electric and Southern California Company to Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge, Attachment B, at p. 64.

²¹ "Mechanisms" refers to communication methods (i.e. quarterly meetings; internal list serves; monthly calls, etc.) and/or any cross-program review methods (i.e., feedback on program plans; sign off on policies, etc). or harmonization techniques (i.e. consistent certification requirements across programs, program participant required cross trainings, etc).

²² This does not mean there would be mutual understanding of the on the mechanism or a known frequency of coordination; rather, just provide enough information to give a general sense of the coordinate efforts.

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- o) **Logic Model:** Please append the logic model for this sub-program to the end of this PIP. Describe here any additional underlying theory supporting the sub-program intervention approach, referring as needed to the relevant literature (e.g., past evaluations, best practices documents, journal articles, books, etc.).

Logic Models were submitted as part of the response to Question 55 of the Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge submitted September 5, 2012.²³

11. Additional Sub-Program Information

- a) **Advancing Strategic Plan Goals and Objectives:** Describe how sub-program advances the goals, strategies and objectives of the California Long Term Energy Efficiency Strategic Plan (word limit: 150 words)
- b) **Integration**
Integrated/coordinated Demand Side Management: As applicable, describe how sub-program will promote customer education and sub-program participation across all DSM options. Provide budget information of non-EE sub-programs where applicable. **(TBD)**

Subject to final negotiations with ARRA Finance Program Administrators.

Table 16: Non-EE Sub-Program Information (TBD)

See Table 16 in Attachment 2.

- i. **Integration across resource types** (energy, water, air quality, etc): If sub-program aims to integrate across resources types, please provide rationale and general approach.

Subject to final negotiations with ARRA Finance Program Administrators.

See Table 16 in Attachment 2.

- c) **Leveraging of Resources:** Please describe if the subprogram will leverage additional investments by market actors or other state, local or federal agencies.

²³ Joint Response of San Diego Gas & Electric and Southern California Company to Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge, Attachment B, at p. 64.

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The recent passage of SB 758 and Proposition 39 creates opportunities for synergies and integration with the OBF subprogram. The utilities supports the notion that funds generated through SB 758 and Prop 39 may serve to augment and/or substitute for ratepayer OBF funding and will seek out opportunities to work with the IOU's and CPUC to leverage these funds to the maximum extent possible to assure the most cost-effective and prudent application of ratepayer funding to OBF programs.

- d) **Trials/ Pilots:** Please describe any trials or pilot projects planned for this sub-program

None.

- f) **Knowledge Transfer:** Describe the strategy that will be used to identify and disseminate best practices and lessons learned from this sub-program.

The utilities will continue to work closely with the CPUC, as has been done over the 2010-2012 to maximize insights developed from current IOU administration of OBF programs to improve this sub-program and other EE Finance programs. Examples where continued knowledge transfer may focus upon include, but are not limited to market segment participation, project end-use analysis, service delivery channel analysis, credit default/write-off rates, optimum loan terms, rebate/incentive interdependency, and other areas of interest.

12. Market Transformation Information: For programs identified as market transformation programs, include the following (suggested page limit- five pages):

- i. A summary of the market transformation objectives of the program.
- ii. A description of the market, including identification of the relevant market actors and the relationships among them;
- iii. A market characterization and assessment of the relationships/dynamics among market actors, including identification of the key barriers and opportunities to advance demand side management technologies and strategies;
- iv. A description of the proposed intervention(s) and its/their intended results, and specify which barriers the intervention is intended to address;
- v. A coherent program, or "market," logic model that ensures a solid causal relationship between the proposed intervention(s) and its/their intended results²⁴;
- vi. Appropriate evaluation plans and corresponding Market Transformation indicators and Program Performance Metrics based on the program logic model.

²⁴ If this logic model is the same as that requested in #10.(O), only provide once. As needed, provide a more detailed logic model emphasizing the market transformation elements of the program and/or how such elements integrate with resource acquisition elements.

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13. Additional information as required by Commission decision or ruling or as needed:

Include here additional information as required by Commission decision or ruling (As applicable. Indicate decision or ruling and page numbers):

Not applicable, this program has not been identified as a market transformation program.

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ARRA-ORIGINATED FINANCING - ATTACHMENT 1

Program Non-Energy Objectives

For New or Substantially changed programs and sub-programs, provide the following information for Program Non-Energy Objectives and follow the format used for the previous cycle Program Performance Metrics found in Resolution E-4385.

- i. List the primary SMART²⁵ non-energy objectives of the program. These should correspond to key methods identified above to overcome the market barriers, areas of concern or gaps, and to the outputs and short, mid- and long-term non-energy outcomes identified in the logic model requested below. **(Rough Estimate, If Possible)**

TBD

- ii. For each SMART objective, identify the quantitative targets, direction or percent of change that you hope to achieve during the program cycle.²⁶ **(Rough Estimate, If Possible)**

TBD

- iii. For each proposed SMART objective, describe any relevant baseline data on current market conditions that you have assembled or plan to assemble and the sources. **(Rough Estimate, If Possible)**

TBD

- iv. **Quantitative program targets (PPMs) (Rough Estimate, If Possible):** If not already provided above, indicate estimates of the number of measure units, buildings, etc. projected to be treated by the sub-program.

Table 3. Quantitative Program Targets (PPMs)

See Table 3 in Attachment 2.

²⁵ A SMART objective is one that is Specific (i.e. quantitative and quantifiable generally, in terms of the results to be achieved), Measurable, Ambitious, Realistic, and Time-bound. For example, for a vender training component of an innovative commercial program, two SMART mid-term objectives and one long-term objective might be:

- d) During the period 2013-2014, the number of HVAC installers in the SCE service territory who are able to perform quality installations of energy efficient packaged air conditioners will increase by 20%.
- e) During the period 2013-2014, the number of installations of energy efficient packaged air conditions in the SCE service territory that are considered quality installations will increase by 25%.
- f) By 2020, installations of energy efficient packaged air conditions in the SCE service territory that are considered quality installations will increase by 75%.

²⁶ Please also add any new program objectives and quantitative targets for statewide programs to the portfolio PPM/MTI reporting template.

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Sub-Program

- 1) **Sub-Program Name:** New Financing Offerings
2) **Sub-Program ID number:** SCG3737
3) **Type of Sub-Program:** Core Third Party Partnership
4) **Market sector or segment that this sub-program is designed to serve²⁷:**
- a. Residential
 - i. Including Low Income? Yes No;
 - ii. Including Moderate Income? Yes No.
 - iii. Including or specifically Multifamily buildings Yes No.
 - iv. Including or specifically Rental units? Yes No.
 - b. Commercial (List applicable NAIC codes: _____)
 - c. Industrial (List applicable NAIC codes: _____)
 - d. Agricultural (List applicable NAIC codes: _____)

- 5) **Is this sub-program primarily a:**
- a) Non-resource program Yes No
 - b) Resource acquisition program Yes No
 - c) Market Transformation Program Yes No

6) **Indicate the primary intervention strategies:**

- a. Upstream Yes No
- b. Midstream Yes No
- c. Downstream Yes No
- d. Direct Install Yes No
- e. Non Resource Yes No

7) **Projected Sub-program Total Resource Cost (TRC) and Program Administrator Cost (PAC) (Rough Estimate, If Possible)** TRC ___ PAC ___

TBD. TRC and PAC analysis is subject to final CPUC guidance regarding the methodology for claiming energy savings within Finance Sub Programs.

8) **Projected Sub-Program Budget**

Table 5. Projected Sub-Program Budget, by Calendar Year (Rough Estimate, If Possible Components may need to be modified for financing)²⁸

²⁷ Check all that apply

²⁸ Individual utility specific information to be provided in this table

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	Program Year		
	2013	2014	Total
New Financing Offerings			
Admin (\$)	TBD	TBD	TBD
General Overhead (\$)	TBD	TBD	TBD
Loan Funding Implementation (\$)	TBD	TBD	TBD
Marketing & Outreach (\$)	TBD	TBD	TBD
Education & Training (\$)	TBD	TBD	TBD
Total Budget (\$)	\$5,133,811	\$5,133,811	\$10,267,622

9) Sub-Program Description, Objectives and Theory

- a) **Sub-Program Description and Theory:** Clearly describe the goals of the sub-program and the sub-program theory. As part of this, describe the market barriers, specific areas of concern and/or gaps that the sub-program is designed to address. Then describe the way the sub-program will seek to address each barrier, area of concern or gap²⁹ (suggested work limit: 600 words per subprogram).

The new financing program offerings to be designed and developed in 2012 by the expert financing consultant; piloted in 2013; and scaled up in 2014 include:

1. A credit enhancement strategy for the single-family residential market. Utilities will look into selecting a single entity that can be utilized by both local and statewide lenders to administer credit enhancements. A single entity can offer consistency across the State and gain economies of scale of its operations. Entities such as CAEATFA or other organizations with similar capabilities and experiences will be considered for this role. Unlike for multifamily and non residential customer segments, an On-Bill Repayment (OBR) strategy will not be developed for all residential customers at this point per Commission’s guidance.
2. A financing program strategy designed specifically for the multifamily residential market that includes both credit enhancement and an on-bill repayment option where the customer could pay back an energy efficiency project loan from a third party through their energy bill. This strategy may require legislative change to fully implement. The program’ structure or terms may vary in order to attract customers and building owners from both a) low-moderate income and b)

²⁹ Through marketing, delivery mechanisms, information, incentives, etc. If barriers vary by market sub-sector, provide this information. As part of this, succinctly describe the role of any market actors upstream from the customer such as installers, vendors, architects, etc.; indicate if and why the program approach constitutes “best practice,” is “innovative” or reflects “lessons learned” in market strategies, program design and/or implementation techniques.

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moderate-high income multifamily residential market segments. Per Commission's guidance, the utilities along with the expert finance consultant will explore the following program design features:

- Start with a bill neutrality objective, at least for credit challenged or lower-income populations.
- Consider an additional cushion beyond bill neutrality to minimize potential negative impact on consumers.
- Seek to structure loans and eligible measures to give the owner at least an 11% return.
- Start with placing the loan obligations on common meters.
- Identify specific waivers and/or clearance required from the California Department of Corporations for lending to this market segment.
- Consider possible tariffed service utilizing private capital.
- Seek to marry the energy efficiency loan opportunity with solving another problem (such as equipment malfunction, safety, health).
- Seek to pair the energy efficiency measure with a home equity loan.
- For multifamily market-rate rental housing, credit enhancement may be necessary to drive participation.
- Offer (and test) with a variety of multifamily types, including high rises and low rises, condos and rentals, and different physical configurations (central vs. individual building systems).

3. A credit enhancement strategy for the small business market. Similar to the single family residential market, credit enhancement for small business market segment may be provided or aggregated by a third-party such as CAEATFA or a similar type of entity.

4. An on-bill repayment strategy for all non-residential customers. Bill neutrality will not be required, however, an estimate of the bill impacts of the energy efficiency project to be financed will be presented to the customer at the time they are making the commitment to the project, thus ensures an informed decision by the customer without a strict requirement for bill neutrality. Partial payments will be allocated between utility bill obligations and loan repayment on a pro rata basis.

In addition, utilities, the expert financing consultant, and a working group convened by the consultant, will develop or contribute to a larger-scale database or databases of financing related data and information that can be shared publicly after appropriately masking individual customer confidential information.

The IOUs will update this PIP with additional details after the Commission issues a final Ruling or Decision on the EE Finance Pilots.

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- b) **Sub-Program Energy and Demand Objectives-** If this sub-program has energy and demand objective, please complete Table 2.

Table 6. Projected Sub-Program Net Energy and Demand Impacts, by Calendar Year (Rough Estimate, If Possible) ³⁰

Program #	Main/Sub Program Name	Administrative Amount	Marketing Amount	Direct Implementation Amount	Incentive Amount	Total Program Budget Amount
3737	SW-FIN-New Financing Offerings	\$0	\$0	\$10,267,622	\$0	\$10,267,622

It is not feasible to develop energy savings for these programs as IOUs have no experience with these program elements. Additionally, it is assumed that a number of the measures to be installed may not be eligible for a rebate/incentive and therefore will need to be treated as “custom measures.”

- c) **Program Non-Energy Objectives:**

TBD

- d) **Cost Effectiveness/Market Need:** What methods will be or have been used to determine whether this program is cost-effective?³¹ If this is a non-resource program, describe the literature, market assessments or other sources that indicate a need for this program.

The methods contained in the Standard Practice Manual will be used.

- e) **Measure Savings/Work Papers (Rough Estimate, If Possible):**

a. Indicate data source for savings estimates for program measures (DEER, custom measures, etc).

b. Indicate work paper status for program measures:

Table 4 – Work paper Status

See Table 3 in Attachment 2.

10) Program Implementation Details

- a) **Timelines:** List the key program milestones and dates. An example is included below.

³⁰ Individual utility specific information to be provided in this table

³¹ If the program has energy and demand objectives, simply state that the methods contained in the Standard Practice Manual will be used. If the program does not have energy and demand objective, propose an approach to assess cost-effectiveness.

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Table 5: Sub-Program Milestones and Timeline (example)
TBD

- b) **Geographic Scope:** List the geographic regions (e.g., CEC weather zones) where the program will operate

**Table 6: Geographic Regions Where the Program Will Operate –
TBD**

- c) **Program Administration**

Table 7: Program Administration of Program Components (Rough Estimate, If Possible) (TBD)

See Table 7 in Attachment 2.

- d) **Program Eligibility Requirements:**

- i. **Customers:** List any customer eligibility requirements (e.g., annual energy use, peak kW demand) **(TBD)**:

Table 8: Customer Eligibility Requirements (Joint Utility Table) (TBD)

See Table 8 in Attachment 2.

- ii. **Contractors/Participants:** List any contractor (and/or developer, manufacturer, retailer or other “participant”) eligibility requirements (e.g. specific IOU required trainings; specific contractor accreditations; and/or, specific technician certifications required). **(TBD)**

Table 9: Contractor/Participant Eligibility Requirements (Joint Utility Table) (TBD)

See Table 9 in Attachment 2.

- e) **Program Partners (TBD):**

- a) **Manufacturer/Retailer/Distributor partners:** For upstream or midstream incentive and/or buy down programs indicate³²: **(TBD)**

Table 10: Manufacturer/Retailer/Distributor Partners (N/A)

³² Provide in a consistent format for all IOUs. Indicate program partners across all IOU territories in one table or spreadsheet. Append to end of PIP.

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See Table 10 in Attachment 2.

b) Other key program partners: Indicate any research or other key program partners:

- f) **Measures and incentive levels:** E3 calculators will provide the list of measures and incentive levels to be provided via the program. In this section the utilities should provide a summary table of measures and incentive levels. **(Rough Estimate, If Possible)**

Table 11: Summary Table of Measures, Incentive Levels and Verification Rates (Rough Estimate, If Possible)

See Table 11 in Attachment 2.

- b) Use a single excel spreadsheet to indicate the eligible measures for the program across all IOUs. Indicate the expected incentive level by measure or measure grouping for each IOU, making clear where these vary. **(Rough Estimate, If Possible)**
- c) For each incented or rebated measure, indicate the market actor to whom this will be provided. **(Rough Estimate, If Possible)**

- g) **Additional Services:** List additional services that the sub-program will provide, to which market actors.

For each service provided, indicate any expected charges to market actors of the services, and/or the level at which any such services will be incented or funded.

Table 12: Additional Services

See Table 12 in Attachment 2. (TBD)

- h) **Sub-Program Specific Marketing and Outreach:** Please describe, providing timelines (suggested word limit: 300 words)

TBD

- i) **Sub-Program Specific Training:** Please describe, providing timelines (suggested word limit: 300 words)

TBD

- j) **Sub-Program Software and/or Additional Tools:**

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- a) List all eligible software or similar tools required for sub-program participation. **(Rough Estimate, If Possible)** TBD
- b) Indicate if pre and/or post implementation audits will be required for the sub-program. ___ Yes ___ No TBD
 - i. Pre-implementation audit required ___ Yes ___ No TBD
 - ii. Post-implementation audit required ___ Yes ___ No_ TBD

As applicable, indicate levels at which such audits shall be rebated or funded, and to whom such rebates/funding will be provided (i.e. to customer or contractor). **(Rough Estimate, If Possible)** TBD

Table 13: Post-implementation Audits (Rough Estimate, If Possible)

See Table 13 in Attachment 2.- TBD

- k) **Sub-Program Quality Assurance Provisions:** Please list quality assurance, quality control, including accreditations/certification or other credentials **(TBD)**

Table 14: Quality Assurance Provisions (TBD)

See Table 14 in Attachment 2.

- l) **Sub-program Delivery Method and Measure Installation/Marketing or Training:** Briefly describe any additional sub-program delivery and measure installation and/or marketing & outreach, training and/or other services provided, if not yet described above.

TBD

- m) **Sub-program Process Flow Chart:** Provide a sub-program process flow chart that describes the administrative and procedural components of the sub-program. For example, the flow chart might describe a customer's submittal of an application, the screening of the application, the approval/disapproval of an application, verification of purchase or installation, the processing and payment of incentives, and any quality control activities.

TBD

- n) **Cross-cutting Sub-program and Non-IOU Partner Coordination:** Indicate other IOU EE, DR or DG sub-programs with which this sub-program will regularly coordinate. Indicate also key non-IOU coordination partners. Indicate expected coordination mechanisms³³ and frequency³⁴: **(Rough Estimate, If Possible)**

³³ "Mechanisms" refers to communication methods (i.e. quarterly meetings; internal list serves; monthly calls, etc.) and/or any cross-program review methods (i.e., feedback on program plans; sign off on policies, etc). or harmonization techniques (i.e. consistent certification requirements across programs, program participant required cross trainings, etc).

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**Table 15: Cross-cutting Sub-program and Non-IOU Partner Coordination
(TBD)**

See Table 15 in Attachment 2.

- o) Logic Model:** Please append the logic model for this sub-program to the end of this PIP. Describe here any additional underlying theory supporting the sub-program intervention approach, referring as needed to the relevant literature (e.g., past evaluations, best practices documents, journal articles, books, etc.).

TBD

11) Additional Sub-Program Information

- a) **Advancing Strategic Plan Goals and Objectives:** Describe how sub-program advances the goals, strategies and objectives of the California Long Term Energy Efficiency Strategic Plan (word limit: 150 words)
- b) **Integration**
- i. **Integrated/coordinated Demand Side Management:** As applicable, describe how sub-program will promote customer education and sub-program participation across all DSM options. Provide budget information of non-EE sub-programs where applicable. **(TBD)**

Table 16: Non-EE Sub-Program Information (TBD)

TBD - See Table 16 in Attachment 2.

- ii. **Integration across resource types** (energy, water, air quality, etc): If sub-program aims to integrate across resources types, please provide rationale and general approach. **(TBD)**

TBD - See Table 16 in Attachment 2.

- c) **Leveraging of Resources:** Please describe if the subprogram will leverage additional investments by market actors or other state, local or federal agencies. **(TBD)**
- d) **Trials/ Pilots:** Please describe any trials or pilot projects planned for this sub-program **(TBD)**

³⁴ This does not mean there would be mutual understanding of the on the mechanism or a known frequency of coordination; rather, just provide enough information to give a general sense of the coordinate efforts.

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- e) **Knowledge Transfer:** Describe the strategy that will be used to identify and disseminate best practices and lessons learned from this sub-program (**TBD**)

12) Market Transformation Information: For programs identified as market transformation programs, include the following (suggested page limit- five pages):

- i. A summary of the market transformation objectives of the program.
- ii. A description of the market, including identification of the relevant market actors and the relationships among them;
- iii. A market characterization and assessment of the relationships/dynamics among market actors, including identification of the key barriers and opportunities to advance demand side management technologies and strategies;
- iv. A description of the proposed intervention(s) and its/their intended results, and specify which barriers the intervention is intended to address;
- v. A coherent program, or “market,” logic model that ensures a solid causal relationship between the proposed intervention(s) and its/their intended results³⁵;
- vi. Appropriate evaluation plans and corresponding Market Transformation indicators and Program Performance Metrics based on the program logic model.

Not applicable, this program has not been identified as a market transformation program.

13) Additional information as required by Commission decision or ruling or as needed: Include here additional information as required by Commission decision or ruling (As applicable. Indicate decision or ruling and page numbers):

Decision 12-05-015

- The utilities are requested to propose for the credit enhancement product in their 2013-2014 portfolio applications with discussion of the preferred options and rationale”. (p.119)

The loan loss reserve is the preferred credit enhancement option proposed by the utilities. With the loan loss reserve, funds are required only to cover actual loan defaults and therefore a more effective use of ratepayer funding (as opposed to interest rate buy-downs which require funding to offset every loan). However, if there is no interest in the product, the utilities will explore other alternatives.

³⁵ If this logic model is the same as that requested in #10.(O), only provide once. As needed, provide a more detailed logic model emphasizing the market transformation elements of the program and/or how such elements integrate with resource acquisition elements.

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- The question of multiple program participation should be addressed in the utility 2013-2014 applications (p.130)

A single project cannot receive funds from more than one loan program supported by ratepayer dollars. A clear and understandable menu of financing choices available to utility customers through the Statewide Finance Program should be developed to help interested customers select the option best suited for their projects. The utilities will train the contractors/account executives on these financing options in order to assist customers seeking financing for their investment in demand-side technologies (energy efficiency, demand response, distributed generation, and storage).

- In their 2013-2014 program portfolio applications, the utilities should also provide details on the billing system upgrades and/or other information technology costs that may be associated with an on-bill repayment offering for the non-residential market (P. 133)

The preliminary cost estimate for upgrading SoCalGas' billing system to support Non Residential OBR is about **\$700,000**. As the design for the new finance programs are completed, there may be refinement to this cost estimate.

- Utilities should propose a fee mechanism to negotiate with participating lenders or other financial entities that allows utilities to cover the costs of any ongoing billing expenses and infrastructure upgrades to provide the on-bill repayment service. (p.133)

The utilities propose an OBR fee mechanism similar to that for the utility's Line Item Billing Program. The preliminary fee structure will likely include:

- Fixed monthly billing fee per customer for providing the billing and remittance processing services, and associated reports and customer service.
 - Upfront payment to cover start up costs (system changes, project management) to support lender processes.
 - Reimbursement for costs associated with incremental Customer Service Support.
- The utilities should include in their applications a discussion of the relationship of the on-bill repayment offering with existing utility programs and their associated rebates or other financial incentives (p.133)

The IOUs will update their on-bill repayment offerings pending the assigned Commissioner's ruling approving the final program designs.

- Utilities should propose in their 2013-2014 program applications an approach for counting incremental energy savings achieved by financing program offerings while avoiding double counting with savings from other programs (p.136)

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With on-bill repayment expected to be offered as an alternative to rebates/incentives, and that financing programs are defined as “resource,” incremental energy savings associated with OBR projects will be counted toward OBR programs and not rebate/incentive programs.

- As directed by the Commission in Ordering Paragraph 10 items G through K, SoCalGas’ contract with the County of LA on behalf of the SoCalREN will fund the following programs: Public Building Loan Loss Reserve, Single Family Loan Loss Reserve, Multi-Family Loan Loss Reserve, Non-Residential Property Assessed Clean Energy and the Public Agency Revolving Loan. These programs have been included in Section 13 as part of the ARRA continuation finance programs.
- In accordance to Conclusions of Law Paragraph 53, the utilities will carefully coordinate statewide energy efficiency financing pilot activities with the REN financing activities. Per Ordering Paragraph 22 of Decision 12-11-015, the IOUs will proceed with activities related to the statewide energy efficiency financing pilot programs. The IOUs will update program designs according to the assigned Commissioner’s ruling approving the final program designs.

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NEW FINANCING OFFERINGS -ATTACHMENT 1

Program Non-Energy Objectives

For New or Substantially changed programs and sub-programs, provide the following information for Program Non-Energy Objectives and follow the format used for the previous cycle Program Performance Metrics found in Resolution E-4385.

- List the primary SMART³⁶ non-energy objectives of the program. These should correspond to key methods identified above to overcome the market barriers, areas of concern or gaps, and to the outputs and short, mid- and long-term non-energy outcomes identified in the logic model requested below. **(Rough Estimate, If Possible)**

TBD. Shall be updated to reflect the Commission's pending EM&V plan and approval.

- For each SMART objective, identify the quantitative targets, direction or percent of change that you hope to achieve during the program cycle.³⁷ **(Rough Estimate, If Possible)**

TBD. Shall be updated to reflect the Commission's pending EM&V plan and approval.

- For each proposed SMART objective, describe any relevant baseline data on current market conditions that you have assembled or plan to assemble and the sources. **(Rough Estimate, If Possible)**

TBD. Shall be updated to reflect the Commission's pending EM&V plan and approval.

- **Quantitative program targets (PPMs) (Rough Estimate, If Possible):** If not already provided above, indicate estimates of the number of measure units, buildings, etc. projected to be treated by the sub-program.

³⁶ A SMART objective is one that is Specific (i.e. quantitative and quantifiable generally, in terms of the results to be achieved), Measurable, Ambitious, Realistic, and Time-bound. For example, for a vender training component of an innovative commercial program, two SMART mid-term objectives and one long-term objective might be:

- g) During the period 2013-2014, the number of HVAC installers in the SCE service territory who are able to perform quality installations of energy efficient packaged air conditioners will increase by 20%.
- h) During the period 2013-2014, the number of installations of energy efficient packaged air conditions in the SCE service territory that are considered quality installations will increase by 25%.
- i) By 2020, installations of energy efficient packaged air conditions in the SCE service territory that are considered quality installations will increase by 75%.

³⁷ Please also add any new program objectives and quantitative targets for statewide programs to the portfolio PPM/MTI reporting template.

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See Table 3. Quantitative Program Targets (PPMs)

TBD

Statewide Finance Program Attachment 2

Table 1: Total Projected Program Budget & Savings by Subprogram

Subprogram	PG&E (\$)	SCE (\$)	SDG&E (\$)	SCG (\$)	Kwh	KW	Therms
OBF				\$1,727,378	0	0	750,001
ARRA-Originated Financing				\$3,200,000	TBD	TBD	TBD
New Financing Offerings				\$10,267,622	TBD	TBD	TBD
Total				\$15,195,000	0	0	750,001

Table 2: Total Projected Program Savings by IOU

Subprogram	PG&E	PG&E	PG&E	SCE	SCE	SDG&E	SDG&E	SDG&E	SCG	Total
	Kwh	KW	Therms	Kwh	KW	Kwh	KW	Therms	Therms	
OBF									750,001	
ARRA-Originated Financing									TBD	
New Financing Offerings									TBD	
Total									750,001	

Table 1. Projected Sub-Program Budget, by Calendar Year

On-Bill Financing	Program Year		
	2013	2014	Total
Admin (\$)	\$26,110.32	\$26,110.32	\$52,220.64
General Overhead (\$)	\$29,223.29	\$29,223.29	\$58,446.58
Loan Funding Implementation(\$)	\$513,109.01	\$513,109.01	\$1,026,218.02
Marketing & Outreach (\$)	\$36,596.38	\$36,596.38	\$73,192.76
Education & Training (\$)	\$8,650.00	\$8,650.00	\$17,300.00
Total Budget (\$)	\$613,689.00	\$613,689.00	\$1,227,378.00

* This table only reflects the non-incentive finance budget; \$500,000 in incentives for 2013-2014 are not shown.

Individual utility specific information to be provided in this table

Table 2. Projected Sub-Program Net Energy and Demand Impacts, by Calendar Year

	Program Years		Total
	2013	2014	
OBF			
GWh	0	0	0
Peak MW	0	0	0
Therms (millions)	0.375	0.375	0.75

Individual utility specific information to be provided in this table

Table 3. Quantitative Program Targets (PPMs)

Target	2013	2014
Number of homes or buildings treated	TBD	TBD
Number of units incented or rebated	TBD	TBD

Table 4 – Work Paper Status

#	Workpaper Number/Measure Name	Approved	Pending Approval	Submitted but Awaiting Review
1				
2				
3				
4				
5				
6				

For ARRA-originated finance programs and New financing Offerings: TBD

Table 5:. On Bill Financing Subprogram Milestones and Timeline (example)

Milestone	Date
Statewide Coordination Meeting	Oct-12
Statewide Vendor Participation Guidelines Completed	Nov-12
Vendor training module completed	Nov-12
Marketing materials completed	Feb-13
SW OBF Finance Manual Draft 1 Completed	13-Feb
Loans funded	2/2013 – 12/2014

Table 6 Geographic Regions

Geographic Region	Statewide Financing - SCG
CEC Climate Zone 1	
CEC Climate Zone 2	
CEC Climate Zone 3	
CEC Climate Zone 4	x
CEC Climate Zone 5	x
CEC Climate Zone 6	x
CEC Climate Zone 7	x
CEC Climate Zone 8	x
CEC Climate Zone 9	x
CEC Climate Zone 10	x
CEC Climate Zone 11	
CEC Climate Zone 12	
CEC Climate Zone 13	x
CEC Climate Zone 14	x
CEC Climate Zone 15	x
CEC Climate Zone 16	x

Table 7: Program Administration of Program Component:

Program Name	Program Component	Implemented by IOU Staff? (X = Yes)	Implemented by contractors to be selected by competitive bid process (if Yes then enter type of contractor/other market actor possibly used)	Implemented by contractors NOT selected by competitive bid process (list prime contractor and sub-contractor names)	Implemented by local government or other entity (X = Yes)
On-Bill Financing	Program Application Process	X			
On-Bill Financing	Inspections	X			
On-Bill Financing	Project Engineering Review	X			
On-Bill Financing	Loan Funding	X			
On-Bill Financing	Loan Repayment Process	X			
On-Bill Financing	Marketing/Outreach	X			X

Table 8: Customer Eligibility Requirements (Joint Utility Table)

For On Bill Financing subprogram:

Customer Eligibility Requirement (list of requirements)	PGE	SCE	SDGE	SCG
Non-residential customers (including institutional customers)	x	x	x	x
Owners of multifamily units who do not reside on the premises	x	x	x	x

The utilities must work together and submit this table jointly in their respective applications

For ARRA-originated finance programs and New financing Offerings: TBD

Table 9: Contractor Eligibility Requirements (Joint Utility Table)

Contractor Eligibility Requirement (list of requirements)	PGE	SCE	SDGE	SCG
TBD				TBD

List any contractor (and/or developer, manufacturer, retailer or other “participant”) eligibility requirements (e.g. specific IOU required trainings; specific contractor accreditations; and/or, specific technician certifications required).

The utilities must work together and submit this table jointly in their respective applications

Table 10: Manufacturer/Retailer/Distributor Partners

Manufacturer/Retailer/Distributor Partner Information	PGE	SCE	SDGE	SCG
	[list kinds of manufacturers]	[list kinds of manufacturers]	[list kinds of manufacturers]	[list kinds of manufacturers]
Manufacturers enrolled in program				N/A
Manufacturers enrolled in program				N/A
Manufacturers targeted for enrollment in program				N/A
Manufacturers targeted for enrollment in program				N/A
Manufacturers targeted for enrollment in program				N/A
Retailers enrolled in program				N/A
Retailers enrolled in program				N/A
Retailers enrolled in program				N/A
Retailers enrolled in program				N/A
Retailers targeted for enrollment in program				N/A
Retailers targeted for enrollment in program				N/A
Retailers targeted for enrollment in program				N/A
Distributors enrolled in program				N/A
Distributors enrolled in program				N/A
Distributors enrolled in program				N/A
Distributors targeted for enrollment in program				N/A
Distributors targeted for enrollment in program				N/A
Distributors targeted for enrollment in program				N/A

Table 12: Additional Services

Additional Services that On-bill Financing Sub-Program Will Fund	To Which Market Actors	PGE	SCE	SDGE	SCG
		[indicate the level at which the service will be incented or funded]	[indicate the level at which the service will be incented or funded]	[indicate the level at which the service will be incented or funded]	[indicate the level at which the service will be incented or funded]
Energy Audit					0
Energy Savings Assessment					0
Information on Other Utility Programs					0

a. For each service provided, indicate any expected charges to market actors of the services, and/or the level at which any such services will be incented or funded.

Table 14: Quality Assurance Provisions

QA Requirements	QA Sampling Rate (Indicate Pre/Post Sample)	QA Personnel Certification Requirements
QA requirements #1	TBD	TBD
QA requirements #2		
QA requirements #3		
QC requirement #1		
QC requirement #2		
QC requirement #3		

NOTE: Please list quality assurance, quality control, including accreditations/certification or other credentials required.

Table 15: Cross-cutting Sub-program and Non-IOU Partner Coordination

Sub-Program Name		
Other IOU Sub-program Name	Coordination Mechanism	Expected Frequency
TBD	TBD	TBD
Coordination Partners Outside CPUC		
TBD	TBD	TBD

Note: “Mechanisms” refers to communication methods (i.e. quarterly meetings; internal list serves; monthly calls, etc.) and/or any cross-program review methods (i.e., feedback on program plans; sign off on policies, etc). or harmonization techniques (i.e. consistent certification requirements across programs, program participant required cross trainings, etc).

Table 16: Non-EE Sub-Program Information

Sub-Program Name		
Non-EE Sub-Program	Budget	Rationale and General Approach for Integrating Across Resource Types
TBD	TBD	TBD

NOTE: Column C --> Integrated/coordinated Demand Side Management: As applicable, describe how sub-program will promote customer education and sub-program participation across all DSM options. Provide budget information of non-EE sub-programs where applicable. Column D --> Integration across resource types (energy, water, air quality, etc): If sub-program aims to integrate across resources types, please provide rationale and general approach

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1. **Program Name:** Integrated Demand-Side Management Program
Program ID: SCG3734
Program Type: Statewide Core Program

2. **Projected Program Budget Table**

Table 1: Total Projected Program Budget by Category

Program #	Main/Sub Program Name	Administrative Amount	Marketing Amount	Direct Implementation Amount	Incentive Amount	Total Program Budget Amount
	SW Integrated Demand Side Management Program					
3734	SW-IDSMS-IDSMS	\$71,924	\$24,900	\$553,177	\$0	\$650,000
	TOTAL:	\$71,924	\$24,900	\$553,177	\$0	\$650,000

3. **Projected Program Gross Impacts Table**

Table 2: Total Projected Program Savings by Subprogram

Program #	Main/Sub Program Name	2013-2014 Gross kW Savings	2013-2014 Gross kWh Savings	2013-2014 Gross Therm Savings
	SW Integrated Demand Side Management Program			
3734	SW-IDSMS-IDSMS	0	0	0
	TOTAL:	0	0	0

IDSMS is a non-resource program.

4. **Program Description**

a) Description

The California Long Term Energy Efficiency Strategic Plan (Strategic Plan) encourages programs that integrate the full range of demand-side management (DSM) options including energy efficiency (EE), demand response (DR), and distributed generation (DG) as fundamental to achieving California’s strategic energy goals. This program implementation plan (PIP) presents the coordinated effort of Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE), San Diego Gas and Electric Company (SDG&E) and Southern California Gas Company (SoCalGas), (together referred to as “the IOUs”) to integrate DSM options in full collaboration with the Commission’s Energy Division. This PIP is in compliance with Decisions (D.) 09-09-047, which approved the IOU IDSMS Statewide program; the 2013-2014 Guidance Decision (D. 12-05-015) that required continuation of IDSMS activities; and the 2013-2014 Final Decision (D.12-11-015) which approved the 2013-2014 IOU budgets. The IOUs have identified integrated DSM (IDSMS) as an important strategic DSM policy priority. Each IOU has proposed activities, pilots, and other programs (Strategy 1.2) in response to the Strategic Plan DSM Coordination and Integration Strategy. Through these approaches, IDSMS program implementation will be advanced significantly

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In addition to the IOUs' individual IDSM pilots, projects, programs, and activities, the IOUs will maintain the Statewide Integration Task Force (Task Force) comprised of utility staff and third party program administrators, as needed. Energy Division staff and expert outside stakeholders can also participate in on a regular or as-needed basis. Task Force responsibilities include activities that promote, through statewide-coordination the IDSM goals and objectives as identified in the California Energy Efficiency Strategic Plan (D. 09-09-047), the 2013 – 2014 Guidance Decision (D.12-05-015), and the Decision approving the 2013 – 2014 EE program portfolio (D. 12-11-015),. The IOUs believe that Strategy 1.1 of the Strategic Plan—"Carry out integrated marketing of DSM opportunities across all customer classes" — should be coordinated with the statewide Marketing, Education and Outreach (ME&O) efforts (*see* SW ME&O PIP filed in a separate application in R.09-11-014) and implemented at the local level by the IOUs focused on particular segment and customer-specific strategies. The Task Force will coordinate closely with the ME&O statewide team established in the Strategic Planning process to ensure a consistent customer-focused communications approach and to gain knowledge from statewide and local marketing and outreach best practices.

In 2013-2014, the IDSM Task Force established in the 2010-12 portfolio period and consisting of IOU and ED representatives (Task Force) will continue to expand its role as a coordinating body across many proceedings, programs, and across the IOUs to identify gaps, best practices and to improve efficiencies around delivery of programs in a comprehensive manner to customers. Taskforce representatives will strive to actively participate in all applicable proceedings to help develop of a record in each proceeding that will aid in developing policies, funding opportunities, and mechanisms to promote IDSM.

The budget for DSM Coordination and Integration will provide cost coverage for positions at each utility to lead internal task forces, represent the utilities at the statewide task force level, facilitate training, and support subject matter experts. It will also fund expenses associated with the Task Force's deliverables and the coordination of the specific IOU integration activities. The IOUs will determine how to appropriately allocate energy efficiency funds to ensure IDSM tools provide customers with information that supports all demand-side resources, consistent with IDSM objectives, while remaining compliant with energy efficiency funding guidelines.

The Guidance Decision (D.12.05.015) directs the IOUs to continue and expand integration efforts in the following areas:

- **Increased Coordination:** Increased coordination across different proceedings with the IDSM Task Force as lead
- **IDSM Funding:** Consideration of appropriate funding from the other proceedings to support IDSM efforts
- **Increased Involvement of Stakeholders:** Inclusion of stakeholders and experts in the efforts of the IDSM Task Force
- **Information on IDSM Projects:** Detailed information on the pilot programs and projects

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- **Audits:** Continued development of the integrated audit tool
- **IDSMS Marketing:** Increased integrated marketing efforts and improved reporting / communication with the Energy Division
- **IDSMS Tracking Databases:** Improved databases for tracking integrated projects

b) Statement of Problem and Solutions to Overcome the Problem

The California Energy Efficiency Strategic Plan, the 2013 – 2014 Guidance Decision (D.12-05-015), and the Final Decision approving the 2013-2014 EE Portfolio (D.12-11-015) require the utilities to focus on integration of DSM activities and programs on a statewide and local level by customers, utilities, regulators, and legislators.

The CPUC’s Strategic Plan envisions “energy efficiency, energy conservation, demand response, advanced metering, and distributed generation technologies [as being] offered as elements of an integrated solution that supports energy and carbon reduction goals immediately, and eventually water and other resource conservation goals in the future.” The State Legislature has proposed Assembly Bill AB51,¹ requiring the Commission to integrate the DSM programs within its jurisdiction in order to enable offerings of integrated packages that will maximize savings and minimize costs to ratepayers.

In order to ensure that the utilities’ IDSMS activities meet the Strategic Plan’s vision, the Task Force will continue to identify and promulgate best practices, address implementation and policy issues, and design effective metrics to measure progress on IDSMS progress, and report to the CPUC as described below. The utilities will work with Energy Division to identify a workable meeting/conference call and reporting schedule for 2013-2014.

This Task Force does not replace the individual IOU governance of DSM programs and is not intended to duplicate reporting or regulatory activities. Rather, the Task Force will specifically look for integration opportunities, identify integration barriers, and work through the IOU program staff to promote the advancement of integration, using lessons learned and best practices to establish a continuous improvement process.

The Task Force will focus on include the eight tasks as defined in D. 09-09-047:

1. Development of a proposed method to measure cost-effectiveness for integrated projects and programs including quantification and attribution methods that includes GHG and water reductions benefits and the potential long-term economic and electric/gas hedging benefits.

a. Description:

¹ Assembly Bill No. 51, Amended in Assembly June 1, 2009, Amended in Assembly May 5, 2009, Amended in Assembly April 14, 2009, California legislature—2009–10 regular session; An act to amend Section 399.4 of the Public Utilities Code Relating to Energy.

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The Commission has approved the California Standard Practice Manual, which serves as the reference document for cost-effectiveness tests and methodologies for EE programs. Rulemaking (R.) 07-01-041 is considering identifying and approving a cost-effectiveness methodology for DR programs, and R.08-03-008 is considering cost-effectiveness methodologies to measure the cost benefit of DG programs. To effectively integrate DSM program design, a set of internally consistent cost-effectiveness methodologies need to be developed for integrated projects, and for program efforts that seek to combine all of these demand side resource options within an integrated portfolio. Cost effectiveness is being considered in R.09-11-014.

b. Tasks and Timelines:

- Under contract to the IOUs, Black and Veatch completed a white paper on integrated cost effectiveness and presented observations and recommendations via public workshop in 2011. The progress of this activity has been on hold pending guidance from the Energy Division.
- The IOUs and the CPUC will work together on next steps for integrated cost-effectiveness efforts.

2. Development of proposed measurement and evaluation protocols for IDSM programs and projects.

a. Description:

In order to effectively evaluate IDSM programs, activities and pilots, specific protocols need to be developed to document and attribute energy savings, demand reductions, and CO2 reductions from various DSM customer activities. The Task Force will coordinate with IOU and ED EM&V resources to develop a proposal of appropriate metrics for assessing integration.

Draft EM&V protocols will also be applied to the IOU IDSM pilot programs. This exercise will allow for immediate feedback as to the feasibility of the draft IDSM EM&V protocols.

b. Tasks and Timelines:

- The Task Force will explore a phased approach to developing appropriate EM&V protocols for IDSM programs and projects. ED EM&V resources will collaborate with the IOUs to develop a white paper that will be publicly vetted.
- The IOUs and CPUC will work together on next steps for integrated EM&V efforts.

3. Review IDSM enabling emerging technologies for potential inclusion in integrated programs.

a. Description:

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The Commission has approved various research and development (R&D) and Emerging Technologies (ET) programs in both Energy Efficiency and Demand Response proceedings that promote IDSM. The Task Force will be the appropriate forum to discuss the applicability of these new technologies and initiatives in the context of IDSM. The ET program will undertake a coordinated effort to support innovation in EE, DR, and renewable/self-generation. ET program staff will coordinate with the IDSM Task Force to review and vet proposed emerging technologies that can be funded and integrated across DSM programs.

The ET program will focus on integrating hybrid and renewable technologies as well as study and assess interactive effects, especially for technologies like lighting and HVAC. The program will launch demonstration showcases and scaled field placement featuring integrated energy systems for proof-of-concept, technology and usability assessment, market exposure, and public awareness. The IDSM Task Force will track the results of the ET program's technology integration and help chart its future course and monitor the inclusion of integrated ET products into customer projects.

b. Tasks and Timelines:

- Both the IOUs and the Task Force will track emerging technologies that have some combination of EE, DR, and/or renewable self-generation capabilities, or other integrated relationships to potentially pilot integrated product offerings (in addition to marketing) to customers.
- The IOUs will leverage emerging-technology efforts through various channels to offer and promote multiple integrated measures such as efficient lighting, HVAC equipment, or pumps coupled with controls that will provide both energy savings and auto-DR capabilities. The IOUs will explore leveraging existing or emerging technologies that individually or as a system combine EE, DR, DG, AMI, or water-savings potential as part of an integrated program offering.

4. Development of cross-utility standardized integrated audit tools using PG&E's developed audits as a starting point.

a. Description:

Program evaluation studies have identified energy surveys and customer site audits as powerful tools to create awareness of energy conservation potential. The IOUs currently offer integrated audits to medium and large customers (generally with demands upwards of 200 kW) that include appropriate EE, DR, and DG/CSI project and/or program recommendations. Integrated audits are described in the Commercial, Industrial, and Agriculture Statewide PIPs under the Customer Services sub-program.

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Currently, DR and EE contribute funding to audit tool development and implementation. Generally no funding is provided by the solar/DG programs. Where appropriate, the Task Force will work with ED staff to identify opportunities for sharing costs across EE, DR, and DG in the development and implementation of integrated audits.

Standardization of Audit and Survey Tools

The IOUs continue to standardize statewide audit and survey tools portfolio, as well as customize audit recommendations based on customer profiles, operating characteristics, market sector potential, and cost-effectiveness. The IOU will consider more meaningful ways to implement the audit and survey tools for the customer and identify choices of potential measures in various DSM programs or technologies specific to a particular customer.

b. Tasks and Timelines:

- An online tool development timeline for each utility can be found in the Commercial PIP.
- Continue statewide coordination on online and onsite audit tool efforts.

Progressive Energy Audit Tool (PEAT) Description

The PEAT is an interactive tool that enhances information provided to a customer about energy usage, behavior, and IDSM technology recommendations as customer data and household/business characteristics become more available during continuous communication and engagement. While each IOU refers to this tool by a different name, it is generally known as the online audit tool developed in the 2010-12 portfolio period.

PEAT is accessible for residential and nonresidential customers whose electricity demand is less than 200 kW. The audit tool will be the principal conduit to provide IDSM information to customers, replacing several survey/audit products and their associated software programs which currently collect data, do data entry, and generate customer reports. More specifically, the tool will be able to generate customer reports that include specific information on the costs and benefits of IDSM programs.

Projected Design and Functionality

The online tool was developed in the 2010-2012 portfolio period and will be enhanced in the 2013-14 cycle. Enhancements may be performed in phases, evolving as new internally or externally developed tools become available for acquisition. The online tool will likely evolve based on smart grid, smart meter roll out at IOUs, building customer interfaces, and applications may extend the development beyond the 2010-2012 and 2013-2014 portfolio periods.

Where appropriate, the Task Force will continue to share best practices on a statewide basis, and will work with ED staff to identify opportunities for sharing

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costs across EE, DR, and DG in the development and implementation of integrated audits. It is expected that DR, EE and solar/DG programs will share costs representing their portion of the integrated audits and integrated services to customers based on measures identified. Currently DR and EE contribute funding to audit tool development and implementation, but generally no funding is provided by the solar/DG programs, unless funds are provided as carryover from the 2012 online tool development funds.

5. Track integration pilot programs to estimate energy savings and lessons learned and develop standard integration best practices that can be applied to all IOU programs based on pilot program evaluations and the results of additional integration promoting activities (i.e., EM&V and cost-benefit results).

a. Description:

The Task Force will be the principle governance structure to track the integrated efforts of the IOUs and develop SW metrics to evaluate their success. The Task Force will identify pilots, projects, programs, and activities being conducted by individual IOUs that might be replicated in other parts of the state. The Task Force will not limit their efforts simply to integrated pilot programs or projects with special funding, the Task Force will also track integrated program offerings and integrated projects with customers.

For example, the Task Force will work with the Continuous Energy Improvement (CEI) teams on a IOU and Statewide basis as CEI works to further integrate activities in the program (see the "Integrated/Coordinated Demand Side Management" section of the CEI Program description found in the Commercial, Agriculture, and Industrial PIPs).

Part of this effort will include using new integrated audit tools being developed by IOU market sector programs that provide baseline data and information regarding the appropriate combinations of DSM technologies for a site. In turn, the Task Force will coordinate with market sector efforts to provide feedback on the development of these tools to ensure they are truly integrated. Although the Task Force will not run or manage specific programs, it will offer recommendations, based on its findings, on new approaches and activities that could be added to existing programs to enhance the integrated nature of the offerings. Task Force recommendations made to IOU program managers to promote integrated programs or projects will be included (whether the other program managers accept Task Force recommendations or not) in the IDSM reports for ED. Additionally, the proposed IDSM cost-effectiveness framework, once adopted, will be applied in real-time to the pilot programs within this funding cycle.

In addition to the formal Task Force, internal IOU teams will actively participate in discussions of pilots, perform assessments based on data collected from the

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pilot program managers, and return recommendations based on lessons learned to the management-level staff of the Task Force. The Task Force will establish a regular review process for pilot progress and ensure that best practices are identified in a report and shared with portfolio managers for all DSM areas and Energy Division staff. IDSM is a regular agenda item for management reviews within each IOU, and information and lessons learned can be shared with the other IOUs.

As the IOUs are conducting IDSM pilots, launching integrated programs, and implementing integrated projects with customers and the continued research is collaboratively vetted and shared, the Task Force will also look at developing best practices for IDSM for future integrated programs, activities, and projects. The Task Force will establish a formal process for sharing best practices with internal IOU staff, Energy Division staff, and interested stakeholders.

Per the Commission’s direction, the table below describes all Integrated Demand Side Management pilot programs and projects. The offerings address CPUC guidance on resource comprehensiveness, design characteristics, promotion of emerging technologies, and the testing of integrated cost-effectiveness and evaluation methodologies that support IDSM objectives. For more information on SCE’s Food Processing Pilot, see the IDSM Food Processing Pilot PIP within the Third Party Program.

Integrated Pilots

Pilot Program	Demand Side Resources Included (1)	Enabling Technologies Included (2)	Emerging Technologies Included (3)	Existing or New Construction (4)	% of ZNE Anticipated (program / avg project)		Anticipated Savings kWh (program / avg project)		Anticipated Savings KW (program / avg project)		Anticipated Savings Therms (program / avg project)		Program Cycle Budget Allocation (6)	Estimated Avg Cost Per Building	Accounts Included in the Pilot (7)	Notes
SCE- Zero Net Energy	EE, DR, DG	AMI, Battery Storage	X	NC	75	80	4000	200	10	0.5	3000	150	400,000	20,000	30	Have looked at AMI; including any enabling or emerging technologies that make sense for a specific project
SCE- Sustainable Communities	EE, DR, DG	AMI, Battery Storage	X	NC	10	1	N/A	N/A	N/A	N/A	N/A	N/A	1,100,000	55,000	8	Have looked at AMI; including any enabling or emerging technologies that make sense for a specific project
SDG&E Behavioral Pilot	EE	AMI Data	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,900,000	\$10/yea r	at least 100K	Comparative usage pilot continuation
SCG - Sustainable Communities	EE, DG	AMI, Fuel Cells	X	NC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	650,000	N/A	N/A	Other Enabling Technologies as appropriate based on project characteristics

b. Tasks and Timelines:

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- During the 2013-2014 portfolio cycle, the IOUs will work with Commission Staff to ensure that an adequate level of detail is provided in their reports on Integrated Demand Side Management pilots, programs, projects and activities.
- The Task Force will work with other statewide teams to identify opportunities and projects to target where there are integrated offerings available and projects underway.
- The Task Force will work across the IOUs to identify and share best practices and lessons learned associated with the integrated programs, projects, pilots and activities identified and tracked.

6. Develop regular reports on progress and recommendations to the Commission.²

a. Description:

The Task Force will communicate regularly with Energy Division through meetings and reports.

Consistent with IOU reporting requirements, each utility will provide a written report that will include updates on the status/progress on the eight IDSM activities.

b. Tasks and Timelines:

- Since Q1 2010, the IOUs have provided quarterly reports accessible through EEGA; discussions are ongoing to determine the appropriate reporting requirements for 2013-2014.
- The Task Force (including IOU and Energy Division representatives) meets, in person, as needed, for a deep dive discussion on some of the key area of interest in the report and will continue in 2013-14.
- The Task Force, including subcommittees, holds planning and coordination conference calls to discuss progress on integrated activities and will continue in 2013-2014.

7. Organize and oversee internal utility IDSM strategies by establishing internal Integration Teams with staff from EE, DR, DG, marketing, and delivery channels.

a. Description:

The Task Force will facilitate IDSM planning and be the primary source of assistance to help inform internal IOU staff of integrated program activities, oversight, and coordination. The Task Force will not oversee the individual IOU Integration Teams, but will coordinate with these groups. The IOUs will establish internal integration teams with representatives from EE, DR, Energy Savings Assistance Program (ESAP), distributed generation (DG)/Solar, green programs, marketing and delivery channels.

² Heading remains consistent with CPUC directive in D. 09-09-047.

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Deliverables of the Integration Team:

- Facilitate and communicate to promote inclusion of EE, DR, solar and other offerings (e.g., DG, Rates) into comprehensive energy cost reduction offerings to customers
- Coordinate with the marketing teams to promote integrated offerings including a centralized marketing function and consistent messaging
- Develop and implement sales and program training for integrated offerings including a targeted customers approach and sales training plan with a consideration of lessons learned from other IOU training efforts.
Elements will include:
 - Training sales representatives from all appropriate delivery channels and program staff on IDSM integration to improve the sales effectiveness of programs
 - Incorporating IDSM into external events and internal training of customer-facing sales staff, as appropriate
- Coordinate responses to Commission directives, inquiries and data requests
- Coordinate development and delivery of integrated programs to create seamless market-segment-based customer solutions
- Coordinate/track delivery and progress of integrated pilots and activities
- Participate in regulatory proceedings and filings to maintain consistent, coordinated message
- Review and provide comments on regulatory filings. SCE will develop and begin implementation of an IDSM Action Plan that sets goals, strategies, and tactics across the organization to facilitate and optimize efficiencies gained through the utilization of integrated approaches. SoCalGas, where the service territories overlap significantly, will endeavor to partner with them in this to find synergies and economies of scale.

In order to educate and share best practices and experience with integrated products, marketing, and sales; integrated sales training will be developed, or in some cases continued, for the IOU customer facing, marketing and the program teams.

b. Tasks and Timelines:

These tasks are ongoing within each utility.

- 8. Provide feedback and recommendations for the utilities' integrated marketing campaigns including how the working group will ensure that demand response marketing programs approved as category 9 Demand Response programs are coordinated with EE integrated marketing efforts.**

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a. Description:

Regular coordination meetings currently exist to review EE, DR, DG and ESAP/LIEE results with internal marketing management and discuss course changes that might be needed. Integrated marketing is defined as marketing efforts that seek to integrate demand side energy management options to the greatest extent possible (DR, DG, and EE/ESAPLIEE) and in a way that make sense for each customer. The Task Force will enhance this process to promote program integration across the DSM campaigns. A specific feedback process will be designed, but the Task Force may also forward its recommendations to EE, DR, ESAPLIEE and DG program management responsible for developing marketing IDSM strategies for use in regular reviews and reports in addition to ad hoc contacts to plan and modify programs. Any Task Force recommendations made to other IOU program managers to promote integrated programs or projects will also be included, whether the other program managers accept Task Force recommendations or not, in the quarterly regular reports on IDSM activities to ED. At the meetings, the Task Force will also use the opportunity to educate and train management and portfolio managers on best practices for increased integration of DSM programs and offerings to customers. Integrated marketing campaigns will also ensure that DR marketing programs approved as category 9 programs are coordinated with EE integrated marketing efforts.

All IOUs are conducting residential and non-residential outreach events, developing and delivering collateral, and utilizing website updates and campaigns to cross market programs. Research on customer approach has also been conducted on the effectiveness and appropriate order, timing, and combination of bundling of programs to customers. In addition, the utilities held a statewide coordination and communication meeting in May 2011 to discuss integrated efforts and best practices and identify opportunities to coordinate and collaborate. Additional statewide coordination meetings were held in 2012.

Integrated Local Marketing Education and Outreach Strategy

The IOUs' integrated marketing plans are designed to generate ongoing customer engagement in EE, DR and other DSM programs and services, by providing residential and non-residential customers with the right message, through the right channel, at the right time. The plans will leverage and complement the SW ME&O activities, which will be designed to "provide general energy education and demand side management program information," (D.12-05-015, OP 117a) while "prompting residential and small business customers to immediately take action." (OP 117f)

In 2013-2014, a new Statewide ME&O campaign will focus on creating awareness and educating customers about energy management and integrated DSM. The IOUs expect to leverage the increased interest generated by the SW ME&O campaign and use that point of contact and education as a step towards deeper EE engagement. The IOU's local integrated marketing strategy will focus

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on helping customers understand the relevance of EE programs and services and enabling customers to take actions that are appropriate to their needs -- including one-time measures, such as rebates, as well as deeper whole-house retrofits. This local EE marketing strategy will be coordinated through a variety of channels and tactics, with the intent of reaching customers at the right place and at the right time, to drive increased participation and ongoing engagement.

Integrated Local Marketing Education and Outreach Messaging

In order to provide customers with relevant messages, the IOUs will use segmentation and internal data analysis to help refine our current understanding of customers' IDSM needs, by appropriate customer segment and target offerings appropriately. By cross-selling DSM programs and services that are meaningful to the customer, the IOUs will encourage customers to take action.

When appropriate, integrated messaging will deliver information to customers in a way that bundles relevant EE, DR and other DSM programs and services. For example, the IOUs will develop print and electronic case studies that feature customers who have implemented integrated solutions in order to address their energy management needs.

In addition to cross-selling DSM programs and promoting bundled solutions through integrated campaigns, integrated messaging will be designed to motivate customers to enroll in web-based billing and analysis tools. This action will enable and encourage customers to better understand and manage their energy usage by taking advantage of the online tools. It will also provide the utilities with additional opportunities to continue to cross-sell DSM programs and services.

Integrated Local Marketing Education and Outreach Tactics

Local integrated marketing campaigns leverage multiple tactics and multiple communications to present customers with a holistic view of programs and service offerings, and clearly present the actions customers can take to participate. To reach California's diverse customers, the IOUs will use a mix of communication channels and languages. When possible, the IOUs will utilize the customer's preferred method for receiving communications. Marketing channels may include, but are not limited to: customer call centers, business account representatives, direct mail, email, IOU and 3rd Party websites, bill inserts, outreach events, partnership activities, social media, and ethnic advertising.

Integrated Local Marketing Education and Outreach Reporting

To increase and showcase marketing integration, IOUs will continue to conduct regular coordination meetings to share integration results, review best practices, and identify potential areas for improvement. For example, in May 2012, the IOUs presented an overview of their marketing integration efforts at the Quarterly

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IDSMS Task Force meeting. Additionally, IOUs will continue to submit updates of their integrated marketing activities within their quarterly report.

b. Tasks and Timelines:

- The Task Force will continue to work in 2013-2014 with the statewide ME&O effort to ensure integrated messaging and coordination at a statewide level and will identify areas of integration with other demand-side programs by identifying and developing a product planning/review process that involves ME&O members of the IDSMS Task Force.
- In 2013-2014, the Task Force will conduct internal review of local utility marketing efforts where there are opportunities to integrate messages and campaign, resource, and program offerings that promote demand side integration of AMI, DR, EE, and DG resources.
- The IOUs will continue to share information with the Task Force on local IOU integrated marketing, training, and education efforts. The IOUs will report all integrated marketing activities in the quarterly reports and will highlight integrated marketing efforts at the regular IDSMS Task Force meetings.

c) Program Goals, Strategies and Measurable Objectives

The primary purpose of the Task Force is to facilitate the integration of the full range of IOU DSM program options for California. To achieve this purpose the Task Force will pursue several objectives:

1. Determine membership and identify key liaisons and stakeholders
Initial Task Force membership will include representatives from each of the utilities, non-utility representatives as appropriate, and from the Commission's Energy Division. Utility membership will include people representation from strategic planning, EE, ESAP, DR and DG programs as well as emerging technologies, marketing, delivery channels and regulatory coordination, and possibly advanced metering. Statewide membership may be expanded to include representatives from the municipal utilities, the California Energy Commission (CEC) and other stakeholders. The Task Force may have regular representation from each of the leads of the other SW Program working groups, such as Industrial, Agricultural, Commercial, Residential, ME&O, WE&T, and New Construction.

The Task Force will coordinate and work with Energy Division staff through regularly scheduled phone calls, reports and in person meetings, as needed. As issues come up related to best practices and approaches with particular market segments and projects, the Task Force members will agree on subject matter experts to share with and educate the team.

In the 2013-2014 period, the IDSMS Task Force will make strides to include subject matter experts and other external stakeholders in the discussions of the

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eight specific directives in order to get perspective and additional feedback on the various topics and subjects. As directed, the IOUs will work in collaboration with the CPUC to identify and invite stakeholders to participate where and when appropriate.

The Task Force will coordinate and communicate with teams associated with other programs and proceedings. Included in this effort is the ESA Integration Working Group; the Task Force and the ESA Integration Working Group /subcommittee work together to maintain directional alignment and to identify and report on best practices across the EE, ESAP and other proceedings.

2. Continue to identify and describe progress of:
 - Existing utility activities, efforts, programs and pilots,
 - IDSM best practices, and
 - IDSM metrics (including pilots) and cost effectiveness methodologies
3. Identify key issues affecting successful integration, such as cost-effectiveness, enhancing progress on technical innovations and regulatory jurisdictional issues. The Task Force will work with ET and program planning staff to develop potential solutions to the issues raised, and then follow through to see that the solutions are represented in future program modifications.
4. Develop metrics and reporting mechanism for tracking success of integrated efforts (EM&V protocols) consistent with the EM&V development plan described earlier in section 4.A.2.
5. Develop proposals for policy and program initiatives necessary to forward IDSM.
6. Establish program-funding protocols.
7. Identify and recommend adoption of enabling/supporting policies for inclusion in appropriate DSM programs and reports consistent with descriptions in prior sections of this PIP.
8. Identify and propose changes to inhibiting policies, metrics, and reports consistent with descriptions in prior sections of this PIP.

Tasks and Timelines

Goals defined above will involve ongoing efforts of the Task Force.

d) Target Audience(s)

The target audience for this statewide IDSM program effort is IDSM stakeholders including, but not limited to, the IOUs, CPUC, CEC, DSM solutions providers (e.g., EE service providers, DR aggregators, CSI installers) and utility customers.

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e) Identify If and How this Program will Provide any Elements of Workforce Education and Training (WE&T)

The Task Force can be utilized as a repository of experts and best practices that promote IDSM for IDSM related WE&T efforts. Similar to its efforts with the SW ME&O Task Force, the IDSM Task Force will take the following actions related to WE&T:

- The Task Force will work with the larger Statewide WE&T effort to ensure integrated coordination at a Statewide level.
- The Task Force will conduct internal review of local utility education and training efforts to identify opportunities to integrate these activities.
- The Task Force will share information on local IOU integrated training and education efforts.

To date, the Task Force has collaborated with the WE&T SW team to develop the acceptable protocol for integrated training at the training centers. This includes a definition of “integrated training” identified in coordination with the IOU statewide WE&T Task Force that is included in the SW WE&T PIP.³ The Task Force will continue to identify and report best practices. Any IOU budgets associated with Integrated WE&T are included in the WE&T PIP.

Tasks and Timelines

The Task Force will work with the WE&T team on these efforts on an ongoing basis. Specific timelines are not known at this time, but will be developed in collaboration with ED once the WE&T Needs Assessment Study is available.

5. Program Rationale and Expected Outcome

The Strategic Plan calls for an ongoing task force to establish a blueprint for integration. A statewide non-resource program is an effective means of coordinating such a blueprint.

a) Quantitative Baseline and Market Transformation Information

Program Performance Metrics (PPMs)

³ The IOU ECs propose two ways that educational program can be identified as “integrated”.

1. Integration through a balance of building systems content
Course content includes material on at least two building systems (i.e. mechanical, building envelope, lighting, solar, water, etc.) their relevance to one another, and how an integrated systems approach optimizes overall demand management with impacts that address energy efficiency, demand response, and smaller renewable energy systems.
2. Integration through technology content
Technologies discussed can be used to fulfill at least two of the three subjects of Integrated Demand Side Management (EE, DR, and DG). IDSM technology examples would include dimming ballasts, energy management systems, controls, or any technology with a work paper that includes both kW and kWh savings. Energy efficiency technologies result in permanent load reduction. Demand response technologies have the ability to respond to a demand response event for temporary load reduction. Distributed generation technologies deliver power to an individual building or set of buildings.

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The IOUs have evaluated 2010-2012 PPMs in Resolution E-4385 for applicability to the 2013-2014 program cycle and propose to work collaboratively with Energy Division to develop revised program targets and PPMs as appropriate for the 2013-2014 program cycle. The IOUs' will propose revisions in an advice letter, per additional guidance from Energy Division.

Table 3.1: Short-Term PPMs

On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. The Commission gave each PPM a metric type which indicated the reporting frequency: Metric type 2a indicates that the IOUs should report on the metric on an annual basis (unless indicated otherwise). Metric type 2b indicates the IOUs should report on the metric at the end of the program cycle.

Below are the approved PPMs and metric types for the Integrated Demand Side Management Statewide Program (Resolution E-4385, Appendix A):

PROGRAM PERFORMANCE METRIC (PPM)	Metric Type
1. Awareness and knowledge among relevant IOU program staff (to be specified – e.g. account reps, engineers that administer the audit (3 rd party); program designers and managers) regarding how IDSM relates to and impacts their efforts and programs	2b
2. Number and percentage of integrated audits provided to each customer class and NAICS code.	2b
3. A status report that identifies how well “integrated” (EE, DR, DG) all IOU demand-side energy program offerings and components are (e.g., CEI, Commercial, Agricultural, Industrial, Residential, Audits) including lessons learned, best practices, improvement plans, and how the program portfolio is addressing strategic planning goals / objectives. D.09-09-047 also provides directives regarding integration, as well as the IDSM program objectives specified in the PPM Worksheet. The report will review how the IOUs have developed internal and external frameworks that support integration of IDSM programs and technologies. (Y/N)	2b
4. Number and percent of integrated audit participants (identify NRA participants) in all customer classes (Residential, Commercial, Industrial, Agriculture) that implement recommended DSM measures / participate in other DSM programs (EE, DR, DG – Track which categories implemented / participated in) or other recommended technical process and practice improvements. (If possible, identify whether participants received incentives or not.)* *Data sources for reporting will come from (a) program tracking databases and (b) process evaluation to refine estimates.	2b
5. Program participant awareness of IDSM practices in each of the market sector subprograms.	2b

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6. Program participant awareness of IDSM practices in each of the market sector subprograms.	2b
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Table 3.2 Long Term PPMs

SoCalGas includes long term PPMs per Energy Division guidance received in December 2012. As stated in the Joint Utilities’ comments to the Commission in R. 09-11-014 dated November 21, 2011, and discussed between IOUs and ED on January 9, 2013, IOUs plan to finalize long term PPMs in further discussions with involved stakeholders and propose updates to Energy Division at a later date.

MTI Index#	RE-CATEGORIZED Metric (LTPPM - or SPI) [E-4385 Appendix B original text except for noted edits]	Unresolved Issues
IDSM-1	MT Indicator 1: Percent of customers who are aware of online and onsite integrated audits Percent of CA residents who know where they can get an integrated online audit. Percent of CA residents who know where they can obtain an integrated on site audit. Percent of CA businesses who know where they can get an integrated online audit. Percent of CA businesses that know where they can get an integrated on site audit	
IDSM-2	"MT Indicator 2: Percent of customers in each customer class who have received an integrated audit and percent of these customers (by audit type) who have implemented one or more of the audit recommendations (indicate how many incentivized vs. non-incentivized) 1. Percent of customers in sectors A, B, and C who have received an integrated audit.	

b) Market Transformation Information

Per Resolution E-4385, a subset of market transformation indicators (MTIs) for statewide energy efficiency programs and subprograms was presented at a public workshop on November 7, 2011, to allow for public comments and discussion before being finalized. Per guidance from Energy Division received in December 2012, the approved Market Transformation Indicators for 2013-2014 are filed as a Joint IOU matrix, included as Appendix F.

c) Program Design to Overcome Barriers

As stated in the Strategic Plan, “Historically, demand side management (DSM) options for energy consumers have been “siloe” activities within regulatory bodies, utilities, environmental organizations, and among private sector service providers. The current narrow focus on a single product offering does not maximize energy savings nor minimize the costs of program delivery.” The Task Force and associated integration efforts within each utility is working to overcome this and other barriers to maximize benefits for customers and reduce costs for ratepayers.

d) Quantitative Program Targets

Not applicable for this non-resource program.

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e) Advancing Strategic Plan goals and objectives

In support of the Strategic Plan,⁴ the IOUs will evaluate the DSM pilot programs and determine what components will lead to successful DSM integration, consistent with the strategies in the Strategic Plan. The Task Force will discuss the applicability of these Emerging Technologies and initiatives in the context of IDSM. The ET program will undertake a coordinated effort to support innovation in EE, DR, and renewable / self-generation. ET forums will be used by the Task Force to review and vet proposed ET technologies that can be funded and integrated across DSM programs. Lastly, through coordinated DSM marketing, the Task Force will promote program integration across the DSM campaigns in order to maximize EE, DR, & DG opportunities.

6. Program Implementation

a) Statewide IOU Coordination

This is a statewide program.

- i. Integrated Demand Side Management
- ii. All program delivery mechanisms

As described earlier in this document, the Task Force does not replace the individual IOU governance of DSM programs and is not intended to duplicate reporting or regulatory activities. Rather, the Task Force will work with different programs and delivery channels and will specifically look for IDSM opportunities, identify barriers, and work through the IOU program staff to promote the advancement of IDSM, using lessons learned and best practices to establish a continuous improvement process.

- iii. Marketing materials and message

The Task Force will work with the Statewide and internal IOU M&O teams to leverage statewide awareness and coordinated program messaging; and, explore utilizing educational efforts that direct customers to local utility integration efforts and offerings.

- iv. IOU program interactions with CEC, air resources boards, air quality management districts, local government programs, other government programs, community-based organizations, non-governmental organizations, manufacturers, retailers, trade and business associations, as applicable.

The IDSM Task Force will explore opportunities to interact with other programs/ organizations that could include municipal utilities, local and state governments,

⁴ California Long Term Energy Efficiency Strategic Plan, Section 8.4 pp. 72-73.

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water districts and DSM solutions providers to offer integrated services, obtain input/feedback, share knowledge/best practices, and generally promote IDSM efforts and activities. Expansion of Task Force participation may be in the form of periodic expert input and ad hoc workshops as needed to solicit input from the broader group of participants in a fair and equitable manner. Future program milestones, lessons learned, and best practices can be shared with outside stakeholders to further IDSM activity outside of IOU programs.

v. **Similar IOU and POU programs**

The IDSM Task Force will coordinate with all IOU SW programs and will interact with other programs/ organizations, municipalities and DSM solutions providers to offer integrated services. Future program milestones, lessons learned, and best practices can be shared with outside stakeholders to further IDSM activity outside of IOU programs.

b) **Program Delivery Mechanisms**

The Task Force will not be involved in direct implementation but will develop and provide the knowledge necessary to promote integrated program delivery mechanisms.

c) **Marketing Plan**

The Task Force will not be providing direct marketing services, but the coordination of marketing will be an integral part of integrated approaches and will be included in each individual program's approach where applicable. In addition, as described in Task 8, above, the Task Force will work with the Statewide and internal IOU M&O teams to leverage statewide awareness and coordinated program messaging; and, explore utilizing educational efforts that direct customers to local utility integration efforts and offerings.

d) **Best Practices**

The Task Force's involvement in reviewing utility integration activities, pilots and practices (e.g., Zero Net Energy, Food Processing) will lead to the establishment of Integrated Best Practices.

e) **Innovation**

Individual utilities are working on integrated approaches locally to meet customer needs on a comprehensive, solutions-based level and coordinating and tracking of these integrated pilots and activities.

f) **Integrated/Coordinated Demand Side Management**

The basis of this program is entirely integrated and coordinated demand side management on a statewide basis with local efforts feeding into the overall strategy.

g) **Integration Across Resource Types**

Where possible, the Task Force will continue to identify opportunities for integrating across non-energy areas such as water conservation, electric vehicle infrastructure, and

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gas saving technologies. Most likely, this information will come from pilots and other customer-focused activities and will be considered future pilots and best practice recommendations.

h) Pilots

The Task Force will be the principal governance structure to track the integrated efforts of the IOUs and develop SW metrics to evaluate their success. The Task Force will identify pilots, projects, programs and activities being conducted by individual IOUs that might be replicated in other parts of the state. As described in section 4.b.5, above, integrated pilots and activities will continue to be identified and tracked by the Task Force in Quarterly Reports. A critical component of evaluating these pilots, projects, and program activities is identifying what data should be captured to optimally evaluate the ongoing success of these pilots and IDSM activities. The Task Force will coordinate with ED staff to ensure that an adequate level of data is collected. Currently several integrated pilot program Advice Letters have been submitted to Energy Division for review and approval. Once the programs that will be going forward are identified, the IDSM Task Force will identify which pilot programs will be monitored to provide the data and information needed to address the integration promoting tasks to potentially be included in the Statewide IDSM Program. The IDSM Task Force will also play a role in helping the IOUs identify Program Performance Metrics (PPMs) for integrated pilot programs which will help achieve IDSM strategic planning goals identified in the Strategic Plan, subsequent decision directives, and this PIP. The PPMs are currently being developed as part of a statewide effort, including metrics for the Statewide IDSM Program, and will play a key role in assessing the ongoing success of these programs. The IDSM Task Force will clearly identify the integrated pilot programs to be monitored in efforts to inform the implementation of the IDSM programs when PPMs are submitted for the IDSM Program on May 23, 2010. Being mindful of the PPMs, the Task Force will determine how best to monitor and evaluate the pilots and various IDSM activities. Informed by the key eight activities identified in this PIP, the Task Force will include a detailed description for how the integrated pilot programs will be utilized for data gathering and developing the recommendations required from the Task Force in a detailed EM&V plan as described below. However, final EM&V plans for the 2010 – 2012 have not been finalized; therefore, all EM&V plans will be consistent with those plans once adopted for this program cycle.

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i) EM&V

The Task Force will continue tracking and measuring the metrics described in Section 5 of this PIP, leveraging evaluation studies and resources where appropriate. The IDSM Omnibus Process Evaluation is being reviewed and the IOUs will consider recommendations contained in the report for improving future IDSM offerings. Subsequent evaluation needs will be determined at the conclusion of the Omnibus Evaluation.

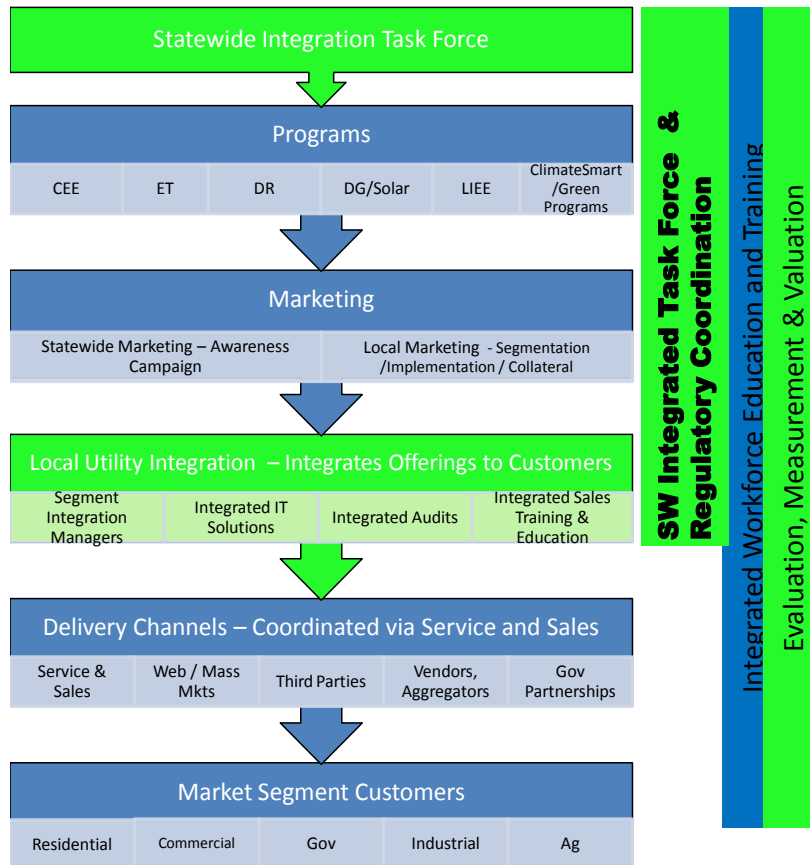
The IOUs are pursuing activities identified in the December 2012 version of the Omnibus Evaluation. These activities, summarized below, are also described in earlier sections of this PIP:

- Coordination among utilities to review our integrated training programs and leverage lessons learned to improve our integrated training offerings.
- Incorporating subject matter experts on AMI in integration-related teams and meetings.

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7. Program Diagram

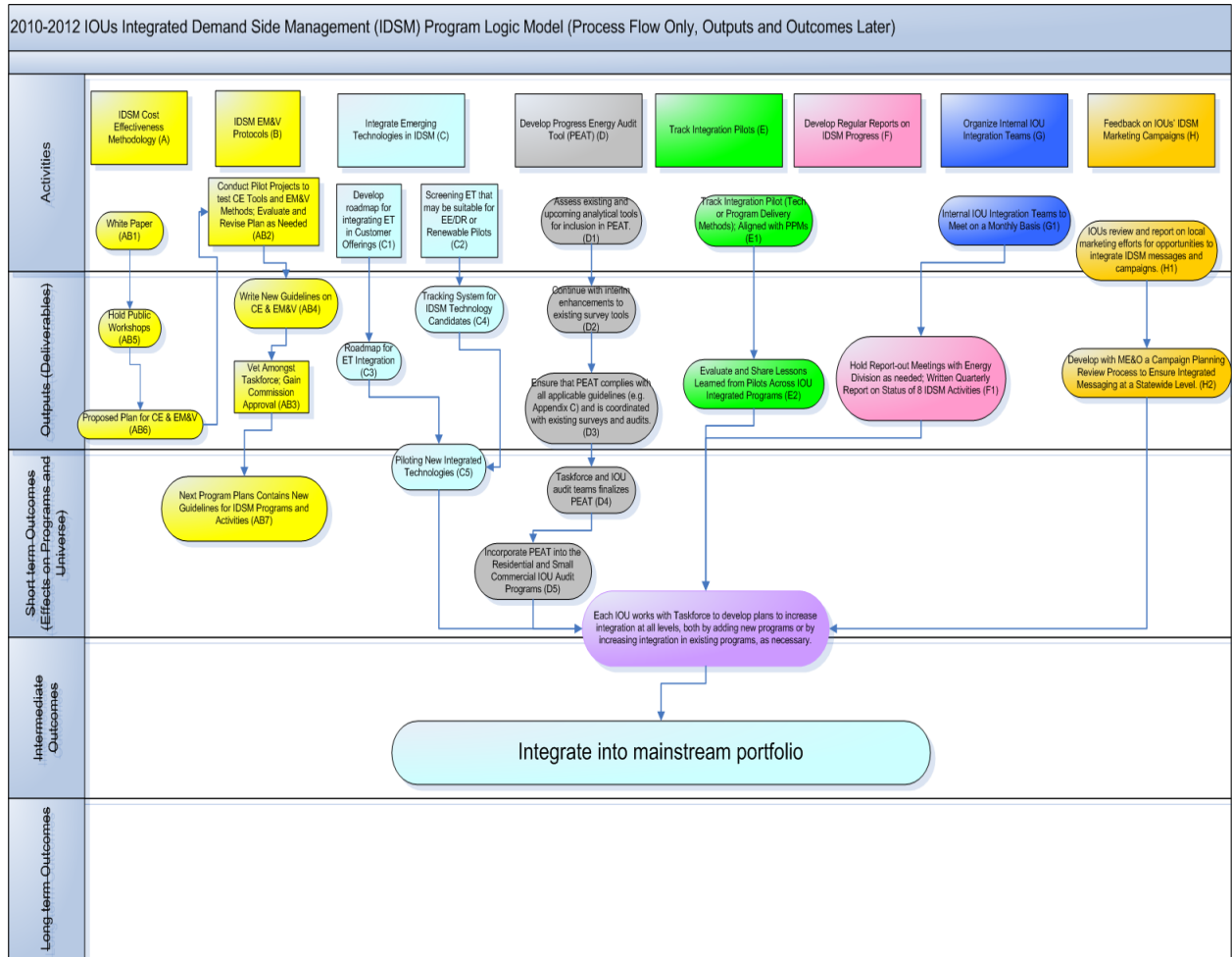
Program Diagram – IDS M Task Force



8. Program Logic Model

Note: On December 2, 2010, the Commission issued Resolution E-4385, approving Program Performance Metrics (PPMs) for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas and Electric Company for 2010-2012 statewide energy efficiency programs and subprograms. In addition, this Resolution approved updated logic models for the statewide programs. Below is the approved logic model for the Integrated Demand Side Management Program.

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9. Local Sustainable Communities Case Studies Program

The SoCalGas IDSM Program is made up of two major, but related, components.

1. The previously addressed Statewide IDSM effort
2. The Sustainable Communities Case Studies Program

SoCalGas' Sustainable Communities (SC) program provides the framework for the design and building of communities that support the environment through energy- and resource-efficiency. SC helps to enhance quality of life by protecting and preserving natural resources and improving economic development. Incentives and other assistance are available to developers, building owners, and design teams that construct highly energy-efficient buildings with sustainable design, and long-term energy-efficiency.

This highly innovative program will be SoCalGas' flagship program providing the path for all other programs in meeting California's long-term energy efficiency goals, including zero net energy homes by 2020. This program will enable market transformation resulting in measurable energy efficiency, integrated demand response, distributed generation, renewables and natural resource savings while optimizing long term ecological, social and

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economic health of California. It accomplishes this by comprehensively integrating the “vertical” development (buildings and their components) with the “horizontal” development (land and utility and transportation infrastructure) over the full planning horizon. This holistic approach to program design and implementation is coupled with a new management model and evolutionary improvements in energy, water and air quality savings over the project life.

Another key feature of SC’s flagship approach is its longer-term focus and crosscutting implementation to avoid trapping the key market players in the usual “organizational silos.” SC achieves this through the unique partnership between SoCalGas and the Master Developer by developing early market interventions deployed by 3rd party implementers upstream of the usual core programs. This innovation produces more productive and resilient market change with greater cost-effectiveness.

Sustainable Design and Construction Training

A training program and training materials will be developed for participating builders and contractors. The training, for both residential and non-residential building, will cover all relevant issues including sustainable design and construction impacting energy efficiency, solar, water, waste, utility infrastructure (smart grid and AMI), and transportation.

A metric of this service will be determined in tracking the impact early intervention and training have on increasing energy-efficient design of residential structures. Developing training goals and objectives, curriculum and tracking of buildings energy performance will be used to measure success of the training. The minimum specifications will be covered in the training developed to help encourage and monitor innovative design and exceeding building performance targets set by the developer and utilities. The utility will support training developed and provided by developer’s consultants for builder subcontractors.

The incorporation of a Learning Center within the development is proposed to help educate and build awareness of energy efficiency, renewable generation and sustainable measures that have been incorporated into the development. The Learning Center will create a powerful teaching tool due to its interactive software and real time graphics. This tool could demonstrate the community’s energy savings compared to non-efficient developments, showcase the development’s green features and show environmental impacts and equivalent comparisons. In addition, kiosks will contain renewable energy education and incorporate actual data related to utility owned on-site generation. The center would be strategically located within the community near a school, library, or public center. This location could also be used for utility hosted energy workshops highlighting energy efficiency and green building design.

Sustainable Design Assistance

Design assistance will be provided to participating engineers, architects, planners, and builders. The program will encourage innovative and less traditional approaches to meeting and exceeding sustainability goals. Design assistance will occur much earlier in the

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development process than traditional utility offerings to embrace this flagship program's crosscutting nature and to better leverage its holistic ambitions and goals.

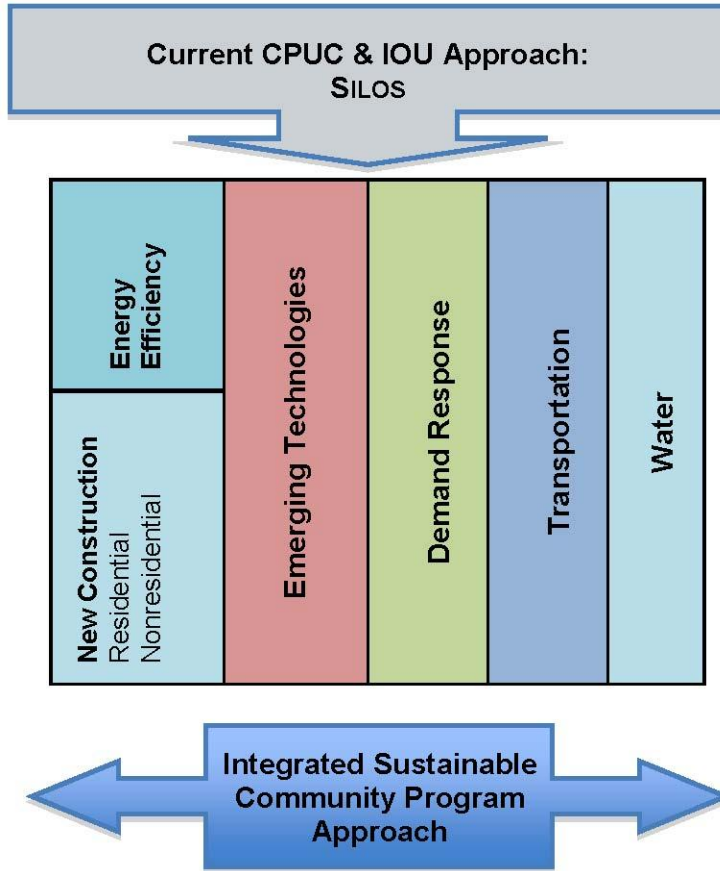
Residential Modeling Procedure and Protocol Development

Because builders will be required to submit documentation illustrating how their designs will meet the sustainability requirements, this program will develop the modeling procedures and other requirements for this documentation. Sustainability targets would be set at 35% above Title 24 for all residential building and would also include participation in the New Solar Homes Partnership program to foster development of renewable energy on each residential building. Similar energy performance targets would be established for commercial projects with corresponding participation in the CSI program.

2 Title 24 2005.

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Figure 1: Sustainable Communities Crosscutting Approach

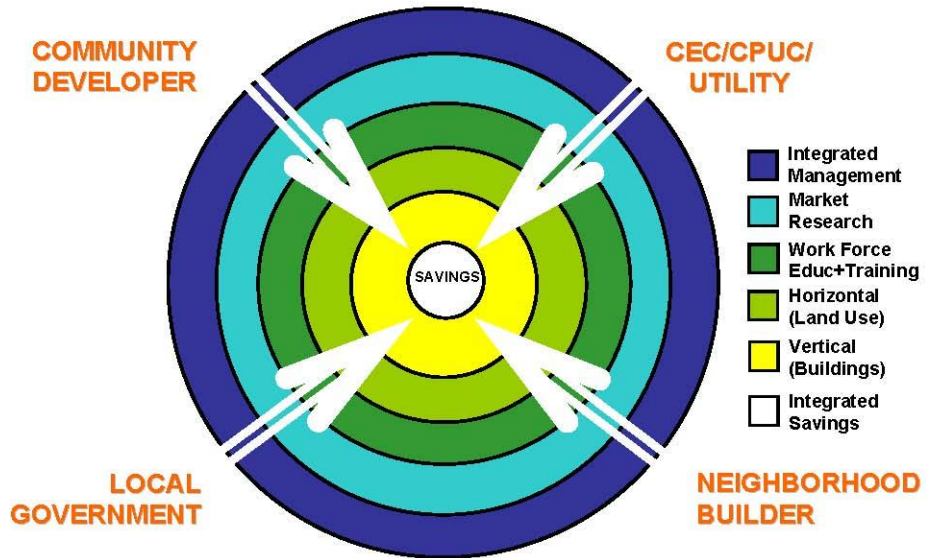


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Figure 2: Sustainable Communities Integrated Savings Approach

The New Paradigm . . .

. . . an integrated management approach



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Market Transformation has not been a major focus of the California energy efficiency programs since the energy crisis. Consequently, relatively little attention has been given in recent years to identifying and gathering data on indicators of change towards market transformation. For some programs or sub-programs that promote a single end use or measure, there may be some data available for this purpose, probably from industry sources, that we have not yet identified. For many of the programs, however, this kind of long-term, consistent, and expensive data collection has not been done in California.

The utility program planners have worked closely with their respective EM&V staffs and with each other to identify available information and propose potential metrics. Each utility and each program has some data available, but attempts to distill the limited available information into a common set of agreed-upon metrics have proved far more difficult to accomplish. Offering metrics in which there is not strong confidence would not be productive. Therefore, the utilities respectfully exclude "draft" metrics at this time and instead suggest a means of developing meaningful indicators.

The utilities will develop meaningful baseline and market transformation concepts and metrics for programs that do not currently have them, and then propose to design and administer studies to gather and track consistent, reliable and valid baseline and market effects data. We would propose to use the program logic models and The California Evaluation Framework (2004) as guides, and to begin this work after approval of the Application using funding provided for Evaluation, Measurement & Verification.

We expect that the baseline studies (1) adequately describe the operation of markets that are targeted by a program, (2) confirm our tentative identification of measurable parameters that would indicate changes towards greater efficiency in the market(s) and that are likely to be affected by the program, and (3) gather the current values of those parameters, to serve as baselines against which future market movement can be tracked.

As explained immediately above, the utilities propose to provide these draft metrics when available.

Program Design to Overcome Barriers

- SoCalGas program offerings work in silos and result in lost savings opportunities at the community level.
- The Pilot will work directly with the Community Developer to achieve integration across community energy end-uses such as buildings, transportation, water, and generation. This allows 100% participation by the community and encourages the developer to be innovative and aggressive in setting energy efficiency and renewable energy goals.
- Working through the Community Developer will enable SoCalGas to influence multiple types of consultants (architects, landscape architects, urban designers, transportation engineers, mechanical and electrical engineers), trades (mechanical, electrical, plumbing, roofing, and renewable installers) and supply chain partners

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such as manufacturers as well as local governments.

- Program cycles are too short for stakeholders with long-term planning and development horizons. 3-year program cycles ignore market conditions and long project lead-times.
- Master-planned communities typically have twenty year planning horizons which is much longer than typical IOU program timelines. This program resolves this by proposing a sufficient timeline that allows for full program integration into the development plan. Master-planned communities typically have twenty year planning horizons. Front-loading the program recommendations will maximize market transformation and allow the program benefits to properly deliver over the full length of the master development process.

For example, Rancho Mission Viejo's Ranch Plan went through a decade of science-based planning, and processing; development of the first planning area (PA1) will commence once the market recovers, hopefully by 2010 (www.TheRanchPlan.com). Another example is Otay Ranch, a large master planned community in Chula Vista went through a ten-year planning process, opened in 1999, and ten years later still is nowhere near completion despite being San Diego County's top selling planned community. (<http://otayranch.com/about/aboutIndex.shtml>). This program resolves this by proposing a sufficient timeline that allows for full program integration into the development plan.

- IOUs and non-governmental organizations lack the coordinated efforts that are needed to accomplish the goals. Disincentives exist at the CPUC, CEC, and IOUs that delay and inhibit effective and persistent market transformation:

Incentives availability is unpredictable for long-term stakeholders, and they are unable to utilize or secure them for projects.

Current organizational "silos" at IOUs and CPUC associated with various rulings make it impractical to do an integrated and comprehensive sustainable communities program. This creates missed opportunities for EE and DR savings up and down the energy supply and demand chains.

Utility customers are seeking integrated solutions addressing their entire energy infrastructure needs from smart appliances, smart meters, smart grid functionality including vehicle-to-grid capability, to promoting grid-enabled renewables. Existing program structures prevent appropriate creation and delivery of an integrated market solution.

Advancing Strategic Plan goals and objectives

SoCalGas' Sustainable Communities (SC) program supports the Statewide Strategic Plan, and promoting a sustainable future for Southern California. By addressing environment concerns and energy and resource efficiency, the program seeks to support the residential 2020 goals of zero net energy in new construction. Coupled with the focus on sustainable

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design and green building practices, the program is uniquely positioned to influence the design and construction of sustainable communities in its broadest definition. Consistent with The California Long Term Energy Efficient Strategic Plan, Residential New Construction will reach “zero net energy” (ZNE) performance for all new single and multi-family homes by 2020, and commercial new construction will increasingly embrace zero net energy performance (including clean, on site distributed generation), reaching 100% penetration of new starts in 2030. Near term, by 2011, 50% of new homes will surpass 2005 Title 24 energy efficiency standards by 35%; 10% will surpass 2005 Title 24 standards by 55%..

Residential

To support the CLTEESP objectives, SoCalGas proposes a separate *Sustainable Communities Case Studies* program that focuses on the Ranch Plan being developed by the Master-planned community company.

The program guides the target community toward this goal by setting beyond-code minimums in the interim, which facilitates building to ZNE in the target timeframe.

The Pilot will incorporate a Learning Center within the development to educate builders and homeowners as well as provide the Community Developer access to SoCalGas’ full gamut of energy efficiency programs.

The program will provide design assistance for builders, during which SoCalGas will push for the incorporation of innovative building practices.

The pilot integrated approach will include a comprehensive array of strategies including energy-efficiency measures, educational opportunities for demand response, onsite renewable distributed generation (as applicable), and smart meters.

Commercial

New construction will increasingly embrace zero net energy performance (including clean, distributed generation), reaching 100 percent penetration of new starts in 2030.(Goal 1)

Codes and Standards: Adopt aggressive and progressive minimum energy codes and standards for buildings and plug loads, effective code compliance and enforcement, and parallel, tiered voluntary energy efficiency standards (Strategy 1). The Pilot sets increasingly rigid energy efficiency goals that provide a workable path to achieving this goal. Specifically, at least 75% of commercial square footage must be 20% better by 2012.

Innovation

Sustainable Communities will be SoCalGas’ flagship program providing the path for all other programs to meet California’s long-term energy-efficiency goals, including net-zero energy homes by 2020.

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SC enables enhanced market transformation resulting in measurable energy efficiency, integrated demand response, distributed generation, renewables and natural resource savings while optimizing long-term ecological, social and economic health of California. It accomplishes this by comprehensively integrating the “vertical” development (buildings and their components) with the „horizontal“ development (land and utility and transportation infrastructure) over the full planning horizon. This holistic approach to program design and implementation is coupled with a new management model and evolutionary improvements in energy, water and air quality savings over the project life.

Master-planned communities typically have twenty-year planning horizons which is why weaving the vertical program elements with horizontal elements are so critical to its success. This program is unique in its breath and the level of integration to achieve long-term savings for: electricity, natural gas, water, wastewater, carbon emissions, and greenhouse gases.

Sustainable Communities recognizes that master-planned community developments provide a “proving ground” for interrelated pilot program offerings. This program will help SoCalGas and the CPUC to better understand barriers and opportunities with different stakeholders as part of a pilot/program rather than from numerous disjointed efforts. In addition to establishing SoCalGas as a leader in promoting sustainable development, SC provides the CPUC the opportunity to establish their leadership and overall policy guidance in support of these innovative programs.

The process for developing sustainable, livable land-use practices and building design is creative, technical and, participatory. The basic principles of sustainable development merge similar objectives to protect and restore the natural environment while providing nurturing, high-quality communities for people to work and live in.

The common fundamental characteristic throughout the program is its focus on performance approaches rather than prescriptive approaches to fully integrate building systems with infrastructure enabling SoCalGas into California’s Smart Grid. The Smart Grid concept overlaps various functions such as smart meters, smart appliances, demand response, self-generation, highly efficient PV systems and transportation.

Integrated/coordinated Demand Side Management

Fundamental to SC’s innovative design is it fully embraces an IDSM methodology by closely “knitting” EE, DR, DG and renewables across development components. Its very nature speaks to integration to form synergistic impacts that are typically unattainable through EE business as usual.

At a minimum, all marketing materials will be developed to support energy-efficient design process in helping cross promote demand response to educate customers on the availability of IOU DR programs/Smart Meters etc. Additional work will take place during the three-year program cycle to evaluate closer linkages between EE and DR via Program Managers and success with this concept with various case study projects. Additionally, this feedback

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mechanism establishes a means to facilitate technology approaches that enable SC to crosscut organizational silos in achieving its strategic vision.

Integration across resource types (energy, water, air quality, etc.)

SC is a comprehensive program with a cross-cutting focus on energy-design, green building practices, and increased utilization of renewable resources. Infrastructure, transportation planning, energy, water, materials, and waste are all addressed in the program rather than as separate elements. This provides the opportunity for exponential energy- and resource-savings throughout the community – giving SoCalGas and developers the ability to shift to cleaner forms of energy to power our communities. The key difference is that SC approaches the market with the Master Developer as its focus. Rather than address market barriers at the tail end of the market cycle, SC deals with barriers earlier in the development process thereby enhancing and improving its leverage to create substantially greater impacts as displayed in the table below. The pilot will engage with CEC, DOE, MWD and other government agencies responsible for various aspects of New Construction in California.

Integrated Community-Based Solutions

The main elements addressed by the participating projects will be structured around three key concepts – Environment, Resources, and Energy – with a detailed focus to the following principles:

Sustainable site design

- Energy efficiency
- Advanced renewables integration
- Pollution reduction
- Water efficiency
- Indoor air quality
- Resource preservation
- Smart Grid
- Integrating local Governments
- Transportation.
- Smart Land-Use Options (ex: mixed housing, walk-ability / bike-ability)

These energy- and land-use practices, sensitive to both the human community and natural environment, will be achieved through the *Sustainable Communities Case Studies* program and will allow the utility to initiate a collaborative partnership with the design community, developers, builders and related industries.

Master-planned community (to be determined)

To support the *Case Study* program concept and to integrate it into the *Sustainable Communities* program, SoCalGas proposes a separate *Sustainable Communities Case Studies* program that will focus on a to be selected Plan being developed by a Master-planned community developer.

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These projects will be comprised open space, residential units, commercial construction, schools, hospitals and other related development.

The project will be developed with sustainability as its guiding principle and addresses. This would include:

- Interdependence of humanity and nature
- Intergenerational stewardship
- Optimized value
- Design with natural systems
- Conservation of natural resources
- High-performance design technologies
- Resource-efficient healthy materials
- Elimination of waste
- Multi-modal transportation
- Innovation, education, and ongoing evolution

The project will also address quantitative environmental metrics of:

- Energy use
- Air pollution
- Greenhouse gases
- Water use
- Storm water and runoff

The tools developed, results achieved and lessons learned from the pilot have direct application Statewide and will be shared to further advance sustainable development elsewhere in California. This provides a much-needed proving ground serving to enrich sustainable community development at a cost-effective level unattainable through traditional approaches.

Project Opportunities

Utilizing the first plans as a case study will provide both short- and long-term opportunities for energy savings and other benefits in a cost-effective environment. It will also provide a comprehensive mix of energy-efficient market potential for multiple residential, commercial, and retail sectors. It will provide a model to successfully implement the programmatic initiatives found in the Strategic Plan.

Working through the community developer will enable the IOU to influence multiple types of consultants (architects, landscape architects, urban designers, transportation engineers, and mechanical and electrical engineers), trades (mechanical, electrical, plumbing, roofing, and renewable installers), and supply chain partners such as manufacturers as well as local governments.

Project Funding

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The Sustainable Communities Model developed by CTG Energetics, Inc. and the selected Master-Planned Community Sustainability Team, is the core controlling element in the analysis of the Project. Funding for the development and maintenance of the Sustainable Communities Model is needed to support the case study and evaluate the energy and environmental impacts, and sustainable design decision making for the chosen project. This Sustainable Communities Model will be the core controlling element in the analysis of the project. The Sustainable Communities Model® (SCM) quantifies total environmental impacts (including energy use, water use, greenhouse gas emissions, air pollution emissions, stormwater, transportation impacts, solid waste, and other factors) allowing communities to optimize planning and design decisions that result in the greatest environmental benefit for the least cost. The SCM takes a quantitative, systems-based approach towards sustainability. This enables a project's design team to "connect" each specialty's detailed analyses together to explore and optimize environmental impacts that cross disciplinary boundaries. The landscape architect can explore the impacts that various planting palettes has on building energy use (shading, microclimate modification, evaporative cooling), water consumption, carbon sequestration and embodied environmental impacts such as the amount of embodied energy/carbon in water. The SCM is scalable over a wide range of community sizes, and can be applied to "communities" ranging from municipalities, to large master planned developments/re-developments, to academic and corporate campuses, down to individual buildings.

Funding for the development and maintenance of the Sustainable Communities Model is needed to support the case study and evaluate the energy and environmental impacts, and sustainable design decision making for both the phases and the broader project. The funds are anticipated to support five key areas of the Sustainable Communities Model:

1. Implementation of the entire project in SCM to facilitate further investigation and analysis
2. Support of on-going plan design changes (densities, unit types, etc.)
3. Development and refinement of peer review and referencing methodologies to support the environmental benefit calculations, and
4. Development of new calculations and modules needed to support specific decision points for the project (e.g. large scale photovoltaic, cogeneration, district heating and cooling, etc.)

Additional funding will be required to cover:

- An on-site HERS-certified inspector during the build-out of the project. This inspector will perform the required tests and inspections and will ensure consistency and quality in the Planning Area 1 homes.
- Full-time, on-site technical support for 3rd party inspections and tests of building to ensure quality, program compliance, energy savings, and measurement and verification.
- Sales training
- Timeline of completion
 - The program will roughly be scheduled through the end of 2014, but the master development and results will continue for up to 20 years, or 2034.

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- Timeline of results
 - Some results will be available annually; a more comprehensive study will be completed at the end of the program cycle.
- The Statewide IDSMD program is tasked with developing an appropriate cost effectiveness methodology for integrated projects/pilots. The methodology will be used for this pilot as it becomes available.

The Green Energy Systems (GES) program (see Statewide New Construction PIP, Savings By Design for an example) will explore the potential for utility ownership of major energy efficiency equipment to facilitate the installation of the highest efficiency HVAC systems in commercial buildings. The program recognizes that building owner financing is constrained and without utility ownership, the system design will not maximize energy savings. The objective of GES is to capture energy efficiency opportunities that would otherwise be lost for the 20 to 30 year life of the HVAC equipment. This pilot will build on the success of the Sustainable Communities program that incorporates utility ownership of clean energy generation systems on customer facilities.

Under GES, SoCalGas will seek to identify projects with the following characteristics:

- The project is of sufficient size to warrant the effort (>\$2,000,000 investment)
- The building is intended to be owner occupied or owner managed
- The HVAC system is a central plant configuration

If an appropriate project is identified, with an owner willing to enter into a contractual agreement with the utility to own and operate the building's HVAC central plant, then the utility will file an advice letter for approval of incremental capital and maintenance costs and will demonstrate that the project meets the following criteria of the project is cost effective as a stand-alone energy-efficiency project and delivers incremental energy savings beyond what the building owner would otherwise have installed.

If approved, the utility will sub-contract out the design, construction, and operation of the facility but will serve as project manager to ensure it is constructed and operated at the design efficiency levels.

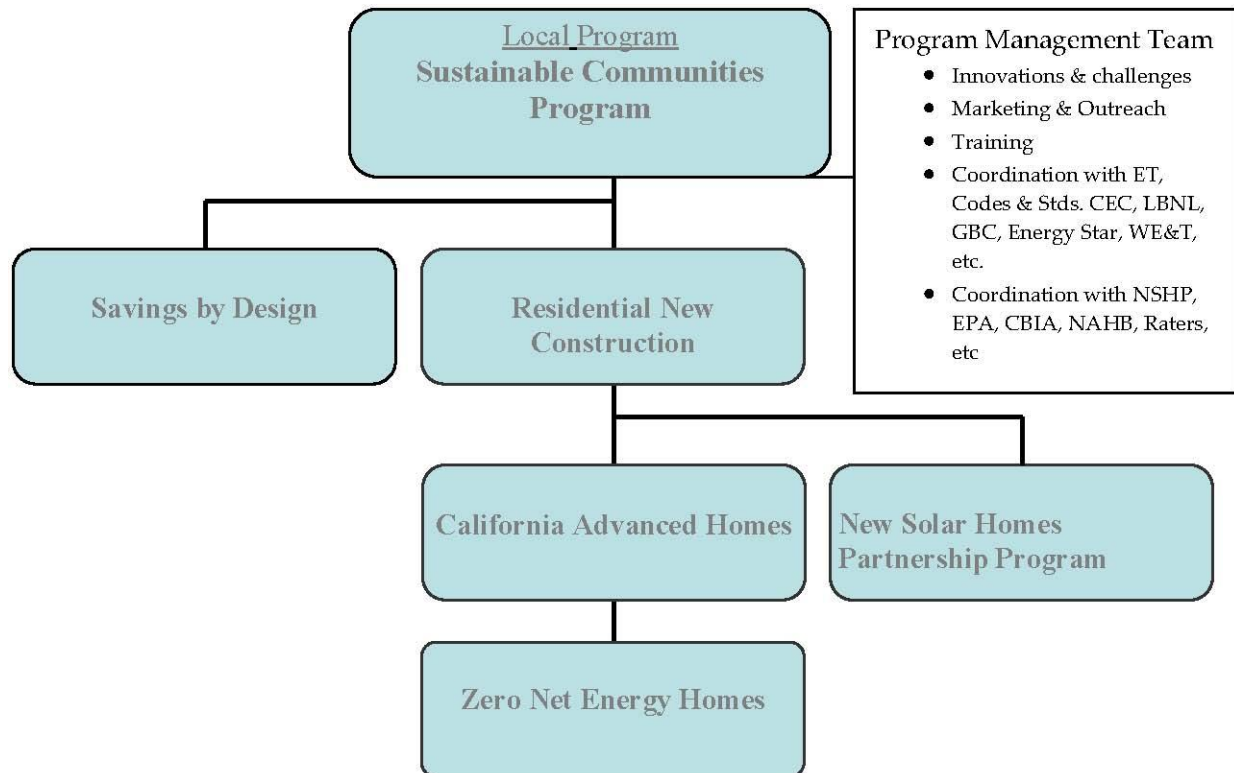
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Savings By Design: Neighborhood Retail, Business Park, and Offices, Fire/Police Stations, churches and Civic.

California Advanced Homes: Single family detached, single family attached, multi-family apartments and Assisted Living Community.

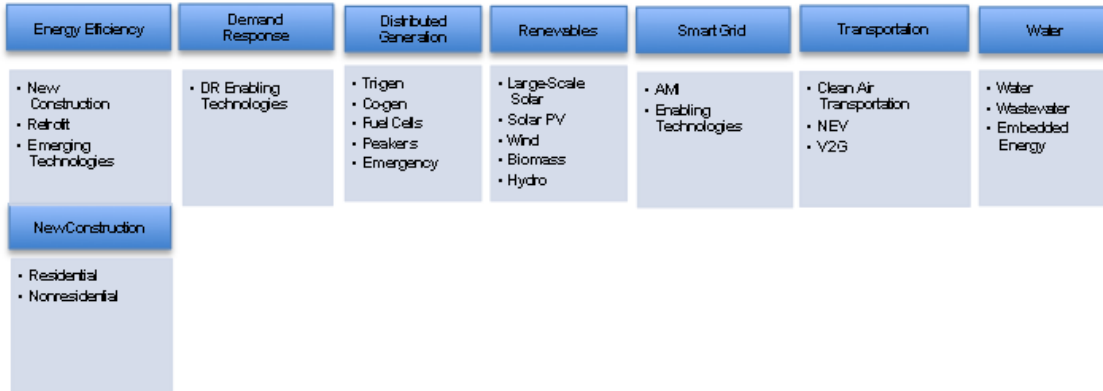
New Solar Homes Partnership Program: Single family detached, single family attached, multi-family apartments.

Zero Net Energy Homes: Single family detached, single family attached, multi-family apartments.



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Figure 2: Sustainable Communities Program Linkages

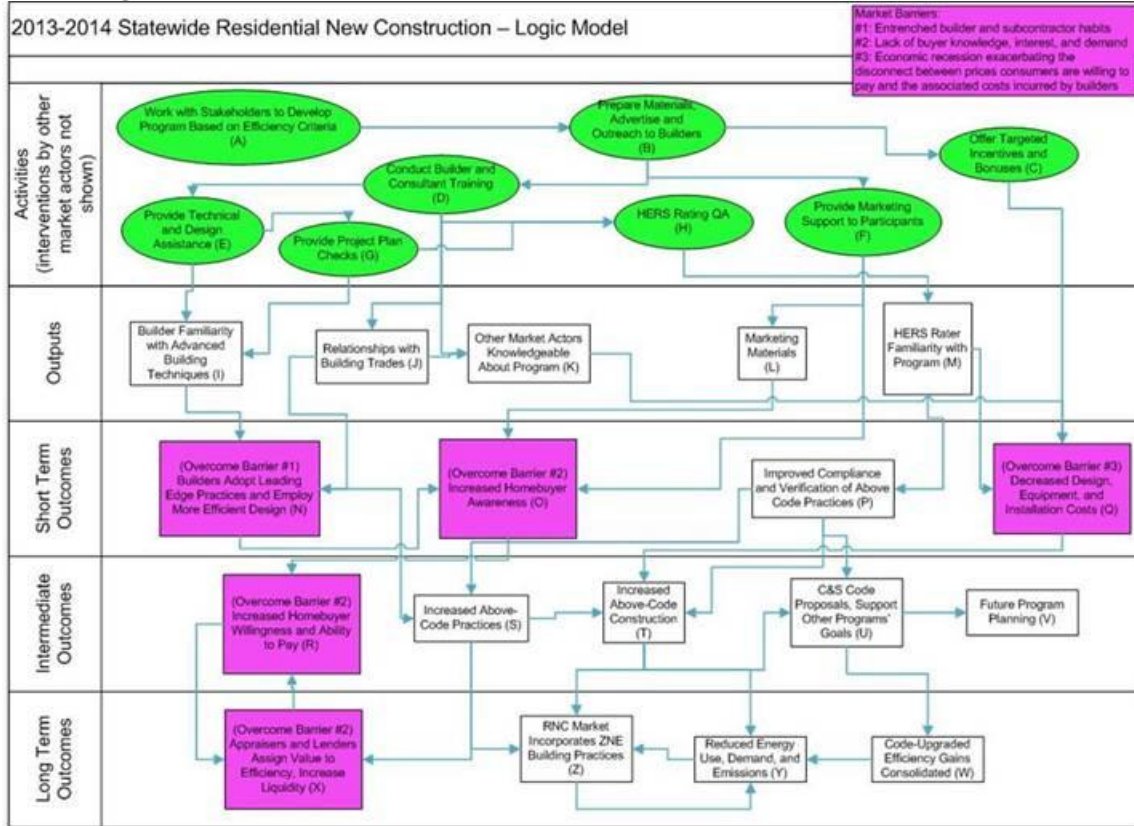


Master Developer	
OPPORTUNITIES	CHALLENGES
Integrated community-based approach	Funding format and prescriptive incentives not conducive
Reduce energy consumption and increase renewables	Added costs viewed as too high vs. return
Influence multiple stakeholders	Current incentive programming focused only on homeowner and builder
Implement research and pilot programs	Master Developer not included in existing incentive structure
Stimulate market transformation	Funding cycles too short for Master Developer timeframes

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8. Program Logic Models

CAHP Logic Model



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Attachment 1

In compliance with the 2013-2014 Final Decision, each IOU provided a matrix of budget figures broken down by funding source (energy efficiency, demand response, distributed generation, etc.) for: IDSM marketing, IDSM pilots, integrated Continuous Energy Improvement, IDSM online and on-site audits, IDSM training, and IDSM data tracking. IOUs have formatted these budget matrices using the template provided by Energy Division. Each IOU will also include a narrative description of the technologies being promoted and how the efforts support IDSM goals.

ATTACHMENT 1
SoCalGas IDSM Matrix

Statewide or Sub-Program ID if Applicable	Statewide or Sub-Program Name (Funding Sources)	Estimated \$ IDSM Marketing ⁽¹⁾	Estimated \$ IDSM Pilots ⁽²⁾	Estimated \$ Continuous Energy Improvement ⁽³⁾	Estimated \$ IDSM Online and Onsite Audits ⁽⁴⁾	Estimated \$ IDSM Training ⁽⁵⁾	Estimated \$ IDSM Data Tracking ⁽⁶⁾	Narrative Description of what technologies are being promoted and how the effort supports IDSM. Include rough estimate of percent inclusion of DG in identified IDSM activities.
SCG3734	Statewide IDSM Program	\$25,000	\$300,000	\$0	\$75,000	\$25,000	\$225,000	In addition to the online energy audit tools (residential and small business), SoCalGas has been in the process of gathering information on several technologies to integrate clean natural gas distributed generation with a suite of energy efficient technologies with advanced controls. This effort includes a proof of concept of an appliance-level gas metering and reporting system, similar to the Electric "In-Home Display," which could be a feature of the Home Area Network (HAN). SoCalGas is considering the implementation of a "Smart Gas Home" demonstration using the aforementioned technologies. Additionally, the IOUs are working to standardize a statewide audit and survey tools portfolio and customize audit recommendations based on customer profiles, operating characteristics, market sector potential and cost-effectiveness of the offering in order to consider more meaningful ways to implement these tools for the customer and identify choices of potential measures in various DSM programs or technologies specific to a particular customer.
SCG3701	Energy Advisor Res	\$81,000	\$0	\$0	\$1,429,951	\$0	\$0	Through the Residential Universal Energy Audit tool suite (UAT / ICEAT / PEAT), customers will be provided recommendations for demand response and distributed generation opportunities for their residence in addition to Energy Efficiency and Behavior change opportunities. Customers will also be referred to information for these programs, as well as customer assistance services, when appropriate. Usage data, customer behavior, and program participation data will be shared with demand response, distributed generation and IDSM programs as needed.
SCG3708	Energy Advisor Com	\$0	\$0	\$0	\$1,016,008	\$0	\$0	The online audit tool is an enhanced, customer friendly "do-it-yourself" web-based audit tool targeting small business customers. The online audit tool offers an integrated auditing approach providing energy efficiency, demand response and self-generation recommendation and education
Not Applicable	Other EE Programs	\$0	\$0	\$0	\$0	\$0	\$0	Not applicable

(1) - The marketing effort includes all three demand side technology program categories (EE, DR, DG)
(2) - The pilot program efforts includes all three demand side technology program categories (EE, DR, DG)
(3) - The portion of Continuous Energy Improvement program budgets (both within EE and from other programs areas such as DR) that will be used to support integration of all three demand side technology categories (EE, DR, DG)
(4) - The program will contribute to audits that provide customers with all demand side technology potential (EE, DG, DR) including corresponding costs and energy savings associated with individual and packages of technologies.
including corresponding costs and energy savings associated with individual and packages of technologies.
(5) - The training satisfies the definition of integrated trainings established by the IOUs in the Statewide WE&T PIP.
(6) - The program will contribute funding toward tracking and monitoring of integrated projects, programs, and efforts.