**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Concerning Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation, and Related Issues.	Rulemaking 13-11-005 (Filed November 14, 2013)

MARIN CLEAN ENERGY 2015 ENERGY EFFICIENCY PROGRAM PORTFLIO CHANGES PURSUANT TO THE ASSIGNED COMMISSIONER'S RULING AND SCOPING MEMORANDUM REGARDING 2015 PORTFOLIOS

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I. EXECUTIVE SUMMARY

Pursuant to Ruling Paragraph No. 1 of the Assigned Commissioner's Ruling ("ACR") Amending Scoping Memorandum, and Providing Guidance on Energy Savings Goals for Program Year 2015, issued in R.13-11-005 on March 3, 2014, and Decision ("D.") 14-01-033, Marin Clean Energy ("MCE") submits this funding extension request for MCE's 2015 Energy Efficiency ("EE") Programs.

MCE requests $509,284 for its 2015 Multi-Family program; $462,311 for its 2015 Small Commercial program; $227,470 for its 2015 Single Family program; and $100,000 for its 2015 Financing program, as outlined below.

A discussion of the various program modifications are provided below with detailed technical assumptions and budgets in the following Appendices: Appendix A – Budget Request Summary Tables; Appendix B – Budget and Placement Tables; Appendix C – Savings Allocation and Funding Sources Detail; and Appendix D – E3 Calculators.

Due to the volume and complexity of the Appendices, the original files are made available at: http://www.marincleanenergy.org/ee.

II. REGULATORY BACKGROUND

In opening the instant Rulemaking ("R.") 13-11-005, the Commission indicated that Phase 1 of this proceeding would entail an extension of the 2013-2014 energy efficiency programs through 2015.[1] The Phase 1 Scoping Memo was initially filed on January 22, 2014, with a subsequent Assigned Commissioner Ruling ("ACR") Amending the Scoping Memorandum issued on March 3, 2014. The ACR set forth that anticipated administrators of 2015 programs would file their funding extension requests on March 26, 2013. Thus, this request is timely filed.

D.12-11-015 authorized MCE, along with the Investor Owned Utilities ("IOUs") and Regional Energy Networks ("RENs"), to administer their 2013–2014 EE programs on behalf of ratepayers throughout its service territory. The funding from these programs was provided by ratepayer funds collected by the IOUs on behalf of the state and subsequently distributed by the IOUs.

Subsequently, pursuant to Ordering Paragraph No. 45 of D.12-11-015, on January 14, 2013, MCE submitted a compliance filing regarding revisions to MCE's 2013-2014 Program Implementation Plan ("PIP"). On May 7, 2013, MCE submitted additional partial supplemental information regarding its PIP due to direction provided from the Energy Division. The Commission approved these advice letters on June 10, 2013.

On March 21, 2014, MCE filed a Petition for Modification of D.14-01-033 in order to (1) modify the cost-effectiveness requirements assigned to CCAs in order to achieve comparability with IOU portfolios, and (2) clarify a CCA's ability to apply to administer gas EE programs with

[1] "The Commission will move forward as an initial matter in this proceeding with extending funding through 2015 for administrators' existing portfolios." R.13-11-005, Order Instituting Rulemaking Concerning Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation, and Related Issues at 3.

funds distributed pursuant to Section 890. While that matter is pending, MCE's current 2015 EE portfolio changes necessarily constitute an extension of existing programs in accordance with Commission directives.[2]

III. SAVINGS FORECAST AND COST EFFECTIVENESS

Table 1. Portfolio Summary, 2013 - 2015			
	2013 Actuals[1]	**2014 Forecast[2]**	**2015 Forecast[3]**
Budget	$740,091	$259,389	$1,299,006
kWh	248,882	5,566,814	3,362,775
kW	2	1,324	97
Therm	3,008	428,462	119,297
TRC	.22	1.63	1.43
PAC	.22	4.78	1.73
[1]2013 Figures are preliminary pending completion of MCE's Annual Report [2]2014 Figures based upon approved 2013- 2014 Compliance Filing; does not include credit enhancement [3]2015 Figures include non-resource programs			

A. Single Family Program

Savings forecast calculations for the single family program were developed using the work paper submitted in May of 2013 and refined based on early program results. An initial analysis conducted on the Home Utility Report program is showing energy reductions of 1.2% in the treatment group as compared to the control group (at a statistical significance of 10%). The reductions were applied to average energy consumption numbers within the MCE service territory and spread across the three climate zones in the MCE service territory.

Unfortunately, there were delays in launching this program associated with refining the model to match the data inputs received from PG&E; thus 2013 actuals are much lower than forecast. Additionally, many residents within Marin are currently receiving Home Utility

[2] "R.13-11-005 generally contemplates continuation through 2015 of the energy efficiency portfolios approved for 2013-14." Assigned Commissioner's Ruling Amending Scoping Memorandum, and Providing Guidance on Energy Savings Goals for Program Year 2015 at 4.

Reports from OPower, and thus the treatment group is slightly smaller than anticipated. Therefore, 2014 savings may fall slightly short of the forecast.

B. Financing

Financing expenditures have been reported in the 2013 roll up, with the exception of credit enhancement dollars. These dollars have been removed as they are encumbered but not technically spent until a loan secured by these funds defaults.

IV. PROGRAMS

Budget and Savings by Program (2015 Funding Request)				
	Budget	kWh	kW	Therms
Multi-Family	$509,284	447,994	0	26,642
Small Commercial	$462,311	720,790	97	8,295
Single Family Utility Demand Reduction	$227,470	2,193,991	0	84,360
Financing	$100,000	N/A	N/A	N/A

MCE's 2015 EE funding request extends programs by using approximately a flat 50% extension from the approved levels of 2013 - 2014 funding. The Multi-Family and Single Family budgets increased slightly to reflect the need for increased outreach and program activity towards achieving goals. The Small Commercial program, however, decreased slightly to reflect the growing challenge in capturing savings in this hard to reach market sector.

A. Multi-Family

MCE requests $509,284 for its 2015 Multi-Family program. MCE's current Multi-Family program is experiencing attrition between conducting energy assessments and closing projects. To combat this, MCE has introduced a simple incentive structure to facilitate higher participation from property managers. Where the previous incentive structure paid per unit of energy saved and was based on payback (i.e. a lighting measure with a short payback was eligible for a small incentive), the new incentive structure adds "bonus incentives," including:

- $25 per unit if more than 50% of the units receive direct install benefits;
- $45 per unit for investing in greater than 50% of tenant units with "tenant support" measures, such as building envelope or appliance upgrades; and a
- 10% incentive bonus across the top for multiple measure projects.

MCE will monitor the uptake of these increased incentives and anticipates a positive impact on the market.

B. Small Commercial

MCE requests $464,311 for its 2015 Small Commercial program. The Small Commercial program has been challenged with low uptake and limited interest in the whole building program offering. To combat this, MCE has introduced a few strategies to increase participation. MCE is working with its program implementer to de-emphasize neighborhood canvassing and invest in more direct outreach, such as partnerships with Chambers of Commerce and other trusted messenger groups. MCE also introduced a revised incentive structure to this program as well. In addition to the flat rate incentive, bonuses are available to projects that undertake multiple measures. In an effort to reach decision makers and combat split incentives, MCE is also offering a "property management" bonus to property managers who refer a project that successfully completes. A summary of these incentives is below:

- $200 Bronze Kicker: one measure from each of three different categories;[3]
- $450 Silver Kicker: two HVAC measures, one from a remaining category;
- $250 Gold: one measure from each of the four categories; and
- $250 per successful referral from a property manager or owner.[4]

C. Single Family

MCE requests $227,470 for its 2015 Single Family program. MCE's Single Family program experienced delays in launching the prime, energy saving component of the program – the Home Utility Report. In spite of these delays, based in part on reconciling data from PG&E with the model used to generate these reports, the program is now operational and producing savings consistent with expectations for similar programs. MCE is seeking a flat extension for this program.

D. Financing

MCE requests $100,000 for its 2015 Single Family program. MCE's Financing program has been adjusted from the 2013 – 2014 portfolio application. The initial financing program application included funding for credit enhancements. However, since these funds will remain unused in an account until such time as a loan defaults, they are not considered expenditures. Additionally, sufficient credit enhancement remains in the accounts at this time. The funding request for the financing program consists of funding for marketing to communicate the availability of the program. In particular, the Single Family Financing program is based upon

[3] The categories are lighting, HVAC, refrigeration, food service, and building envelope.
[4] A "successful" referral is considered a referral that results in a complete project. This incentive bonus is capped at three / project.

the Home Upgrade program, which is very difficult to communicate to customers and therefore would benefit from additional marketing support.

V. FUNDING AND COST RECOVERY

Category (2010-14 Authorized[1] and 2015 Request)	Electric Energy Efficiency Funds	Natural Gas Public Purpose Funds	Total Energy Efficiency Funds
2013-2014 Annualized Program Funds - CCA	$4,015,205		$4,015,205
2013-2014 Total Annualized Portfolio	$4,015,205		$4,015,205
2015 Program Funds - CCA	$939,304	$359,702	$1,299,006
2015 Total Portfolio Request			$1,299,006

[1] Authorized budget excludes reductions from past unspent funds and carryover.

MCE's 2015 budget request is summarized above (Table 2). MCE does not anticipate having unencumbered funds at the end of this portfolio cycle, but will be finalizing 2013 actuals in the coming weeks and will update the filing if necessary to incorporate potential carry over funding.

VI. INTEGRATED DEMAND SIDE MANAGEMENT – DEMAND RESPONSE FUNDING

This section is not applicable to MCE at this time. MCE has invested in a demand response pilot with its own funds, and will be monitoring this pilot for potential expansion in 2016. At this time, MCE is considerably constrained by lack of access to SmartMeter data.

VII. CONCLUSION

MCE thanks the Commission, President Peevey, and Administrative Law Judge Edmister for their attention to MCE's 2015 EE Program Portfolio Changes Pursuant to the Assigned Commissioner's Ruling and Scoping Memorandum Regarding 2015 Portfolios.

Respectfully submitted,

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