

July 20, 2017

CA Public Utilities Commission
Energy Division
Attention: Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102-3298



Advice Letter 23-E-A

Re: Supplement to Identification of Metrics to Track Marin Clean Energy’s Low Income Families and Tenants Pilot

Marin Clean Energy (“MCE”) filed Advice Letter (“AL”) 23-E on April 6, 2017, which identified metrics to track MCE’s Low Income Families and Tenants (“LIFT”) pilot program. On April 24, 2017, the California Public Utilities Commission (“Commission”) staff notified MCE that it suspended AL 23-E. Staff worked with MCE to develop revised metrics and some modifications to the program. MCE now submits this supplemental filing to update the LIFT pilot metrics and provide notice of the modifications to the pilot.

Effective Date: August 3, 2017

Purpose

Commission staff suspended MCE AL 23-E and worked with MCE to revise metrics and identify some modifications to the LIFT pilot. This advice filing supplements MCE’s AL 23-E, filed on April 6, 2017, and provides updated metrics and notice of revisions to the pilot.

Background

MCE originally proposed a LIFT pilot budget of \$4.6 million.¹ The Commission approved a number of MCE’s LIFT pilot elements and a reduced budget of \$3.5 million for the two-year pilot.² The Commission directed MCE to provide additional metrics to track the LIFT pilot.³ MCE developed the metrics submitted in MCE AL 23-E in consultation with several stakeholders. Commission staff suspended MCE AL 23-E and provided feedback in discussions with MCE. MCE utilized this feedback to revise its proposed metrics and also identified some modifications to improve the impact of the pilot.

¹ Testimony of Marin Clean Energy Regarding a Proposed Low-Income Energy Efficiency Pilot Program for the Program Years 2015-2017, April 27, 2015 (“MCE Testimony”), Exhibit C at 5.

² D.16-11-022, OP 147 at 492.

³ D.16-11-022, OP 147 at 492.

Scope of the Pilot

MCE's LIFT proposal requested \$4.6 million in funding. MCE received budget approval for \$3.5 million and guidance from Commission staff to narrow the scope of the pilot to allow for greater focus on key offerings with the greatest impact. The Single Family Matched Energy Savings Account ("MESA") and Single Family Behavioral Mobile Application were removed from the pilot to focus on areas that are expected to have a deeper impact. MCE notes that the Single Family Behavioral Mobile Application is similar to the mobile access efforts currently underway.⁴

Pilot Duration and Launch

The LIFT pilot is a two-year pilot.⁵ MCE will start the two-year pilot within ninety ("90") days of the Commission's approval of the revised metrics to track the pilot's progress.

Incentive Levels

The LIFT Pilot has two main components: (1) the Multifamily component; and (2) the Heat Pump ("HP") Fuel Switching component. The Multifamily component has a \$1,200 per-unit incentive cap.⁶ The costs of the equipment and installation under the HP Fuel Switching component will be separate from this incentive cap. HPs represent a promising technology that is not widely deployed. HPs have the potential to decarbonize space and water heating end uses while improving comfort for low-income customers. The potential benefits of HP technology justify additional investment to encourage adoption and to generate data about HP performance in a low-income setting. MCE anticipates the data collected from the HP installations will be useful to the Commission in considering fuel substitution policies.

Leveraging MCE's Multifamily Energy Savings Program

The LIFT pilot will leverage incentives from MCE's general Multifamily Energy Savings Program with the LIFT pilot incentives where feasible. Customers receiving LIFT pilot incentives will satisfy Commission-approved ESA program eligibility criteria. Administrative processes will be shared by both programs (*e.g.* one application, one rebate check) though MCE will track expenditures and savings separately. This will reduce administrative costs and provide a less burdensome experience to the program participant. Tracking the costs and savings of each program separately will provide insight to the performance of each program and the efficacy of the leveraging strategy while meeting compliance reporting requirements.

⁴ D.16-11-022 Conclusion of Law 152 at p. 435.

⁵ D.16-11-022 at p. 376.

⁶ This per unit cap will be evaluated as the average funding provided across all the treated units in a single building. This level of funding is also available to offset the cost of common area measures and to increase the incentive available for central systems that treat tenant units, *e.g.* domestic hot water systems.

Propane Customers

In addition to providing fuel substitution measures for eligible gas customers, the LIFT pilot will also provide fuel switching options for eligible propane customers. MCE will cap propane fuel switching at 10% of the total number of heat pumps installed through the pilot program. Moving customers from propane to electric space or water heating represents a unique opportunity to reduce customers' energy costs as well as provide valuable data to inform policy decisions relating to the Commission's implementation of Assembly Bill 2672 (2014).

Overall Performance Metrics and Data Collection for the HP Fuel Switching Components

The revised metrics, provided in Attachment A, include both performance metrics for all activities and data collection to advance research on HPs. The performance metrics will be used to measure the performance of the pilot and include targets to assess achievement. MCE reduced the number and complexity of metrics compared to those filed in MCE AL 23-E based on feedback from Commission staff. The data collection component includes a list of the data sets that will be collected to support research on the application of HPs for fuel substitution. MCE's data collection objective is intended to provide useful information to inform broader policy decisions such as whether to expand gas infrastructure in the San Joaquin Valley or potential revisions to the Commission's three-prong test used for fuel substitution.

Revised Pilot Budget Table

MCE provided a budget table in MCE AL 23-E. The changes to the pilot described above require modifications to that table. MCE provides Table 1 below, which incorporates the changes to the pilot and replaces the budget table MCE provided in MCE AL 23-E.

Table 1: Revised Budget, Targets, and Savings⁷

Sector	Requested Budget	Approved Budget	kWh	Revised kWh	Therms	Revised Therms	Units	Revised Units
Multifamily	\$3,770,358	\$3,500,000	568,105	232,979	27,170	15,368	2,470	1,482

Notice

MCE respectfully requests a waiver of the protest period to enable expedient approval of the metrics and allow the pilot to launch in the near term.

If the protest period is not waived, anyone wishing to protest this advice filing may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received no later than 20 days

⁷ MCE developed these savings and targets based on its experience administering its general EE portfolio.

after the date of this advice filing. Protests should be mailed to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address as above).

In addition, protests and all other correspondence regarding this AL should also be sent by letter and transmitted via facsimile or electronically to the attention of:

Nathaniel Malcolm
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Marin Clean Energy
1125 Tamalpais Ave.
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There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

MCE is serving copies of this advice filing to the relevant parties shown on the A.14-11-007 et al. service list. For changes to this service list, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

Correspondence

For questions, please contact Nathaniel Malcolm at (415) 464-6048 or by electronic mail at nmalcolm@mceCleanEnergy.org.

/s/ Michael Callahan
Michael Callahan
Regulatory Counsel
Marin Clean Energy

cc: Service List A.14-11-007 et al.

Attachment A
LIFT Pilot Multifamily Barriers and Metrics Table

LIFT Pilot Multifamily Barriers and Metrics Table

Problem Statement	Market Barriers	Desired Effects/2-Year Vision	Intervention Strategies	Metrics	Baseline	Metric Source	Short-Term Target (1 Year) ¹	Mid-Term Target (2 Year) ¹
Programs operating in siloed pots of funding do not deliver comprehensive treatment, missing an opportunity to be cost efficient and to have a higher program participation and satisfaction rate	The design of current low-income programs limits the potential for comprehensive savings while still attaining cost effective program delivery	Programs are blended to provide maximum benefits to the owners and tenants of multifamily properties while enabling improved program resource efficiency	1. Blend the LIFT incentives with MCE's Multifamily Energy Savings Program rebates to provide maximum incentives to the property owners	1. % of units receiving comprehensive upgrades ² using both MCE's Energy Savings and LIFT program offerings 2. Average savings per unit for LIFT is more than the average savings per unit for PG&E's ESA program 3. % of property owners/ managers that rate the ease of participation as high	1. Program Year 1 2. 3.32 MMBTU ³ saved per unit 3. Program Year 1	1. Program tracking data 2. Program tracking data 3. Post-treatment participant survey data	1. 60% (330/550 units) 2. The average savings per unit for LIFT is more than the average savings per unit for PG&E's ESA program 3. 80% of participants rate that it is easy to participate in the program	1. 60% (560/932 units) 2. The average savings per unit for LIFT is more than the average savings per unit for the PG&E's ESA program 3. 80% of participants rate that it is easy to participate in the program
The apprehension of the consequences around income verification and sharing of personal information creates a barrier to program participation even if the consequences will not actually occur	Fear of consequences related to personal information disclosure	Increased participation from "hidden communities" as residents are assured that it is safe to share information with the program	1. Work with community-based organizations (CBOs) and trusted messengers ⁴ to educate residents on the value of programs, benefits of energy efficiency, and address other concerns prohibiting them from participation	1. % of units meeting one or more of the following criteria: - residents receive program information in a language other than English (will track languages) - residents are engaged by community based organizations (CBOs) who indicate they had not previously participated in energy efficiency programs due to concerns around sharing personal information - located outside of Cal Enviro Screen 2.0 designated disadvantaged communities - are occupied by extended or multiple families	1. Program Year 1	1. Program tracking data	1. 40% (220/550 units)	1. 40% (373/932 units)
Low-income multifamily renters face higher energy burden and are hard to reach	Landlord approval, rent increase and lack of incentive	Increased participation from income eligible communities	1. Targeting landlords and property owners to reach eligible and hard to reach multifamily renters	1. % of the eligible households ⁵ that install efficiency measures through the LIFT program	1. Program Year 1	1. Program tracking data	1. 1% of income eligible households in MCE's service territory ⁶ (550/56,087)	1. 2% of income eligible households in MCE's service territory ⁶ (932/56,087)

¹ MCE assumes it will serve 550 units in the first year of the program and 932 units in the second year, touching between 12-24 properties in total. Second year targets are not cumulative.

² Comprehensive upgrades refer to projects with measures that fall into two or more end-use categories.

³ The MMBTU was calculated using the costs and savings data presented in the ESA Table 1 "Overall Program Expenses" and ESA Table 2 "Expenses and Energy Savings by Measures Installed" of the Pacific Gas and Electric Company ESA Program and CARE 2016 Annual Report.

⁴ Trusted Messengers include local organizations and community leaders that are well-known and trusted in low-income communities. Due to trusted messengers' status in these communities, they will help alleviate customer concerns about program participation and help target messaging to effectively reach hidden communities and drive participation.

⁵ An eligible household is one that meets a Commission-approved ESA eligibility criterion, for example a household income at or below 200% of the federal poverty level.

⁶ The eligible population figures for Napa and Marin were taken as is from PG&E's Attachment A of "Compliance Filing Regarding Annual Estimates of Care Eligible Customers and Related Information" filed on February 10, 2017 in A.14-11-007 et al. For Contra Costa County, the total eligible population was calculated by multiplying the American Community Survey 5-Year Estimates 2015 occupied housing units in Richmond, Benicia, El Cerrito, San Pablo, Walnut Creek, and Lafayette with the demographic eligibility rate (from Attachment A). Available at <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M175/K295/175295964.PDF>.

LIFT Pilot Heat Pump Barriers and Metrics Table

Problem Statement	Market Barriers	Desired Effects/2-Year Vision	Intervention Strategies	Metrics	Baseline	Metric Source	Short-Term Target (1 Year) ⁷	Mid-Term Target (2 Year)
Fuel-switching measures are hard to justify as the environmental, and health and comfort benefits are not considered when compared to existing technology	The high upfront cost of fuel switching owing to current regulatory framework	The full potential of fuel switching measures is valued and quantified	1. Replacing problematic natural gas heating or hot water system equipment to resolve health and safety issues and improve the efficiency of a home's heating system	1. # of heat pumps installed 2. Gather the following data to support advancement of fuel switching policies: - procurement and installation costs of heat pumps including costs of bulk purchase - the impacts of fuel switching on bill savings and net costs to the customers - reduction in greenhouse gas (GHG) emissions, nitrogen oxides (NOx), and sulfur oxides (SOx) - source British thermal units (BTU) savings - impacts on resident's health, comfort, and safety	1. Program Year 1	1. Program tracking data	1. 30 heat pumps	1. 90 heat pumps
Lack of tenant education could lead to misunderstanding and misuse of the heat pump technology	Lack of customer exposure due to the newness of heat pump technology	Tenants are comfortable and satisfied with heat pump technology	1. Providing tenants with post-installation education on potential bill reductions or associated bill increases when there is added cooling and heating load	1. % of residents who report comfort and satisfaction with the heat pump technology	1. Program Year 1	1. Post-treatment participant survey data	1. 80% (tenants of 24/30 heat pumps installed)	2. 80% (tenants of 72/90 heat pumps installed)

⁷ MCE assumes it will install 30 heat pumps in the first year of the program and 90 heat pumps in the second year. Second year targets are not cumulative.

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY LSE (Attach additional pages as needed)

Company name/CPUC Utility No. Marin Clean Energy

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person for questions and approval letters: Nathaniel Malcolm

Phone #: (415) 464-6048

E-mail: nmalcolm@mcecleanenergy.org

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: MCE 23-E-A

Subject of AL: Supplement to Identification of Metrics to Track Marin Clean Energy's Low Income Families and Tenants Pilot

Tier Designation: 1 2 3

Keywords (choose from CPUC listing): Compliance

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision: D.16-11-022, OP 147

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL _____

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Resolution Required? Yes No

Requested effective date: August 3, 2017

No. of tariff sheets: 0

Estimated system annual revenue effect (%): n/a

Estimated system average rate effect (%): n/a

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: n/a

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets: none

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Ave.
San Francisco, CA 94102
EDTariffUnit@cpuc.ca.gov

Utility Info (including e-mail)
Marin Clean Energy
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¹ Discuss in AL if more space is needed.