May 4, 2017

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

Advice Letter 24-E

Re: Request for Approval to Close Multifamily and Commercial On-Bill Repayment Program and Shift Funds to MCE's Multifamily Energy Efficiency Program and Commercial Energy Efficiency Program

In compliance with the California Public Utilities Commission's ("Commission") Decision ("D.") 09-09-047, Ordering Paragraph ("OP") 43, filed September 24, 2009 and the Energy Efficiency Policy Manual,[1] Marin Clean Energy ("MCE") submits this filing to request permission to close the Multifamily and Commercial On-Bill Repayment ("OBR") Program and shift remaining funds to MCE's Multifamily Energy Efficiency Program ("Multifamily Program") and Commercial Energy Efficiency Program ("Commercial Program").

Effective Date: June 3, 2017

Tier Designation: Tier 2

Pursuant to General Order 96-B, Energy Industry Rule 5.2 this advice letter is submitted with a Tier 2 designation.

Purpose

The purpose of this advice filing is to seek approval to close MCE's Multifamily and Commercial OBR Program and shift remaining funds to MCE's Multifamily Program and Commercial Program.

Background

MCE's OBR Program is designed to provide low-cost financing to improve the energy efficiency of multifamily and commercial buildings. The program is facing three significant challenges: (1) low participation; (2) misalignment between OBR terms and energy efficiency program design; and (3) competition from newer loans with more competitive terms and interest.

[1] Version 5, July 2013, Section II.7 at p. 13, available at http://www.cpuc.ca.gov/NR/rdonlyres/7E3A4773-6D35-4D21-A7A2-9895C1E04A01/0/EEPolicyManualV5forPDF.pdf.

MCE's Multifamily and Commercial Programs provide assessments and rebates. Program participation projections and the project pipeline exceed the current 2017 budget. Shifting funds from the OBR Program to the Energy Efficiency Programs will enable MCE to better serve customer demand in its Multifamily and Commercial Programs.

Closing MCE's Multifamily and Commercial OBR Program

MCE's Multifamily and Commercial OBR Program is intended to eliminate the barrier of high up-front costs for substantial energy efficiency upgrades. The program has yielded a low participation rate: no loans have been issued since its launch in 2013. The low participation is likely due to two factors. First, there is misalignment between OBR terms (minimum $10,000 project size) and average energy efficiency project size (about $3,000 for the small commercial program). For MCE's multifamily customers, the security requirements of the program may serve as a barrier for affordable housing properties, which have been the most interested in the financing option thus far.[2] Second, newer financing programs have emerged with more competitive interest rates.

Other programs are available to serve the commercial and multifamily customer segments with energy efficiency financing to eliminate the barrier of up-front costs. For example, commercial customers can access statewide financing pilots, including PG&E's interest-free on-bill financing program, and small commercial customers can access microfinancing loans through organizations like Mission Asset Fund. Multifamily customers can access financing tax credits offered by the California Tax Credit Allocation Committee ("TCAC"), private loans, and internal capital from their property management firm. Both commercial and certain multifamily customers can access Property Assessed Clean Energy ("PACE") Programs. MCE has worked to support a robust PACE program, and will continue to refer its commercial and multifamily customers to other appropriate financing options.

Shifting Funds to MCE's Multifamily and Commercial Programs

MCE's Multifamily and Commercial Programs have a robust pipeline for 2017 and MCE anticipates a need for additional incentive and direct implementation funding; therefore, MCE requests to shift remaining funds from the Multifamily and Commercial OBR program into its Multifamily and Commercial Programs.

In 2017, MCE expanded its Commercial Program to serve MCE's full service area. With this expansion, as well as targeted campaigns co-led with local governments such as the City of Richmond, participation projections and the project pipeline exceed MCE's 2017 Commercial Program budget. Shifting funds from the Multifamily and Commercial OBR Program to the Multifamily and Commercial Programs will enable MCE to better serve customer demand.
MCE requests a fund shift from the Multifamily and Commercial OBR Program budget to the Multifamily and Commercial Programs. The OBR Program was originally approved in 2012 as

[2] MCE's OBR program requires a Uniform Commercial Code 1 ("UCC1") fixture filing.

one of three financing pilots.[3] The Multifamily and Commercial OBR Program has $547,500 designated for a loan loss reserve ("LLR") account to buy down interest rates for loans issued under the program. The LLR carries over year to year as committed funds.

MCE requests to shift the $547,500 in available LLR funds from MCE's OBR program to MCE's Multifamily and Commercial Programs. These funds are anticipated to cover the unmet need for electric savings for projects in 2017. The remaining Financing Program budget will be used to support PACE activities and service an outstanding Single Family OBR loan.

Table 1: Proposed Fund Shift of LLR to Multifamily and Commercial Programs ($)

Program	2017 Budget	Shift Out	Shift In	New Budget
Multifamily Energy Efficiency	667,555		273,750	941,305
Commercial Energy Efficiency	658,711		273,750	932,461
Financing	574,531	(547,500)		27,031
Total	**1,900,797**	**(547,500)**	**547,500**	**1,900,797**

Notice

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

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102
E-mail: EDTariffUnit@cpuc.ca.gov

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

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

[3] D.12-11-015 at 49-50.

Michael Callahan-Dudley
Regulatory Counsel
MARIN CLEAN ENERGY
1125 Tamalpais Avenue
San Rafael, CA 94901
Phone: (415) 464-6045
Facsimile: (415) 459-8095
E-mail: mcallahan-dudley@mceCleanEnergy.org

Alice Stover
Energy Efficiency Program Manager
MARIN CLEAN ENERGY
1125 Tamalpais Avenue
San Rafael, CA 94901
Phone: (415) 464-6030
Facsimile: (415) 459-8095
E-mail: astover@mceCleanEnergy.org

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 R.13-11-005 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 Michael Callahan at (415) 464-6045 or by electronic mail at mcallahan@mceCleanEnergy.org.

/s/ Michael Callahan

Michael Callahan
Regulatory Counsel
MARIN CLEAN ENERGY

cc: Service List R.13-11-005

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY
ENERGY UTILITY

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

Marin Clean Energy

Utility type:	Michael Callahan
☑ ELC ☐ GAS	Phone #: 415-464-6045
☐ PLC ☐ HEAT ☐ WATER	E-mail: mcallahan@mceCleanEnergy.org

EXPLANATION OF UTILITY TYPE			(Date Filed/ Received Stamp by CPUC)
ELC = Electric	GAS = Gas		
PLC = Pipeline	HEAT = Heat	WATER = Water	

Advice Letter (AL): 24-E

Subject of AL: Request for Approval to Close Multifamily and Commercial On-Bill Repayment Program and Shift Funds to MCE's Multifamily Energy Efficiency Program and Commercial Energy Efficiency Program

Tier Designation: ☐ 1 ☑ 2 ☐ 3

Keywords (choose from CPUC listing):

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☑ One-Time ☐ Other ______________________________

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution: N/A

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 AL[1]: ____________________

Resolution Required? ☐ Yes ☑ No

Requested effective date: June 3, 2017 No. of tariff sheets:

Estimated system annual revenue effect: (%):

Estimated system average rate effect (%):

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:

Service affected and changes proposed[1]:

Pending advice letters that revise the same tariff sheets:

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	**Utility Info (including e-mail)**
Attention: Tariff Unit	**Marin Clean Energy**
505 Van Ness Ave.,	**Michael Callahan, Regulatory Counsel**
San Francisco, CA 94102	**(415) 464-6045**
EDTariffUnit@cpuc.ca.gov	**mcallahan@mceCleanEnergy.org**

[1] Discuss in AL if more space is needed.