Advice Letter 27-E

Re: Request for Extension of MCE Seasonal Savings Pilot Program

Marin Clean Energy (“MCE”) filed Advice Letter (“AL”) 17-E on August 18, 2016, which requested approval of MCE’s Seasonal Saving Pilot Program. On December 6, 2016, MCE filed AL 17-E-A, which was a supplemental filing to update the Evaluation, Measurement and Verification (“EM&V”) plan for its Seasonal Savings Pilot Program. MCE now submits this AL 27-E to request approval to extend the MCE Seasonal Savings Pilot Program for one year.

Effective Date: November 20, 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 letter filing is to seek approval to extend the MCE Seasonal Savings Pilot Program for one year.

Background

The purpose of a pilot project is to test a new and innovative concept, partnership, or program design that is intended to address a specific area of concern or gap in existing programs.¹ The Commission articulated ten criteria for proposed pilots in D.09-09-047.² The Energy Efficiency Policy Manual restates those criteria.³ In 2016, pursuant to AL 17-E and AL 17-E-A, MCE launched the Seasonal Savings Pilot Program, an innovative program designed to investigate the

¹ D.09-09-047 at p. 48.
² D.09-09-047 at p. 48-49.
potential cost-effective savings in utilizing smart thermostat technology to remotely modify set points on Heating, Ventilation, and Air Conditioning (“HVAC”) equipment. The Seasonal Savings Pilot Program has been successful and MCE seeks to continue the pilot program for one year. The results of the Seasonal Savings Pilot Program are summarized below.

**MCE Seasonal Savings Pilot Program Overview**

The MCE Seasonal Savings Pilot Program tests an innovative approach to achieving energy savings with energy management technology. The Nest Learning Thermostat has already been proven to save energy out-of-the-box. The Seasonal Savings pilot program takes the Nest Learning Thermostat energy savings one step further by providing customers with incremental energy savings throughout a particular heating or cooling season. The thermostat does this for those customers who have opted in to the program by making micro set point adjustments to the thermostat’s schedule. The result is cost-effective, incremental energy savings and customer engagement.

Continuing this program for an additional year will help to generate more cost-effective savings and more data to evaluate this offering. These savings are driven by optional software programs embedded within Nest Learning Thermostats. While the pilot is carried out specifically in conjunction with Nest, the lessons learned from the pilot will be relevant to any smart thermostat or energy management technology that includes optional software programs designed to adjust customer thermostat settings.

Additional details on the pilot design were provided in the MCE Seasonal Savings Pilot Plan, which was included as Attachment A to AL 17-E.

**MCE Seasonal Savings Pilot Program Results from the 2017 Winter Season**

A total of 7,291 Nest Learning thermostats were identified in the target population of Marin Clean Energy Nest customers. The target population was randomly split into treatment and control groups with 5,256 thermostats in the target treatment group and 2,035 thermostats in the control group. The algorithm was deployed in January 26, 2017 and overall 80% of the 5,256 target thermostats qualified to participate (i.e. were online and running a heating schedule). Customers opted to participate with 78% of those qualified thermostats. In total, 3,261 thermostats participated in the Seasonal Savings event.

Gas heated homes that opted to participate in Seasonal Savings are estimated to have saved 15 hours of furnace runtime which equals 7.1 therms of natural gas and 5.7 kWh of electricity (primarily from reduced air handler power use). The 49 participants with heat pumps are estimated to have reduced runtime by 16 hours, which equals 49 kWh over the season. Aggregate savings were 22,885 therms of natural gas and 20,685 kWh of electricity. These savings results are *ex-post* and do not include any savings achieved after April 2017 (i.e., the end of the winter and persistence into the following heating season are both assumed to be zero) – a full accounting of savings would likely result in a larger total. The fairly late deployment and mild weather limited the overall energy savings impacts even though the percent savings were quite substantial. MCE is still gathering data for the results from the 2017 Summer Season.
**Funding for the Pilot**

Pursuant to AL 17-E, MCE funded the MCE Seasonal Savings Pilot Program out of MCE’s existing single family program budget. If the extension requested by this AL 27-E is approved, MCE intends to continue to fund the extension of the MCE Seasonal Savings Pilot Program for one additional year out of MCE’s existing single family program budget.

**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:

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

and

Beckie Menten  
Energy Efficiency Director  
MARIN CLEAN ENERGY  
1125 Tamalpais Avenue  
San Rafael, CA  94901  
Phone:  (415) 464-6034  
Facsimile:  (415) 459-8095  
E-mail: bmenten@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-Dudley 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)

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<th>Marin Clean Energy</th>
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<tbody>
<tr>
<td><strong>Utility type:</strong></td>
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<tr>
<td>☑ ELC</td>
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<tr>
<td>☐ PLC</td>
</tr>
<tr>
<td>Phone #: 415-464-6045</td>
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<tr>
<td>E-mail: <a href="mailto:mcallahan@mceCleanEnergy.org">mcallahan@mceCleanEnergy.org</a></td>
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**EXPLANATION OF UTILITY TYPE**

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<th>ELC = Electric</th>
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<tbody>
<tr>
<td>PLC = Pipeline</td>
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Advice Letter (AL): 27-E

Subject of AL: Request for Extension of MCE Seasonal Savings Pilot 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: D.09-09-047

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:

Resolution Required? ☐ Yes ☑ No

Requested effective date: November 20, 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:

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.,

San Francisco, CA 94102

EDTariffUnit@cpuc.ca.gov

Michael Callahan, Policy Counsel

(415) 464-6045

mcallahan@mceCleanEnergy.org

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1 Discuss in AL if more space is needed.