# Table of Contents

## Program Manual Summary

1. **ELIGIBLE MEASURES**

2. **CUSTOMER ELIGIBILITY REQUIREMENTS**
   - 2021 Income Limits
   - Public Purpose Program (PPP) Surcharge
   - Minimum Customer or Project Size
   - Double Dipping
   - Application Must be Complete

2. **CONTRACTOR ELIGIBILITY REQUIREMENTS**
   - Combustion Appliance Safety

3. **PARTICIPATING CONTRACTORS, MANUFACTURERS, RETAILERS, DISTRIBUTORS**

4. **ADDITIONAL SERVICES**
   - Marketing
   - Assessments
   - Workpaper Development

5. **Program Payments**
   - Program Reimbursements

6. **SUB-PROGRAM QUALITY ASSURANCE PROVISIONS**
   - Quality Assurance and Quality Control
   - Access to Customer Sites
   - Program Metrics
   - Marketing
   - Customer Engagement
   - Technical Information
The MCE Single Family Direct Install Program (Program) is a third-party program which will deliver electric and gas savings for residential customers in MCE’s service area. This manual provides an overview and outline of the Program’s policies, procedures, and requirements. The manual describes customer and contractor eligibility requirements, audit requirements, services provided, quality assurance procedures, and reporting processes.

1. **ELIGIBLE MEASURES**

Provide requirements for measure eligibility or a list of eligible measures.

Through deemed and prescriptive measures, the Program will process applications for all energy savings projects claimed through the Program term. The list of measures is:

<table>
<thead>
<tr>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HVAC Measures</strong></td>
</tr>
<tr>
<td>Combustion Appliance Safety</td>
</tr>
<tr>
<td>Duct Sealing</td>
</tr>
<tr>
<td>Gas Furnace - AFUE 95 with ECM</td>
</tr>
<tr>
<td>Heat Pump 17 SEER 9.4 HSPF Two-speed fan</td>
</tr>
<tr>
<td>Heat Pump Water Heater UEF=3.31</td>
</tr>
<tr>
<td>Smart Thermostat</td>
</tr>
<tr>
<td>Smart DHW Circulating Pump</td>
</tr>
</tbody>
</table>
2. CUSTOMER ELIGIBILITY REQUIREMENTS

Provide requirements for program participation (e.g., annual energy use, peak kW demand)

The Program will identify customers who meet eligibility criteria and associated project qualification requirements. Both the customer and the customer’s home must meet eligibility criteria to participate:

- The dwelling where the project is being completed shall be located in MCE’s service territory.
• MCE service territory\(^1\) includes all of Marin County and Napa County, unincorporated Contra Costa County and Solano County, and the cities of Benicia, Concord, Danville, El Cerrito, Fairfield, Lafayette, Martinez, Moraga, Oakley, Pinole, Pittsburg, Pleasant Hill, Richmond, San Pablo, San Ramon, Vallejo and Walnut Creek.

• Customer shall be a residential dwelling owner or tenant of a property who has received permission from the property owner to participate.\(^1\)

• For single-family houses, condominiums, townhomes and apartments with up to 4 units, the household annual income must be between 200-400% of the current federal poverty guidelines, and are listed below:

### 2021 Income Limits

<table>
<thead>
<tr>
<th>Number of People in Household</th>
<th>Total Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$25,760 to $51,520</td>
</tr>
<tr>
<td>2</td>
<td>$34,840 to $69,680</td>
</tr>
<tr>
<td>3</td>
<td>$43,920 to $87,840</td>
</tr>
<tr>
<td>4</td>
<td>$53,000 to $106,000</td>
</tr>
<tr>
<td>5</td>
<td>$62,080 to $124,160</td>
</tr>
<tr>
<td>6</td>
<td>$71,160 to $142,320</td>
</tr>
<tr>
<td>7</td>
<td>$80,240 to $160,480</td>
</tr>
<tr>
<td>8</td>
<td>$89,320 to $178,640</td>
</tr>
</tbody>
</table>

Customer eligibility will be determined by Program staff based on adherence to Program Manual requirements. The customer eligibility requirements as outlined in the Statewide Energy Efficiency Policy Manual are summarized below:

### Public Purpose Program (PPP) Surcharge

Eligible customers must receive electrical or gas service from MCE or PG&E and pay the Public Purpose Program (PPP) surcharge on the gas or electric meter for which the energy efficiency equipment is proposed. The PPP surcharge information can be found on the utility bill.

### Minimum Customer or Project Size

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\(^1\) If MCE service area expands, newly incorporated areas will be eligible for program implementation.
Currently, there are no customer or project size limitations or usage threshold requirements to qualify for program participation.

**Double Dipping**

The Program team will work with the customer to validate that it has not received incentives or services for the same energy efficiency technologies and measures that it is applying for within the Program. MCE collaborates with PG&E and BayREN via separate Joint Cooperation Memorandums to ensure that double dipping does not occur from each PA.

The Program application provides the following statements that each participating customer will validate:

- Customer understands that customer cannot receive incentives for the same product, equipment or service from more than one California investor-owned utility or third-party energy efficiency program offering incentives for the same product, equipment, or service funded by the California Public Utilities Commission (CPUC).

- Customer understands this prohibition applies three years prior to and three years after receiving the incentives for the same product, equipment or service.

**Application Must be Complete**

A Program application must be signed and dated by the contractor and the customer and include the full scope of services completed on customer’s dwelling. If selected for field inspection, the dwelling must pass field inspection upon initial inspection or following Program mandated correction and subsequent inspection.

Projects are subject to all applicable federal, state and local laws, and the CPUC rulings. MCE reserves the right to approve or reject project applications for the Program.

3. **CONTRACTOR ELIGIBILITY REQUIREMENTS**

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).

Contractors will be notified of any and all workforce standards during initial engagement in the Program. Contractors will be required to accept understanding of the workforce standards on the enrollment agreement prior to participation in the
Program.

Workforce standards include:

- Active and valid state of California contractor’s license
- Building Performance Institute (BPI) or Natural Gas Appliance Testing (NGAT) certification
- Active insurance per Program standards
- Employee background check
- Attendance mandatory Program onboarding meetings
- Attendance and participation in mandatory field inspections

Combustion Appliance Safety

Contractor staff who install measures in a customer’s home must maintain a valid and current BPI or NGAT certification to be provided upon Program enrollment and maintained for the duration of the Program term. The Program will utilize BPI or NGAT inspection protocols to ensure that consistent standards are being applied to determine installation quality and safety. The Program will apply consistent quality standards to maintain safety, maximize customer satisfaction, and ensure that upgrades are completed according to the highest home performance industry standards. Contractors will represent and warrant that all staff who participate in the Program meet participation requirements as defined by MCE and its partners in Program documentation.

4. PARTICIPATING CONTRACTORS, MANUFACTURERS, RETAILERS, DISTRIBUTORS

Not applicable: This Program is neither an upstream nor midstream incentive nor buy down program.

5. ADDITIONAL SERVICES

Marketing

Franklin Energy’s experience with marketing to and acquiring customers based on psychographic and demographic characteristics is comprehensive and effective. Franklin will leverage multi-touch campaigns to identify target customers, convert leads, reduce customer churn, and boost customer energy savings’ lifetime value. All marketing and customer acquisition efforts will drive customers to the Program. Franklin will design and distribute marketing materials like postcards, e-mails, and digital campaigns which will include MCE’s logos and Franklin Energy’s contact information. The Program marketing collateral provides a Program brand and credibility to build trust.

While the Program will initially target customers in Climate Zone 12 with a household
income of 200%-400% of the Federal Poverty Level (FPL), the Program will refer
customers with household income below 200% AMI to CARE and LIHEAP and refer
customers with annual household income above 400% to currently available market
rate programs. Over time, the Program will strive to serve as many customers in the MCE
service area as is cost effective.

Marketing & Outreach Strategies

Collateral: Participating contractors will leverage marketing materials to inform
customers about the Program. Where appropriate, some materials will include brand
logos from MCE, Franklin Energy, and the respective contractor. This will support the
nascent Program’s credibility and improve customer trust.

Web Content: The Program will use a landing page within MCE’s website to inform
potential customers and stakeholders about customer eligibility, available measures,
and contact information for Franklin Energy

Services Provided: The Program will deliver downstream energy savings through direct
installation of pre-screened energy efficiency measures.

- **No-cost Measures**\(^2\) - Install pre-screened energy efficient measures in single
  family homes.
- **Single Point of Contact (SPOC)** - Provide personalized attention, follow–
  through, and assistance in identifying solutions that meet customers' needs.
- **Assessment** – Household assessments for single family homes to establish
  measure eligibility and identify potential opportunities to accomplish
deeper savings.
- **Energy Education** – The Program will offer energy education resources to
  help customers understand the benefits of measures installed in their home
  and guide them through the process of identifying options and resources to
  adopt more energy saving technologies.

Franklin Energy will serve as the SPOC for the targeted customers as coordinator
and primary contact for information related to all Program activity. Franklin will
operate and maintain a customer-facing phone line and e-mail address to
provide customers with an understanding of Program offerings, and to receive and
respond to customer inquiries and feedback using standardized email templates
and talking points. Franklin Energy will relay to the Participating Contractor
feedback received about their performance and compile for MCE customer
feedback regarding Program offerings. Franklin’s Customer Service (CSR) team is
highly trained in energy efficiency and will be knowledgeable about the Program
guidelines. Customers who participate in the Program without speaking with

\(^2\) The list of measures is available under supporting documentation section 4.
Franklin’s CSR team still receive a household assessment and education on other Program offerings they could consider as the next step in their energy efficiency journey.

Assessments

Each eligible household will provide their eligibility information through the application on the MCE webpage or to Franklin’s Customer Care Center. Once deemed eligible, customers will provide enough information to determine which energy efficiency kit measures they will receive. They will also schedule their virtual assessment appointment during which a Franklin Energy assessor will virtually gather information about the existing household conditions to understand which home upgrade measures the customer may be eligible. Additionally, the assessor will gather information about the customer’s home to understand opportunities for electrification. Virtual assessments are required prior to receiving home upgrades. This virtual assessment serves to reduce visits to a customer’s home, provide installation support for kit measures, confirm eligibility for home upgrade measures, and gather information for future electrification opportunities.

Workpaper Development

In addition to implementing the Single Family Direct Install Program, Franklin Energy will conduct research and development to support the submission of a new workpaper. The research and development will serve to generate a workpaper that provides updated and more accurate evidence to support the increased adoption of energy efficiency measures through programs offered by MCE and other IOUs, RENs, and/or CCAs.

6. Program Payments

The Program is funded by California utility ratepayers under the auspices of the CPUC. Customers are not obligated to purchase any service not funded by this Program.

Program Reimbursements

Incentive funds for the direct install measures are available on a first-come, first-served basis until depleted. Reimbursement amounts have been determined based on current market regional market values and Total Resource Cost (TRC) calculations. While the Program’s intent is to maintain consistent reimbursement rates throughout the duration of the Program, they are subject to change at any time based on budget availability and progress toward goals.

The measures identified below yield deemed savings capable of meeting the Net Impacts and Sub-Program Cost Effectiveness included in the Program Budget and Savings Information. The Program will deliver a balanced set of measures to ensure property owners and tenants receive as many measures as will yield energy savings. The measures and reimbursement amounts are subject to change.
7. SUB-PROGRAM QUALITY ASSURANCE PROVISIONS

Please list quality assurance, quality control, including accreditations/certification or other credentials

Quality Assurance and Field Quality Control

Quality Assurance (QA) and Field Quality Control (QC) ensure customer health and safety, work quality, building performance, verifiable energy efficiency installations and correlated savings. Program QA and FQC also enable MCE and Franklin to evaluate the effectiveness of Program training and provide feedback to Program participants.

Consistent standards will be applied whenever possible. QA and FQC includes field verifications of randomly sampled projects, customer surveys, and participant feedback, as well as corrective measures (as needed). Every contractor and Program participant is required to comply with all components of QA and FQC.

The QA and FQC requirements comply and/or align with similar protocols from existing building performance programs and standards including Building Performance Institute (BPI), Natural Gas Appliance Testing (NGAT), California Home Energy Rating System (HERS I and II), and Home Performance with Energy Star (HPwES). QA reviews will be performed on all projects at the post-install review in accordance with Program safety and measurement standards.

Desktop Review

Franklin Energy will complete desktop reviews of all applications submitted to the Program; coordinate application corrections and returns; and ensure accurate and complete Program applications. Franklin will review 100 percent of all initial applications submitted and reduce overall review rates as participating contractor submission success allows. Some applications will require multiple reviews as corrections are identified, addressed by the contractor, and resubmitted.

Field Quality Control (FQC)

Franklin will conduct field inspections, safety testing, and correction return visit coordination. Franklin Energy will complete field inspections of 100 percent of the first 5 projects submitted per participating contractor and randomly sample up to 10 percent of submitted applications thereafter. As needed, Franklin will increase FQC rates to ensure safe, quality, and complete installations. Health or safety issues identified during inspections must be communicated to implementor at discovery and corrected before services are rendered. Unsatisfactory conditions found through quality controls must be corrected before any further reimbursements can be issued to the contractor.
Contractor will receive field mentoring sessions in conjunction with the initial five project inspections. Franklin will reinforce field-mentoring sessions over the duration of the Program in conjunction with a FQC inspection, facilitating quality installation and higher customer satisfaction.

The FQC verifier may request additional job information such as recommendations, additional photos, permits, or customer signed certificates of completion. The purpose is to allow the FQC verifier to gain an understanding of the project completed, evaluate how the information was presented to the customer, and verify if an appropriate and comprehensive list of recommendations was given.

If a field inspection identifies the need for corrective action, additional payments may be withheld until corrections are completed and verified by Franklin Energy or MCE.

Staff must immediately notify customers of hazards found during FQC inspections. Corrections must be completed and proof of correction submitted to Franklin within seven (7) calendar days of completed correction. Failure to complete corrections and submit photos may result in disciplinary action and/or fee-based inspections.

**Access to Customer Sites**

Franklin Energy shall be responsible for obtaining any and all access rights from customers and other third parties to the extent necessary to perform Program services. Franklin shall also arrange any and all access rights from contractors, customers, and other third parties in order for MCE and CPUC employees, representatives, designees, and contractors to inspect the completed projects.

MCE reserves the right to perform pre and/or post audits to verify information pertinent to the energy efficiency projects. Project audit selection may include consideration of measure eligibility or other factors at the discretion of MCE. This includes confirming counts of installed equipment, confirmation that equipment is functional, confirmation of pre/post operating parameters of equipment or systems, review of processes and/or process documentation, etc.

**Program Metrics**

Franklin will be responsible for obtaining and conveying metrics as required to monitor Program progress towards attainment of goals and as needed for reporting purposes to internal and external stakeholders on the behalf of MCE. Franklin Energy will deploy various technologies it has developed to capture data points for this purpose and aggregate data for reporting purposes through databases that meet or exceed data privacy requirements as defined by the CPUC. Multiple data capture platforms will be employed for customer engagement activities, contractor activity management, and impact tracking as it pertains to tracking energy savings impacts and reporting Program results. The metrics listed below will
be available to MCE on demand or in any cadence defined through collaboration with Franklin Energy and MCE.

**Marketing**

- Online marketing metrics applicable by effort including views, click throughs, and enrollments.
- Print marketing including but not limited to Program cut-sheets, door hangers, badges, measure specific leave-behinds, and collateral affiliated with no-touch energy saving kits.

**Customer Engagement**

- Overall quantity of engagements with customers.
- Customers who do not qualify for services due to income eligibility constraints and to which program they were referred to as a result of said constraints.
- Quantity of, and overall percentage of, customers who order a kit.
- Quantity of, and overall percentage of, customers who order a kit and proceed with a virtual assessment.
  1. Franklin will gather data regarding customers who do not move forward with an assessment and why.
- Data gathered from virtual audits in relation to site conditions customers were able to provide and major measure applicability.
- Quantity of, and overall percentage of, customers who are advanced to major measures.
  1. Franklin will gather data on customers who may be eligible for multiple major measures, which measures were installed, and why other measures may not have been suitable for the project.
- Customer satisfaction with Program services including but not limited to enrollment processes, delivery of kits, virtual audit experience, self-install virtual assistance, major measure product satisfaction, contractor installation experience, major measure specific education, and energy saving assistance education.
- FQC inspection experience and satisfaction.

**Technical Information**

- Overall quantity of measures installed, individual measure counts, and variance from estimated forecasts, and status as a percentage of Program objectives.
- Energy usage impacts by measure and quantity installed.
  1. Electric and gas.
  2. As projected by deemed savings protocols and applicable climate zone.
- Combustion appliance safety testing results including but not limited to projects which do and do not require corrections, and actions taken in response any identified failures or safety conditions identified upon arrival of technical staff.
- Regulatory reporting information from Program activities including but not limited to measure costs, code compliance requirements and associated costs, cost
effectiveness in TRC and Program Administrator Cost (PAC), energy savings and impacts as they pertain to the quantities of measures installed as calculated through the deemed reporting pathway compliant with CPUC defined policies and procedures.