



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.: Bay Area Regional Energy Network (BayREN) #941; Marin Clean Energy (MCE)

Utility type:

☒ ELC ☒ GAS ☐ WATER
☐ PLC ☐ HEAT

Contact Person: Jennifer Berg

Phone #: (415) 820-7947

E-mail: jberg@bayareametro.gov

E-mail Disposition Notice to: jberg@bayareametro.gov

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

June 15, 2021

Advice Letter (AL) #: BayREN 18-E; MCE 53-E

Tier Designation: 2

Subject of AL: BayREN and MCE Annual Joint Cooperation Memorandum for Energy Efficiency Programs - Program Year 2022

Keywords (choose from CPUC listing): Compliance; Energy Efficiency

AL Type: ☐ Monthly ☐ Quarterly ☒ Annual ☐ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: Decision 18-05-041, Ordering Paragraph 38

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Confidential treatment requested? ☐ Yes ☒ No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? ☐ Yes ☒ No

Requested effective date: 7/15/21

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: N/A

Pending advice letters that revise the same tariff sheets: N/A

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

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

Name: Jennifer Berg
Title: Energy Programs Manager
Utility Name: BayREN (Association of Bay Area Governments)
Address: 375 Beale Street, 7th Floor
City: San Francisco State: 
Telephone (xxx) xxx-xxxx: (415) 820-7947
Facsimile (xxx) xxx-xxxx:
Email: jberg@bayareametro.gov

Name: Jana Kopyciok-Lande
Title: Strategic Policy Manager
Utility Name: Marin Clean Energy
Address: 1125 Tamalpais Ave.
City: San Rafael State: 
Telephone (xxx) xxx-xxxx: (415) 464-6044
Facsimile (xxx) xxx-xxxx: (415) 459-8095
Email: jkopyciok-lande@mceCleanEnergy.org

Clear Form

ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtailable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	



June 15, 2021

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

BayREN Advice Letter 18-E

(BayREN ID #941)

MCE Advice Letter 53-E

Subject: BayREN and MCE's Joint Cooperation Memo in Compliance with D.18-05-041, Ordering Paragraph 38 for Program Year 2022

The Association of Bay Area Governments, on behalf of the San Francisco Bay Area Regional Energy Network (BayREN), and Marin Clean Energy (MCE) hereby submit their 2022 Joint Cooperation Memo (JCM).

Tier Designation

This Advice Letter (AL) has a Tier 2 designation, as provided in Decision Addressing Energy Efficiency Business Plans, Decision (D.) 18-05-041, Ordering Paragraph (OP) 38. The JCM is attached as Attachment A.

Effective Date

Pursuant to General Order 96-B, BayREN and MCE respectfully request that this Tier 2 AL become effective 30 days from the filing, or on July 15, 2021.

Background

D.18-05-041 approved MCE's and BayREN's Energy Efficiency Business Plans for 2018-2025 and also directed the Investor Owned Utilities and Regional Energy Networks in overlapping service territories, to file annual JCMs to provide assurance that their Business Plans are implemented pursuant to D.12-11-015 and D.16-08-019, and that the REN programs are in compliance with the program directives articulated

in D.12-11-015 and D.16-08-019¹. Thereafter in D.19-12-021, the Commission expanded this directive to require RENs and Community Choice Aggregators (CCAs) in shared service areas to file a JCM.

BayREN's territory encompasses the nine county Bay Area.² MCE serves customers in jurisdictions in four Bay Area counties.³ The JCM describes energy efficiency programs that MCE and BayREN anticipate offering in 2022, and discusses how the proposed activities will not be duplicative.⁴ The JCM also details how BayREN's programs comply with the criteria for REN activities first articulated in D.12-11-015.⁵ BayREN and MCE anticipate that there will be changes to programs in in light of D.21-05-031,⁶ and commit to continuing to work together to ensure that the programs are not duplicative.

Protests

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than July 6, 2021, which is 20 days after the date of this submittal.

Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102
Facsimile: (415) 703-2200
Email: EDTariffUnit@cpuc.ca.gov

¹ D. 12-11-015, p 17; D.16-08-019, pp 11-12.

² The counties are Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, San Francisco, Solano and Sonoma.

³ MCE serves customers in Marin, Contra Costa, Napa, and Solano counties.

⁴ D.18-05-041, Finding of Fact 55.

⁵ D.12-11-015, p17.

⁶ D.21-05-031, Assessment of Energy Efficiency Potential and Goals and Modification of Portfolio Approval and Oversight Process, from May 26, 2021.

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent to via both E-mail or U.S. mail at the address shown below on the same date it is mailed or delivered to the Commission:

For BayREN:

Jennifer K. Berg
Assistant Director - Energy Programs
ASSOCIATION OF BAY AREA GOVERNMENTS
375 Beale Street, 7th Floor
San Francisco, CA 94105
Phone: (415)820-7947
Email: JBerg@bayareametro.gov

For MCE:

Jana Kopyciok-Lande
Strategic Policy Manager
MARIN CLEAN ENERGY
1125 Tamalpais Ave.
San Rafael, California 94901
Phone: (415) 464-6044
Facsimile: (415) 459-8095
E-mail: jkopyciok-lande@mceCleanEnergy.org

Alice Havenar-Daughton
Director of Customer Programs
MARIN CLEAN ENERGY
1125 Tamalpais Ave.
San Rafael, California 94901
Phone: (415) 464-6030
Facsimile: (415) 459-8095
E-mail: ahavenar-daughton@mceCleanEnergy.org

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for R.13-1-005. Address changes to the General Order 96-B service list should be directed to Jennifer K. Berg at jberg@bayareametro.gov or by calling 415-820-7947.

ASSOCIATION OF BAY AREA GOVERNMENTS

A handwritten signature in black ink, appearing to read "Jennifer Berg".

Jennifer K. Berg
Assistant Director – Energy Programs

Attachment: BayREN-MCE Joint Cooperation Memo for PY 2022
cc: Service List A.17-01-013 and R.13-1-005

Attachment A



2022 Joint Cooperation Memorandum Marin Clean Energy Bay Area Regional Energy Network

Alice Havenar-Daughton
Director of Customer Programs
Marin Clean Energy
1125 Tamalpais Ave
San Rafael, CA 94901
E-mail: ahavenar-daughton@mcecleanenergy.org

Jennifer K. Berg
Energy Programs Manager
Association of Bay Area Governments
375 Beale Street, 7th Floor
San Francisco, CA 94105
E-mail: jberg@bayareametro.gov

June 15, 2021

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Overview

In Decision (D) 18-05-041, the California Public Utilities Commission (CPUC or the Commission) directed the filing of Joint Cooperation Memorandums (JCMs) between utility and non-utility Program Administrators (PAs) with overlapping service areas together prior to Program Administrators' (PA) Annual Budget Advice Letter (ABAL) filings.¹ D.19-02-021 modified the JCM requirement directing Regional Energy Networks to also include a JCM with Community Choice Aggregator (CCAs) PAs in their territory.² This is the second JCM between Marin Clean Energy (MCE) and the Bay Area Regional Energy Network (BayREN).

MCE serves customers in four³ of BayREN's nine county territory.⁴ Both MCE and BayREN offer energy efficiency (EE) programs under the Commission's current rolling portfolio cycle. MCE's portfolio has shifted from a niche provider to a more balanced portfolio that offers EE programs for all customer segments, including Residential, Industrial, Agricultural, and Commercial. BayREN programs address the three areas indicated by D.12-11-015: filling gaps in the market; developing programs for hard-to-reach markets; and piloting new approaches to programs that may have the ability to scale and offer innovative avenues to energy savings. MCE and BayREN work closely together to minimize customer confusion, layer on to each other's programs when appropriate thereby offering our shared customers a more holistic program offering.

The BayREN and MCE program teams meet on a regular basis to discuss program coordination and will continue to do so in 2022. The respective program teams and the BayREN member agencies in MCE's service area, will begin to meet quarterly to ensure that they are informed about the programs.

The 2022 JCM includes the following information for each relevant program area:

- 1) **BayREN Program Summary:** A description of each program BayREN is planning on administering in 2022.⁵
- 2) **MCE Program Summary:** A description of MCE programs that are comparable or equivalent to BayREN programs.⁶
- 3) **Coordination Protocol Between Programs:** A summary of how the BayREN program is distinct from the MCE program(s). It also describes coordination protocols between BayREN and MCE for comparable or equivalent programs.
- 4) **Compliance:** Identifies how the BayREN program satisfies the criteria for REN activities in D.12-11-015 and D.19-12-021.
- 5) **Appendices:**

¹ See D.18-05-041 at pp. 122-123.

² See D.19-12-021, OP 3 at p. 89.

³ MCE serves Marin, Napa, Solano and Contra Costa counties.

⁴ BayREN serves the counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara and Solano.

⁵ As there are no comparable MCE offerings, a description of BayREN's Codes and Standards, Green Labeling and Water Upgrades \$ave program is not included. A complete list of BayREN programs can be found in Appendix B.

⁶ A complete list of MCE programs can be found in Appendix C.

- a. Appendix A: Summary of REN compliance with D.12-11-015 and D.19-12-021 for all planned programs;
- b. Appendix B: List of all programs BayREN currently anticipates offering in 2022, including information on draft budgets and measure eligibility.⁷
- c. Appendix C: List all programs MCE currently anticipates offering in 2022, including information on draft budgets and measure eligibility.⁸

It must be noted that the sections regarding program coordination with Statewide programs has been omitted as it is not directly relevant to MCE and BayREN coordination. Additionally, although this year's ABAL will cover both program years 2022 and 2023, budget, program, and collaboration details on potential future programs in 2023 are not included in this 2022 JCM because the details are not yet determined.⁹

Residential Sector Coordination

Residential – Single Family

BayREN Program Summary (BayREN08)

BayREN's Home+ program, while available to all single family residents, is targeted to hard to serve households defined as those with a moderate income¹⁰ and/or where a language other than English is spoken. Moderate income households in the Bay Area are ineligible for Energy Savings Assistance (ESA) programs and often do not receive information about potential energy savings measures in their primary language. Because of this, this population is consistently underrepresented in ratepayer energy efficiency programs in BayREN territory and across the state. The Home+ program offers solutions to customers to overcome these barriers and to fill the gap in this market segment.

The key objective of the Home+ program is to meet the hard to serve customers where they are and to offer incremental and affordable energy efficiency measures that are complimentary to measures available through current mainstream program offerings.

An integral part of the implementation of the Home+ program is the Home Energy Advisor service. This service is essentially a call center that customers can access to speak with an Energy Advisor. The Advisors assist both homeowners and renters and maintain a long-term relationship with the

⁷ Budget forecasts for 2022 are preliminary and highly variable and will be finalized in the 2022 Annual Budget Advice Letter.

⁸ Budget forecasts for 2022 are preliminary and highly variable and will be finalized in the 2022 Annual Budget Advice Letter.

⁹ See D.21-05-031 at p.52.

¹⁰ Defined as dwellings with less than five units and annual household income between \$48,000 to \$125,000. As provided in BayREN's Business Plan, this market segment is chronically underserved with energy efficiency programs.

customers after they have assisted with the initial contact to see the customer through a full energy-efficiency journey.

In addition to walking customers step-by-step through the process, the Home Energy Advisor also directs them to Participating Contractors¹¹ to deliver energy savings to households. Energy Advisors also refer customers to complementary programs offered by PG&E, Community Choice Energy programs including MCE, Energy Watch offerings and other programs, as well as helping customers understand their financing options. The Energy Advisors also assist Home+ Participating Contractors with understanding program requirements and when needed, help mediate issues that may arise with the customer and contractor.

In 2022, like all programs, outreach will continue to be done primarily by BayREN member agency staff. BayREN will continue to develop relationships with organizations and media who serve non-English speaking communities through in language webinars, printed collateral and information dissemination through trusted messengers as a means to reach this sector.

The Home+ program offers a menu of eligible measures including four fuel substitution measures: heat pump water heaters, heat pump heating and cooling, heat pump clothes dryers and induction cooktop/range. Customers can choose a single measure to upgrade, but they are encouraged to undertake multiple measures. These measures must be installed by a Home+ Participating Contractor, a group that is key to the Home+ program.

In 2022, BayREN will continue to offer Participating Contractors program related trainings and one-on-one mentoring on an as needed basis. A particular focus will be on specialty contractors. BayREN will help to expand their services to full building performance and/or partner with other firms to achieve a better business model that supports deeper whole house upgrades, including the installation of electrification measures.

BayREN coordinates with the Workforce Education and Training (WE&T) activities offered through the PG&E WE&T program, to ensure that efforts are not duplicated. BayREN also offers its contractors program related trainings and one-on-one trainings on an as needed basis. Following COVID-19 restrictions in 2020, BayREN developed an online portal of trainings to keep Participating Contractors engaged and to increase their technical knowledge. This platform will continue to be available to contractors in 2022.

One of the outreach channels for the Home+ program is an online self-evaluation tool available to customers. The tool asks customers basic questions about their home's characteristics and energy using equipment and qualifies them to receive an energy savings kit which may include: LED lamps, faucet aerators and Tier II advanced power strips depending on the customer's responses. The other outreach channel for the program is through Green House Calls, implemented by Rising Sun Center for Opportunity, which hires youth to perform energy audits. The Green House Calls are offered to targeted households; primarily seniors and households where English is not the primary language. Green House Calls involve a program representative performing a visual audit

¹¹ A Participating Contractor has successfully completed the BayREN two day training, has submitted all required paperwork, and has been onboarded into the program.

of an interested customer's home and installing some of the energy savings kit measures. Both channels direct customers to the broader Home+ program offerings, including the Home Energy Advisor service which guides them step-by-step through Home+ program participation. These activities will continue in 2022.

In 2021, BayREN and Rising Sun Center for Opportunity, are designing a small pilot that seeks to place youth graduates from the Green House Calls program into a paid internship with BayREN participating contractors. Depending on the outcome of this pilot, this internship opportunity for youth may continue in 2022.

MCE Program Summary (MCE08)

MCE's Single-Family Direct Install program (MCE08), or Home Energy Savings Program (HES), provides no-cost EE measures to eligible homeowners and tenants in single-family homes (up to 4 attached units) and dwellings in MCE's service area. This program targets moderate-income customers whose household income falls between 200% and 400% of the Federal Poverty Guidelines (FPG). The target group's income exceeds the limit to receive services through programs like PG&E's Energy Savings Assistance (ESA) program and MCE's Low-Income Families and Tenants (LIFT) Program, yet who are still too income constrained to participate in market rate programs. HES targets homeowners and renters in specific neighborhoods to ensure lower middle-income customers are reached. MCE will refer customers who fall outside of the moderate-income threshold to available low-income and market rate programs. The goal is to fill the service gap and introduce this market sector to the concepts of energy efficiency while providing energy upgrades and emerging technologies that reduce household energy consumption. EE measures include energy and water savings kits, energy advisor-provided home assessments, and envelope, HVAC and electrification home upgrade measures.

HES will also be leveraged to serve Contra Costa County's Asthma Mitigation Project clients. MCE has partnered with Contra Costa Health Services to expand HES eligibility to include customers that are participating in the asthma initiative, in order to provide those customers with an expanded scope of services to mitigate the effects of asthma-causing environments.

MCE Program Summary (MCE16)

Electrification and EE contractors, job seekers and the general public can participate in MCE's Workforce Education and Training program. MCE regularly coordinates on WE&T program offerings with PG&E. With the expansion of the BayREN Home+ education and training activities, there is an opportunity to coordinate on education and training offerings common to PG&E, BayREN and MCE program contractors and end users. Topics and offerings can include field meetings with contractors, online and in-person electrification educational workshops, and other home performance topics. BayREN's Codes and Standards program training curriculum focuses on the proper installation of Heat Pump Water Heaters (for contractors) as a precursor to participating in the Home+ Program, as well as trainings directed towards building department staff responsible for reviewing the permits associated with this technology.

Table 1: Similar BayREN and MCE Single-Family Programs

BayREN		MCE Programs under BayREN Territory	
Program Name	BayREN Home+	SF Direct Install, or HES	Workforce Education and Training
Eligible Measures	<ul style="list-style-type: none"> • Duct sealing • attic and wall insulation • HVAC equipment upgrades • Smart thermostats • Gas storage water heaters and heat pump water heaters • Heat pump clothes dryers • Induction cooktop/ranges • LED lamps • Water faucet aerators • Low flow showerheads • Tier II power strips • Single measure upgrades allowed 	<ul style="list-style-type: none"> • Faucet - Kitchen Aerator • Faucet - Lavatory Aerator • Low-flow Showerhead • Smart Thermostat • Roof Insulation • Duct Sealing • Gas Furnace • Heat Pump • Heat Pump Water Heater • Tankless Water Heater • Smart DHW Circulating Pump • Storage DHW Heater • Thermostatic Shower Valve Elec DHW • Tubspout • Thermostatic Shut-off Elec DHW • Fuel Sub Heat Pump Water Heater • Fuel Sub Heat Pump HVAC • Fuel Sub Mini-Split Heat Pumps 	Electrification workshops, field mentoring with contractors
Incentive	Bonus incentives are offered to downsizing equipment, combining shell and HVAC measures, building air sealing and CAS testing	No-cost direct install	N/A
Savings Claim Type	Savings will be deemed per measure based in CPUC approved work papers	Savings will be deemed per measure based in CPUC approved work papers	N/A
Estimated 2022 Budget ¹²	\$9,404,243	\$1,577,832	\$360,000
Target Customer	Moderate-income households (owners and/or renters) ¹³ , non-native English-speaking households	Targeted to customers in disadvantaged communities (DACs), household income exceeds 200% of the FPG	EE and electrification contractors, job seekers, general public
Target Implementer	Specialty contractors	Direct Install Contractor	EE/electrification trainers
Resource/Non-Resource	Resource	Resource	Non-resource

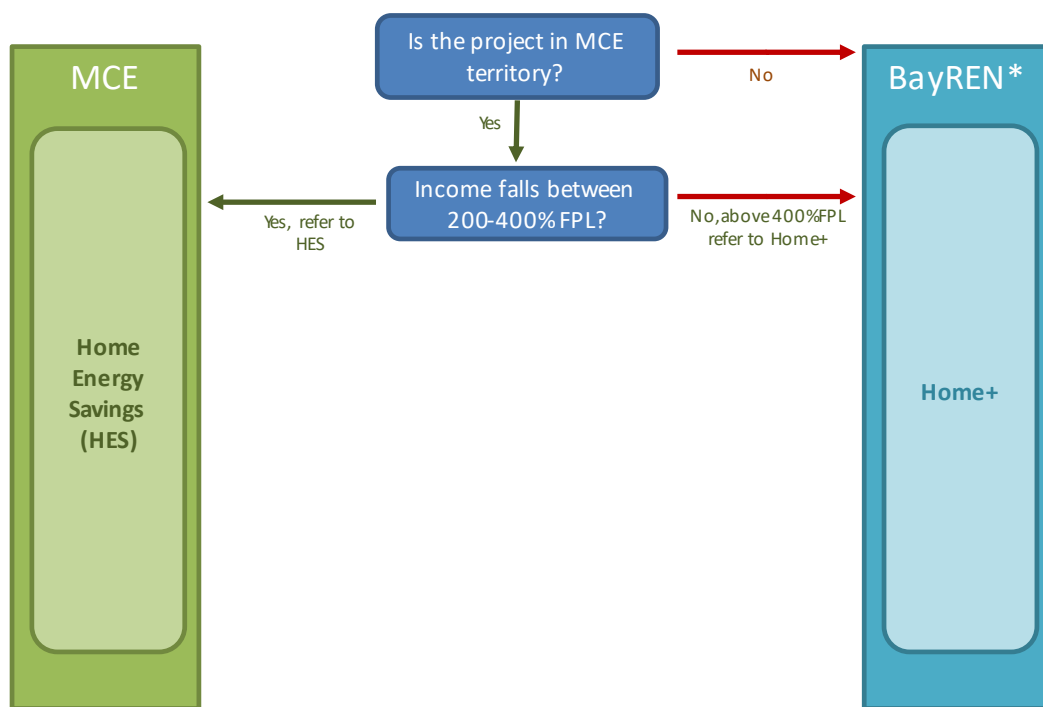
¹² The budgets provided herein are estimates. Final budgets will be provided in the 2022 Annual Budget Advice Letter.

Program Differences and Coordination Protocols

Although the BayREN Home+ program and the MCE HES program share some of the same measures and target income level, the method of delivery and program design are unique. The Home+ program requires a homeowner to find a participating contractor to complete upgrades where rebates will cover some but not all the costs. Because of this, the household income of participants are usually above the 400% of FPG requirement of the MCE HES program. Conversely, the MCE HES program pays all the costs of the project, targets lower moderate-income households, who are often renters and ineligible to participate in the Home+ program.

MCE and BayREN will coordinate on outreach to minimize customer confusion and optimize the customer experience. Customers that do not qualify for MCE programs will be directed to BayREN Home Energy Advisors for further assistance. For the customers where a MCE program would better suit their needs, they will be referred to MCE. Integrated outreach materials will be developed to reach customers who qualify for MCE's HES program as well as BayREN Green House Calls; Home+ rebates and referrals will be made to each other's programs when appropriate as outlined below.

Figure 1: Single Family Program Referral Tree - MCE/BayREN



*The Program Administrators represented in this referral tree also coordinate on programs and activities that are outside of the EE portfolio.

Currently, the BayREN Home + program coordinates with PG&E on contractor training on electrification and promotes MCE trainings when available. BayREN will continue to refer relevant contractors and end users to MCE trainings when appropriate.

For general program coordination, BayREN and MCE's single family residential teams will continue to hold monthly check-in calls. Ad-hoc meetings will also be scheduled to accommodate the need to resolve any urgent issues that may arise. Standing agenda items include program updates, uptake, challenges, contractor issues, data transfer, and marketing campaign plans. Through their respective implementers, program participation data will be shared on a regular basis to ensure that double-dipping does not occur.

Compliance

The following table describes in further detail how BayREN's Home+ program satisfies the REN criteria in D.12-11-015.

Table 2: BayREN Home+ Program's Compliance with D.12-11-015

REN Criteria	BayREN Compliance
1. Activities IOU or CCA cannot or does not intend to undertake	34% of Bay Area single family owners/renters comprise the defined moderate-income market. They do not qualify for ESA or other programs available to income qualified low earning households. Although both programs target the moderate-income market, MCE's program is direct install and specifically targets low-moderate income customers.
2. Pilot activities where there is no IOU or CCA program offering and where there is potential for scalability	Not applicable
3. Activities in hard-to-reach markets, whether or not there is an IOU or CCA program that may overlap	The definition in D.18-05-041 precludes most Bay Area properties from being considered hard-to-reach. Therefore, BayREN and MCE programs that are open to all single-family properties cannot be considered hard-to-reach in the Bay Area.

Residential – Multifamily

BayREN Program Summary (BayREN02)

The Bay Area Multifamily Building Enhancement (BAMBE) program offers multifamily property owners a flat, per-unit incentive to undertake multiple EE measures that achieve 15% energy savings on average. BAMBE is accessible to property owners that do not have the interest or ability to do a comprehensive audit and retrofit. The program supplies no-cost technical assistance (TA) to guide the property owner through the process from initial interest to project completion and

quality assurance of the installed measures. BAMBE developed and uses a simplified, lower cost assessment tool called EnergyPro Lite (EPL) to determine which measures meet the minimum energy savings requirement.

BAMBE also offers an electrification option, the Clean Heating Pathway (CHP), which is designed for properties that wish to demonstrate climate leadership by deeply reducing the carbon emissions from energy use in their buildings. CHP participants will receive incentive adders for switching from gas fueled space heating, water heating and cooking appliances to cleaner, highly efficient electric alternatives.

BayREN also provides a Loan Referral Service (LRS) that directs properties to appropriate sources of financing. The LRS refers properties to private sector financing products and PG&E's OBF program.

MCE Program Summary (MCE01)

MCE's Multifamily Comprehensive Program (MCE01) provides:

- Technical assistance.
- Rebates.
- Free direct install service for light touch efficiency measures.
- Access to other resource conservation programs.

The program's primary objectives are to focus on customer engagement and minimize barriers that often occur during the initial phases of multifamily projects by providing personalized attention and solutions to meet participant needs and readiness.

The program also implements the Single Point of Contact (SPOC) model to offer technical assistance and guide property owners to help them understand the energy and resource conservation options that are a good fit for their property. The SPOC model allows MCE to provide program participants with a uniform and integrated presentation of opportunities across demand-side management strategies. The program measures include, among others, interior and exterior LED lighting, Energy Star appliances, HVAC equipment, networked lighting controls, water heaters. The program is available to affordable and market-rate properties with four or more units in MCE's service area.

Table 3: Similar BayREN and MCE Multifamily Programs

	BayREN	MCE
Program Name	Bay Area Multifamily Building Enhancement (BAMBE)	Multifamily Comprehensive
Eligible Measures	Envelope, HVAC, DHW, lighting, and appliance measures – requires multiple measures, targeting 15-20% savings.	Whole Building
Estimated 2022 Budget¹⁴	\$6,690,000	\$468,305
Target Audience	Bay Area multifamily property owners requiring a higher level of program assistance, populations in which it has been harder to obtain savings, and owners pursuing gas-to-electric upgrades.	MF property owners in MCE’s service area.
Resource/Non Resource	Resource	Resource

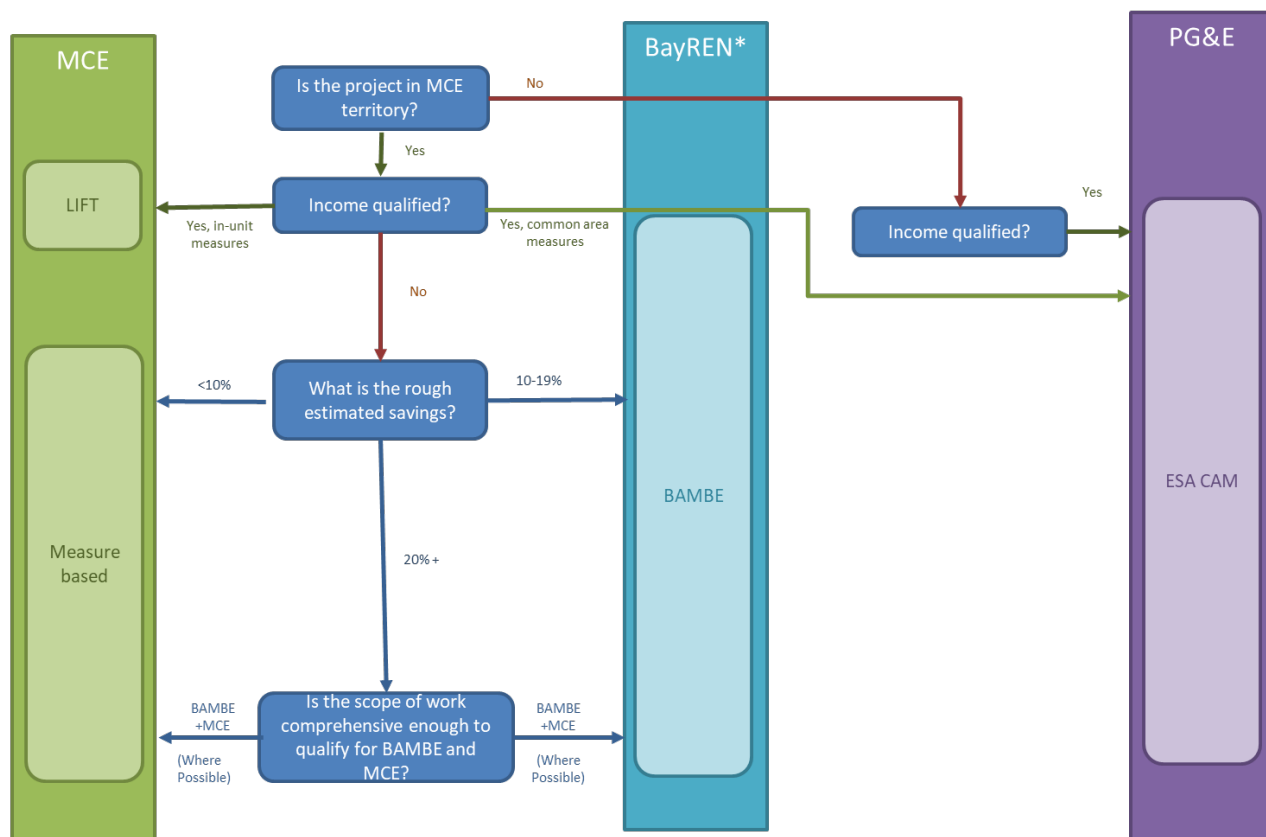
Program Differences and Coordination Protocols

BayREN and MCE both offer multifamily programs in the Bay Area; however, they target different property owner types. BayREN’s program can serve any multifamily project in the Bay Area, prioritizing populations for which it has been difficult to obtain savings. MCE’s Multifamily programs offer direct install, single measure savings for properties that are not a good fit for the BAMBE program, e.g. property owners where savings do not meet the BAMBE savings threshold, and those that prefer a more measure-by-measure approach over a comprehensive upgrade.

BayREN and MCE multifamily programs will coordinate to minimize customer confusion and optimize the customer experience. The program administrators share a technical assistance provider who will determine if a project is a better fit for MCE, BayREN, or a combination of the two, as outlined in Figure 1 below. BayREN will perform intake on leads for both programs. BayREN and MCE will continue to look for projects where program layering is possible as was done in 2021 with an affordable property in Napa County, with the BAMBE (BayREN) and MCE’s Low Income Family and Tenants (LIFT) programs.

¹⁴ The budgets provided herein are estimates. Final 2022 budgets will be provided in the Annual Budget Advice Letter.

Figure 2: Multifamily EE and Low-Income Program Referral Tree - MCE/ BayREN/ PG&E¹⁵



*The Program Administrators represented in this referral tree also coordinate on programs and activities that are outside of the EE portfolio.

Compliance

The following table describes in further detail how BayREN’s Multifamily program satisfies the REN criteria in D.12-11-015.

¹⁵ Details on the coordination between BayREN and PG&E on non-income eligible projects can be found in BayREN Advice Letter 17-E, the 2022 BayREN- PG&E JCM.

Table 4: BayREN Multifamily Program's Compliance with D.12-11-015

REN Criteria	BayREN Compliance
1. Activities IOU cannot or does not intend to undertake	BayREN is focused on serving multifamily owners that have smaller scopes of work and need more personal attention and assistance to participate in energy efficiency programs.
2. Pilot activities where there is no IOU program offering and where there is potential for scalability	<p>BayREN is focusing on decarbonization of multifamily building operations through the BAMBE Clean Heating Pathway. If the pathway is successful, program components have the potential to scale the volume of gas-to-electric upgrades.</p> <p>BayREN developed and piloted the use of EnergyPro Lite, a simplified lower-cost assessment tool for estimating energy savings. With grant funding from the California Energy Commission, this tool is being scaled up for other programs to use.</p>
3. Activities in hard-to-reach markets, whether or not there is an IOU program that may overlap	The definition in D.18-05-31 precludes almost all Bay Area properties from being considered hard-to-reach. Therefore, BayREN and MCE programs that are open to all multifamily properties cannot be considered hard-to-reach in the Bay Area.

Non-Residential Sector Coordination

Non-Residential – Commercial

BayREN Program Summary (BayREN06)

The BayREN Small and Medium Commercial Buildings (SMCB) program has two subprograms: BayREN Business and BayREN Microloan. BayREN Business is a normalized metered energy consumption (NMEC) program. Re-launched in April 2020 due to adverse economic impacts from the pandemic, BayREN Business works with its program implementer to deliver whole building EE solutions focusing on properties under 50,000 square feet (sf). BayREN Business uses data-driven targeting to identify customers in this category and provide comprehensive technical assistance, bundled measure packages, and financing options, such as the BayREN Microloan, that will be attractive to those customers. The BayREN Microloan provides no-interest, small-dollar loans (<\$2,500) to borrowers to purchase and install new EE equipment for their businesses.

Energy Savings - BayREN Business will continue to deploy EE technical assistance, and easy-to-understand incentives, to serve micro, small and medium (less than 50,000 sf) Bay Area

commercial buildings, and the business tenants within. Micro and small businesses will have access to program referrals to other utility and CCA EE programs, which are eligible to use the BayREN Microloan program. By working with the BayREN Business program implementer, business and property owners, as well as property managers, will receive easy-to-access technical assistance that will specialize in bundling cost-effective measures.

Program Referral – BayREN Business recognizes that not all small and medium businesses (SMBs) are ideal candidates for a NMEC program experience. For instance, to be eligible for BayREN Business, the potential program participant’s energy consumption baseline must be stable. An unstable baseline could adversely impact energy savings performance in the future. Therefore, instead of NMCE, such businesses would be best served by direct-install or point-of-sale rebate programs. As such, BayREN Business endeavors to provide referrals to complimentary EE and financing programs (e.g. MCE’s current commercial program and BayREN Microloan) to the benefit of the customers. Program referrals serves to help other utility and CCA programs achieve the five percent small commercial penetration target in D.18-05-041.¹⁶

MCE Program Summary (MCE02)

MCE’s Commercial Upgrade Program (MCE02) targets commercial customers in MCE’s service area. The Program is delivered through partnerships with three different implementers – and each partner focuses on different customer sub-groups and delivery pathways in contributing to the overall Program goals. At a high level, these work areas are divided into small and medium business, large commercial, and a population-level NMEC sub-program. Collectively, the Commercial Upgrade Program serves nearly any non-residential customer within MCE’s service area, and leverages custom, deemed, NMEC and Strategic Energy Management (SEM) participation pathways.

In terms of budget and impact, the most significant development in 2021 has been the addition of the MCE Commercial Energy Efficiency Market – a sub-program which leverages population-level NMEC, and which aims to scale up investment in energy efficiency projects within MCE’s service area. It seeks to accomplish this by providing a relatively simple pathway for aggregators to participate, and by providing aggregators with flexibility in determining cost-sharing (incentive payments) arrangements with customers. Payments to aggregators are grounded in the cost-effective value of their projects – which is made possible by forecasting the avoided cost value of a project, subtracting participant costs and administration costs, with the remaining value then paid to the aggregator once the forecasted savings are realized at the meter. This incentivizes aggregators to pursue energy efficiency projects that can deliver load-shape optimized energy efficiency.

The Market model is relatively open-ended, and MCE does not contract individually with participating aggregators. Similar to a midstream or upstream program design, the program does not mandate pre-determined customer rebates or cost-share mechanisms. The marketplace was initially allocated with ~45% of the total Commercial Program budget in 2021, but MCE has requested additional funding as the initial budget has been allocated. MCE expects continued

¹⁶ D.18-05-041, p. 28.

expansion of the Commercial Energy Efficiency Market in 2022, as it is positioned squarely as a resource program aimed at delivering cost-effective savings at scale.

MCE also continues to serve the small and medium business community and large commercial sector via deemed, custom and SEM engagement. These sectors are served through two implementation partners with a long track record of high-quality project development with these customer sub-groups. Their work offers MCE an opportunity to provide value-add services in project design, measure selection, energy management training, and support in the identification of financing resources and contractors. Eligible measures may include interior and exterior LED luminaires and lamps, networked lighting controls, connected thermostats, HVAC equipment, advanced rooftop controllers, ductless heat pumps, heat pump water heaters and more, which may apply to customers in retail, office, and other non-residential building types.

MCE expects an expansion of the Commercial Upgrade Program in 2022, primarily rooted in the Commercial Energy Efficiency Market sub-program.

Table 5: Similar BayREN and MCE Commercial Programs

BayREN		MCE
Program Name	BayREN Business	Commercial Upgrade Program
Eligible Measures	<ul style="list-style-type: none"> • Advanced Metering Systems; Boiler Plant Improvements • Energy Management Control System; • Building Envelope Modifications; • Electric Motors and Drives; Energy/Utility Distribution Systems; • Energy Related Process Improvements; • Lighting Improvements; • HVAC maintenance and replacement; • Air Ionization Systems (to reduce build up at fan coils) • Appliance and Plug-Load Reductions; • Refrigeration & Food Service Equipment; • Water and Sewer Conservation Systems 	<ul style="list-style-type: none"> • Lighting and lighting controls, appliances • HVAC • Plug Load • Refrigeration • Water Heaters • Evaporator Fans • ECM Motors • VFDs • ASH controls • Advanced digital economizers • Refrigeration controls • Cooler doors • Electric motors

BayREN		MCE
Estimated 2022 Budget ¹⁷	\$ 3,692,226	\$7,000,000
Target Audience	Business and Property Owners and Managers of small and medium commercial buildings in the Bay Area with more than 50% of its floor-space used for non-residential activities, up to 50,000 sq-ft, <500-kW Demand, and <250,000 Therms, and their contractors	All commercial customers in MCE's service area.
Resource/Non-Resource	Resource	Resource

Program Differences and Coordination Protocols

While BayREN and MCE both offer programs targeting SMBs, the programs have a few key differentiating factors. The key differentiators for BayREN Business include the following: a specific focus on small business sectors including retail, professional offices, restaurants, gyms/multi-use buildings, and grocery/corner stores (under 50,000 sq ft), predictive energy model based targeting; the non-OBF financing options; and an incentive structure that provides upfront incentives based on modeled savings estimates followed up by incentives for metered savings in compliance with Commission-approved NMEC methods.

MCE's commercial program, on the other hand, serves all non-industrial and agricultural businesses, including SMB customers. MCE's Program provides 4 different pathways for participation: deemed, custom, NMEC and SEM. MCE does not offer a site-specific NMEC pathway, but is instead leveraging population-level NMEC under its Commercial Energy Efficiency Market sub-program.

For general program coordination, the BayREN and MCE program managers will continue to hold a monthly call to ensure complimentary program development, identify areas of potential coordination, and to eliminate double-dipping. Specifically, BayREN and MCE will share lists of projects (in MCE service territory) underway to prevent double-dipping. Coordination between BayREN, MCE and PG&E third-party programs are detailed in each program's Implementation Plan (IP) filed here: <https://cedars.sound-data.com/>. BayREN and MCE will follow the IPs as guidance for how to reduce any possible customer confusion and avoid double-dipping if a customer was previously served. To simplify the process of avoiding double-dipping, BayREN Business and MCE's Commercial Upgrade Program will not serve any customer who has participated in a ratepayer-funded EE rebate program during the twelve months of the customer's baseline period.

¹⁷ The budgets provided are estimates based on the 2021 ABAL program budgets. The final 2022 budgets will be provided in the 2022 Annual Budget Advice Letter.

Notably, the business models of the programs are different. MCE’s NMEC program is focused on the procurement of cost-effective energy efficiency: rather than provide set incentive levels, payment rates, or qualifying products, the program pays on the value of a project – as determined by the Avoided Cost Calculator. This provides a pathway for a relatively diverse group of participating vendors, and offers some flexibility to those vendors in determining the customers and measures which would be reasonable to pursue.

On the other hand, BayREN Business relies on a single implementer to deliver energy savings at a fixed fuel-price. BayREN Business focuses on five sectors: professional offices, corner/grocery stores, retail, restaurant, and gyms/multi-purpose sites. Finally, BayREN Business has a focus on HTR, and expects at least 25% of the 2022 projects to comply with CPUC’s HTR definition.

Compliance

Table 8 describes in further detail how BayREN SMCB program satisfies the REN criteria in D.12-11-015.

Table 6: BayREN Small and Medium-Sized Commercial Program Compliance with D.12-11-015

REN Criteria	BayREN Compliance
1. Activities IOU/CCA cannot or does not intend to undertake	Not applicable
2. Pilot activities where there is no IOU/CCA program offering and where there is potential for scalability	<p>BayREN provides more technical assistance, is specifically targeted to SMBs under 50,000 sq-ft, and would be the only currently active program that combines both upfront computer-modeling incentives and backend NMEC incentives to develop a comprehensive project for the SMB sector.</p> <p>The subprogram has the potential for scalability by heavily leveraging local and regional resources (e.g. downstream and midstream programs, OBF, microloan).</p>
3. Activities in hard-to-reach markets, whether or not there is an IOU/CCA program that may overlap	<p>The BayREN Business programs are designed to harvest sizable amounts of energy savings cost-effectively in the SMB sector, many of which will be HTR. For example, strip mall lessees and individual lessees in small and medium-sized office parks and mid-rises are often HTR-eligible.</p> <p>The Microloan component of the program is specifically targeted to help the region’s DI and downstream programs reduce the barrier in micro businesses, many are eligible under the modified definition of HTR, per D.18-05-041.</p>

APPENDIX A: BayREN Program Compliance with D.12-11-015

Check D.12-11-015 Threshold Criteria that apply for each program	Comparable MCE Program if applicable	1. Activities that utilities cannot or do not intend to undertake.	2. Pilot activities where there is no current offering, and where there is potential for scalability to a broader geographic reach, if successful.	3. Pilot activities in hard to reach markets, whether or not there is a current utility program that may overlap.
BayREN Single Family (BayREN08)	Single Family Direct Install (MCE08)	XX	XX	
BayREN Green Labeling (BayREN07)	N/A	XX	XX	
BayREN BAMBE (Multifamily) ((BayREN02)	Multifamily Comprehensive (MCE01)	XX	XX	
BayREN Commercial (BayREN06)	Commercial Upgrade (MCE02)		XX	XX
BayREN Codes and Standards (BayREN03)	N/A	XX	XX	
BayREN Water Energy Nexus (BayREN04)	N/A	XX	XX	

APPENDIX B: BayREN 2022 Program Portfolio Summary

REN Program Unique ID	Sector	Annual Budget ¹⁸	Eligible Measures
BayREN Single Family (BayREN08)	Residential	\$8,861,979	Duct sealing, attic and wall insulation, HVAC equipment upgrades, Smart thermostats, gas storage water heaters and heat pump water heaters, heat pump clothes dryers, induction cooktop/ranges, LED lamps, water faucet aerators, low flow showerheads and Tier II power strips. Single measure upgrades allowed.
BayREN Green Labeling (BayREN07)	Residential	\$1,153,500	N/A
BayREN BAMBE (Multifamily) (BayREN02)	Residential	\$6,690,000	Envelope, HVAC, DHW, lighting, and appliance measures – requires multiple measures, targeting 15-20% savings.
BayREN Commercial (BayREN06)	Commercial	\$3,692,226	Advanced Metering Systems; Boiler Plant Improvements; EMCS; Building Envelope Modifications; Chilled Water, Hot Water, and Steam Distribution Systems; Chiller Plant Improvements; Electrical Peak Shaving/Load Shifting; Electric Motors and Drives; Energy/Utility Distribution Systems; Energy Related Process Improvements; Lighting Improvements; HVAC maintenance and replacement; Appliance and Plug-Load Reductions; Refrigeration & Food Service Equipment; Water and Sewer Conservation Systems
BayREN Codes and Standards (BayREN03)	Cross Cutting	\$1,516,700	N/A
BayREN Water Energy Nexus (BayREN04)	Cross Cutting	\$1,150,300	<p>Water efficiency upgrades that also deliver energy savings (site and embedded) through the water-energy nexus. Measures are “eligible” to be included as part of a program participant’s on-bill charge. Measures are not limited to energy efficiency eligible measures (EEEMs). Measures are not eligible for BayREN Energy Efficiency Portfolio rebates. IOU rate-payer funds are not used to underwrite or directly finance measure installation.</p> <p>Eligible measures will include, but may not be limited to:</p> <ul style="list-style-type: none"> • A 1.06 gallon per flush or better toilet with a Maximum Performance (MAP) rating of 600 grams or more. • A high efficiency (typically 1.5 gallon per minute) showerhead. • A 1.0 gallon per minute bathroom faucet aerator. • A 1.5 gallon per minute kitchen faucet aerator. <p>Turf removal and irrigation system improvements to prepare sites for drought tolerant landscaping.</p>

¹⁸ BayREN’s Annual Budget is based on the 2021 ABAL and serves as an estimate for 2022 budgets. The 2022 budgets will not be finalized until the 2022 ABAL is submitted in 2021.

APPENDIX C: MCE 2022 Program Portfolio Summary

IOU Program Unique ID	Sector	2022 Program Budget ¹⁹	Eligible Measures
Multifamily Comprehensive (MCE01)	Residential	\$468,305	Whole Building
Commercial Upgrade Program (MCE02)	Commercial	\$7,010,541	Lighting, Appliances, HVAC, Plug Load, Refrigeration, Custom, Lighting Controls, Whole Building, Water Heaters
SF Comprehensive (MCE07)	Residential	\$687,099	Lighting, Appliances, HVAC, Plug Load, Refrigeration, Custom Measures, Lighting Controls, HVAC Controls, Whole Building, Water Heaters
Single Family Direct Install Standalone (MCE08)	Residential	\$1,577,832	Lighting, Appliances, HVAC Controls, Water Heaters, low flow showerheads, shower restriction valve (TSV), kitchen and bath aerators, electric heat pump
Industrial (MCE10)	Industrial	\$871,077	Lighting, HVAC, Refrigeration, Custom Measures, Lighting Controls, HVAC Controls, Whole Building, Water Heaters
Agricultural (MCE11)	Agricultural	\$468,195	Lighting, HVAC, Refrigeration, Custom Measures, Lighting Controls, HVAC Controls, Whole Building, Water Heaters
Workforce, Education, and Training (MCE16)	Cross-Cutting	\$361,481	n/a

¹⁹ MCE's Annual Budget is based on the 2021 ABAL and serves as an estimate for 2022 budgets. The 2022 budgets will not be finalized until the 2022 ABAL is submitted in 2021