

June 15, 2020

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



MCE Advice Letter 44-E; BayREN Advice Letter 15-E

Re: Marin Clean Energy and Bay Area Regional Energy Network Annual Joint Cooperation Memorandum for Energy Efficiency Programs for Program Year 2021

Pursuant to Decision (“D.”) 18-05-041, *Decision Addressing Energy Efficiency Business Plans*¹ and D.19-12-021, *Decision Regarding Frameworks for Energy Efficiency Regional Energy Networks and Market Transformation*,² Marin Clean Energy (“MCE”) hereby submits the annual Joint Cooperation Memorandum (“JCM”) between MCE and the Bay Area Regional Energy Network (“BayREN”) for energy efficiency (“EE”) programs for the program year 2021.

Tier Designation

This Advice Letter (“AL”) has a Tier 2 designation pursuant to OP 38 of D.18-05-041, which requires program administrators (“PAs”) to submit their annual JCM no later than June 15.

Effective Date

Pursuant to General Order 96-B, MCE and PG&E respectfully request that this Tier 2 AL become effective on July 15, 2020, which is 30 calendar days from the date of this filing.

Background

On June 5, 2018, the Commission issued D.18-05-041 approving the 2018-2025 business plan for BayREN and MCE. The Commission granted MCE’s and BayREN’s proposals for developing energy efficiency (“EE”) programs for the following overlapping sectors: (1) Residential, single family; (2) Residential, multifamily; (3) Commercial; (4) Industrial; (5) Agricultural; and (6) Workforce Education and Training.

D.18-05-041 also required the PAs to develop a JCM to demonstrate how they will avoid or minimize duplication for programs that address a common sector but pursue different activities. Each PAs is directed to explicitly identify and discuss how its activities are complementary and not duplicative of other PAs’ planned activities. D.18-05-041 determined that JCMs must be filed between the IOU and non-IOU PAs serving the same territory (i.e., one memo between PG&E and

¹ D.18-05-041, OP 38 at p. 190.

² D.19-12-021, OP 3 at 89.

BayREN and one between PG&E and MCE, as relevant here).³ The Decision also defines the details to be included in such JCM filings.⁴ Submission and approval of an annual JCM is a prerequisite for consideration of MCE's and BayREN's Annual Budget Advice Letters ("ABALs").⁵

In December of 2019, the Commission published D.19-12-021 determining that a regional energy network's ("REN") business plan must propose activities that meet at least one of the following criteria:

1. Activities that utility or CCA PAs cannot or do not intend to undertake;
2. Pilot activities where there is no current utility or CCA program offering, and where there is potential for scalability to a broader geographic reach, if successful;
3. Activities serving hard-to-reach markets, whether or not there is another utility or CCA program that may overlap.⁶

D.19-12-021 also directed RENs to file annual bilateral JCMs for any activities that overlap with the activities of utility PAs, CCAs, and other RENs.⁷

Purpose

This AL provides Commission staff with the JCM for EE programs for program year 2021, executed by and between MCE and BayREN as required by OP 3 of D.19-12-021 and OP 38 of D.18-05-41. The JCM is included with this AL as Attachment A.

The JCM describes the EE programs that MCE and BayREN anticipate offering in their shared service area in program year 2021 pursuant to their approved business plans. The JCM provides a summary of BayREN's and MCE's programs and, if similar programs are being offered, describes program coordination and double dipping prevention procedures. The JCM also outlines how BayREN programs satisfy the criteria for REN activities per D.12-11-005⁸ and D.19-12-021.⁹

Conclusion

PG&E and MCE respectfully submit the JCM pursuant to OP 3 of D.19-12-021 and OP 38 of D.18-05-41 and request Commission approval of the same.

Notice

A copy of this AL is being served on the official Commission service lists for Rulemaking 13-11-005.

³ D.18-05-041, OP 38 at 190

⁴ *Id.*, at p.122

⁵ *Id.*, OP 39 at p. 191

⁶ D.19-12-021 OP 4 at 89

⁷ *Id.*, OP 3 at 89

⁸ D.12-11-015, p. 17

⁹ D.19-12-021 OP 4 at 89

For changes to these service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

Protests

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, 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 electronically to the attention of:

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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.

Correspondence

For questions, please contact Jana Kopyciok-Lande at (415) 464-6044 or by electronic mail at jkopyciok-lande@mceCleanEnergy.org.

/s/ Jana Kopyciok-Lande

Jana Kopyciok-Lande
Senior Policy Analyst
MARIN CLEAN ENERGY

cc: Service Lists: R.13-11-005



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.:

Utility type:

☐ ELC ☐ GAS ☐ WATER
☐ PLC ☐ HEAT

Contact Person:

Phone #:

E-mail:

E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

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

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

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:

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:

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 proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

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:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (xxx) xxx-xxxx:
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Name:
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Utility Name:
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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	

Attachment A



2021 Joint Cooperation Memorandum
Marin Clean Energy
Bay Area Regional Energy Network

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June 15, 2020

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Overview

This is the first Joint Cooperation Memorandum (JCM) between Marin Clean Energy (MCE) and the Bay Area Regional Energy Network (BayREN), as directed by the California Public Utilities (CPUC or Commission) in Decision (D.) 19-12-021.

MCE serves customers in four¹ of BayREN's nine county territory.² Both MCE and BayREN offer energy efficiency (EE) programs under the 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 that the investor-owned utilities (IOUs) are not serving; 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.

The BayREN and MCE program teams meet on a regular basis to discuss program coordination and will continue to do so in 2021. The 2021 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 2021.³
- 2) **MCE Program Summary:** A description of MCE programs that are comparable or equivalent to BayREN programs.⁴
- 3) **Coordination Protocol Between Programs:** This section summarizes how the anticipated BayREN program is distinct from the anticipated 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.12-11-015⁵ and D.19-12-021, which expanded the criteria to Community Choice Aggregators (CCAs).
- 5) **Appendices:**
 - a. Appendix A: Summary of REN compliance with D.12-11-015 for all planned programs;
 - b. Appendix B: List of all programs BayREN currently anticipates offering in 2021, including information on draft budgets and measure eligibility.⁶

¹ MCE serves Marin, Napa, Solano and Contra Costa counties.

² BayREN serves the counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara and Solano.

³ As there are no comparable MCE offerings, a description of BayREN's Codes and Standards, Green Labeling and Water Upgrade Saves is not included. A complete list of BayREN programs can be found in Appendix B.

⁴ A complete list of MCE programs can be found in Appendix C.

⁵ D.12-11-015, p. 17.

⁶ Budget forecasts for 2021 are preliminary and highly variable and will be finalized in the 2021 Annual Budget Advice Letter.

- c. Appendix C: List all programs MCE currently anticipates offering in 2021, including information on draft budgets and measure eligibility.⁷

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.

Residential Sector Coordination

Residential – Single Family

BayREN Program Summary (BayREN08)

BayREN's Home+ program launched in 2019 and will continue to offer services to customers in 2021. While the program will be available to all Bay Area single-family residents, it is designed to primarily serve moderate income single-family households⁸ in the nine Bay Area counties.

The key objective of the Home+ program is to fill the gap to meet the moderate-income customer where they are and to offer incremental and affordable energy efficiency measures that are complimentary to measures available through current mainstream program offerings. An important program element continues to be utilizing the Home Energy Advisors and local government staff outreach to get the customer on an incremental path, phasing in new measures as they are feasible and educating the customer along the way.

BayREN's Home+ program targets this underserved market in the Bay Area that is ineligible for PG&E's Energy Savings Assistance (ESA) program but also unable to make efficiency upgrades without considerable assistance. BayREN's program will use an engaged Home Energy Advisor to walk customers step-by-step through the process and local Participating Contractors⁹ to deliver energy savings to households. The Home+ program targets Bay Area moderate income single family homeowners and renters, a population that is consistently underrepresented in ratepayer energy efficiency programs in BayREN territory and across the state.¹⁰ The BayREN Single Family Moderate Income Market Characterization Study, completed in September 2018, identified key barriers to participation for the target market including financial barriers, low energy costs and expected savings, and renter status if applicable. The Home+ program offers solutions to customers to overcome these barriers.

⁷ Budget forecasts for 2021 are preliminary and highly variable and will be finalized in the 2021 Annual Budget Advice Letter.

⁸ 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.

⁹ A Participating Contractor has successfully completed the BayREN two day training, has submitted all required paperwork and has been onboarded into the program.

¹⁰ M. Frank and S. Nowak, "Who's Participating and Who's Not? The Unintended Consequences of Untargeted Programs", American Council for an Energy-Efficient Economy, 2016.

The Home+ program offers a menu of eligible measures for the customer to choose from. 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. BayREN also offers its contractors program related trainings and one-on-one trainings 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.

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, which are offered to targeted households in eight¹¹ of the nine Bay Area counties; primarily senior households and households where English is not the primary language. Green House Calls involve a program representative performing a visual audit 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.

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 customers after they have assisted with the initial contact in order to see the customer through a full energy-efficiency journey. Energy Advisors also refer customers to complementary programs offered by utilities, Community Choice Energy programs, Energy Watch offerings and other organizations, and help 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. Please see more information in the coordination section below.

As of March 1, 2020, the Home+ program is offering rebates for four fuel substitution measures: heat pump water heaters, heat pump heating and cooling, heat pump clothes dryers and induction cooktop/ranges. The first two measures were offered only for pre-existing electric systems in the last program year and will now be eligible for gas to electric replacement completed by a Home+ Participating Contractor per existing protocols. The latter two are new measures that are eligible for gas to electric replacements and require the consumer to complete rebate paperwork via an online portal. These measures will continue to be offered in 2021.

The BayREN Single Family program works closely with the BayREN Regional Heat Pump Water Heater Program, funded by a grant from the Bay Area Air Quality Management District, which has a mid-stream focus. This program collaborates with heat pump water heater distributors and vendors to offer rebates directly to contractors. These activities will continue in 2021.

¹¹ Not offered in Alameda County since this same program is provided through the East Bay Energy Watch/Local Government Partnership.

MCE Program Summary (MCE08)

MCE's Single-Family Direct Install program (MCE08) provides no-cost EE measures to eligible homeowners and tenants in single-family homes and dwellings in MCE's service area. This program targets customers in Disadvantaged Communities (DACs) and customers whose household income exceeds 200% 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 income constrained (lower middle-income). While there is no income cap to participate in the program, the program targets homeowners and renters in particular neighborhoods to ensure that lower middle-income customers are reached. The goal is to introduce this market sector to the concepts of energy efficiency, provide upgrades that reduce household energy consumption, and encourage a pathway toward deeper energy retrofits offered through existing and emerging market rate programs and technologies. EE measures include low-flow showerheads (with and without thermostatic shut off valve), kitchen and bath faucet aerators, LEDs 11W screw-in bulbs, smart power strips, and smart thermostats. The program also offers a limited number of electric heat pump replacement for electric water heaters.

Table 1: Similar BayREN and MCE Single-Family Programs

BayREN		MCE Programs under BayREN Territory
Program Name	BayREN Home+	SF Direct Install (Stand Alone)
Eligible Measures	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.	Low flow showerheads, shower restriction valve (TSV), kitchen and bath aerators, electric heat pump*, smart power strips, smart thermostat, 11W screw in LEDs *electric to electric conversion, only available to a select number of qualified customers
Incentive	Bonus incentives are offered to downsizing equipment, combining shell and HVAC measures, building air sealing and CAS testing	No-cost direct install
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
Estimated 2021 Budget ¹²	\$8,831,180	\$704,976

¹² The budgets provided herein are estimates. Final budgets will be provided in the 2021 Annual Budget Advice Letter.

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 Federal Poverty Guidelines (FPG)
Target Implementer	Specialty contractors	Direct Install Contractor
Resource/Non-Resource	Resource	Resource

Program Differences and Coordination Protocols

MCE and BayREN are closely coordinating on program marketing, education and outreach (ME&O). BayREN will not promote the energy efficiency kits or energy audits through Green House Calls in the neighborhoods targeted by the MCE Direct Install program. Customers in these areas will still be eligible to participate in BayREN's program, but they will not be targeted through BayREN marketing. The BayREN Home Energy Advisor will continue to direct customers to MCE who are interested in a MCE program and/or if they are a better fit for their programs. MCE will continue to direct customers to BayREN Home+ program.

For general program coordination, BayREN and MCE's single-family residential teams will continue to hold standing 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.

Like all BayREN programs, outreach in 2021 will continue to be done primarily by local governments. This also allows for the seamless layering of other climate programs and activities including those offered by individual cities, counties and CCAs. With more local government entities offering new fuel substitution rebates such as Electrify Marin, Electrify San Jose, and complementary programs developed at several of the CCAs, we will leverage and integrate those programs into one cohesive message based on the audience as they launch.

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 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 in DACs. MCE will work with BayREN to determine if the

	offer that is developed in the BayREN region should be expanded to serve other customers.
2. Pilot activities where there is no IOU 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 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 PG&E 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 described below.

MCE Program Summary (MCE01 and MCE05)

MCE's Multifamily Comprehensive Program (MCE01) targets multi-family properties in MCE's service area. Its primary objectives are to reduce participation barriers by guiding property owners through the process of creating long-term project plans and coordinating upgrade timing with key trigger points, such as at unit turnover. MCE offers a Single Point of Contact (SPOC) model to guide property owners through the process of participating in the program. The SPOC offers technical assistance to help property owners understand the energy and resource conservation options that are a good fit for their property. The program offers rebates and free direct-install, in-unit measures to address barriers related to equipment cost and split incentives. Measures include, among others, interior and exterior LED lighting, Energy Star appliances, HVAC equipment, networked lighting controls, water heaters.

MCE's Multifamily Direct Install Programs (MCE05) provide no-cost EE measures to eligible homeowners and tenants in multifamily dwellings in MCE's service area. This program targets customers in DACs whose household income exceeds 200% of FPG. The target group's income exceeds the limit to receive services through programs like PG&E's ESA and MCE's LIFT Program, yet who are still income constrained (lower middle-income). While there is no income cap to participate in the program, the program targets homeowners and renters in particular neighborhoods to ensure that lower middle-income customers are reached. The goal is to introduce this market sector to the concepts of energy efficiency, provide upgrades that reduce household energy consumption and encourage a pathway toward deeper energy retrofits offered through existing and emerging market rate programs and technologies. EE measures include low-flow showerheads (with and without thermostat), shower restriction valve (TSV), kitchen faucet aerators, and LEDs 11W screw-in. The program also offers a limited number of electric heat pump replacement for electric water heaters.

Table 3: Similar BayREN and MCE Multifamily Programs

	BayREN	MCE	
Program Name	Bay Area Multifamily Building Enhancement (BAMBE)	Multifamily Comprehensive	MF Direct Install
Eligible Measures	Envelope, HVAC, DHW, lighting, and appliance measures – requires multiple measures, targeting 15-20% savings.	Whole Building	Lighting, HVAC, Custom Measures, Water Heaters
Estimated 2021 Budget ¹⁴	\$6,690,000	\$412,358	391,064
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.	Customers in disadvantaged communities (DACs) whose household income exceeds 200% of the Federal Poverty Guidelines (FPG)
Resource/Non Resource	Resource	Resource	Resource

Program Differences and Coordination Protocols

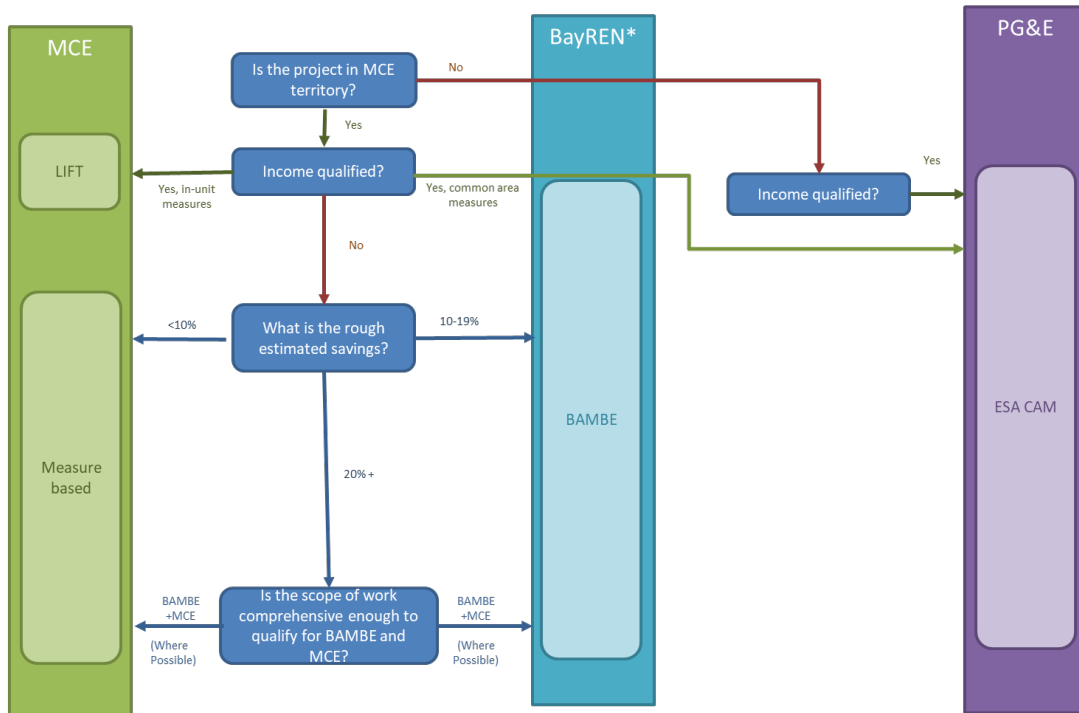
BayREN and MCE both offer multifamily programs in the Bay Area; however, they target different property owners. BayREN's program can serve any multifamily project in the Bay Area, prioritizing populations for which it has been difficult to obtain savings. MCE's Multifamily programs offer direct install, single measure savings for properties that are not a good fit for the

¹⁴ The budgets provided herein are estimates. Final 2021 budgets will be provided in the Annual Budget Advice Letter.

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. BayREN will perform intake on leads for both programs. The programs 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.

Figure 1: Multifamily EE and Low-Income Program Referral Tree - MCE/ BayREN/ PG&E



*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.

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.

<p>2. Pilot activities where there is no IOU program offering and where there is potential for scalability</p>	<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>
<p>3. Activities in hard-to-reach markets, whether or not there is an IOU program that may overlap</p>	<p>The definition in D.18-05-31 precludes almost all Bay Area properties from being considered hard-to-reach. Therefore, BayREN and PG&E programs that are open to all multifamily properties cannot be considered hard-to-reach in the Bay Area.</p>

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. Soft-launched in January 2020, BayREN Business works with its program implementer to deliver whole building EE solutions focusing on properties under 50,000 square feet (sf). BayREN Business will use 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 subprogram 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, easy-to-understand incentives, and the BayREN Microloan 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.

As a direct response to the health emergency of 2020, BayREN Business and BayREN Microloan programs will focus its resources in reducing the energy burden of the small—medium business sector.

Program Referral – BayREN Business recognizes that not all small and medium businesses (SMBs) are ideal candidates for a NMEC program experience. As such, BayREN Business

endeavors to provide referrals to complimentary EE and financing programs (e.g. MCE’s current direct install program) 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.18-05-041.¹⁵

MCE Program Summary (MCE02)

MCE’s Commercial Upgrade Program (MCE02) targets commercial customers in MCE’s service area. Its primary objectives are to facilitate the uptake of high-quality EE projects, and improve the technical capability, pricing and program experience of both customers and the local contractor community. The program aims to achieve these objectives by supporting customers and contractors in the development of their projects – including equipment specification, incentives and technical assessments – but also by providing a number of participation pathways that streamline the program experience and maximize customer benefit. The program is not restricted to a deemed measure list, or program-mandated business size or load requirements. Instead, the program is open to nearly any non-residential customer and provides varied participation pathways which include deemed, custom, NMEC and Strategic Energy Management (SEM). The program contracts with multiple implementation partners in the delivery of this program. Common measures 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 other measures which may apply to customers in retail, office, and other non-residential building types.

MCE expects an expansion of the Commercial Upgrade Program in 2020 and 2021, primarily rooted in the development of population-level NMEC portfolios.

Table 5: Similar BayREN and MCE Commercial Programs

	BayREN	MCE
Program Name	BayREN Business	Commercial Upgrade Program
Eligible Measures	Advanced Metering Systems; Boiler Plant Improvements EMCS; 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)	Lighting and lighting controls, appliances, HVAC, Plug Load, Refrigeration, Water Heaters, Evaporator Fan ECM Motors, VFDs, ASH controls, advanced digital economizers, refrigeration controls, cooler doors, electric motors

¹⁵ D.18-05-041, p. 28.

	Appliance and Plug-Load Reductions; Refrigeration & Food Service Equipment; Water and Sewer Conservation Systems	
Estimated 2021 Budget¹⁶	\$2,772,000	\$3,300,000
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 the BayREN Business program include the following: a specific focus on small business (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. However, MCE does not offer a site-specific NMEC pathway, and intends to measure commercial NMEC portfolios under the population level approach.

For general program coordination, the BayREN and MCE program managers 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 will not serve any

¹⁶ The budgets provided are estimates based on the 2020 ABAL program budgets. The final 2021 budgets will be provided in the 2021 Annual Budget Advice Letter.

customer who has participated in a ratepayer-funded EE rebate program during the twelve months of the customer's baseline period.

As noted above, MCE is currently developing a commercial NMEC program, generating population-level NMEC savings. Both BayREN and MCE are working closely together to ensure complimentary offerings while avoiding market confusion, overlapping and contractor gaming. It is anticipated that new SMB offerings will be available in 2020, although the exact date is still to be determined.

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)		XX	XX	
BayREN Green Labeling (BayREN07)	N/A	XX	XX	
BayREN BAMBE (Multifamily) (BayREN02)		XX	XX	
BayREN Commercial (BayREN06)			XX	XX
BayREN Codes and Standards (BayREN03)	N/A	XX	XX	
BayREN Water Energy Nexus (BayREN04)	N/A	XX	XX	

APPENDIX B: BayREN 2021 Program Portfolio Summary

REN Unique ID	Program	Sector	Annual Budget ¹⁷	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	\$3,409,536	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 participants 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.

¹⁷ BayREN’s Annual Budget is based on the 2020 ABAL and serves as an estimate for 2021 budgets. The 2021 budgets will not be finalized until the 2021 ABAL is submitted in 2020.

			<ul style="list-style-type: none"> • 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. • Turf removal and irrigation system improvements to prepare sites for drought tolerant landscaping
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APPENDIX C: MCE 2021 Program Portfolio Summary

IOU Program Unique ID	Sector	2020 Program Budget¹⁸	Eligible Measures
Multifamily Comprehensive (MCE01)	Residential	\$412,358	Whole Building
Commercial Upgrade Program (MCE02)	Commercial	\$1,477,001	Lighting, Appliances, HVAC, Plug Load, Refrigeration, Custom, Lighting Controls, Whole Building, Water Heaters
Multifamily Direct Install Stand Alone (MCE05)	Residential	\$391,064	Lighting, HVAC, Custom Measures, Water Heaters
SF Comprehensive (MCE07)	Residential	\$552,865	Lighting, Appliances, HVAC, Plug Load, Refrigeration, Custom Measures, Lighting Controls, HVAC Controls, Whole Building, Water Heaters
Single Family Direct Install Standalone (MCE08)	Residential	\$704,976	Lighting, Appliances, HVAC Controls, Water Heaters, low flow showerheads, shower restriction valve (TSV), kitchen and bath aerators, electric heat pump
Industrial (MCE10)	Industrial	\$2,125,484	Lighting, HVAC, Refrigeration, Custom Measures, Lighting Controls, HVAC Controls, Whole Building, Water Heaters
Agricultural (MCE11)	Agricultural	\$687,463	Lighting, HVAC, Refrigeration, Custom Measures, Lighting Controls, HVAC Controls, Whole Building, Water Heaters
Workforce, Education, and Training (MCE16)	Cross-Cutting	\$346,667	n/a

¹⁸ MCE's 2021 Program Budgets will be finalized in the 2021 Annual Budget Advice Letter filing.