IOU Future Direction
EBCx Programs at the IOUs – 2013-2014

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Overview

Agenda
– Review / Overview of 2010 – 2012 IOU RCx Programs
– Presentation and Feedback on potential program modifications for 2013-2014

Goal of this Session
– Provide insight into program direction
– Gather input /reaction from RCx Providers and other stakeholders
2010-2012 IOU RCx Program Overview

– Requirements for Participation:
  – Square Footage Requirement (SDG&E: 50k; PG&E: 100,000k or 2M kWh, 500 kW or 50k therms, SCE&SCG: 25K)
  – **Mandatory** implementation of measures with <1- or <2-year payback

– Offering includes:
  – RCx Audit costs 100% paid for by Utility programs
  – Incentives of $0.09/kWh, $100/on-peak kW, and $1/therm annual achieved savings (in sync with Calculated Incentives) for measures implemented (within required time period; e.g. within 1 year of completion of Audit); capped at 50% of measure cost.
  – Sempra and SCE programs include some Pay for Performance component (25% of RCx Audit cost)
  – All programs serve Commercial segments; some programs serve Industrial and Agriculture segments to a lesser degree
  – IOUs currently have mix of Third Party and “Core” programs offerings
2013-2014 IOUs Shared Objectives

- Increase program cost-effectiveness
- Explore the appropriate inclusion of automation software
  - Targeting/scoping
  - Auto-baselines
  - Augment EM&V efforts and ensure proper data collection
- Streamlining existing processes
  - Address smaller buildings via an “RCx-Light” approach
  - Address internal program inefficiencies
  - Explore methods to streamline customer intake and project scoping
Program Features – For Discussion

– Pay for Performance (shared risk of savings delivery)
– Incentive Model
– Mandatory Implementation Requirements
– Lean RCx Option
Pay for Performance

Implement a program model that is based on both energy savings delivered *and* on square footage

– 2010-2012 Model: IOUs pay for the audit based primarily on square footage (as a proxy for magnitude of projects). Provider may not be motivated to work with customer to implement energy saving measures

Goal: Balance the risk between stakeholders

Discussion: Impact on the Providers, Implementers, Customers? Ease of use of program for all?

Pros

Cons
Incentive Model

Up-Front Payment in Full
- Utility involvement ends at project completion
- Impact on persistence

Incentives paid out over time based on persistence
- How can aspects of the Whole Building approach be utilized?
- Balance administration complexity and long-term approach to savings
- How to measure the savings over time?
- What types of enabling technologies seem ready for 2013 testing?
- What types of enabling technologies are already in the field?

Discussion:
Pros
Cons
Mandatory Implementation Requirements

Barrier to participation: True/False

- Requirement for implementation of measures with <1- or <2-year payback
- Significant cost of scoping and investigation audits

How to motivate customers to move forward with implementation of measures without this requirement?

How to make sure Provider brings in projects that get implemented?

Discussion:

Pros
Cons
Lean RCx Option

Target smaller buildings and customers with lower annual kWh/less kW

- Streamline offering to deliver a cost-competitive product to this customer class
- Consider appropriate segments
- Utilize WB as the M&V component to validate savings

Discussion:

Pros
Cons