

Commenter Name: Rural Hard to Reach Working Group

Commenter Affiliation: AMBAG, CDCMC, HSEF, Kern Co., RCEA, SJVCEO, SLO Co., SBC, VV

Program Administrator to receive feedback: All

Date: November 21, 2016

Comment #	PA(s)	Sector	Page #	Comment
RHTR #1	All	Residential	<p>PGE Gap Analysis Res 2016 pg.9, 20, 23</p> <p>SCE Gap Analysis Res 2016 pg. 7, 20</p> <p>SDGE Gap Analysis Res 2016 pg. 16, 17</p>	<p style="text-align: center;"><b>Observations</b></p> <ul style="list-style-type: none"> <li>• Successful Residential Energy Efficiency delivery is still fundamentally a market transformation issue and residential programs are not being administered or evaluated consistent with this reality.</li> <li>• Transitioning residential to a Strategic Market Transformation (SMT) program is inherently linked to current challenges with the TRC test. See 3<sup>rd</sup> observation on the following page specific to TRC.</li> <li>• Cost effectiveness calculation methods incentivize PAs to focus efforts in less challenging sectors. Private industry does not delineate EE work by sector and often works in multiple sectors. Incongruences across programs and program complexity discourage market actors from engaging in EE business model development.</li> </ul> <p style="text-align: center;"><b>Recommended Action</b></p> <ul style="list-style-type: none"> <li>• <i>Establish that Residential will be considered an SMT program until such time those markets are transformed. Recommended that an effective EM&amp;V timeline is set in either phase 3 or in the PIP.</i></li> <li>• <i>The CPUC should incentivize PAs in the Res sector based on program saturation rates that account for usage type (e.g. renters/non-owner occupied, single family, multi-family, etc.).</i></li> <li>• <i>Design residential programs as SMT programs to build capacity and demand in products and services in a way that increases economic returns for service providers and manufactures beyond current levels to promote localized reductions in price points.</i></li> </ul>

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<p><i>RHTR #2</i></p>	<p><b>All</b></p>	<p><i>Residential</i></p>	<p>Pg.15, 16 of PG&amp;E presentation (ease of services, quantity of choices and stranded savings).</p>	<p style="text-align: center;"><b>Observations</b></p> <ul style="list-style-type: none"><li>• Rural Communities face significantly higher obstacles to market transformation than more populated areas.</li><li>• SCE notes support of third parties and targeting “delivery channels” for “hard-to-reach audiences” but addresses LGP opportunities only in relation to support for codes and standards and in terms of MF barriers. The term “hard-to-reach” is not defined in either usage. Also missing is how LGP’s can be leveraged in this space especially in terms of integration of existing programs and addressing concerns related to equity and underserved regions.</li><li>• All Res BPs are insufficient in recognizing geography based barriers and barriers related to population density. Access to services in these regions is significant enough to warrant specific intervention strategies and alternative key performance indicators to more comprehensively measure program effectiveness.</li><li>• Many markets have poor EE programming and project penetration due to the lack of or insufficiently trained, mentored, educated, supported, and certified contractor base. This is particularly true in rural and poor areas of CA.</li><li>• Outcomes observed in REN territories exemplify multiple points of value at the State and community level that are a direct result of local governments’ unique ability to leverage and integrate community level resources and understanding. These assets are still unaccounted for in cost effectiveness measurement practices. The CPUC should make efforts to unlock existing potential, and strengthen access in underserved communities, via local government partnerships as the optimum delivery vehicle for this segment.</li></ul> <p style="text-align: center;"><b>Recommended Action</b></p> <ul style="list-style-type: none"><li>• <i>Successful Residential DI EE delivery should be localized and fully integrated across channels. For example, local governments partners should be able to engage consumers, provide low income, MIDI and HU services through one trusted agency (LGs).</i></li></ul>
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RHTR #3	All	Residential	Overarching	<p style="text-align: center;"><b>Observations</b></p> <ul style="list-style-type: none"> <li>• Current cost effectiveness criteria (TRC) should not be applied to Residential programs.</li> <li>• Residential programs may never be competitive with other resource based programs (SMB/Industrial) under the TRC. This creates a situation where PAs and implementers must balance portfolios in a way that minimizes investments into the residential sector proportional to realized savings in more effective sectors. This is not aligned with state EE and GHG reduction goals.</li> </ul> <p style="text-align: center;"><b>Recommended Action</b></p> <ul style="list-style-type: none"> <li>• <i>Tie to RHTR # 1 and model programs in such a way where it becomes a SMT (non-resource) program. Explore key performance indicators that more comprehensively capture program performance and objectives that include but are not limited to the following:</i> <ul style="list-style-type: none"> <li>○ <i>GHG reductions</i></li> <li>○ <i>Human health and safety gains</i></li> <li>○ <i>Reduced environmental impacts</i></li> <li>○ <i>Localized economic multipliers</i></li> <li>○ <i>Other standard non-energy benefits</i></li> </ul> </li> </ul>

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RHTR #4	All	Residential	Overarching	<p style="text-align: center;"><b>Observations</b></p> <ul style="list-style-type: none"> <li><i>Regions served by multiple PAs experience a profound lack of coordination and discordant messaging in regards to establishing priorities and implementing programs. Overlapping PA service territories creates additional administration costs and conflicting messaging to participating contractors and trade partners. Moreover, interpretation and implementation of state policy is often not aligned in overlapping territories causing confusion for implementers, contractors, and homeowners.</i></li> <li><i>Localized marketing efforts can be done in a more targeted and cost effective manner, addressing the concerns of specific communities. Utilizing more diversified media outlets benefits small business and neighborhood level messaging is known to be more effective than large campaigns.</i></li> </ul> <p style="text-align: center;"><b>Recommended Action</b></p> <ul style="list-style-type: none"> <li><i>In regions or service territories with multiple or overlapping PAs, the Energy Division could direct IOUs to determine and establish a lead/single program administrator - much like the currently identified statewide programs framework.</i></li> <li><i>Establish a localized “program implementer” approach with greater utilization of LGPs, where available, that are able to implement market interventions at the community level.</i></li> </ul>
RHTR #5	All	Residential	Overarching	<p style="text-align: center;"><b>Observations</b></p> <ul style="list-style-type: none"> <li><i>Program designs and reporting concerns become incrementally more complex. This includes but not limited to; initial participation eligibility, assessment testing and establishment of baseline, incentive qualification criteria, work force training and mentoring, reporting vehicles, and schedule. This creates downward pressure on LGPs while inhibiting participant uptake and has significant negative effects on a local governments ability to provide cost effective solutions to the community.</i></li> </ul>

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<i>RHTR #6</i>	<b>All</b>	<i>Residential</i>	Overarching	<p style="text-align: center;"><b>Observations</b></p> <ul style="list-style-type: none"><li>• "Take-Back" (increased usage after incentive participation) has been observed in residential program participants.</li><li>• Plug-Load is forecasted to increase with technological development and the adoption of electric vehicles.</li><li>• Complicated processes and difficult incentive structures create barriers to program participation, inhibiting market penetration and transformation, and negatively affect efforts to remain or increase cost effectiveness.</li></ul> <p style="text-align: center;"><b>Recommended Action</b></p> <ul style="list-style-type: none"><li>• Allow <b>ALL</b> Residential sector program participants (ESA, MIDI, EUC, LIWP) to participate in pay for participation (P4P) style behavioral programs.</li></ul>

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