

**DOCKETED**

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*Comment Received From: Catherine Hackney  
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**SCE Comments on Joint Agency IEPR Workshop on Energy Equity in Multi-Family Dwellings**

*Additional submitted attachment is included below.*

June 13, 2018

California Energy Commission  
Docket Office, MS-4  
Re: Docket No. 18-IEPR-08  
1516 Ninth Street  
Sacramento, CA 95814-5512  
docket@energy.ca.gov

Re: Southern California Edison Company's Comments on the California Energy Commission Docket No. 18-IEPR-08: Joint Agency IEPR Workshop on Clean Energy in Low-Income Multifamily Buildings

Dear Commissioners:

On May 30, 2018, the California Energy Commission (Energy Commission) and the California Public Utilities Commission (CPUC) held a Joint Agency Workshop ("Workshop") to advance energy equity and increase access to distributed energy resources in multifamily dwellings (MFDs) as part of the 2018 Integrated Energy Policy Report (IEPR) Update.

In the Workshop, the Joint Agencies requested in Panel II that parties share examples of clean technology adoption in MFDs. Southern California Edison (SCE), a participant on the panel, provided information initially about its experience installing electric vehicle charging stations in multifamily units through the Charge Ready program. SCE lists below four additional areas where it has encouraged adoption of these technologies for MFDs: smart technology, residential policies, electrification pilots, and energy storage. SCE appreciates the opportunity to provide these written comments.

#### Energy Management Technologies in AB 793 Implementation

SCE has launched several efforts within its Energy Efficiency program portfolio that support the adoption of Energy Management Technologies (EMTs) as part of the implementation of AB 793. For example, SCE offers a rebate program for Home Area Networked (HAN) devices. HAN devices can communicate with smart meters, allowing customers to see their energy usage in near-real time. In addition, SCE's residential and small and medium business customers have the option to participate in new Pay-for-Performance (P4P) programs that involve working with a team of third-party energy consultants to conserve energy. To increase customer engagement with EMTs, SCE has worked to develop and launch a new EMT Marketplace. The Marketplace provides customers the opportunity to explore various energy

efficiency products and access information about product pricing, available rebates, product reviews, and purchase options.

SCE uses EMTs to help customers reduce their energy consumption by providing them with actionable information about their energy use and costs. Residential customers with smart meters can participate in a variety of program offerings, including:

- **Budget Assistant:** an automated outbound bill tracking alert that compares the customer's current usage to their selected spending goal. Customers can opt to either receive weekly updates or updates only when they are at risk of exceeding their goal.
- **Projected Next Bill, Bill-to-Date and Current Tier Pricing:** helps customers to manage their monthly bill by tracking information about their energy usage costs.
- **Hourly Usage Data:** helps customers to manage their energy use by understanding their electricity consumption patterns based on appliance or device use.
- **Residential Rate Comparison tool:** compares the costs of a customer's current rate with multiple Time-of-Use (TOU) rate plans, based on the customer's actual historical hourly energy usage. This tool can help customers to select the best rate plan for their needs and can inform customers about lower cost options that may be available to them.
- **Energy Advisor:** an online survey tool that asks customers about their homes' appliance mix and energy consumption patterns. Once the survey is complete, participating customers receive access to personalized conservation tips and other energy savings recommendations.

### Smart Communicating Thermostats

SCE is helping customers to understand the value of energy efficiency, by offering a variety of no-cost products, services, and solutions that includes smart communicating thermostats. These thermostats are tailored to meet individual needs and enable continuous energy management.

SCE can utilize specific intervention strategies to address distinct barriers and opportunities within each Residential sector, including MFDs, using smart communicating thermostats. Some of these barriers include, for instance, the high upfront costs of smart communicating thermostats, and the split incentives that make some MFD owners reluctant to invest in energy-efficient improvements if tenants pay the energy bill. Additionally, property owners tend to wait for a device or appliance to reach the end of life, before replacing it with another appliance (usually by selecting the least expensive, least efficient model). SCE addresses these barriers through its demand response and direct install programs.

Although the upfront costs of these technologies can pose a barrier for some MFDs residents, for example, customers participating in demand response programs may see a decline in their overall energy costs, resulting in net cost savings over time. Furthermore, SCE is now working with Southern California Gas Company to install no-cost, smart communicating thermostats for customers participating in existing SCE residential energy efficiency programs. SCE plans to install 40,000 thermostats in MFDs in 2018, with approximately 25 percent of the installations taking place in disadvantaged communities. Over the past two years, SCE has helped approximately 50,000 residential customers with smart thermostats to save energy through its Smart Energy Program demand response program.

#### Coordinated MFD Energy Savings through the Energy Savings Assistance Program

The Energy Savings Assistance (ESA) Program offers income-qualified homeowners and renters access to energy efficient measures and designed to improve the health, safety, and comfort of ESA customers. In December 2017, the CPUC issued Decision 17-12-009 resolving Petitions for Modification of D.16-11-022 ("Modification"), which expanded the ESA Program. The Modification added common area measures for deed-restricted multifamily housing and allotted \$18M for SCE to provide this initiative through 2020.<sup>1</sup> This initiative utilizes a layered program services approach to provide comprehensive services (e.g., LED lighting, building envelope, water heating, HVAC) that support the use of clean technology for multifamily properties in both dwelling and common areas.

Additionally, SCE participates in the Multifamily Working Group that was established to evaluate the effects of this initiative. The group meets quarterly to set agenda, vet recommendations and proposals, and solicit input from key stakeholders regarding ESA program designs and implementation plans for common area measures. Its members include representatives from the investor-owned utilities, Energy Division staff, multi-family building owners, multi-family energy efficiency program implementers and technical experts, environmental and social justice- oriented advocates, and a diverse range of advocates with expertise in the multi-family sector.

#### Energy Efficiency Upgrades through the San Joaquin Valley Pilots

The CPUC is exploring ways to improve community access to affordable and clean energy in the San Joaquin Valley, which has four million residents and some of the worst air quality in the country. SCE supports this effort by serving three of the twelve cities identified by the CPUC as potential pilot projects for electrification: California City, Ducor and West Goshen. There were 374 recorded MFDs distributed among the three communities as of January 2018.

SCE's aims to improve access to clean technology in this region through its proposed Electrification Pilot Projects, which will simultaneously help communities in the San Joaquin Valley and shape future electrification efforts. The pilots will focus on home upgrades to support new clean energy technology, such as improved insulation, upgraded wiring and minor roof

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<sup>1</sup> In compliance with D.17-12-009, OP 138, SCE filed the ESA Multifamily Common Area Initiative Plan on March 1, 2018 (AL 3754-E) and was approved on March 28, 2018.

repairs. It will also replace wood and propane-fueled appliances with energy-efficient appliances and solar technologies. Families that participate will not be responsible for upgrade costs and will see an overall reduction in their energy costs after installations and upgrades are completed. SCE hopes that these pilots will provide information about the cost-effectiveness of electrification and the feasibility of similar demonstrations across the San Joaquin Valley and throughout California.

### Assembly Bill (AB) 2868 – Utility Programs and Investments for Distributed Energy Storage

AB 2868 requires the investor-owned utilities (IOUs) to propose programs and investments of distributed energy storage systems throughout California. As part of SCE's 2018 Energy Storage Procurement and Investment Plan, SCE has included a program proposal targeted specifically at multifamily homes to encourage pairing energy storage with existing solar on multifamily housing for low-income-qualified dwellings.

SCE's proposed program would provide incentives to MFD building owners through SCE's Multifamily Affordable Solar Home (MASH) or its Solar on Multifamily Affordable Housing (SOMAH) programs to install behind-the-meter energy storage systems. The program seeks to expand the benefits of energy storage and renewable energy to the low-income multifamily customer segment, by offering incentives to MASH / SOMAH locations. These locations are encouraged to install and use energy storage to shift the export of solar-generated energy to times that would be more beneficial to building owners, tenants on new TOU rates, and to the electric grid. The proposed program targets up to 4 MW of energy storage with a total budget of \$9.8 million.

### Solar on Multifamily Affordable Housing (SOMAH) Program

SCE is currently implementing the SOMAH program in compliance with AB 693. The SOMAH program offers financial incentives to install solar energy systems on multifamily affordable housing properties throughout California. Key components of AB 693 include:

- Directing \$100 million, annually, from the electric IOU's Greenhouse Gas Auction proceeds towards subsidized solar energy systems on multifamily affordable housing.
- Encouraging statewide development and installation of solar power systems in DACs
- Emphasizing the explicit goal that incented solar systems lower the energy bills of tenants of low-income MFDs to reduce the CARE subsidy funded by other ratepayers
- Develop, by December 31, 2030, at least 300 MW of installed solar generating capacity

The Commission has recently issued D.17-12-022, which outlines the program design for SOMAH. The Decision builds on many of the program successes and lessons learned from the MASH Program.<sup>2</sup>

### **Conclusion**

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<sup>2</sup> See: <http://www.cpuc.ca.gov/General.aspx?id=6442454736>

SCE has set in motion a variety of programs to help accelerate the adoption of clean technologies in MFDs in addition to Charge Ready. For example, usage data and real-time costs delivered through smart meters brings the customer insight into the customers' own energy consumption patterns. SCE is actively working to install or incent the installation of devices that help automate the reduction of energy use throughout its service territory, pairing this knowledge with information about energy-efficient solutions, low- or no-cost offerings, and product information so that customers are aware of how to start reducing their energy use. SCE's approach has been to develop solutions that make the benefits of adopting clean technology clear and accessible to the customer, by offering upgrades, services, tools, and products and creating a product marketplace.

SCE appreciates the state agencies' consideration of these comments and looks forward to its continuing collaboration with the Energy Commission and stakeholders. Please do not hesitate to contact me at (916) 441-3979 with any questions or concerns you may have. I am available to discuss these matters further at your convenience.

Very truly yours,

/s/

Catherine Hackney