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<th>Docket Number:</th>
<th>19-IEPR-06</th>
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<tr>
<td>Project Title:</td>
<td>Energy Efficiency and Building Decarbonization</td>
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<td>229538-11</td>
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<tr>
<td>Document Title:</td>
<td>A customer choice incentive program to reduce behind the meter greenhouse gas emissions</td>
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<tr>
<td>Description:</td>
<td>Presentation by David Phillips, University of California Office of the President</td>
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<td>Filer:</td>
<td>Raquel Kravitz</td>
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<td>Organization:</td>
<td>California Energy Commission</td>
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<td>8/26/2019</td>
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The Clean Energy Optimization Pilot (CEOP): A customer-choice incentive program to reduce behind-the-meter greenhouse gas emissions

David Phillips
Associate Vice President for Energy and Sustainability
UC Office of the President

Carbon Neutrality Initiative
Clean Energy Optimization Pilot (CEOP) Partners

UNIVERSITY OF CALIFORNIA

CSU

Carbon Neutrality Initiative
CEOP Provides Incentives for Behind-the-meter Actions

- Energy Efficiency
- Central Plant Efficiency
- Electrification
- On-site Renewables
- Smart Growth
- Clean Transportation
- Energy Storage / Demand Response
How the CEOP Incentive Works

• **Step 1:** Annual Inputs
  – All campus utility-provided electric and natural gas meters

• **Step 2:** Adjustments
  – Electricity used for Transportation
  – Weather and Square Footage

• **Step 3:** Convert to GHG

• **Step 4:** Pay Incentives
  – Based on: **Baseline GHG** trajectory (bold line); and **Actual Performance** (green arrows)
Explanation on Performance Based Incentives

- Performance payments calculated annually based on net GHG emissions reductions.
- Goal of performance payments is to pay for incremental and persistent GHG emissions reductions.
- Funding source: Cap and Trade auction revenues.
## Clean Energy Optimization Pilot Summary

<table>
<thead>
<tr>
<th>GOALS</th>
<th>BENEFITS</th>
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<td>• Pilot a new performance-based program to encourage customers to reduce GHG emissions</td>
<td>✓ Aligns with California’s aggressive GHG reduction goals using universities as learning laboratories</td>
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<td>• Allow customers to choose and implement technology solutions that best suit their needs</td>
<td>✓ Allows the flexibility to focus on multiple technologies</td>
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<td>• Minimize administrative complexity</td>
<td>✓ Incentive payouts are structured to provide lasting GHG reductions</td>
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<td>• Evaluate program effectiveness and customer preferences for action</td>
<td>✓ Supports scalability of opportunities across multiple industry sectors</td>
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Resources

- david.phillips@ucop.edu
- https://www.ucop.edu/carbon-neutrality-initiative/
- Overcoming Barriers to Carbon Neutrality
- UC Strategies for Decarbonization: Replacing Natural Gas
- Annual Sustainability Report
- Sustainable Practices Policy
- Climate Lab