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## Barriers Study recommendation 5.e. – importance and solutions

Additional submitted attachment is included below.



August 13, 2019

VIA ELECTRONIC FILING

2019 IEPR Joint Agency Workshop on Advancing Energy Equity (30 July 2019) **Enervee Comments** 

Enervee appreciates the opportunity to provide input on Advancing Energy Equity, following the Joint Agency Workshop on this topic held in Sacramento on July 30, 2019.

In the US alone, Enervee has deployed data-driven, customer facing choice engines on behalf of utility clients that serve over 16% of all residential electric customers (19.4 million) and 5.7 million gas-only customers in 9 states, including: AEP Ohio, Avista, Con Edison, Consumers Energy, Duquesne Light Company, Efficiency Vermont, Los Angeles Department of Water & Power, Pacific Gas & Electric, San Diego Gas & Electric, Snohomish Public Utility District, Southern California Edison, and Southern California Gas Company. In California, 90% of residential customers have access to utility-branded choice engine platforms, which eliminate market and behavioral barriers and make the market work better for consumers.

Enervee was actively engaged in the finalization of the SB350 Low-Income Barriers Study, submitting several sets of written comments and participating in a workshop that addressed plug load energy efficiency. Key recommendation 5.e. in the Barriers Study was to:

"Ensure that low-income persons have product selection options and information necessary to avoid driving up their plug-load energy use, recognizing that low-cost appliance and consumer products are commonly less energy-efficient than other appliances and products."

Without repeating the comments made during the drafting of the Barriers Study, plug loads are responsible for 30%–35% of total energy bills and 40%–50% of electricity bills, regardless of income level (see Figure 1). Yet neither the written materials provided (Report out on SB 350 Implementation Progress July 2019), nor the verbal comments made by CEC staff/commissioners at the Energy Equity workshop addressed progress on this key recommendation.

Enervee therefore requests the California Energy Commission (CEC) to provide an update on progress on key recommendation 5.e. and ensure that it is addressed as a matter of priority going forward. It would also be helpful to see the reporting on utility follow-up with customers having bill payment issues regarding potential energy management technology (EMT) solutions to reduce their

energy bills and avoid disconnection (AB793/CPUC Resolution E-4820)<sup>1</sup>. This explicitly includes providing directions on how to access the utility's updated energy technology marketplace website and understand the relevant product information that would be obtained there (product pricing, product rebates available, savings estimates for the products, customer reviews, etc)



Figure 1. Average energy expenditure by end use (2015 RECS)

One viable means of addressing Barriers Study key recommendation 5.e. is to augment current low-(and moderate-) income product efficiency programs with a retail product channel offering, capitalizing on high levels of smart phone use and modern shopping habits. Such a program could be delivered statewide, by expanding the online utility marketplaces already deployed by LADWP and all IOUs (under a CPUC mandate, Resolution E-4820). These platforms were featured in the Existing Buildings Energy Efficiency Action Plan (2016 Update) as a key plug load market transformation strategy<sup>2</sup> and have since proven their ability to make markets work better for consumers and nudge shoppers towards better buying decisions<sup>3</sup>.

Given the constraints of the ESA program, however, it has not been possible to pilot a dedicated choice engine offering for the low-income segment, despite the fact that the data and technology are available to do so. We therefore urge the CEC to provide demonstration funding for this

<sup>&</sup>lt;sup>1</sup> <u>https://blog.enervee.com/california-wants-to-cut-energy-waste-by-making-homes-smarter-481e36ad2824</u>

<sup>&</sup>lt;sup>2</sup> https://blog.enervee.com/cec-highlights-benefits-of-utility-marketplaces-767362c53775

<sup>&</sup>lt;sup>3</sup> https://blog.enervee.com/ushering-in-a-new-era-of-energy-smart-shopping-fbd30a424521

purpose. Such a program would empower income-constrained households to make better buying decisions on their own, as called for by key recommendation 5.e. of the SB350 Low-Income Barriers Study, while also providing special instant discounts on the very most efficient products only<sup>4</sup>.

If helpful, we can reshare the materials presented previously, as well as our current plug load and appliance modelling.

A focus on addressing plug loads with a retail product approach would be well aligned with forwardlooking State strategies (calling for market transformation and attention to income-constrained households) and represents a real opportunity to capture a greater share of economic potential costeffectively at scale.

Sincerely,

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<sup>&</sup>lt;sup>4</sup> https://blog.enervee.com/equity-and-energy-efficiency-458a401c896d