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Presented by Kapil Kulkarni, Energy Division
August 24, 2021
ESA Program Background

• Provides no-cost energy efficiency and weatherization upgrades for income-qualified households in IOU territories.

• Since 2002, spent nearly $4 billion to treat about 4 million households, or about $1,000 investment per household.

• Mostly achieved the statutory goal to treat all eligible and willing households by the end of 2020.

• 2021-26 program cycle guidance requested deeper energy savings and a comprehensive multifamily program.
ESA Goals

- Moves towards deeper energy savings per household.
- Focuses on the ESA customer, and requires reporting on activity by customer segment, including by demographic, financial, geographical, and health condition categories.

- 298 GWh – Enough to power about 36,000 homes for one year
- 69 MW – Equivalent to the installation of about 18,000 home solar PV systems
- 15 million therms – Equivalent to the emissions from about 13 million propane cylinders
**ESA Budget**

- $2.2 billion over 5.5 years, or about $400 million per year.

- Specific funding for the following initiatives:
  
  - $104 million for an IOU-led deeper energy savings pilot program, with a goal to achieve up to 50% savings per household.
  
  - $50 million for SCE Electrification pilot programs.
  
  - $350 million for IOU-led Multi-Family Whole Building program.
ESA Pilot

• Approves $104 million for a pilot to test the feasibility of deeper energy savings, including electrification measures.
  • Plus package – achieve up to 15% energy savings per household
  • Deep package – achieve up to 50% energy savings per household

• Timeline:
  • Q3 2021 – Workshop to solicit ideas on pilot program designs
  • Q4 2021 – IOUs submit program designs and budgets for CPUC approval
  • Q3 2022 – IOUs begin implementation after approval
ESA – SCE Building Electrification Pilot

• $40 million for single family, high-using households in Disadvantaged Communities (DACs) to retrofit for electrification measures.

• Program design consists of:
  • Testing an analytical approach to model and target high priority customer segments using GIS analysis
  • Primarily targeting space heating (heat pumps) and water heating (heat pump water heaters) end uses
  • Participation of about 2,700 homes, with an average investment of about $15,000 per household

• Monthly and annual reporting will require information on:
  • Customer bill savings,
  • Customer targeting success, and customer knowledge and awareness of electrification,
  • Coordination with, and lessons learned and applied from the San Joaquin Valley pilots and similar programs
**ESA – SCE Clean Energy Homes Pilot**

- $10.6 million over 5+ years for low-income housing developers to install new electrification measures.

- Program design consists of:
  - Technical design assistance to affordable housing developers,
  - Location-specific GHG-driven financial incentives early in the development process, and
  - Coordinated education and outreach throughout the development process.

- Requires SCE to coordinate with BUILD program to avoid duplication of funds, including program delivery to:
  - Long Beach, Vernon, Catalina Island, and portions of Inyo and Mono counties (areas not served by gas IOUs)
  - Other areas and properties that do not qualify for BUILD

- Requires SCE, after coordination with CEC, to file advice letter to CPUC by December 31, 2021, with additional budget and implementation details.
Thank you!

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Phone: 213-620-6453
# ESA Program Design (continued)

<table>
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<tr>
<th>Demographic</th>
<th>Financial</th>
<th>Location</th>
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<tbody>
<tr>
<td>Housing type</td>
<td>CARE</td>
<td>DAC</td>
<td>Medical Baseline</td>
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<td>Rural</td>
<td>Respiratory</td>
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<td>Tribal</td>
<td>Disabled</td>
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<td>High energy burden</td>
<td>Wildfire Zone</td>
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<td>SEVI</td>
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<tr>
<td>Vulnerable</td>
<td>Affordability Ratio</td>
<td>CARB Communities</td>
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ESA Working Group (will meet quarterly)

• Directs tasks to IOUs, parties, and other stakeholders to ensure program flexibility
• Tasked with discussing:
  • Measure and program changes, with notification through monthly reports
  • Progress towards program goals, and recommending program changes as part of the mid-cycle update process
  • Cost-effectiveness test considerations and execution of Non-Energy Benefits (NEBs) study
  • Development of Universal Application System (UAS) and overseeing development of Multifamily Central Portal
ESA Multi-Family Whole Building

• Approves an IOU-designed, third-party-implemented Multi-Family Whole Building (MFWB) program.
  • The Northern California program will be led by PG&E
  • The Southern California program will be led by SDG&E
  • This comprehensive program will address in-unit, common, and whole building areas.

• Timeline:
  • 2021/22 - IOUs continue implementation of current Multifamily programs (in-unit and common areas) with budget of about $100 million
  • Q3 2022 – Following third-party solicitation and selection, and draft contract, IOUs submit advice letters to CPUC
  • Q1 2023 – IOUs begin implementation after advice letter approval
  • 2023/26 - IOUs implement MFWB program with budget of about $350 million
ESA Multi-Family Whole Building (more info)

- MFWB Solicitation process will include statewide:
  - Independent Evaluator to provide support to Procurement Review Group (PRG), including progress and final reports
  - PRG for review of RFP, bidders, bids, and draft contracts

- Program Eligibility:
  - For Deed-Restricted properties, full participation if 65% of households are income-qualified
  - For non-Deed-Restricted properties, full participation if 80% of households are income-qualified

- Rental protections:
  - Property owners agree to no significant rent increases and keep at least 50% tenancy by income-qualified households for 10 years