

Southern California Regional Energy Network

Implementation Plan

SoCalREN Multifamily Subprogram

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1. Program Budget and Savings Information

a. Program Information

Program Name	SoCalREN Multifamily Program
Program ID#	SCR-RES-A1

b. Program Implementer

Program Implementer	Yes
SoCalREN Only	
SoCalREN – Statewide Lead	
Other PA – Statewide Lead	
Third Party	X
Other	

c. SoCalREN Business Plan Sector

SoCalREN Business Plan Sector	Yes
Residential	X
Commercial	
Industrial	
Agricultural	
Public	
Codes & Standards	
Workforce Education & Training	
Finance	
Other	

d. Program Type

Program Type	Yes	No
Resource	X	
Non-Resource		X

e. Intervention Strategies

Primary Intervention Strategy	Yes	No
Upstream		X
Midstream		X
Downstream	X	
Direct Install		X

f. Projected Program Budget

Budget data on **CEDARS**?: Yes No If No, then show below:

g. Savings Impact

Budget data on **CEDARS**?: Yes No If No, then show below:

h. Program Effectiveness

Budget data on **CEDARS**?: Yes No If No, then show below:

2. Implementation Plan Narrative

a. Program Description

The Multifamily program touches a number of stakeholders, from the utility service provider to property owners and residents. The program provides business opportunities for consultants, building Raters and contractors. Program objectives include:

- Cost-effectively improve the efficiency of multifamily buildings through custom comprehensive retrofits
- Provide a turnkey solution with financial incentives so property owners can adopt new and more efficient technologies and/or equipment, thus reducing energy waste
- Leverage cross-cutting companion SoCalREN programs to drive participation in energy efficiency upgrades
- Primarily target hard-to-reach and disadvantaged community multifamily properties

In addition to the cost-saving benefits of energy efficiency (for both owners and tenants), residents can benefit from a safer, healthier, and cleaner living environment. Building owners can also enjoy increased property values and command higher rents in market-rate buildings. Education around energy efficiency can help tenants and building operators adopt sustainable practices in other areas of their lives, such as work or transportation. The successful completion of a Multifamily project that addresses the needs of stakeholders at all levels is an effort that is meaningful both financially and toward conserving the earth's resources.

The primary target audience for the Multifamily program is owners and managers of eligible multifamily properties located within the SoCalREN service area. This includes a wide range of property types, from large corporate operations with multiple property sites to individual owners of single properties. Secondary audiences include building professionals (Contractors and Raters who serve multifamily properties in the Los Angeles County area), and other trade allies such as industry associations and product distributors/technology providers. In addition, the Program provides messaging and tools to help educate tenants in participating properties about the Program, as well as general information about incorporating energy-saving behavior and habits in their homes.

b. Program Delivery and Customer Services¹

Projects will be brought to the Program through interested property owners, or, contractors who have a relationship with property owners who can assist them with delivering a fully scoped project. All projects will receive a whole building energy assessment that will provide a comprehensive review of potential opportunities, outlining energy savings potential and payback of each measure. Once a project is complete, the owner will then receive an incentive for the work completed.

The program features a tiered incentive structure, providing increased incentives for greater levels of efficiency achieved. The incentives are determined based on the qualified savings percentage above

¹ IP Guidance from D.15-10-028: "Describe how the energy efficiency (EE) program will deliver savings (upstream, downstream, direct install, etc.), how it will reach customers, and the services and [sic] it will provide."

baseline energy usage and multiplied by the number of residential units. The incentive is capped at 50% of the project cost for non-Disadvantaged Community (DAC) properties, and at 75% of project cost for DAC properties.

All projects will receive support materials, such as tip sheets, tenant notification door hangers, lobby signs, and refrigerator magnets to support the project and provide tenant education.

Marketing and Outreach

Generating awareness of and interest in the SoCalREN Multifamily program requires a variety of complementary efforts – from digital advertising tactics and marketing collateral to direct contractor outreach and one-on-one conversations with property managers who contact the program. Both the Program team and participating Contractors act as the Program’s primary sales force, using the various Program offerings to sell cost-effective retrofit services to multifamily properties.

Messaging

Consistent program messaging across marketing and outreach tactics is key to driving interest and participation. The messaging used to sell the program to property managers and owners includes:

- Energy assessment and baseline calculation
- Increased value of property
- Reduced operating costs (ongoing money savings)
- Financial incentives
- Ease of participation with the guidance and support of a Program Account Manager
- Improved tenant comfort and retention

Engagement Channels

Specific marketing and outreach strategies employed to engage target audiences include:

Program Website: Located at socalren.org/multifamily, the program website provides eligibility information, program benefits, resource documents for Contractors, and an Interest Form that property owners/managers can complete to initiate contact with the Program team.

Industry Association Advertising: To engage with key stakeholders, the Program will place print and online advertisements with the Apartment Owners Association of Greater Los Angeles (AAGLA), The Apartment Owners Association (AOA), and the California Apartment Association (CAA).

AAGLA

- *Apartment Age Magazine* – 10,000 readers per month, 95% property owners/managers. Half-page color ad to run six times annually.
- *Apartment Management Magazine* – 75,000 owner/manager readers per month across six zones. Half-page color ad to run six times annually.
- Online Banner Ads – 15,000+ impressions per month; six-month campaign.
- Property Owner/Manager Newsletter – Banner on email newsletter distributed to 2,500 property owners/managers; six distributions.

AOA

- *Apartment Owners Association News* – 67,000 owner/manager readers per month across five zones. Half-page color ad to run six times annually.
- Online Banner Ads – 30,000 impressions per month; six-month campaign

CAA

- Website, Member Directory and E-Newsletter Advertising with an estimated 15,000 paid member logins and 60,000 unique impressions per month. Six-month digital suite campaign.

Industry Association Events: The Marketing team will support the Program Outreach team in participation in Industry Association Events. These events offer Program staff the opportunity to engage in one-on-one conversations with interested property owners and managers as well as other trade allies and industry professionals.

Example of events include:

- The Los Angeles Income Property Management Expo (Apartment News Publications/AAGLA)
- The Annual Trade Show and Conference (Apartment Association of Orange County)
- The Annual Housing California Conference (Housing California)
- The Annual Spring Tradeshow (Apartment Owner's Association of California, Inc.)
- The SCANPH Annual Conference (Southern California Association of Non-Profit Housing)
- Additional local CAA, AOA and other association events

Direct Mail and Email: The outreach team will distribute Direct Mail Postcards to approximately 7,000 industry contacts up to three times annually, and e-mail blasts to more than 3,000 contacts on an ongoing basis throughout the year. The contact list is built using memberships with industry databases including ALN and Property Shark, which are updated on a monthly basis.

Social Media: Specific posts regarding the multifamily program, attendance at industry events, and more will be shared on social media throughout the year. In addition, SoCalREN will engage with industry groups on Social Media, increasing the reach of our posts and program messaging.

Marketing and Event Collateral: A variety of program overviews, FAQ, tip sheets, leave-behind pieces and other marketing and event collateral will be provided to educate property owners and managers, Raters and Contractors, and tenants about the program and the overall benefits of energy efficiency. For tenant-facing materials, English, Spanish, Chinese and Large Print options will be made available to ensure the Program's message can reach all tenant audiences. Additional in-language materials will be developed upon request by property managers (e.g. Tagalog, Armenian, etc.).

c. Program Design and Best Practices

The goal of the SoCalREN Multifamily program is to help customers save energy, improve tenant comfort, and reduce ongoing maintenance costs. The program encourages whole building, integrated upgrades, rather than individual measures.

The requirements of the program are as follows:

- Building must have at least three attached units
- Minimum three energy efficiency measures
- Customers of both Southern California Edison and SoCalGas²
- Installed measures must achieve a minimum of 10% energy savings
- Permits are required if applicable by the jurisdiction and/or SB 1414

² Starting in 2019, the SoCalREN will explore partnership opportunities with municipal utilities and natural gas providers that operate within their service territory.

The steps to participation are as follows:

1. Properties enroll in the program by completing the customer agreement and submitting recent utility bills for service account validation.
2. Participating contractors provide an energy assessment to establish baseline energy usage and to identify cost-effective upgrade options.
3. Properties install qualifying energy efficiency measures using the contractor(s) of their choice. Contractors must be licensed in their trade where required by law.
4. Properties earn incentives up to \$1,200 per unit for qualifying improvements meeting minimum energy savings requirements (please see detailed incentive structure in Section 3.b.).

The SoCalREN Multifamily Program addresses the following market barriers to comprehensive upgrades, and implements best practices to mitigate these potential barriers:

Lack of utility data tracking and analysis by property owners/managers. Upon participant interest, program staff will gather utility bills and determine the energy intensity (kBtuh/square foot), and also to comply with Assembly Bill 802. Assisting building owners with compliance is becoming an industry best practice, and this technical service adds value to the overall SoCalREN offering.

Lack of accessible analytical reports. Lack of in-house technical expertise. The Program will provide an assessment that details the opportunities for energy efficiency and provides information about the potential financial impacts of implementing those measures. The assessment report details pre-existing conditions, measure recommendations, minimum specifications/efficiency required, estimated measure costs, and the payback of the associated measures with and without incentives. The report also details which measures are recommended as high, medium and low priority, based on the cost and benefit. The simple, easy to understand report is a best practice, and serves as a tool to help owners make decisions regarding their property.

Lack of access to affordable capital to pursue upgrading opportunities. In addition to the incentives available, the program will connect property owners interested in upgrades to financing options and incentives that can offset the capital requirements. The program is coordinating with the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to provide SoCalREN customers access to California Hub for Energy Efficiency Financing (CHEEF) pilot programs (once they launch in mid- to late-2019). The program staff continually seek out new state-sponsored, federally-sponsored, and local financing options. Program financing is becoming more prevalent throughout the state and regionally in order to ensure there is opportunity for projects with low capital to be completed.

The SoCalREN intends to establish a credit enhancement offering in 2019 to help property owners offset the portion of capital not covered by incentives. The intent is to provide low-cost financing, reducing the cost of capital for the borrower. The program will buy down the interest rate with program funds. The property owner is obligated to repay the total principal plus the lender's interest. The risk to the lender is minimal. A separate account will be held for the credit enhancement pilot to ensure proper tracking/accounts of funds disbursed. Repaid funds will be returned to the capital pool and be available to provide capital for additional projects.

Diversity of building types, which prevents a single approach for all buildings. This program provides site-specific Energy Assessments that will offer guidance appropriate to each building's/property's attributes. The scope will be developed based on the needs of the specific property. A custom report is a necessity, as there is a wide variety of building stock in Southern California.

Split incentives that prevent property owner investments and prevent tenants from receiving energy efficiency benefits. The program-provided Energy Assessment details what party is responsible for paying what portion of the utility bills. In discussions with the ownership around developing scope, the payer is considered. Where tenants may benefit greatly from improvements, the program will work with Ownership to determine if tenants can share in the cost of in-unit improvements. In many instances, the value of the upgrades, both financially and aesthetically, may be worth the investment. A financial analysis of payback is provided for all individual measures in order to help ownership make those decisions. Utility tracking assistance may include guidance on obtaining utility bill data for tenant meters to inform decisions about in-unit upgrades.

The split incentive provides a challenge in both residential and commercial markets, so developing strategies around mitigating the challenges is crucial. SoCalREN is continually providing guidance to property owners, and continually developing strategies to provide services to both tenants and owners.

The SoCalREN Multifamily Subprogram will continuously review its program progress and adjust its design accordingly. Feedback from participants, implementers, EM&V, CPUC, other multifamily program administrators, and other stakeholders will inform revisions to the program design.

d. Evaluation, Measurement, and Verification (EM&V):

Information and data points are collected throughout several parts of the entire process of participation for a multifamily property. SoCalREN gathers information during the outreach phases, collecting data on potential customers reached and effectiveness of outreach methodologies.

Once there is property interest, an initial intake form gathers basic eligibility information, and building-specific information is gathered to determine whether the site is a good candidate for the program. Information is also gathered on the tenant mix, including whether the property qualifies as DAC, and the language preferences and income levels.

Once it is determined that the site is a good candidate, in-depth information is gathered about the property during the assessment. When a project is complete, final savings, incentives and program cost-effectiveness are calculated and subsequently reported to the CPUC.

Throughout the project process, the information, data and metrics captured are stored in the program CRM for ease of reporting. A dashboard is kept current so current statuses and pipeline can easily be reviewed by the Program Administrator.

e. Program Performance Metrics³

The metrics gathered in the Multifamily Subprogram are as follows:

Financial:

- Funds reserved during the reporting period (calendar year)
- Checks cut to customers during the reporting period (calendar year)
- Funds remaining from the budget during the reporting period (calendar year)
- Cost per kWh/kW/therms of energy saved
- Project costs (before incentives)
- Incentives issued per project
- Average values per project (cost, incentives, etc.)
- Overall project cost effectiveness

Project Data:

- Size of projects (# of units)
- Site information (age, # of buildings, size, common/tenant square footage, etc.)

Energy Savings:

- kWh saved per project
- kW saved per project
- Therms saved per project
- Project-level savings (kWh, kW, therms)
- Overall program savings during the reporting period (calendar year)
- Project pipeline savings (anticipated savings of future projects in the pipeline)

Contractors

- Number of contractors actively submitting projects to the program

f. Quantitative Program Targets

In 2019, SoCalREN has a goal to serve approximately 47 projects representing 8,695 units. This volume is expected to deliver the goal of 8,110,157 gross kWh (based on prior program averages). This number of projects is also expected to exceed the kW goal of 1,089, and the therms savings goal of 229,246.

The SoCalREN has expressed its focus on serving DAC properties, and has established a goal of 50% of project being delivered in DAC territories. SoCalREN expects to deliver more than the goal of 24 DAC projects in 2019.

In order to deliver the quantity of project needed to reach goal, the SoCalREN has a goal of keeping at least five contractors actively engaged in marketing the program and delivering projects at all times.

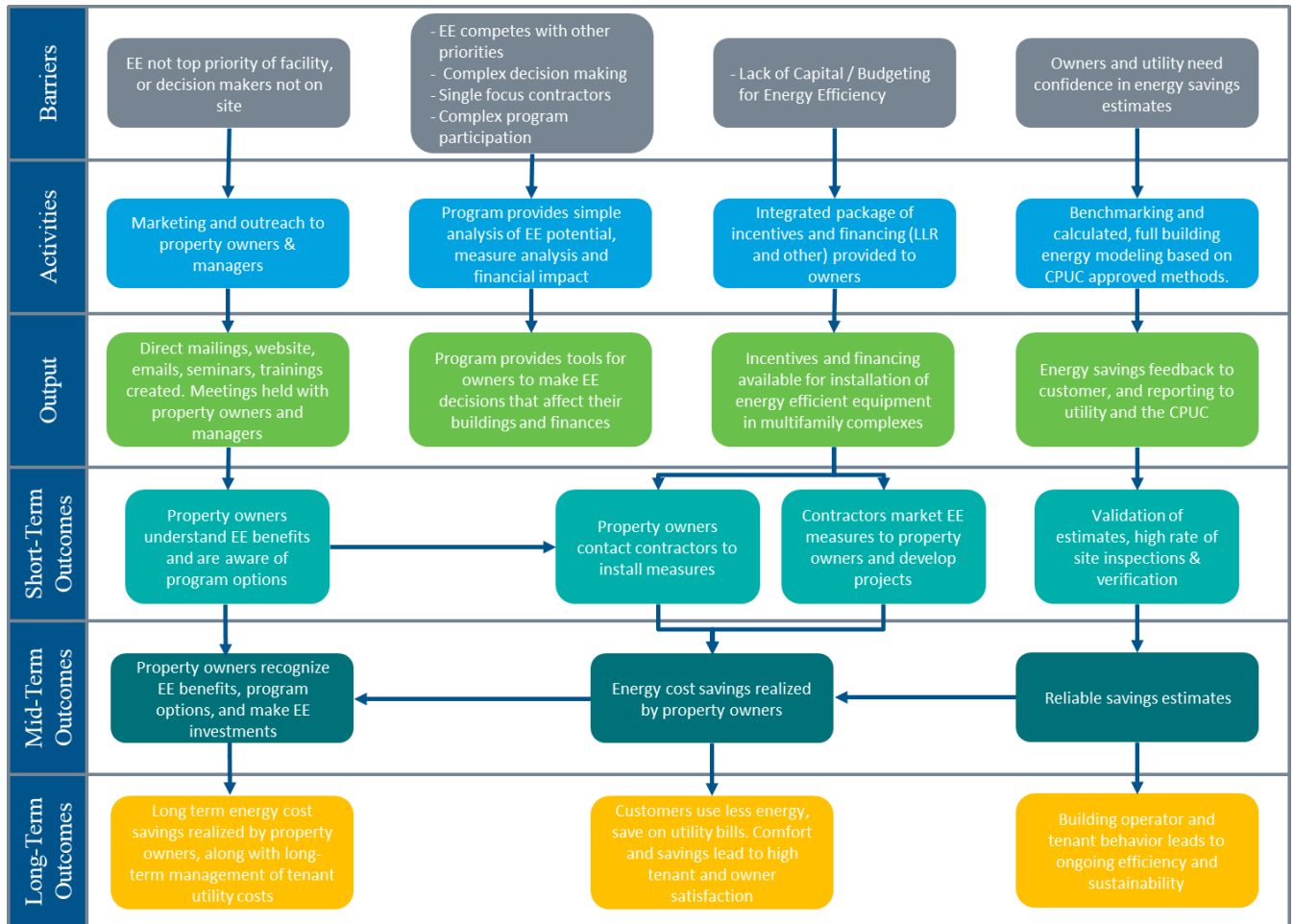
³ IP Guidance from D.15-10-028: "It is in the implementation plans that we want to see at least one metric for each program/strategy/sub-sector/intervention strategy; more than one where appropriate.... Implementation plans will contain metrics, as already discussed. PAs are free to start with a clean slate in developing metrics and associated reporting requirements, but for all programs will continue to provide monthly cost reports, and for resource programs will provide monthly savings data as well."

g. Pilots

The REN intends to establish a credit enhancement offering in 2019 to help property owners offset the portion of capital not covered by incentives. The intent is to provide low-cost financing, reducing the cost of capital for the borrower. The program will buy down the interest rate with program funds. The property owner is obligated to repay the total principal plus the lender’s interest. The risk to the lender is minimal. A separate account will be held for the credit enhancement pilot to ensure proper tracking/accounting of funds disbursed. Repaid funds will be returned to the capital pool and be available to provide capital for additional projects.

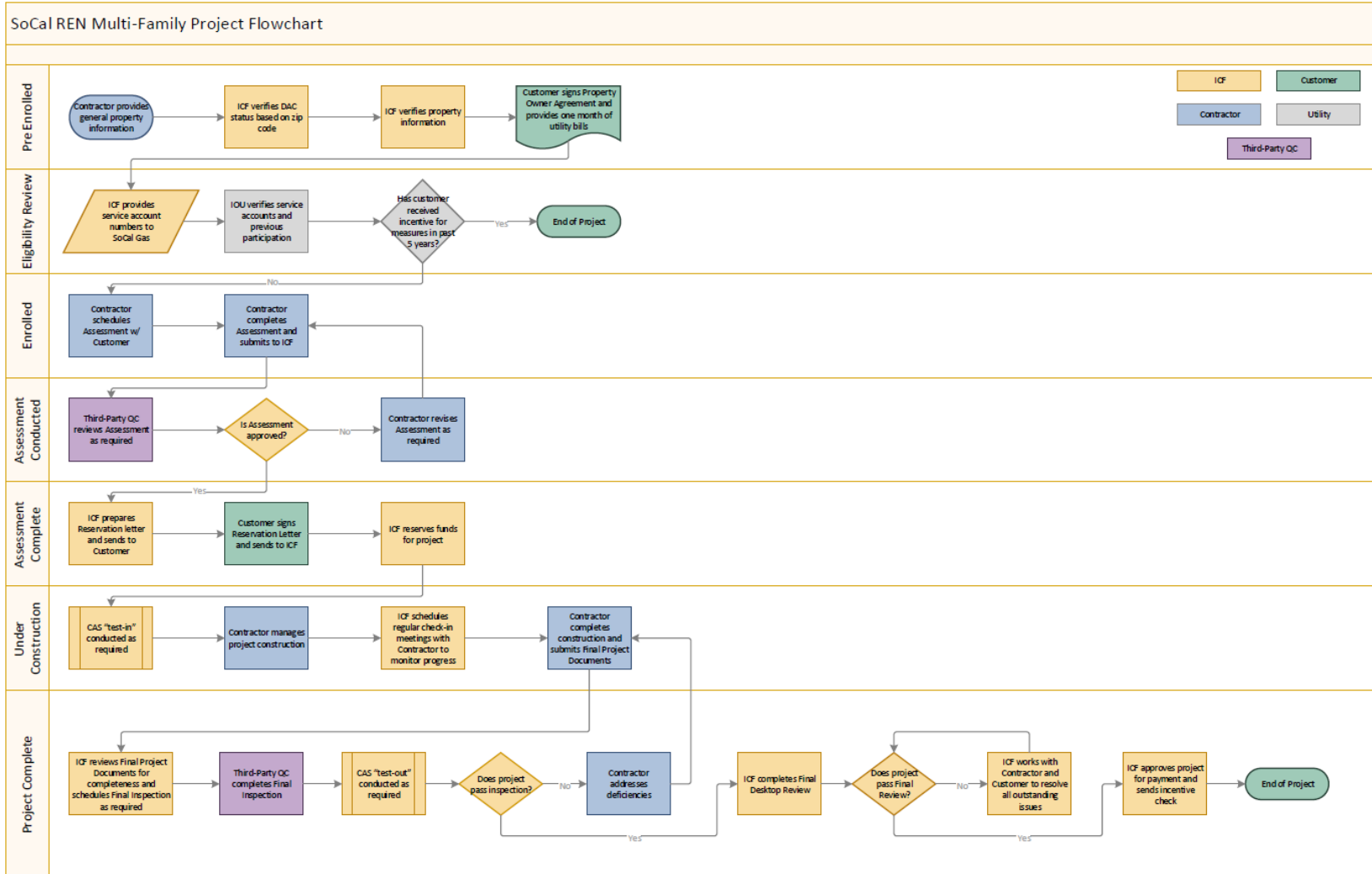
h. Program Logic Model

The Logic Model for the SoCalREN Multifamily Subprogram is below:



i. Process Flow Chart

The Process Flow Chart for the SoCalREN Multifamily Subprogram is below:



j. Diagram of Program



k. Additional information

Decision Addressing Workforce Requirements and Third-Party Contract Terms and Conditions, Decision 18-10-008 October 11, 2018, states that the new standards apply “to large non-residential HVAC and lighting controls projects (p. 71).” It further states that “all projects involving installation, modification, or maintenance of heating, ventilation, and air conditioning (HVAC) measures in non-residential buildings (p. 76)” are subject to the standards. Therefore, the new Workforce Requirements do not as yet apply to this Residential Multifamily Program.

I. For Market Transformation Programs Only⁴**i. Quantitative Baseline and Market Transformation Information**

Provide quantitative information describing the current EE program baseline information (and/or other relevant baseline information) for the market segment and major sub-segments, as available.

Not applicable.

ii. Market Transformation Strategy

Provide a market characterization and assessment of the relationships and/or dynamics among market actors, including identification of the key barriers and opportunities to advance DSM technologies and strategies. Describe the proposed intervention(s) and its/their intended results, and specify which barriers the intervention is intended to address.

Not applicable.

⁴ Codes & Standards program, Emerging Technologies program, Workforce Education & Training program, etc.

3. Appendix: Supporting Information and Documents

a. Program Manuals and Program Rules

All information required in the table below is detailed in the SoCalREN Multifamily Program Manual.

Table 1. Supportive Materials Index

#	Information Required	Short Description	Location Name/URL link
1	Eligible Measures or measure eligibility	A list of eligible measures, or measure eligibility requirements	Included in Program Manual
2	Customer Eligibility Requirements	Requirements for program participation (for example, annual energy use or peak kW demand)	Included in Program Manual
3	Contractor Eligibility Requirements	List of any contractor (and/or developer, manufacturer, retailer or other "participant") eligibility requirements. (For example: specific IOU-required trainings, specific contractor accreditations, and/or specific technician certifications.)	Included in Program Manual
4	Participating Contractors, Manufacturers, Retailers, Distributers	Information as to whether: <ul style="list-style-type: none"> • Program or sub-program delivery channel is downstream, midstream, or upstream, and • Program is an incentive and/or buy-down type program. 	Included in Program Manual
5	Additional Services	Descriptions of any additional sub-program delivery, measure installation, marketing & outreach, training, and/or other services provided, if not yet described above.	Included in Program Manual
6	Audits	Information as to whether: <ul style="list-style-type: none"> • Pre- and post-audits are required • Funding or incentive levels have been set for audits, and • The eligibility requirements for audit incentives. 	Included in Program Manual
7	Sub-Program Quality Assurance Provisions	List of quality assurance and quality control requirements, including accreditations and/or certifications or other credentials of individuals or organizations performing this work.	Included in Program Manual
8	Post Inspections	Post Inspections are required for select projects.	Included in Program Manual
8a			

b. Incentive Tables, Workpapers, Software Tools

The program features a tiered incentive structure, providing increased incentives for greater levels of efficiency achieved. The incentives are determined based on the qualified savings tier, and multiplied by the number of residential units. The incentive is capped at 50% of the project cost for non-Disadvantaged Community (DAC) properties, and at 75% of project cost for DAC properties. A chart illustrating the savings levels and associated incentive level is below.

% Savings	Incentive per Unit	% Savings	Incentive per Unit
10	\$ 550	21	\$ 913
11	\$ 583	22	\$ 946
12	\$ 616	23	\$ 979
13	\$ 649	24	\$ 1,012
14	\$ 682	25	\$ 1,045
15	\$ 715	26	\$ 1,078
16	\$ 748	27	\$ 1,111
17	\$ 781	28	\$ 1,144
18	\$ 814	29	\$ 1,177
19	\$ 847	30	\$ 1,200
20	\$ 880		

SoCalREN provides a list of approved measures to guide owners and contractors in determining a potential scope of work for their property. However, any CPUC-approved measure can be incorporated as long as they are approved by the Program Implementer prior to installation. Measures with work papers and or disposition may be considered.

General Measure List:

Important to note is that due to the program using custom calculations, varying degrees of efficiency may be considered.

SoCalREN Multifamily Measure List

Category	Measure Type
Insulation	Attic insulation
Insulation	Wall Insulation
Insulation	Floor Insulation
Envelope	Windows
HVAC	Duct Sealing
HVAC	Duct Insulation
HVAC	Efficient Fan Controller for AC and Furnaces
HVAC	Smart Thermostat
HVAC	Brushless Fan Motor

HVAC	Fan Delay Controller
HVAC	Package Terminal Air Conditioner and Heat Pump
HVAC	Room (or through the wall) Air Conditioner
HVAC	Variable Refrigerant Flow Ductless Heat Pump
HVAC	Water Source Heat Pump
HVAC	Room (or through the wall) Heat Pump
HVAC	High Efficiency Furnace
HVAC	Gravity Wall Furnace
HVAC	Split/Package Air Conditioner and Heat Pump
HVAC	Radiant/Hydronic Heating
Water Heating	Energy Star Electric Storage Water Heater
Water Heating	High Efficiency DHW Boilers
Water Heating	High-Efficiency Natural Gas Storage Water Heater
Water Heating	Water Heater Insulation (Wrap/Jacket)
Water Heating	High-Efficiency Natural Gas Instantaneous Water heater
Domestic Hot Water	Variable Speed Circulation Pump for DHW High efficiency boilers
Pools	Efficient Pool/Spa Boiler
Pools	Variable Speed Pool Pump
Solar	Solar Thermal
Space Heating	Central System Boiler for Space Heating
Appliance	High-efficiency Refrigerators
Appliance	High-efficiency Washing Machines
Appliance	High-efficiency Clothes Dryers
Appliance	High-efficiency Dishwashers
Cool Roof	Residential Cool Roof
Lighting	Interior Lighting
Lighting	Exterior Lighting
Water Efficient Fixtures	Showerheads, bathroom faucets, kitchen faucets
On- demand Recirculation Pump	Recirculation pump
On- demand Recirculation Pump	Recirculation pump controls
Other	Advanced Power Strips

Elevators	Elevator Motor Replacement
Elevators	Elevator Shaft Air Sealing
Elevators	Software based controls instead of electromechanical relays
Elevators	Idle/sleep mode, turn off lights, ventilation when unoccupied
Elevators	Destination control software to batch requests for fewer stops and reduce wait time
Elevators	Regenerative drives
Elevators	Advanced gearless drive systems
Elevators	Machine roomless (MRL) traction elevators
Other Measures	Other measures with work papers and or disposition may be considered

Eligible measures include any measures whose savings can be estimated using CPUC approved calculation methodologies, including DEER deemed savings, EnergyPro software, and reviewed external engineering calculations. The full list of such measures is extensive, and a short list of common measures is provided above for illustration purposes.

Ineligible Measures:

The following measures are explicitly identified as being ineligible to count toward the energy savings:

- Solar photovoltaic (electricity generation)
- Fuel switching measures
- Power correction measures
- Behavioral measures
- Below code measures