

# To-Code Pilot

## Workshop Presentation



A  Sempra Energy utility®



# SDG&E Workshop Objectives



- SDG&E will:
  - Provide a brief overview of the background for the To-Code Pilot (D.14.10 OP8)
  - Address the current status of the pilot development
  - Discuss the need for these pilots given the passage of time and other available means to meet the primary objectives of the pilots
  
- Desired workshop outcome: SDG&E seeks clarity in identifying the primary objectives of the pilot and the ongoing need for the pilot.

# Background

## D.14.10. Ordering Paragraph 8



- To-Code Pilot Objectives:
  - To better understand how much below-code equipment exists that is not being replaced as quickly as it should be through natural turnover or existing programs.
  - To assess whether cost-effective ratepayer-funded programs can be developed to target this equipment when PAs receive savings credit and customer incentives are made available based on to-code, in addition to through-code, savings.
- Budget: Up to \$1m per IOU – fund shift using program funds as authorized in this decision
- Key Design Requirements:
  - Find similar cohorts within a service territory, then break them into control and treatment groups, with the treatment group eligible for incentives "to and through" code, while the control group receives only incentives based on above-code savings.
  - Extend through one full calendar year, to observe program impacts across seasons.

## Background

### D.14.10. Ordering Paragraph 8 - (cont'd)



- Evaluation Requirements:

- Pilot must include program implementation and third-party evaluation, with the evaluation to address at minimum program impact on both program uptake and energy use (aggregate use and load shape)
- Pilot should assess whether cost-effective ratepayer-funded programs can be developed to target this equipment (when PAs receive savings credit and customer incentives are made available based on to-code, in addition to through-code, savings)

- Key Evaluation Questions:

- Does the program increase replacement rates?
- Are customers who did not have a particular device at all participating, as well as customers who are replacing a device?

# Summary of Statewide Program Design (SDG&E AL 2776-E/2407-G)



- Pilot will provide an incentive for projects that meet and then exceed code to encourage customers to implement retrofits that they would not have completed without the “to-code” incentive.
  - Target lighting end use only
  - Randomized Encouragement Design
    - Two treatment groups (two incentive levels)
    - Control group
  - Pilot size : identify 10,000 small/medium customers

## Barriers to Program Implementation of SW Pilot



- SDG&E had planned to implement its share of pilot through its Direct Install (aka Business Energy Solutions-BES program)
- Not all IOUs were prepared to launch at the same time. There was a need to determine most effective measures and segments to target to align the pilot on a statewide basis.
- Alignment of research questions versus the objectives outlined in the decision—while the design was focused on incentives, it may not have been adequate to answer the turn over concerns as expected.
- Concerns with Randomized Controlled Trial (RCT) Design
  - SDG&E’s very small population relative to the other IOUs to sample 1000.
  - No clear process for determining qualifying customers
  - Budget Constraints - The cost to perform the audits and to install below code measures for 1000 customers would exceed the budget for this pilot

## SDG&E's Alternative Plan



- SDG&E has identified specific LED lighting measures to target within its Business Energy Solutions program
- Assign one vendor from our existing Business Energy Solutions contractor pool to implement the Pilot
- Go with a smaller test group for the study (approximately 300 – 400 verses 1000 customers)
  - Need to develop a population frame/RCT assignment and remove past program participants from the pool
  - SDG&E would conduct the assignment into treatment groups and have E2E review
  - Determine incentive levels for the treatment group

## SDG&E's Alternative Plan – cont.



- Additional consideration and lessons learned:
  - Measures must be offered that provide the greatest to-code potential in order to make this pilot successful
  - The program design should be complete prior to pilot launch in order to provide the proper level of funding to better inform the outcome
  - Utilizing vendors from existing pool of Business Energy Solutions (BES) contractors is the most efficient way to implement the pilot (minor amendments to current agreements will be required)
- Budget Status
  - SDG&E intends to utilize funds from the BES program to cover the cost of running the pilot
- SDG&E would file a new AL to update its program plan and estimated budget requirements.

## Considerations for Moving Forward



- Current events that are in place that can provide the Commission with information that would assist in answering D.14-10-046 questions:
  - How much below-code equipment exists that is not being replaced?
    - Upcoming EE Potential Study will include savings potential using existing baseline which should provide insight into a starting point of savings potential. Response to the Decision's objective:
    - Additional research can be conducted through survey approaches to determine why turnover is not consistent with expectations of natural turn over. Respond to the Decision's objective:

## Considerations for Moving Forward (Cont'd)



- Can cost-effective ratepayer-funded programs be developed to target this equipment when PAs receive savings credit and customer incentives are made available based on to-code, in addition to through-code, savings?
  - AB 802 was passed allowing for programs that include energy usage reductions resulting from the adoption of a measure or installation of equipment required for modifications to existing buildings to bring them into conformity with, or exceed, the requirements of Title 24 of the California Code of Regulations, as well as operational, behavioral, and retrocommissioning activities reasonably expected to produce multiyear savings.
  - HOPPs programs adopted that would provide information on the question.
- Could these current activities and other more current planning respond in a more cost efficient manner to D.14-10-046 questions thereby superseding the need to conduct these To-Code pilots at this time?