

RICAPS

Regionally Integrated Climate Action Planning Suite

Multi-city Working Group Meeting
November 17, 2015

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California Policy Updates



SB 350

▪ Mandates for 2030

1. Double energy efficiency savings

- NRDC estimates 30% less electricity and 10% less gas below 2030 projection
- Fundamentally shifts the way energy efficiency is measured
- “Pay for performance”: Incentives linked to measure energy savings

2. 50% Renewable Portfolio Standard (RPS)

- Builds on 33% by 2020 RPS
- Rooftop solar doesn't count towards RPS

3. Utilities to invest in EV charging infrastructure

- Must support EV adoption in way that leverages private-sector funding, protects competition and allows consumer choice
- CPUC to determine exact role utilities play

Assembly Bill 802 vs. Assembly Bill 1103

▪ Old System (AB 1103)

- Energy disclosure for certain commercial buildings at time of sale, lease, finance or refinance
- Problem with building owners obtaining data from utilities (tenant authorization required)

▪ New System (AB 802)

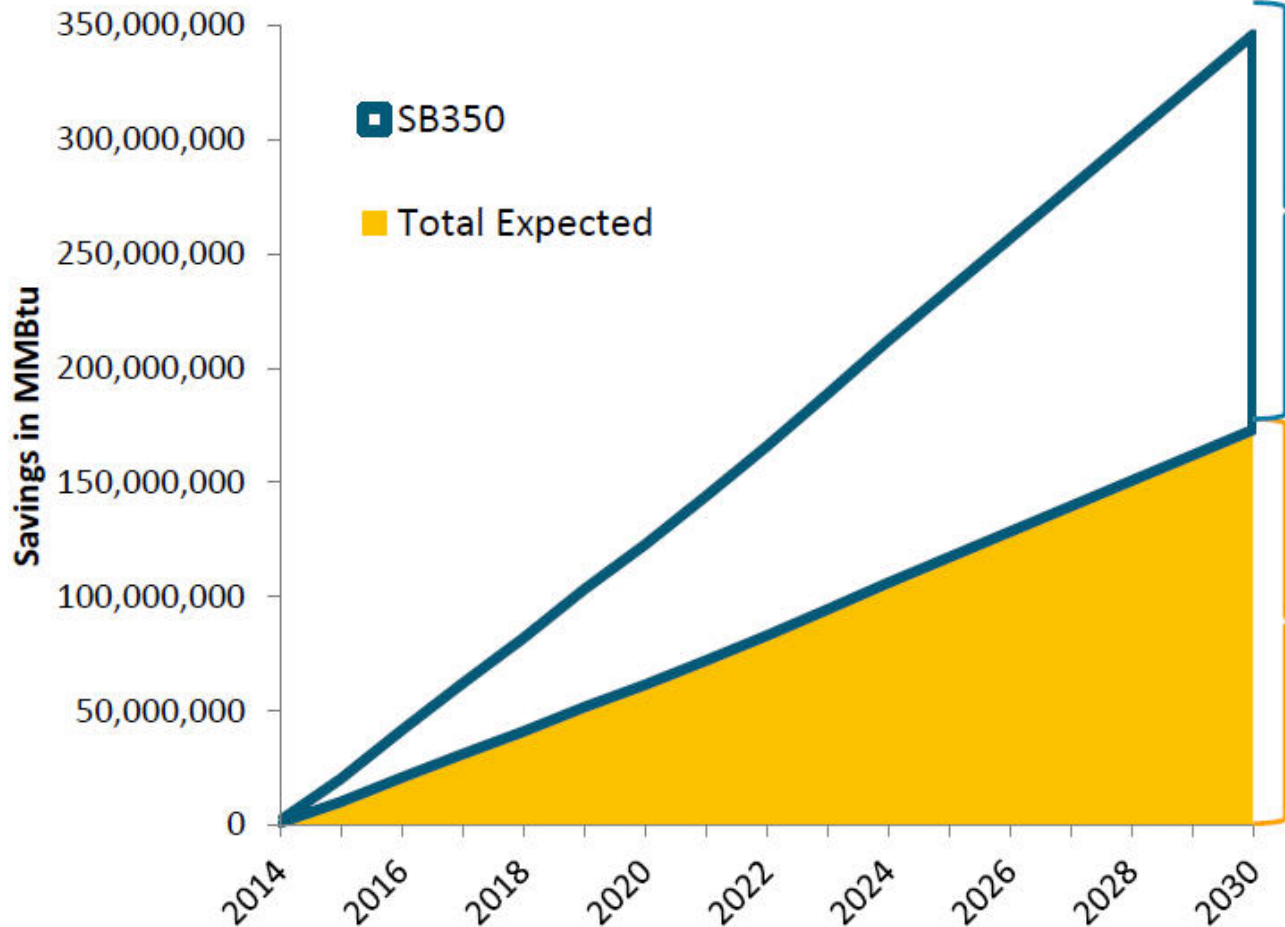
- Mandates statewide benchmarking + access to whole-building energy data
 - Commercial + Multi-family buildings +50,000 square feet
 - Easy comparisons to similar buildings using public data
- Removes barriers to obtaining data
- Redefines how CPUC measures energy efficiency savings
- Effective January 1, 2017

How will AB 802 save energy and reduce emissions?

- **Impact on Utility Energy Efficiency Programs (*"Pay for Performance"*)**
 - Energy savings through utility programs based on metered (rather than speculative) results
 - All energy savings count towards utility savings goals (not just savings beyond Title 24 baseline)
 - Allows utilities to better direct incentives towards inefficient buildings based on benchmarking score
 - Hope to encourage owners to make buildings more efficient to appeal to buyers + tenants
- Pushes California towards SB 350 goal: Statewide doubling of energy efficiency
- Buildings that benchmark their own monthly energy use reduce energy consumption by average of 7% (US EPA)



SB 350 - Clean Energy and Pollution Reduction Act



SB350 includes:

- Electric and Gas EE
- IOU and POU programs
- Meter-Based Savings
- O&M savings
- Additional Future C&S
- PACE programs
- Fuel switching
- Conservation Voltage Reduction
- AB758 Existing Buildings
- Proposition 39
- Cap & Trade Unallocated Revenues

IOU Statewide Cumulative EE Forecast Savings from 2013 AEE Forecast

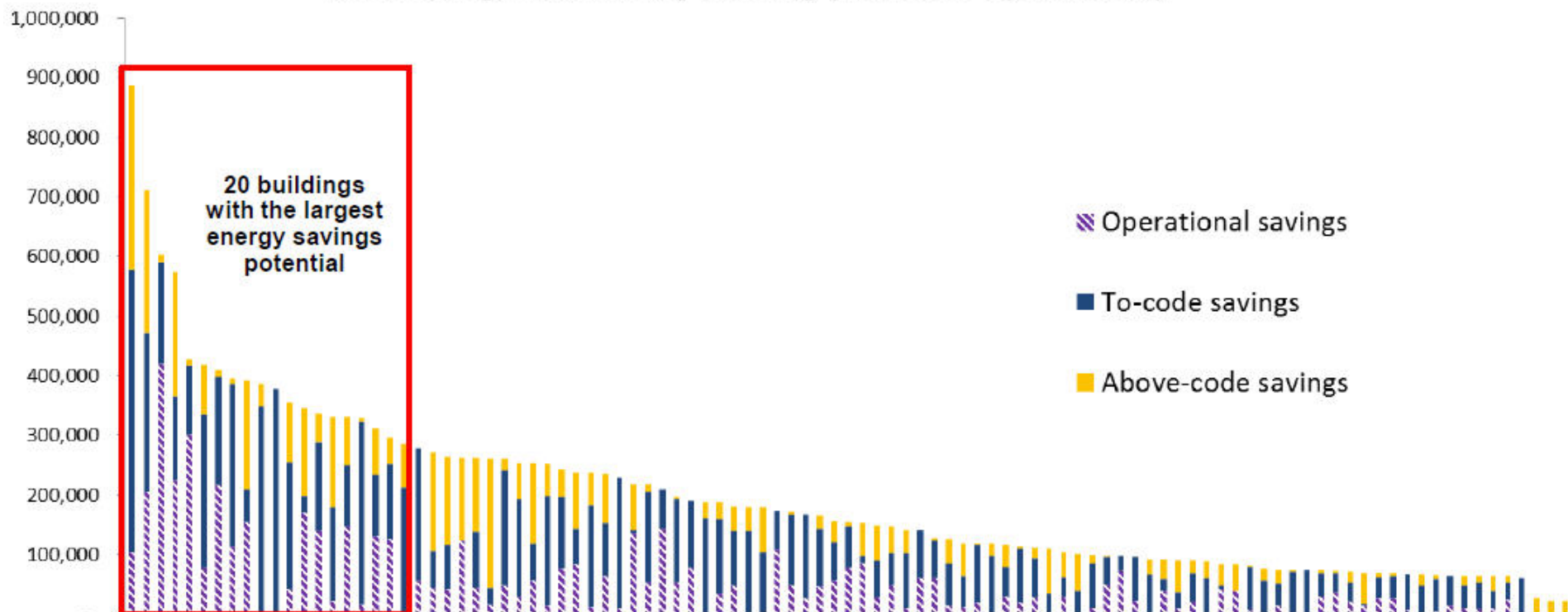
Notes and assumptions:

- SB350 requires a doubling of the CEC's Additional Achievable Energy Efficiency (AEE) mid-case forecast by 2030, subject to what is cost-effective and feasible. SB350 also expands AEE accounting for a number of efforts, as listed above, meaning IOUs goals may increase, but may not double.
- The above graph is statewide across all IOUs and is shown on a cumulative basis through 2030, which aligns with the requirements of AB350.
- The bill requires a doubling of the 2015 AEE, which is forthcoming; the analysis above is based on the 2013 AEE.
- AEE is not identical to, but is based on the CPUC Potential Study.
- The AEE forecast extends through 2024. The bill requires an average annual growth rate be applied to this period, but does not identify the rate or how to calculate it. This graph uses an average of the last available four years of savings 2021-2024.
- Electric savings is converted to MMBtus on a site basis: 3,412 btus/kwh.



Current Policy Does Not Target the Least Efficient Buildings

kWh Savings Potential by Building (Retrofit + Operational)

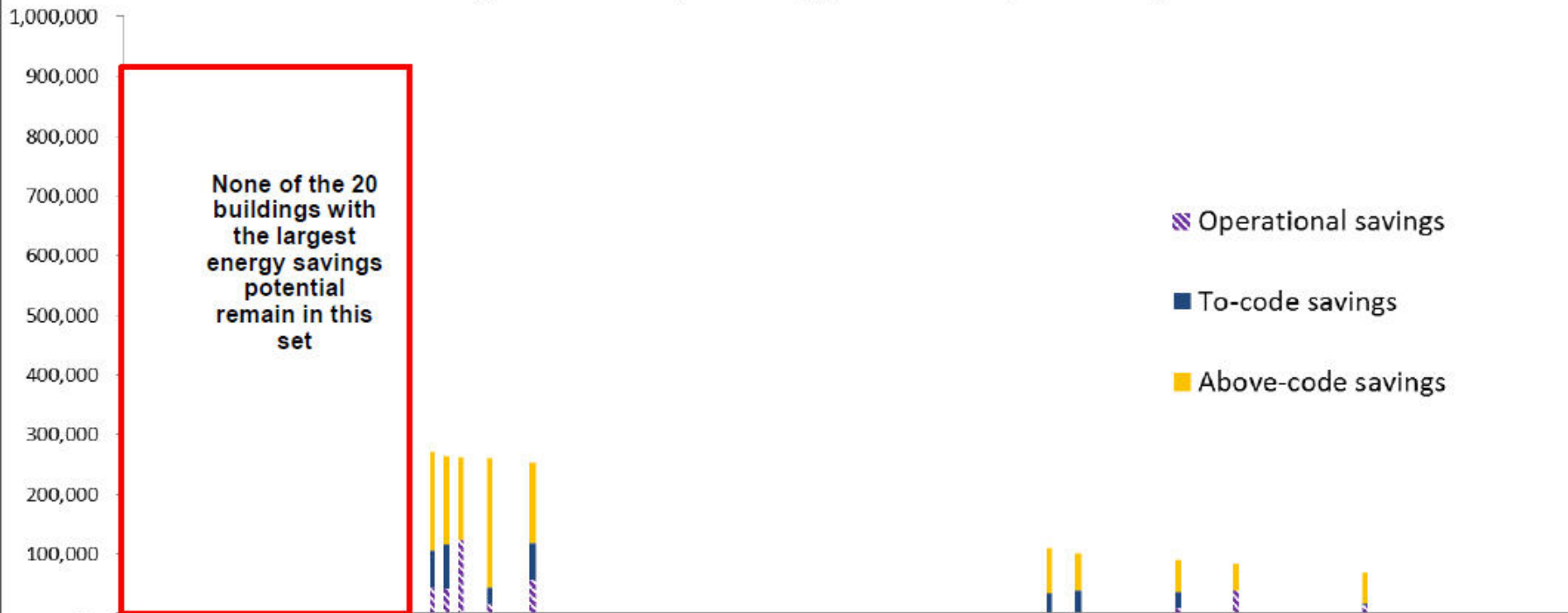


100 buildings with the largest energy savings potential out of the 164 examined by FirstFuel



Current Policy Does Not Target the Least Efficient Buildings

kWh Savings Potential by Building (Retrofit + Operational)



10 buildings that are the best targets under current incentive rules
(i.e. more than 50% of savings above-code)

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