

# 2013-2014 Energy Efficiency Programs Energy Challenger Program Implementation Plan

1. **Program Name:** Energy Challenger  
**Program ID:** SCG3756  
**Program Type:** Third Party Program

## 2. Projected Program Budget Table

**Table 1: Total Projected Program Budget by Category**

Program #	Main/Sub Program Name	Administrative Amount	Marketing Amount	Direct Implementation Amount	Incentive Amount	Total Program Budget Amount
	<b>SoCalGas Third Party Programs</b>					
3756	3P-Energy Challenger	\$0	\$0	\$68,500	\$0	\$68,500
3756u	3P-Energy Challenger (Utility)	\$3,513	\$2,873	\$11,259	\$0	\$17,645
	<b>TOTAL:</b>	<b>\$3,513</b>	<b>\$2,873</b>	<b>\$79,759</b>	<b>\$0</b>	<b>\$86,145</b>

Note: SCG continues to negotiate the final contract with the third party vendor. As a result of final contract negotiations, the budget allocation into the budget subcategories may vary.

## 3. Projected Program Gross Impacts Table

**Table 2: Total Projected Program Savings by Subprogram**

Program #	Main/Sub Program Name	2013-2014 Gross kW Savings	2013-2014 Gross kWh Savings	2013-2014 Gross Therm Savings
	<b>SoCalGas Third Party Programs</b>			
3756	3P-Energy Challenger	0	0	0
	<b>TOTAL:</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: This is a non-resource program.

## 4. Program Description

### a) Describe program

The 2013-2014 Energy Challenger program will build on the existing 2010-12 Program with a goal to engage 500 per quarter new small and mid-sized businesses in a web-based energy audit/business assessment (delivered through the SoCalGas website), and provide each business with an immediate action plan containing direct links to SoCalGas rebates and implementation services. The program is designed to support the service territory and is hosted by Contractor.

The program will provide a platform to enable businesses to identify their priority energy management needs and to be directed to the most appropriate services/rebates for their needs.

Energy Challenger will offer a web-based energy assessment tool tailored to stimulate interest in programs, rebates and services. The tool has demonstrated a high success rate (over 80% of businesses that start the assessment, finish and receive an action plan).

Features of the tool include:

- Direct access from SoCalGas's website;
- Allows users to quickly assess how well they manage energy;

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- Identifies the potential scope of energy savings available;
- Maps user needs to applicable SoCalGas's programs, rebates and services;
- Generates a prioritized action plan for each business within 10 minutes;
- Provides an immediate action plan with 'quick wins' and longer terms strategies for reducing energy cost;  
*Action Plan provides:*
  - Cost-effective technology improvements,
  - Longer term business strategies for improving energy management practices,
  - Estimate of business savings, and
  - Links to SoCalGas services, self-help information on priority actions and other programs.
- Benchmarks businesses to drive competitive improvement;
- Educates customers on ways to improve energy management & take advantage of available services;

b) **List measures**

Program is non-resource and as such does not provide incentives. Program does however provide customers with an on-line energy audit that includes identifying priority energy efficiency measures as well as solar and distributed generation opportunities. It also provides links to applicable incentives, programs and services to support customer in implementing measures.

c) **List non-incentive customer services**

Program provides an immediate action plan with 'quick wins' and longer terms strategies for reducing energy cost. Plan identifies:

- Cost-effective technology improvements;
- Longer term business strategies for improving energy management practices;
- Estimate of business savings, and
- Links to services, self-help information on priority actions and other programs.

Program also:

- Benchmarks businesses to drive competitive improvement;
- Educates customers on ways to improve energy management & take advantage of other services, and

## 5. Program Rationale and Expected Outcome

a) **Quantitative Baseline and Market Transformation Information**

This section is not applicable.

b) **Market Transformation Information**

This section is not applicable.

c) **Program Design to Overcome Barriers**

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Typical technical ‘audit’ tools, which attempt to measure energy usage through the counting of motors, lights and other loads can be less popular with customers. They can be seen as time consuming and viewed as ‘audit-processes’ rather than ‘outcome orientated processes’. The end result is that customers rarely implement the recommended solutions.

This was highlighted in the 2005 report on the current statewide non-residential audit commissioned by the four California IOUs “2003 Statewide Nonresidential audit program evaluation” which identified that fewer than 20% of medium businesses and fewer than 30% of small business found the current audit ‘very influential’ on equipment adoptions (with the exception of lighting).

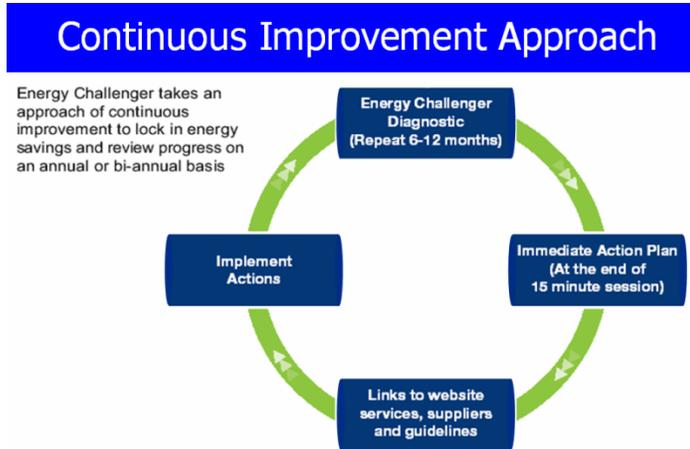
The Energy Challenger program has been designed to overcome this and other barriers. The solutions to identified barriers are summarized in the table below.

<b>Barrier</b>	<b>Solutions provided by Energy Challenger</b>
Lack of consumer information about energy efficiency benefits	Links to websites services, suppliers and guidelines
Lack of a viable and competitive set of providers of energy efficiency services in the market	Immediately presents the customer with a detailed business orientated action plan
Barriers to the entry of new energy efficiency technologies or systems whose efficiency or system performance levels are uncertain due to lack of experience	Enables decision makers to affect change in the business by providing business assessment/audit outcomes as business directives (i.e. top-down vs. bottom-up approach);
Lack of a viable and reliable resources to educate and inform	Supplies an energy efficiency business assessment solution that educates and empowers business decision makers
Lack of qualified personnel resources to support objectives.	Provides a business focused solution that can be understood and completed by decision makers (site and finance managers) as well as engineers
Customers who do not have easy access to energy efficiency program information or generally do not participate in programs due to:	Provides an easy-to-use business assessment/audit tool for customers that can be conducted by a manager/owner without requiring a high degree of technical competency;
The models developed for assessing usage are often confusing to financiers & managers. Need to be expressed in plain English,	Offers an energy efficiency business assessment that can be completed in ten (10) minutes and, provides meaningful output, which is of immediate value to the customer;

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By addressing opportunities to improve business practices, Energy Challenger will remove barriers to the implementation of longer-term energy efficiency measures. The following figure demonstrates graphically how the Program provides continuous improvement.



**d) Quantitative Program Targets**

The goal of the Program is to engage 200 per quarter small to medium business customer sessions during –2013 - 2014 program cycle.

The marketing strategies to support program objectives are:

- Direct mail to target SoCalGas customers;
- Marketing messages incorporated into appropriate marketing materials, and
- Marketing to target customers through trade shows and, industry associations.

**Table 3**

Program Name	Program Target by 2013
Number of completed customer assessments	200 per quarter

*Note: Values provided represent yearly targets.*

**e) Advancing Strategic Plan Goals and Objectives**

This program supports the Strategic Plan in the following manner:

Description	Strategic Plan Sector	Strategic Plan Goal	Strategic Plan Strategy
By engaging building owners in auditing process, program presents economic and productivity cases	Commercial	50 percent of existing buildings will be retrofit to zero net energy by 2030	2-5: Develop tools and strategies to use

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Description	Strategic Plan Sector	Strategic Plan Goal	Strategic Plan Strategy
for improving building efficiency.		through achievement of deep levels of energy efficiency and with the addition of clean distributed generation.	information and behavioral strategies, commissioning, and training to reduce energy consumption in commercial buildings.
Provides an on-line tool (through SoCalGas's website) to evaluate potential financial savings for energy efficiency improvements in existing commercial buildings	Commercial	50 percent of existing buildings will be retrofit to zero net energy by 2030 through achievement of deep levels of energy efficiency and with the addition of clean distributed generation.	2-6: Develop effective financial tools for EE improvements to existing buildings.
The Program raises customer awareness about and direct customers to SoCalGas programs and in so doing expands utility efforts to integrate the full range of DSM options into programs	DSM Coordination and Integration	Deliver integrated DSM options that include efficiency, demand response, energy management and self generation measures, through coordinated marketing and regulatory integration.	1-3: Develop integrated DSM programs across resources, including energy, water, and transportation.
Through online provision of sophisticated auditing tool, program helps disseminate knowledge and create market pull for technologies.	Research and Technology	Create demand pull and set the research agenda to pursue both incremental and game-changing energy efficiency technology innovations.	1-4: Expand activities to create market pull for energy-efficient technologies.
Online tool is continuously updated to ensure that the latest technologies are incorporated and promoted	Research and Technology	Conduct targeted emerging technologies R&D to support the Big, Bold Energy Efficiency Strategies/Programmatic Initiatives and integrated energy solutions goals	2-2: Promote cost-effective near term performance enhancements of existing technologies.

*CA Strategies for Commercial Customers (Section 3.4-Commercial Customers)*

- *Access to Information*
  - Educates business customers on practical steps to improve energy efficiency within their facility;
  - Provides each business with an action plan to improve energy efficiency including a prioritized list of specific actions for the business;
  - Provides benchmarking of each business against other similar businesses/buildings;
  - Provides a carbon calculator that educates customers on their carbon footprint and helps them to understand their carbon footprint and opportunities to reduce it, in practical terms;

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## Energy Challenger

### Program Implementation Plan

- Includes practical steps to improve operations and maintenance practices to increase energy efficiency;
- The assessment can be updated in conjunction with SoCalGas to incorporate new and emerging technologies;
- Financing
  - Provides customers with an action plan incorporating prioritized actions to reduce energy consumption. Incorporates links to utility incentives to implement measures;
  - Educates customers about incentives and financing options;
  - Encourages discussion and interaction between owners and tenants;
  - Includes both an assessment of and recommended actions to improve energy efficiency both through low/no-cost improvements as well as technology upgrades;
- Codes and Standards
  - The program will identify technologies and solutions to provide businesses with a roadmap to implement energy efficiency improvements beyond energy efficiency standards.

#### *California Enabling Strategies for Commercial Customers*

- The program conducts a holistic review of facility/ building design and equipment (including not only lighting technologies, but also HVAC, hot water, business processes, operating and maintenance procedures, building components, control systems, office equipment and relevant equipment for specific sectors);
- Provides recommendations to improve energy efficiency, opportunities to include in renovations and education of occupants;
- The program can be modified during the program cycle together with SoCalGas to incorporate new utility/statewide and other non-utility initiatives, as well as emerging technologies, and
- The program provides an integrated assessment of DSM opportunities and identifies specific retrofit solutions for each customer.

## 6. Program Implementation

### a) Statewide IOU Coordination

- i. Program name
- ii. Program delivery mechanisms
- iii. Incentive levels
- iv. Marketing and outreach materials e.g. research, target audience, collateral, delivery mechanisms
- v. IOU program interactions with CEC, ARB, Air Quality Management Districts, local government programs, other government programs as applicable
- vi. Similar IOU and POU programs

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## Energy Challenger

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In addition to providing the program to Southern California Gas business customers, Energy Challenger is also delivered to SDG&E customers. Discussions are underway with other California IOUs and agencies.

The Program is linked and integrated with statewide IOUs programs as follows:

- For each customer, the program will conduct a detailed assessment of opportunities for the customer to implement IOU statewide energy efficiency programs and measures;
- Customer reports will include a prioritized list of energy efficiency opportunities including energy efficiency measures for which statewide IOU programs and/or incentives are available;
- Customer reports will include linkages to applicable statewide incentives and programs for business customers – for example:
  - Express efficiency program and incentives;
  - Savings by design, and
  - Standard performance contract.

#### b) Program Delivery and co-ordination

##### i. Emerging Technologies program

A key feature of Energy Challenger is its flexibility, enabling it to be modified over the course of the program period to incorporate emerging technologies. These improvements can be incorporated either through additions or changes to questions within the assessment, changes to actions, or links to new technologies/opportunities/initiatives from the customer's action plan.

All of the customer responses from Energy Challenger are stored in a secure database. The database can be used to identify energy efficiency trends within sectors, uptake of emerging technologies within the Company's territory, and penetration rates of energy efficiency programs. Importantly the database can also be used to identify opportunities for targeted marketing on individual technologies in specific sectors and identify potential leads for emerging technologies.

##### ii. Codes and Standards program

The Program will also identify technologies and solutions to provide businesses with a roadmap to implement energy efficiency improvements beyond energy efficiency standards.

The Program's flexibility enables it to be modified over the course of the program period to incorporate new codes and standards. These improvements can be incorporated either through additions or changes to questions within the assessment, changes to actions, or links to new technologies/opportunities/initiatives from the customer's action plan.

##### iii. WE&T efforts

## **2013-2014 Energy Efficiency Programs Energy Challenger Program Implementation Plan**

The Program provides an on-line resource for workforce education and training, for small to mid sized business customers.

Consistent with the 2009 – 2020 California Statewide Energy Efficiency Strategic Plan, the program, through the on-line audit, is available as a training resource to contractors, energy auditors and building energy operators, to support them in identifying specific opportunities to improve energy management in small to mid sized businesses. The Program is also available as a training resource to contractors such as plumbers and electricians.

- iv.** Program-specific marketing and outreach efforts (provide budget)  
The Program includes a comprehensive and multi-pronged marketing plan to engage with businesses across the Company’s territory. The program will be targeted at small/medium-sized businesses that have traditionally been ‘hard-to-reach’ and have historically had low participation rates in energy efficiency programs. Energy Challenger is relevant to a broad cross section of commercial and industrial sectors including, but not limited to Hospitality, Retail, Commercial, Manufacturing, Small Industrial, Schools, Hotels, Grocery and Convenience stores.
- v.** Non-energy activities of program  
Energy Challenger is an energy business assessment/audit tool that covers a much broader range of energy efficiencies than covered in traditional on-line energy audits as outlined below:

  - Energy Challenger covers a wide range of end use loads;
  - For commercial customers, in addition to reviewing opportunities for SoCalGas technology rebates, the business assessment/audit will include broader opportunities (such as building envelope, load management, location of control sensors, operation of current control systems);
  - For industrial customers Energy Challenger will target applicable technical areas such as refrigeration, heating systems, boilers, compressed air systems, steam systems, pumping, motor systems, etc.
- vi.** Non-IOU Programs  
This is not applicable to this program.
- vii.** CEC work on PIER  
Not Applicable
- viii.** CEC work on codes and standards  
The Program supports and complements the CEC work on Codes and Standards by providing a road map to best practices in energy efficiency. Following an initial assessment, each customer is provided with an action plan containing prioritized measures to improve energy efficiency. The customer also receives a password, enabling them to repeat the process and identify their next steps to continued improvement and best practice in energy efficiency. The Program also

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includes for on-going improvement to the assessment, to incorporate new technologies and drive the customer beyond codes and standards.

### **ix. Non-utility market initiatives**

A significant market trend identified in the 2003 California study “Statewide Small Industrial Customer Needs and Wants Study”, conducted by Quantum Consulting, Inc. for PG&E was that “Medium customers have shown themselves to be willing and able to implement energy efficiency measures when provided with detailed, actionable recommendations for cost-effective process improvements”<sup>1</sup>

- The program addresses this market trend by providing customers with detailed and actionable recommendations for cost-effective process improvements;

The same study identified that for small/medium businesses “the owner is the most important player in selecting equipment for retrofit projects”.

- The program addresses this market factor by providing a business assessment tool specifically designed for owners and managers, that addresses energy management as a business management issue;
- Additionally marketing and outreach is targeted at business owners and managers;

The Program incorporates other non-utility initiatives, trends and market forces as follows:

- Includes energy efficiency measures beyond those covered by utility initiatives, for which the customer can utilize non-utility initiatives (e.g. programs available through other agencies (such as water agencies for low flow shower heads or preferred contractor or tradesman);
- The program will be modified during the course of the program period to incorporate new energy efficiency opportunities and technologies emerging through market forces;
- Customers will be provided with a tailor-made roadmap to SoCalGas energy efficiency programs/incentives, and where these are not available for the measure, links to other relevant non-utility resources and programs to provide implementation support, for example:
  - Third party programs,
  - ENERGY STAR
  - U.S. Department of Energy resources and programs
- Customers will receive a strategy and action plan that addresses both the traditional technical programs as well as identified areas for action in management practices.

The implementation plan for the –2013 - 2014 program period will include:

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<sup>1</sup> “Statewide Small Industrial Customer Needs and Wants Study,” Quantum Consulting, Inc., July 2, 2003. Available at: [www.calmac.org](http://www.calmac.org).

## **2013-2014 Energy Efficiency Programs Energy Challenger Program Implementation Plan**

- Confirming SoCalGas’s objectives to add value to business customers and confirm program deliverables;
- Planning the logistics of the continued delivery through –2013 - 2014;
- Reviewing any changes to the SoCalGas program portfolio for –2013 - 2014, including energy efficiency rebates and services, and third part programs, and
- Reviewing the current SoCalGas customization of Energy Challenger and updating links to SoCalGas programs as appropriate.

### **c) Best Practices**

The Energy Challenger Program will utilize the following best practices in non-residential programs:

- Program Theory and Design: Program has developed a sound program plan and links its strategic approach to policy objectives and constraints.
- Program Management – Project Management: Program provides technical assistance to help applicants through the process;
- Program Management – Reporting and Tracking: Utilizes the program’s website to facilitate data entry and reporting and integrating all program data, including measure-level data, into a single database
- Program Implementation – Participation Process: Keeps the application process simple and quick to navigate while at the same time not over simplifying.

### **d) Innovation**

The Energy Challenger program will provide the following innovations:

- Transforms the “selling” process with the customer from the traditional, low success rate, “bottom-up” approach (begins with facility managers and engineers and ends with management acceptance) to a highly successful, “top-down” approach that begins with senior management commitment;
- Utilizes a proven method of engaging senior managers and small business owners to gain commitment and buy-in to improving energy efficiency;
- Empowers Southern California Gas’s business customers to self assess their energy management needs and prepare an action plan for improvement in 5 - 10 minutes (vs. traditional approach of 30 to 45 minutes). Greater than 80% of businesses that start complete the assessment/audit.

### **e) Integrated/Coordinated Demand Side Management**

This Program supports the ideals of integrated demand side management by encouraging customer adoption of a variety of energy efficiency and other energy-related measures. Energy Challenger is in itself a coordinated assessment of potential DSM opportunities for small and medium sized business customers. It is tailored to the business sector and size of customer. The assessment includes energy efficiency technologies as well as operating and maintenance practices, and integrated program delivery. The customer report includes both technology improvements as well as improvements in management and operating practices.

## **2013-2014 Energy Efficiency Programs Energy Challenger Program Implementation Plan**

The Program has close linkages with SoCalGas's portfolio of energy efficiency programs for small and medium sized business customers including; Express Efficiency, Savings by Design and Energy Efficiency Business Seminars.

**f) Integration Across Resource Types (energy, water, air quality, etc)**

The Program is primarily focused on improvements in energy resource management. In addition, the Program includes assessment of water efficiency opportunities where the energy measure/technology also has a water resource component (e.g. low flow shower heads and pre-rinse valves on dishwashers). That is, the measure/technology delivers both improvements to energy and water efficiency.

**g) Pilots**

The Program for –2013 - 2014 is an extension of an existing 2010-2012 program and as such does not include any pilot projects. The program design and delivery has been continuously improved based on feedback received during the 2006-08 cycle.

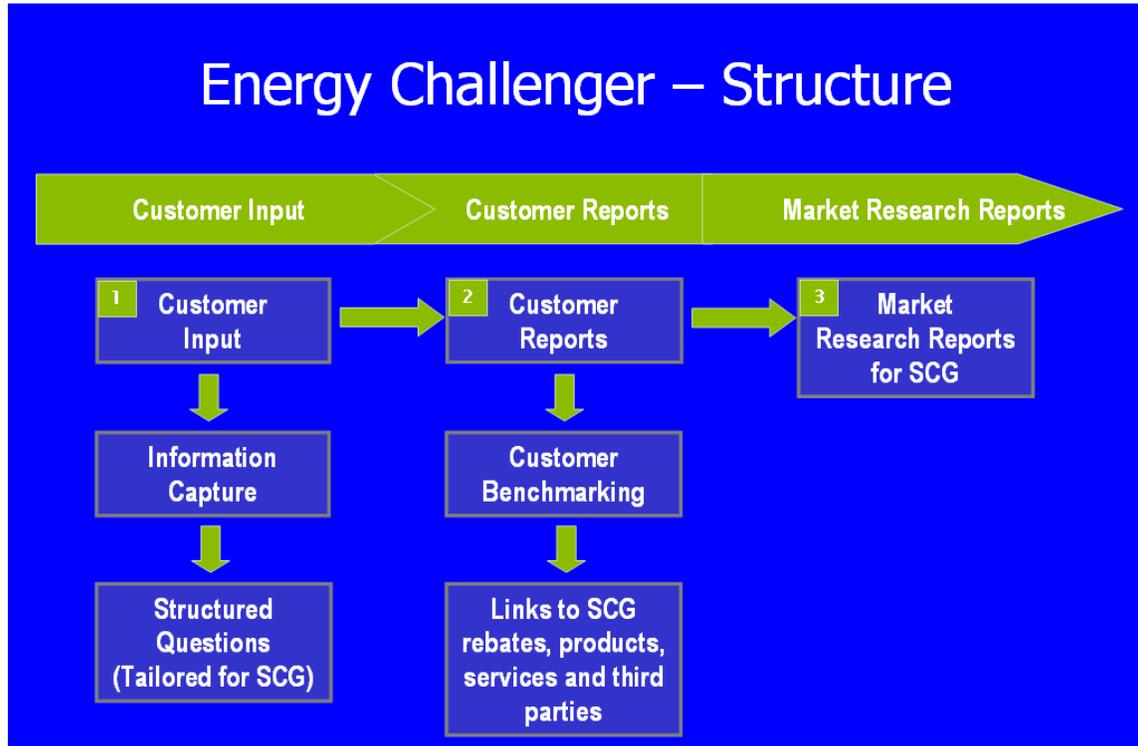
**h) EM&V**

The utilities are proposing to work with the Energy Division to develop and submit a comprehensive EM&V Plan for –2013 - 2014 after the program implementation plans are filed. This will include process evaluations and other program-specific studies within the context of broader utility and Energy Division studies. More detailed plans for process evaluation and other program-specific evaluation efforts cannot be developed until after the final program design is approved by the CPUC and in many cases after program implementation has begun, since plans need to be based on identified program design and implementation issues.

### **7. Diagram of Program**

No specific program diagram for this third party program has been developed. Any program linkages are discussed in Section 6. However, a diagram of the Program's structure is provided below.

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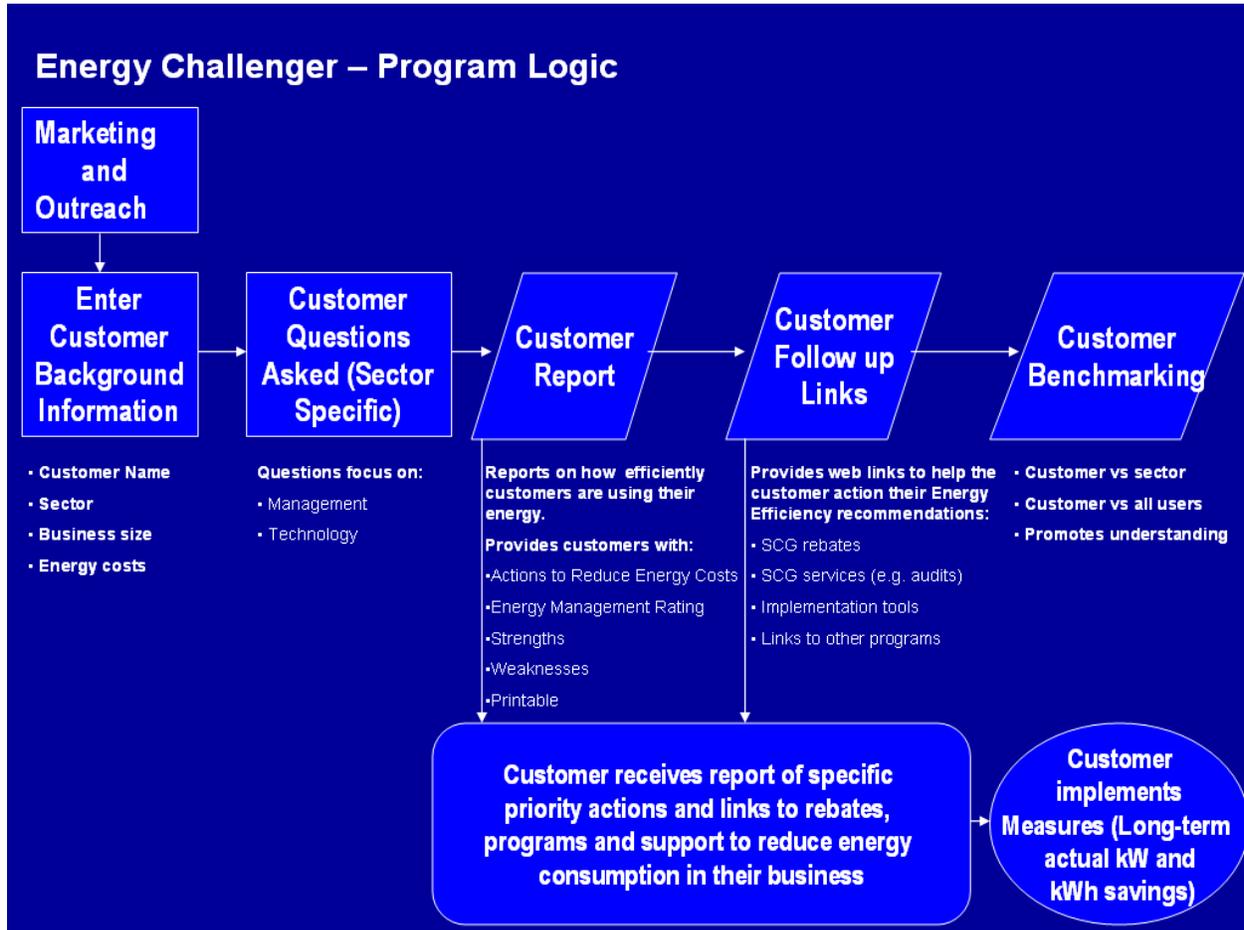


*Energy Challenger Structure*

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## 8. Program Logic Model

The Program logic model is provided below.



*Program Logic Model*