

2013-2014 Energy Efficiency Programs Multi-Family Direct Therm Savings Program Implementation Plan

1. **Program Name:** Multi-Family Direct Therm Savings
Program ID: SCG3763
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
	SoCalGas Third Party Programs					
3763	3P-MF Direct Therm Savings	\$0	\$0	\$441,206	\$3,498,794	\$3,940,000
3763u	3P-MF Direct Therm Savings (Utility)	\$40,017	\$5,746	\$93,571	\$0	\$139,334
	TOTAL:	\$40,017	\$5,746	\$534,777	\$3,498,794	\$4,079,334

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
3763	3P-MF Direct Therm Savings	0	0	1,168,960
	TOTAL:	0	0	1,168,960

Note: The therm savings are estimated based on contract negotiations with the third party vendor. The projected savings may change as a result of final contract negotiations.

4. Program Description

a) Describe program

The Multi Family Direct Therm Savings Program, marketed and branded as “*Energy Smart*”, is a field sales and direct installation program for multi family dwellings and apartment buildings. The Multi Family Direct Therm Savings Program will help deliver energy savings to multifamily customers located in Los Angeles, Ventura, and Santa Barbara counties during the 2013-2014 program period.

(Note: Since there are two contractors implementing similar programs for multifamily customers in SoCalGas territory, each contractor has been assigned specific counties in which to market their program).

The program implementation process will follow this streamlined process:

- Provide direct sales outreach through a face-to-face “account manager” relationship by the field sales staff and through professional telemarketing that will find the decision makers and educate the customer about the benefits of participating.
- Obtain site specific data in preparation for the installation.

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- Schedule installation of energy measures. Provide field staff to distribute the Notice to Tenant or send the Notice to Tenant to the site contact via fax, e-mail or mail.
- After securing signed authorization on the Customer Authorization Form, conduct site audit. Site audit will consist of basic evaluation of gas equipment and appliances located at each multifamily property. It will include an assessment of each piece of equipment based on the age and condition, and will provide written recommendation for replacement or repair.
- Energy efficient devices will be installed in all accessible units.
- Customer Authorization and Workorder will be completed with the property manager signature.
- Staff will enter all site and installation data into a database for reporting in the approved data system.
- Ongoing, professional customer service.

Field Operations

All program documentation, including the Site Audit Form, Customer Workorder and Authorization, quality assurance processes, recruiting and training, marketing collateral design and development, outreach strategies, and enrollment processes were approved and will continue to be utilized in 2013.

On Site Audit

Through the on site audit, Contractor will collect data on all gas using appliances throughout the complex, primarily collecting accurate information such as:

- Type of equipment (boiler, furnace, hot water system, etc);
- Age of equipment;
- Nameplate information including consumption;
- Condition, and
- History (if available).

Site Visit

On the day of the audit and installations, Program team members will be accompanied through the building by the building manager or owner, who will provide access to areas such as utility closets, etc. This property representative will also be available to our team as we move through the individual apartment units conducting the audit and installing measures. A copy of the Customer Workorder will be given to the customer. Each day's work will be data-entered into our internal database. Contractor's installations will be warranted for a period of one year from the date of installation.

Installation of Measures

Contractor's field operations will consist of two-person teams per apartment site, to both maximize production, as well as accomplish both the audits and the installations during the same visit. Each team will be closely monitored by a field supervisor, who will conduct random, unannounced ride-alongs. The team lead will meet with the with the property manager to coordinate the access to the apartments. Contractor will ask the site

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manager to open each door for the installers. We found that this approach maximizes productivity and integrity.

The team lead will audit all gas using appliances on the property to collect data. After the audit is completed, the team will go from apartment to apartment installing showerheads and faucet aerators, where appropriate.

For interested customers, the installations will be scheduled with the property manager or owner, planned and coordinated by our program staff and completed within an expedited timeframe to maximize participation and to quickly provide the therm savings credit to SoCalGas.

In order to meet property management / tenant guidelines, the Contractor will work to ensure that the property management properly notifies tenants of the project. The Program’s contractor will offer to distribute the Notice to Tenant for the property manager as an added convenience. If the property manager prefers, the Contractor will provide the informational materials for dissemination to tenants, including a process to follow for defective equipment. The Program team is available as needed for follow-up site visits.

b) List measures

The Contractor will install the following Therm savings measures throughout a portion of SoCalGas’s service territory as noted in Program Description; specifically, Los Angeles, Ventura, and Santa Barbara counties. Since there are two contractors implementing similar programs for multifamily customers in SoCalGas territory, each contractor has been assigned specific counties in which to market their programs.

Measure
1.5 gpm showerheads
1.0 gpm bathroom faucet aerators
1.5 gpm kitchen faucet aerators

c) List non-incentive customer services

The Contractor will conduct site audits of gas using appliances. Contractor’s goal is to conduct site audits for 2,700 buildings (averaging 25 apartment units per building).

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

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c) Program Design to Overcome Barriers

The following table provides descriptions of the barriers that Program seeks to address and the solutions the Program proposes to overcome the barrier

Barrier	Solution
Lack of consumer information about energy efficiency benefits	The Program uses an account management strategy to educate customers about energy efficiency opportunities.
Split incentives (between owners/landlords and tenants)	The Program overcomes the split incentive problem by providing services free of charge to end users.
<input type="checkbox"/> Lack of financing for energy efficiency improvements	By providing measures and services free of charge to customers, the Program overcomes the lack of financing barrier.
Lack of qualified personnel resources to support objectives.	Program Staff is highly qualified and has previous program experience to help educate customers and achieve program goals
Residential	
Housing Type: Multi-family and mobile home tenants	The Program targets multi-family units and adapts its marketing approach to ensure penetration of this market.

d) Quantitative Program Targets

Over 2,700 buildings (with an average of 25 units) will receive Energy Smart services. In order to reach this goal, more than 10,000 potential customers will be contacted by the field sales and telemarketing staff. The response rate of all customers contacted has been approximately 19% during the previous program cycle.

Table 3

Multi-Family Direct Therm Savings	Program Target by 2013	Program Target by 2014
# Apartment units installed	22,300	22,300
# of Buildings installed	900	900
# of Phone calls made	5,200	5,200
# of 1.5 gpm Showerheads installed	21,500	21,500

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
The Program employs active on-site education and training of site personnel.	Workforce Education and Training	Establish energy efficiency education and training at all levels of California's educational system.	1-3: Incorporate energy efficiency and demand side energy management into traditional contractor and technician training, such as for plumbers and electricians, and

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Description	Strategic Plan Sector	Strategic Plan Goal	Strategic Plan Strategy
			expand training resources to produce target numbers of trained workers.
To the extent possible, this Program can support the development of the statewide marketing plan and social marketing initiatives.	Marketing, Education & Outreach	Create and launch an integrated, statewide Marketing, Education and Outreach effort for energy efficiency, including an energy efficiency brand.	1-3: Use social marketing techniques to build awareness and change consumer attitudes and perceptions.

6. Program Implementation

a) Statewide IOU Coordination

- i. Program name
- ii. Program delivery mechanisms
- iii. Incentive levels
- iv. Marketing and outreach plans, 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

This third-party program only operates within SoCalGas’s service area. The Program is designed to support and complement SoCalGas’s core program activities. If this Program shares common elements with the IOU’s core programs, other third-party programs, or programs in other IOU service areas, SoCalGas and the Contractor will strive to coordinate the similar activities.

b) Program delivery and coordination

- i. Emerging Technologies program
The Energy Smart program is an emerging technologies program. Contractor is installing the next generation of low flow showerheads which not only reduce natural gas use in multi family dwellings, but also can improve shower quality over older generation "low flow showerheads". Through advanced technology, multi family dwellings are able to obtain new showerheads, without a loss in comfort. Throughout the Program pilot, customer satisfaction has been very high.
- ii. Codes and Standards program
Not applicable to this program.
- iii. WE&T efforts
Not applicable to this program.

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iv. Program-specific marketing and outreach efforts

The “Energy Smart” team will perform program marketing and customer enlistment through a telemarketing and field sales campaign run out of Contractor’s office.

In addition, the Contractor will develop lists of target facilities and their owners/managers by analyzing Contractor-purchased customer lists, as well as by sorting the customer database file provided by SoCalGas. The Program will network with organizations that are of interest to property owners and managers to publicize the program. Contractor will install measures throughout a portion of SoCalGas’s service territory as noted in Program Description; specifically, Los Angeles, Ventura, Santa Barbara, San Luis Obispo and Kern counties.

The Program will supplement the telemarketing and field sales components with a direct mail piece to GME and CF account holders. Contractor’s sales staff will attend all pertinent industry trade shows and events and will hand deliver sample products.

v. Non-energy activities of program

The Program will save significant amounts of water with the direct installation of next generation showerheads and aerators.

vi. Non-IOU Programs

The Contractor is seeking to partner with the Metropolitan Water District (MWD) to propose multiple programs outreach to the same customer. MWD is currently proposing water conservation measures to multi family owners and managers. The Contractor believes that delivering multiple conservation program information will provide significant benefit for the end use customer.

vii. CEC work on PIER

Not applicable to this program.

viii. CEC work on codes and standards

Not applicable to this program.

ix. Non-utility market initiatives

Not applicable to this program.

c) Best Practices

The program design incorporates various lessons learned during direct implementation activities. The market strategy was enhanced with an increase in face-to-face meetings that included handing out samples of the products to be installed. Customers are impressed by the quality of products that would be provided at no cost and many tested the products at home before agreeing to schedule an installation appointment.

The “Energy Smart” program staff experienced last minute cancellations due to on site managers failing to distribute the legally required Notice to Tenant. A part-time field

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person was hired to distribute the Notices on behalf of the property manager. This effort reduced the number of no notice cancellations.

Another best practice operational change included the sales and telemarketing staff. As soon as the customer information is obtained, the customer is transferred to the scheduler to calendar the appointment. This immediate transfer of the customer from the sales staff to the scheduler minimized the number of “hot leads” that would have otherwise turned cold.

d) Innovation

The Program addresses challenges in providing significant value to multi-family customers, as well as substantial and cost effective therm savings for SoCalGas. Currently, many customers do not have available incentives to reduce consumption, either because they do not understand the ease in conservation or they do not pay their bill and thus lose focus on the actual cost to supply natural gas to their dwelling. In much the same way, landlords frequently do not pay the utility bills, but either pass on the cost or do not see the bill in the first place. The Contractor will provide this educational piece through its sales and marketing outreach. The products and installation throughout the individual units will be provided at no cost to the customer.

e) Integrated/coordinated Demand Side Management

Although the Program is not an Integrated Demand Side Management program, it will provide a coordinated delivery of multiple DSM program options to multi family customers. Specifically, the Contractor can deliver additional measures for in-apartment DSM and conservation savings, for water and electricity DSM. In addition, the Contractor can provide audit services in order to assess common area integrated DSM efforts.

f) Integration across resource types (energy, water, air quality, etc)

The Program will save a significant amount of water with the direct installation of next generation showerheads and aerators. Currently, the Program is not measuring the amount of water savings achieved. However, the Contractor believes that the Gas Company would benefit from the study of water savings achieved, enabling potential co-funding from water and electric utilities across their service territory.

Because this program features close customer contact, on-site visual inspections of multifamily properties, and an ongoing sales process, Contractor will have the opportunity to identify an extensive list of measures that each property can install to achieve further efficiencies, including gas, electricity and water, both utility and non-utility sponsored. We will inform property owners about opportunities to increase efficiency through efficiency measures such as:

- Boilers, commissioning and replacement with high-efficiency gas boilers and controllers
- High-efficiency gas central water heaters
- High-efficiency gas or electric storage water heaters
- Tank wrap
- Low-flow toilets

g) Pilots

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This is not applicable.

h) EM&V

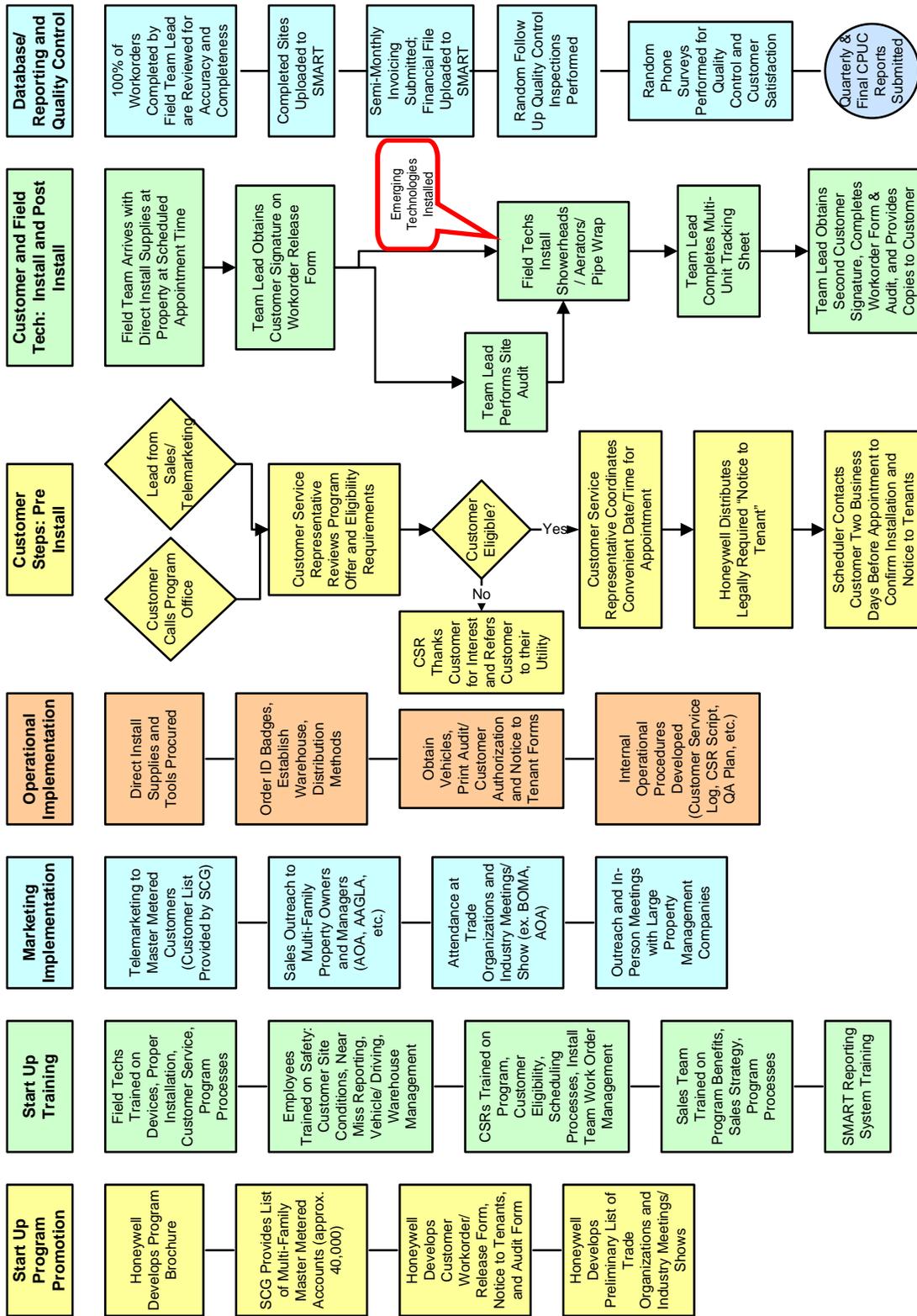
The utilities are proposing to work with the Energy Division to develop and submit a comprehensive EM&V Plan for 2013-2014 after the program implementation plans are filed. This will include process evaluations and other program-specific studies within the context of broader utility and Energy Division 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

Please see the following Diagram of the Operations Process Flow for the Energy Smart Program. The Emerging Technologies is identified below “Customer and Field Tech: Install and Post Install.”

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So Cal Gas Multi-Family Direct Install "Energy Smart" Process Flow



8. Program Logic Model

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So Cal Gas Multi-Family Direct Install “Energy Smart” Program Logic Model

