



ENERGY EFFICIENCY PROGRAM FUNDING

PROGRAMS ROADMAP

San José City Council
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Lori Mitchell, Director of Community Energy
Zach Struyk, Assistant Director of Community Energy



ENERGY EFFICIENCY PROGRAM FUNDING

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC) ENERGY EFFICIENCY FUNDING

- Funded by existing public purpose program charges on customer bills
 - Advance cost-effective electricity savings and benefits
- “Elect to Administer” through Advice Letter
- Other CCAs have applied or are applying for funds
- Estimated budget
 - \$1.7 million/year
 - \$5.1 million total
- Can reapply every three years



CPUC REQUIREMENTS

- Submit 3-year program plan and budget
 - Cost effectiveness with Total Resource Cost > 1.0
 - 2 programs:
 - Single-family residents
 - Small commercial + schools
- Meet CPUC audit and reporting requirements

Cost Effectiveness

Costs

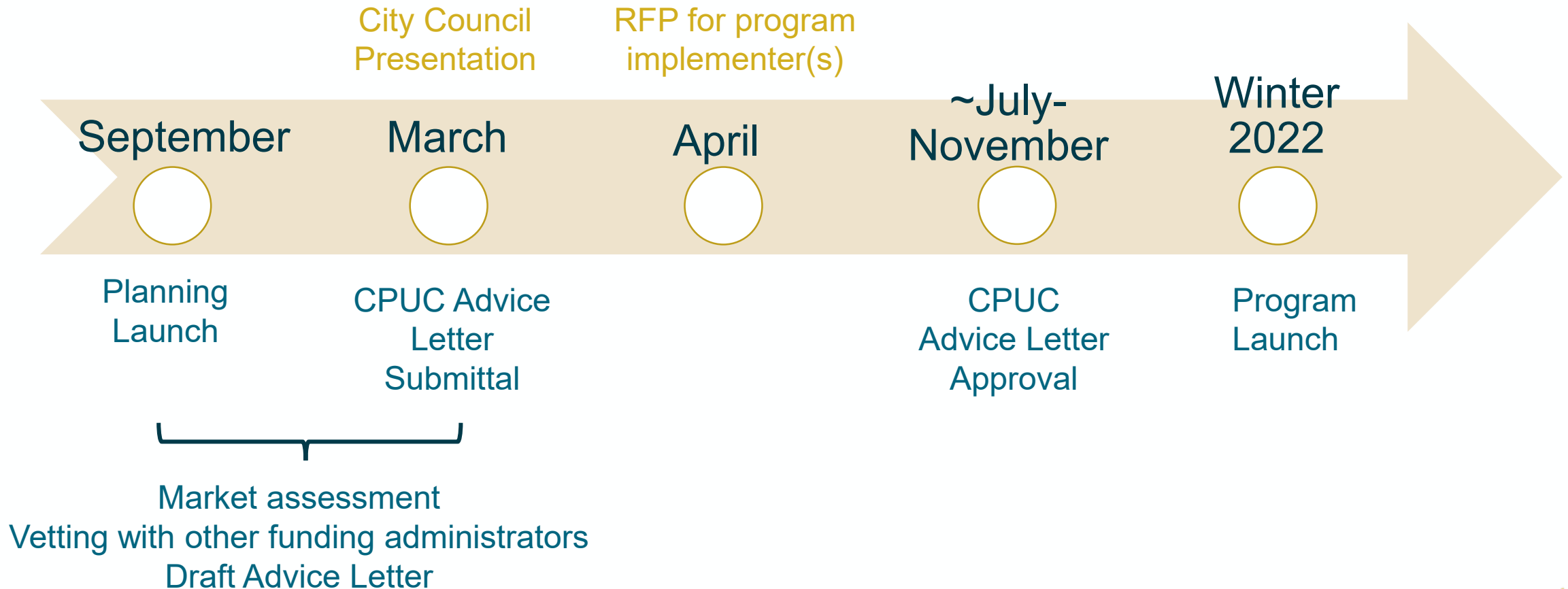
- Administration
- Implementation
- Marketing
- Incentives
- Measure Costs

Benefits

- Energy savings
- Avoided grid costs
- Avoided GHGs

- Total Resource Cost Test (TRC)
- Program Administrator Test (PAC)

CPUC APPLICATION TIMELINE





PROGRAM CONCEPTS

SINGLE-FAMILY PROGRAM: ENERGY EFFICIENT-ELECTRIC APPLIANCES

- **Targeted Customers:** single-family moderate-income* households
- **Approach:**
 - Offer discount on efficient electric appliances (group buy + leverage CPUC funding)
 - Refrigerator, Dryer, Washing Machine, Smart Thermostat, Dishwasher, Smart Power Strip, Room Air Conditioner
 - Hire third-party implementer to coordinate group buy, enrollment, and installation
 - Use neighborhood engagement to drive participation
- **Benefits:**
 - Focuses on energy savings and products customers will see/use
 - Reduces electric load to prepare for cost-effective electrification
 - Enables load shifting and demand response opportunities



*Moderate-income as defined by the CPUC is 200%-400% of federal poverty guidelines, which is under 80% Area Median Income for San José (family of 3 = \$43,440-\$86,880).

SMALL COMMERCIAL + SCHOOLS PROGRAM

- **Targeted Customers:** Medical/Dental/Nursing offices, small-medium retail stores, restaurants, convenience stores, school districts, junior colleges
- **Approach:**
 - Offer discount on HVAC system and components, refrigerated display cases, and water heating components
 - Contractor-driven; hire third-party implementer to identify contractors to identify customers in targeted market sectors and install products
 - Drive participation via contractor networks, business district and community engagement
- **Benefits:**
 - Builds relationships with customers for future programs
 - Positions existing relationships with schools to benefit from future funding opportunities (AB 841; upcoming federal stimulus, etc.)



RECOMMENDED PORTFOLIO & PROGRAMS

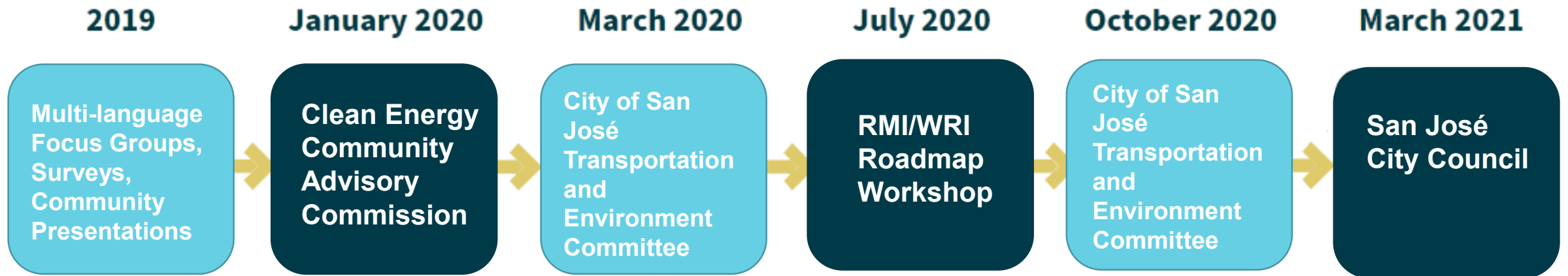
	Total Budget	Customers Served/Year	Annual Net kWh Savings	Annual Net therm Savings	Annual CO2 MT Savings	Total Resource Cost
Single-family	\$253,338	250	42,765	2,758	26	0.21
Small Commercial + Schools	\$1,435,586	103	2,761,660	47,041	879	1.18
Portfolio	\$1,688,925	353	2,804,425	49,799	905	1.05 (Combined)



PROGRAMS ROADMAP

ROADMAP INPUT THUS FAR

- Over past two years, SJCE has conducted trilingual focus groups, surveys, presentations, interviews, and workshops with residents, businesses, the Community Advisory Commission, other CCAs, and industry experts to get feedback:

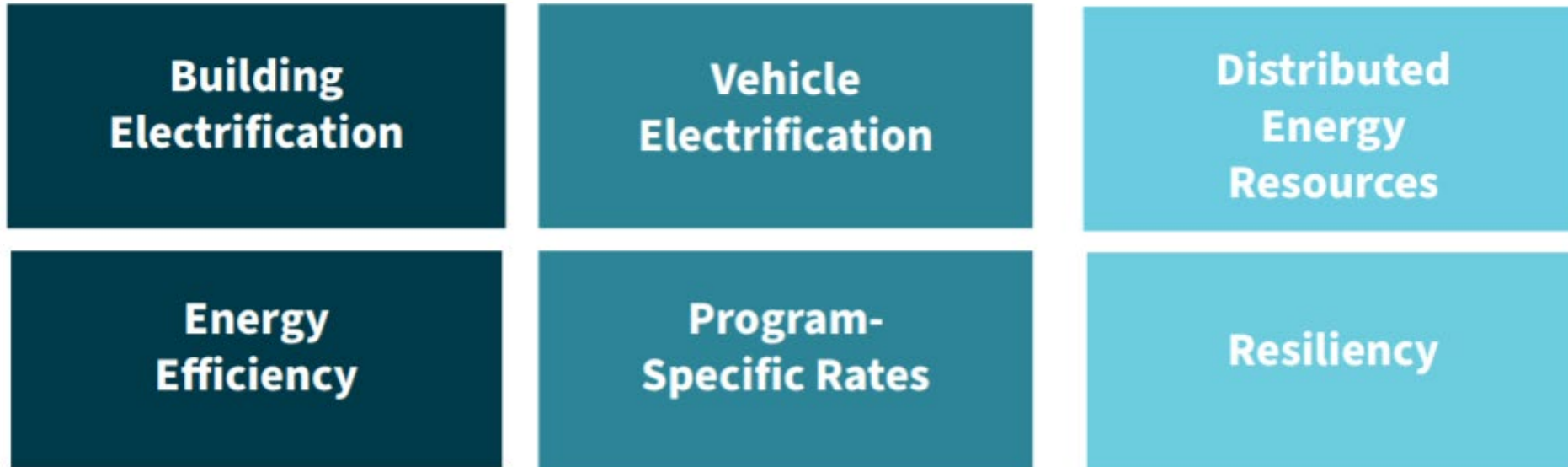


PROGRAM GUIDING PRINCIPLES

1. Reduce greenhouse gas emissions
 - 63% from transportation
 - 31% from buildings (natural gas)
2. Align with Climate Smart San José
3. Promote equity, increase affordability, and support disadvantaged communities
4. Benefit customers and community
5. Maintain or improve the financial stability of SJCE

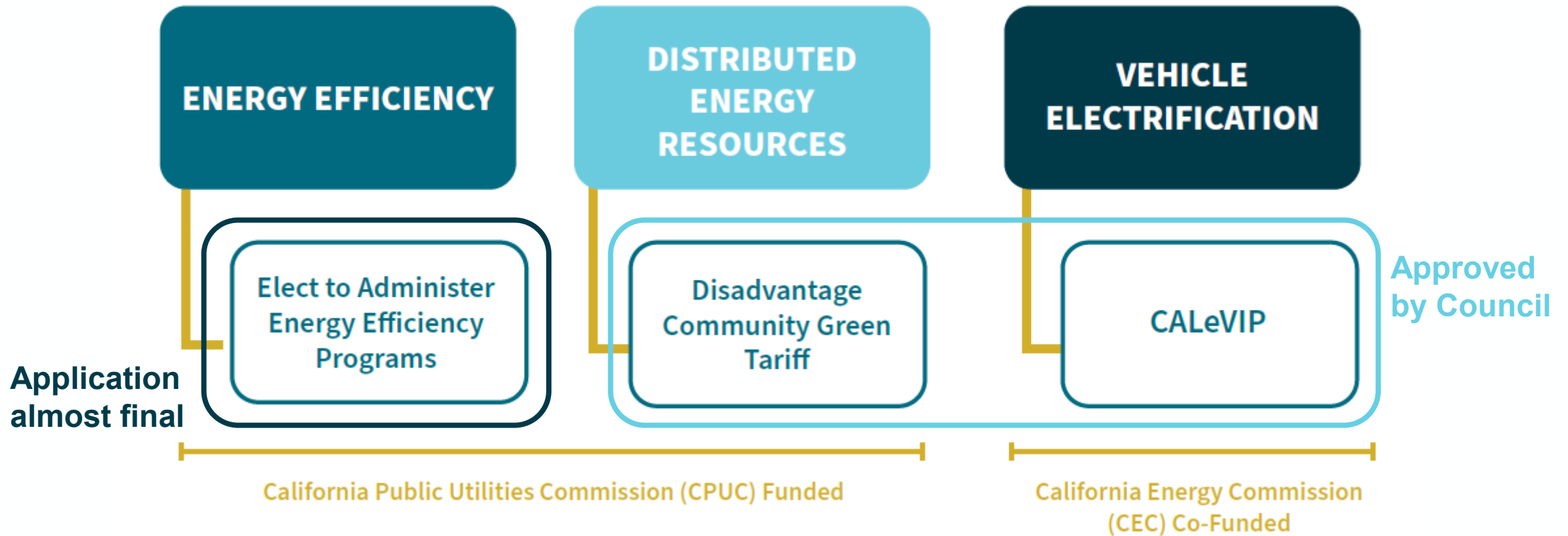


PROGRAM AREAS



- Chosen with our Community Advisory Commission
- Leverage other CCAs' experience
- Connections to Climate Smart San José and SJCE's program guiding principles

NEAR TERM PROGRAMS



QUESTIONS?

- Recommendations
 - Authorize Director to submit Advice Letter to CPUC to administer Elect to Administer Energy Efficiency Programs
 - Authorize Director to accept and administer CPUC funds if Advice Letter is approved by that agency
 - Accept report on SJCE programs roadmap

- SJCE Staff: Lori Mitchell
Zach Struyk

