

Low-Income Multifamily Pilot

Guiding Principles

Energy Division recommends consideration of a Low-Income Multifamily Pilot that adheres to the following Principles:

1. Be consistent with demonstrating progress toward the relevant 2020 goals and strategies identified in the Energy Efficiency Strategic Plan:
 - a. Multifamily buildings will achieve a 40% reduction in energy purchases over 2008 baseline, and
 - b. Increase number of households treated under the Energy Savings Assistance Program (formerly known as LIEE) to produce long term energy savings;
2. Be implemented during the 2012-2014 program portfolio cycle and completed before the end of the 2014 program year;
3. Be jointly developed with at least two large California investor owned utilities (IOUs) and implemented in at least two large IOU service territories;
4. Fully leverage and integrate the Energy Savings Assistance Program with utility core energy efficiency programs and other applicable State, Federal and local programs in order to streamline and improve program delivery, and achieve maximum energy efficiency savings relative to the expenditures by ratepayers, taxpayers, and other financial investments. This shall include but not be limited to:
 - a. Leveraging with the US Department of Housing and Development, California Community Services and Development, and various local government partnership programs.
 - b. Seeking to minimize overall project and program financial and transaction costs, including access to relevant data needed to inform subsequent upgrade activities.
 - c. Avoiding double counting of energy savings.
5. Include as eligible measures first those approved in the current Energy Savings Assistance Program, then the first four tiers of the energy efficiency “loading order,”¹ which recommends building improvements in the following order:
 1. air sealing to obtain a tight building envelope;
 2. insulation to complete the thermal boundary;
 3. proper sizing, design, installation, combustion safety testing and commissioning of space heating and cooling systems;
 4. proper sizing, design, installation, combustion safety testing, commissioning and insulation of hot water systems, including distribution;
 5. efficient lighting and appliances, and demand response measures; and
 6. renewables.

Although not recommended for this pilot program, installation of measures in tiers 5-6 at time of treatment could further leverage available single measure rebates. The costs of the installed Energy Savings Assistance Program approved measures and any financial incentives awarded based on energy savings achieved from the measures installed from

¹ “2008 Energy Action Plan Update”, California Energy Commission and California Public Utilities Commission, February, 2008.

IOU program funds under 1-4 would be allocated to the pilot budget. All other measure costs should be leveraged with existing single measure rebates or from other outside funding sources.

6. Institute a performance-based program based on demonstrated reductions in kW, kWh and Therms.
 - a. Pilot development should explore an approach similar to the Energy Upgrade California single family performance-based program where incentives awarded are based on the percentage of projected energy savings (site BTUs) per home. This pilot should consider a similar structure with variations made suitable to the multifamily market segment.
7. Aim to treat a minimum of 18,000 multi-family units with a maximum of 24,000 multifamily units with a total pilot budget not to exceed \$46 Million, in total. (Estimates comprising this figure consist of \$28.4 Million from the Energy Savings Assistance Program and \$17.1 Million from Energy Upgrade California / EE Core.)
8. Reduce barriers to multifamily participation (including providing a single point of delivery for program to the greatest extent feasible);
9. Promote equity across the low-income housing sector by targeting buildings with the highest proportion of the tenants that are eligible for the Energy Savings Assistance Program and ensuring that these tenants represent under-served households;
10. Ensure consistency with applicable California Public Utilities Commission cost-effectiveness guidance by:
 - a. Installing the most cost-effective measures that provide an energy resource for California, while reducing low-income customers' bills and improving their quality of life, and
 - b. Ensuring compatibility of pilot with portfolio-level cost-effectiveness requirements
11. Ensure that benefits accrue to tenants (including, but not limited to, energy bill savings, health and safety improvements, and improved comfort of residents); and
12. Educate participants on the benefits of energy efficiency and the gains from conservation behaviors.