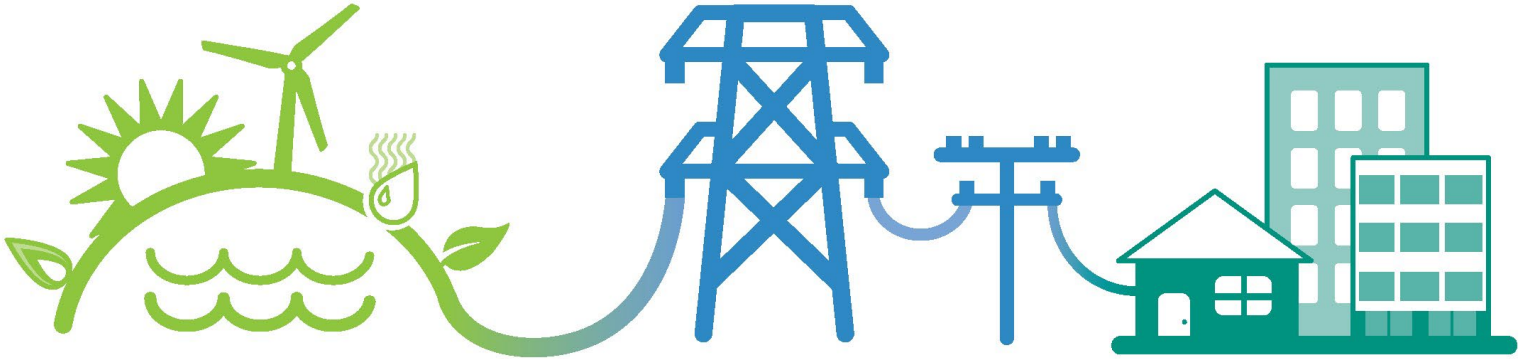
Energy Efficiency Application 2024-2027

Introductions

Community Choice Aggregation

- Enabling legislation, AB117 (2002)
- Default service provider /opt out model – supports ambitious state clean energy goals
- CCA purchases electricity – alternative choice to investor-owned utility power supply procurement
- Not for profit / Local government public agency – Joint Powers Authority (like a water or waste district) enables:
  - local decision-making
  - tailored community energy programs
  - local reinvestment - benefits accrue to communities not shareholders

How Electric Service Works



SOURCE
Buys and builds cleaner energy

MCE

DELIVERY
Delivers energy, maintains lines, and sends bills

PG&E

CUSTOMER
Benefits from renewables, choice, and local control

YOU

California Community Choice

2010	MCE
2014	Sonoma Clean Power
2015	Lancaster Choice Energy
2016	CleanPowerSF, Peninsula Clean Energy
2017	Apple Valley Choice Energy, Pico Rivera Innovative Municipal Energy, Redwood Coast Energy Authority, Silicon Valley Clean Energy
2018	Clean Power Alliance, Central Coast Community Energy, Pioneer Community Energy, Rancho Mirage Energy Authority, San Jacinto Power, Valley Clean Energy, Solana Energy Alliance, East Bay Community Energy, King City Community Power, San Jose Clean Energy
2020	Western Community Energy, Desert Community Energy, Baldwin Park
2021	San Diego Community Power

OUR MISSION

Address climate change by reducing energy-related greenhouse gas emissions

Renewable energy and energy efficiency

Cost-competitive rates

Economic and workforce benefits

More equitable communities

36 Member Communities

Marin County
+ 11 cities

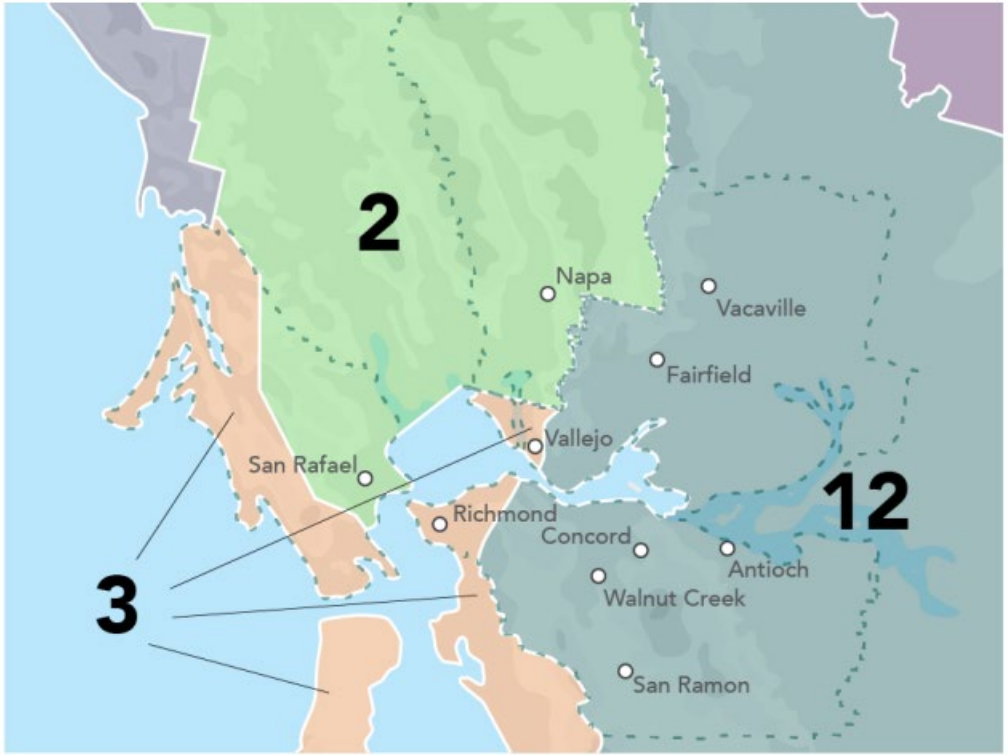
Solano County
+ 2 city

Napa County
+ 5 cities

Contra Costa County
+ 14 cities

MCE serves a diverse population

Climate impacts energy usage



MCE's service area has experienced the largest increase in cooling degree days in California over the last century according to NOAA

Portfolio Segmentation Opportunities

Resource Segment: short-term ability to maximize Total System Benefits

Equity Segment: provide energy efficiency to underserved customers and disadvantaged communities

Market Support Segment: supporting long-term success of energy efficiency market by educating customers, training contractors, building partnerships or moving technology toward cost-effectiveness.

5 Long Term Strategies

Agricultural & Industrial Customers

AG: 4,400 accounts; 106,000 MWh annual usage (1% MCE total)

IND: 6,000 accounts; 950,000 MWh annual usage (12% MCE total)

Program Description:

- provides a comprehensive approach based on individual customer needs and opportunities through multiple participation pathways, including SEM, custom and meter-based strategies.
- designed to provide individualized services through energy management training, the identification of energy efficiency (EE) and conservation opportunities, financial and technical feasibility analyses, engineering and design support, alignment with financing opportunities, and program incentives.

Commercial Customers

COM: 66,000 accounts; 2,700,000 MWh annual usage (35% MCE total)

Program Description:

- emphasizes integrating diverse program offerings under one umbrella
- designed with explicit focus on TSB, risk reduction, and customer value
- leverages the Efficiency Market model to work with a diverse group of providers who can deliver results at scale
- also contracts directly with multiple implementation partners for various customer participation pathways, including SEM, custom and deemed projects

Commercial Equity Program

- New in 2023
- Focus on meeting the needs of commercial Equity customers located within HTR, underserved and disadvantaged communities
- Planning, program development, and a competitive solicitation for that program are expected to occur in summer 2022

Residential Customers

721,000 accounts; 3,800,000 MWh annual usage (48.5% MCE total)

Programs:

- Multifamily Energy Savings (Equity)
- Multifamily Strategic Energy Management
- Home Energy Reports
- Home Energy Savings (Equity)
- Residential Efficiency Marketplace

Residential Programs

Multifamily Energy Savings:

- provides electrification & efficiency measures to low- and moderate-income residents and owners of multifamily buildings
- no-cost property assessments, project scope development, and program assistance throughout the project lifetime, coaching and behavioral education on electrification measures.

Multifamily Strategic Energy Management:

- drives measurable savings by engaging with property owners and managers to implement energy efficiency (EE) projects and create an energy strategy with a focus on low- to no-cost Behavioral, Retro-commissioning and Operational (BRO) measures.

Residential Programs

Home Energy Reports:

- behavior intervention strategies for residential customers
- regular and participant-specific touch points in the form of paper or digital Home Energy Reports (HERs) and a web-based education portal

Home Energy Savings:

- energy-savings kits, virtual assessments, and no-cost home energy efficiency (EE) and electrification upgrades to eligible homeowners and tenants in single-family dwellings in MCE's service area (under 400% FPL)

Residential Programs

Residential Efficiency Market:

- evaluates and pays for projects based on the TSB value generated
- provides participating aggregators with significant flexibility on customer engagement, and in determining optimal cost sharing arrangements with customers
- modeled after the Commercial Efficiency Market

Workforce Education & Training

Increase the capacity of the workforce to install and maintain electrification measures and create sustainable employment through:

- Training for contractors and job-seekers
- Matching job-seeker with contractors for paid on the job training

Application Budget Summary

	2024	2025	2026	2027	2028	2029	2030	2031
Budget	$19,273,639	$19,522,249	$19,584,021	$19,837,407	$19,905,308	$19,976,604	$20,051,465	$20,130,069
TSB	$15,540,846	$16,230,191	$17,098,384	$17,994,718	$18,891,597	$19,826,995	$20,774,384	$21,849,369

	2024-2027			2024-2031		
	Budget	%	TSB	Budget	%	TSB
Resource Acquisition	$51,623,429	66%	$64,822,127	$104,465,303	66%	$143,719,460
Equity	$19,396,778	25%	$2,042,013	$39,364,213	25%	$4,487,024
Market Support	$4,068,417	5%	$0	$8,120,015	5%	$0
Other (C&S, EM&V)	$3,128,693	4%	$0	$6,331,230	4%	$0
TOTAL Portfolio	**$78,217,316**	**100%**	**$66,864,140**	**$158,280,762**	**100%**	**$148,206,484**
(Administration)	$4,905,422	6%	N/A	$10,494,335	6%	N/A

2024-2027 Cost Effectiveness	
Portfolio	
TRC	PAC
.77	**.86**
Resource Acquisition	
TRC	PAC
1.08	**1.26**

Budget (2024-2027)

Primary Sector	Total Spending Budget Request		Percent of Portfolio
Agricultural	$	2,944,302	4%
Commercial	$	32,257,036	41%
Industrial	$	4,381,792	6%
Residential	$	31,437,077	40%
Cross-Cutting	$	7,197,110	9%
Total	$	78,217,316	100%

Policy Recommendations

- The Commission Should Bolster the Cost Effectiveness Tool and the California Energy Data and Reporting System.
- The Cost Effectiveness Tool Should be Modified to Appropriately Calculate the Impacts of Demand Reduction Measures.
- The Commission Should Establish Clear Deadlines for Updating Technical Tools and Templates.
- The Commission Should Direct MCE and PG&E to Exchange Demand Response Program Participation Data on a Quarterly Basis.
- The Commission Should Continue to Evaluate the Future Use of the Program Administrator Cost Test Instead of the Total Resource Cost Test to Evaluate the Cost-Effectiveness of the Resource Acquisition Segment.
- MCE Supports the Development of Non-Energy Benefit Metrics within the Equity Segment of the EE Portfolio.

Thank You

Questions?