



Joint Electric IOU Update on Summer Reliability

Low Income Oversight Board Meeting

July 21, 2022

Questions for Discussion: Smart Thermostats

- What is new for this program compared to existing IOU or 3P DR programs?

SDG&E	Smart Communicating Thermostat (SCT) will provide a \$75 rebate to customers who live in climate zone 10, 14 and 15. Customers must purchase the thermostat between 2022 – 2023 and will be required to provide a receipt. Low income customers are referred to the ESA program for free thermostat measure.
SCE	<ul style="list-style-type: none"> • The SCE’s ESA and DR programs offered smart thermostats either at no-cost (ESA) or via other incentives at various times (DR). The Smart Communicating Thermostat (SCT) program approved in the Summer Reliability D.21-12-015 offers eligible customers, including an ESA or CARE-eligible customer choosing to receive a smart thermostat, an option to receive a smart thermostat either through DR if they pre-enroll in a CAISO market integrated DR program that is administered by either an IOU or third-party DR provider or at no cost when eligible through the ESA program. • The program is available for eligible customers in climate zones (CZ) 9, 10, 11, 12, 13, 14 and 15. • As indicated in its approved AL 4695-E, SCE is continuing to utilize the \$75 thermostat rebate funds already authorized under SCE’s existing Programmable Communicating Thermostat (PCT) Incentive Program to avoid operational challenges and delays. SCE will move to the SCT Program funding when the PCT Incentive Program funds are exhausted. • DRPs are expected to begin their SCT program in Q4 2022-Q1 2023.
PG&E	<ul style="list-style-type: none"> • New to PG&E, the SmartAC BYOT program leverages existing PG&E rebates at the time of purchase and offers an additional incentive of \$25 at the end of summer (through 2023) to provide load relief during higher demand times. • The SmartAC BYOT program tests a daily optimization feature. The feature will optimize customers temperature setting given the TOU plan (ex: setting the temperature higher during peak energy cost periods) to result in energy and bill savings).

Questions for Discussion: Smart Thermostats

- What type of outreach are the IOUs doing to let low income customers know about these various programs?
 - For Smart thermostats, website blurbs? Pop-up ads? Other online or paper messaging?

SDG&E	<ul style="list-style-type: none"> • SDG&E’s targeted marketing campaign to support the residential \$75 promotion is currently in the planning phase but may include tactics such as updates to the web page and collateral development. Additional tactics may include targeted communications such as email or direct mail, digital marketing or outreach through Community Based Organizations. ESA Program email campaigns will also promote SCT during the summer months.
SCE	<ul style="list-style-type: none"> • For PY 2022, due to funding limitations for ESA measures, SCE is limiting the availability of this Smart Thermostat measure to specific climate zones (CZ 13, 14, 15) and for those customers with HVAC installed. For the remaining ESA program cycle, promotion of the smart thermostats will be handled through the awarded bidder(s). • Today, SCE is promoting the Smart thermostat measure through the DR program promotion and referral process which includes email marketing campaigns for its Smart Energy Program and including messaging about no-cost thermostat opportunities through the ESA and Residential Direct Install programs.
PG&E	<ul style="list-style-type: none"> • Low-income customers are included in the general online and direct mail marketing which includes digital ads, newsletters, email and print. • In addition, PG&E ensures its ESA customers are aware of DR programs by sharing a flyer about DR programs through ESA technicians during enrollment visits and at the time of smart thermostat installations; third party DR programs are included. • Third-parties must include messaging that informs ESA customers of the free installed smart thermostat opportunity.

Questions for Discussion: Smart Thermostats

- How is the referral process working? What are the IOUs doing to let these customers know about receiving a smart thermostat at no-cost through ESA versus paying out of pocket through the rebate program?

SDG&E	<ul style="list-style-type: none">• Participating third-party demand response providers intend to include messaging about the ESA no-cost thermostat• SDG&E's smart thermostat program web page will be updated to include messaging to support the availability of the ESA Free Smart Thermostat in addition to creating awareness of the available \$75 Smart Thermostat Rebate offer in specific climate zones.
SCE	SCE is outreaching to customers through the channels mentioned on the prior slide, including participating third-party demand response providers who intend to include messaging about the ESA no-cost thermostat.
PG&E	ESA and DR programs have a co-marketing arrangement: <ul style="list-style-type: none">• ESA technicians provide customers with DR program information during enrollment visits and at the time of smart thermostat installations• The ESA program provides information on customers who receive smart thermostats to DR for recruitment purposes; ESA contractors follow-up on DR leads

Questions for Discussion: Smart Thermostats

- Can the IOUs describe any coordination that is occurring with the 3rd party demand response providers?

SDG&E	<ul style="list-style-type: none">• Currently in the process of contracting with OhmConnect to launch the third-party DRP side of the Smart Communicating Thermostat Program (SCT) in July 2022.• The program will allow DRPs to directly pay eligible customers a \$75 incentive which will be reimbursed by SDG&E to the DRP.
SCE	In addition to SCE webpages and program outreach, original equipment manufacturer (OEM), Capacity Bidding Program (CBP) aggregator and Demand Response Providers (DRPs) are coordinating messaging through marketplaces, web pages, and digital and non-digital advertising.
PG&E	<ul style="list-style-type: none">• PG&E provides two opportunities for third party DRPs to share information; 1 On pge.com – both residential and non-residential web pages which list all DR programs. 2 The new “Energy Action Guide” (new marketplace)• PG&E is working with third party DRPs in implementing the Smart Communicating Thermostat program.• PG&E offers DR Auction Mechanism and Residential Capacity Bidding Program.

Questions for Discussion: Smart Thermostats

- What type of volume (# of thermostats and budget) are the IOU expecting from the rebate program, and from the ESA program? What adjustments do the IOUs have to make to their ESA programs or budgets?

SDG&E	<ul style="list-style-type: none">• SDG&E is conservatively forecasting approximately 2,700 smart thermostat installations through the ESA Program through 2026 and has sufficient budgets to accommodate any increase in demand.• SDG&E does not have a forecast for the thermostats through the rebate program
SCE	<ul style="list-style-type: none">• Currently, SCE does not have enough information to make a meaningful and accurate forecast of volumes at this time.• SCE is still in transition to the new ESA program rules and market segmentation, forecasts will need to be recalculated for PY 2023-2026 based on potential changes to labor and material costs.
PG&E	<ul style="list-style-type: none">• PG&E has been providing free smart thermostats to approximately 20% of its ESA customers: 17,735 installed in 2021 and is forecasting 10,000 in 2022.• SmartAC BYOT is targeting 50,000 enrollments by the end of 2022 and 100,000 in 2023. (*SmartAC BYOT is not a rebate program).• The Smart Communicating Thermostat program estimates a range of 20-30,000 in 2022 and 40-70,000 in 2023.• The EE Plug Load Appliance \$50 rebate is scheduled to sunset in fall of 2022 but may provide up to 16,000 rebates.

Questions for Discussion: Emergency Reduction Load Program (ELRP)

- What outreach or follow up is occurring once customers are auto-enrolled?
- Given the format of the incentive (few events, less than \$10 expected, bill credit given at end of calendar year), what steps will the IOUs take to manage customer expectations?

SDG&E	<p>Outreach and managing customer expectations:</p> <ul style="list-style-type: none"> • Targeted communications include Welcome, Day Ahead Notifications and Energy Tips. Bill credits will not be given at the end of the year they will be included on bill following the event so there is not a need to manage expectations about the timing of the bill credit. Customer messaging is currently focused on basic awareness of the program not on credit amounts, however as customers gain experience with the program we will adjust messaging in accordance with customer feedback.
SCE	<p>Outreach and managing customer expectations:</p> <ul style="list-style-type: none"> • Starting May 1, SCE defaulted all customers on CARE/FERA (approx. 1.89 million customers) that weren't enrolled in an existing DR program. • For flex alerts dispatched between May 1st and October 31st, customers will be paid \$2/kWh of verified incremental load reduction. • A typical customer could receive up to \$40 compensation. Posted at the end of season. For SCE it will be Dec. 2022-Jan. 2023.
PG&E	<p>Planned outreach initiatives for the customers who were auto-enrolled in ELRP A.6, the Power Saver Rewards Program:</p> <ul style="list-style-type: none"> • Welcome letters via email to customers with email and hard-copy mail for no email on file; explains the program and tips for reducing their energy use. • Monthly emails with energy savings tips reminding customers of their participation in the program and how they can earn a credit on their bill (planned for July, August and September). • New app email - email encouraging use of new Climate Response app which allows customers to enroll in the program, view home energy use patterns, get helpful tips on how to save energy, receive notifications about program events, track program earnings and get energy and environmental impact reports (planned for July, August and September). • Other efforts to encourage program participation: bill insert, digital newsletters, summer digital media campaign, promotions on PG&E homepage, and videos. <p>Managing customer expectations:</p> <ul style="list-style-type: none"> ▪ General bill credit timing is mentioned in various email communications, Power Saver Rewards website, in the Help Center on pge.com, FAQs, call center and through the Climate Response app. ▪ Outreach education on energy reduction actions and estimated impact to equate to savings of \$2kWh ▪ Customers who download the app will be able to track the amount of energy saved and the bill credit earned. ▪ Customers will receive an end of season email with performance and timing of payment.



Questions for Discussion: Smart Thermostats and ELRP

- How are the IOUs engaging contractors and CBOs in these efforts?
- What steps can or should the IOUs take to track the effectiveness of these programs for low income customers

SDG&E	<ul style="list-style-type: none"> • CBOs: 15 CBOs focused on low income customers in DACs were selected to support the new ELRP A.6 program. • ESA contractors were trained on the new ELRP A.6 program and have collateral to support customer in home visits. • \$75 Rebate Program marketing campaign is currently in the planning phase but may include CBO Network support. <p>SDG&E will also track effectiveness by conducting a load impact analysis that will measure the amount of energy reduced by low-income customer on ELRP event days. This evaluation that will be completed by April 1st 2023. In addition, SDG&E will also conduct customers surveys of all ELRP participants including low-income customers.</p>
SCE	<ul style="list-style-type: none"> • SCE is targeting its CARE/FERA population and customers in disadvantaged communities through various channels (e.g., emails, mailers, and postcards). • SCE has issued an RFP to solicit CBOs for a 2-year engagement for the ELR programs. • Currently, there is monthly reporting to the CPUC for programs under the ELRP umbrella; however, the reports do not segment out low-income customers.
PG&E	<ul style="list-style-type: none"> • In 2022, PG&E executed new contracts (~ \$500k/annually) with 8 CBOs to conduct comprehensive ME&O for all income-qualified offerings from April 2022 thru March 2024. In addition to Income Qualified Programs, CBOs are promoting Demand Response initiatives for specific target communities. • PG&E will be collecting data and receiving feedback from these CBOs to track results and identify roadblocks. • Within the ST/ELRP programs, PG&E will be conducting customer surveys to participants as a tool to identify areas of success and challenges for the programs' benefits in reaching intended audiences.