

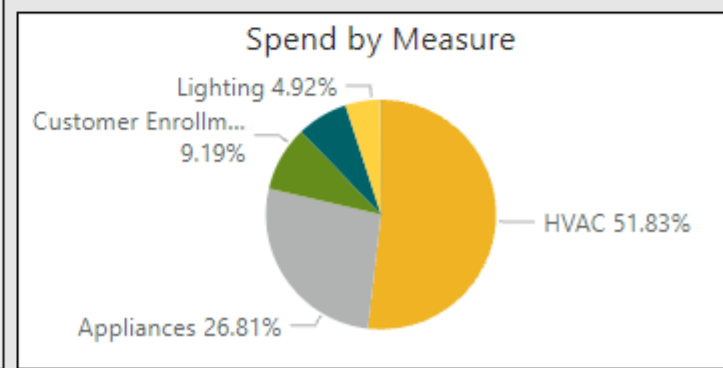
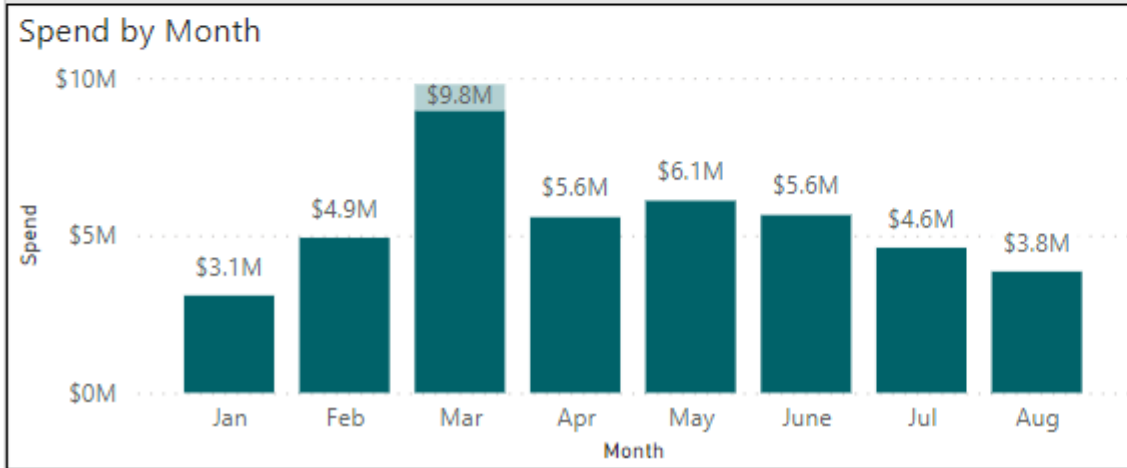
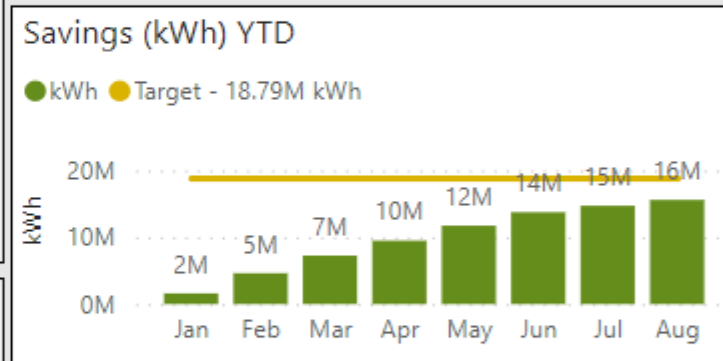
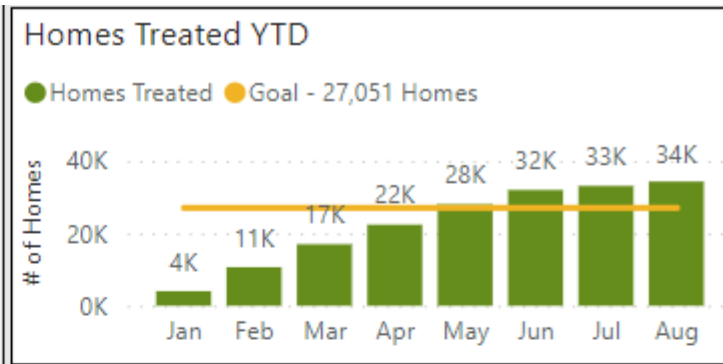
Energy Savings Assistance (ESA) 2022 Ramp Down Strategy

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LIOB Sub Committee Meeting 09/13/22

ESA Program Performance as of August 31, 2022

Budget Categories	Budget	Spend	% of Budget
Energy Efficiency	\$52,879,012	\$39,163,889	74%
Training Center	\$600,650	\$33,775	6%
Inspections	\$1,677,406	\$741,732	44%
Marketing and Outreach	\$1,374,878	(\$147,180)	-11%
Measurement and Evaluation Studies	\$225,000	\$60,029	27%
Regulatory Compliance	\$691,730	\$477,025	69%
General Administration	\$6,218,785	\$2,072,075	33%
CPUC Energy Division	\$51,579	\$39,693	77%
Pilot Plus/Deep	\$3,884,864	\$0	0%
BE Pilot	\$4,087,060	\$19,474	0%
Clean Energy Homes	\$1,810,000	\$0	0%
T	\$75,300,964	\$43,569,865	58%



- As of August 2022, SCE spent 58% of authorized budget.
- Exceeded annual homes treated target (34K treated vs 27K target)
- On track to deliver energy savings goals

** Total \$75.3M budget includes all pilot budgets (\$9.6M). Budget also includes \$14.7M transfer from MFCAM. Remaining budget for ESA Core is \$21.3M as of August 31, 2022.*

2022 ESA Budget

- ESA program is operating within its authorized budget as approved in D. 21-06-015.
- Currently experiencing operating constraints due to higher cost in materials and program delivery expenses.
- 2022 budget is fully committed. Attributed to carryover enrollments from year to year. As of August 31, 2022, SCE's remaining ESA Core budget is \$21.3M.
- Remaining budget is sufficient to cover existing ESA Core enrolled customers (approx. 15,700). It is not enough to serve ongoing enrollments. To mitigate overspending, SCE suspended enrollments and adopted a waitlist strategy. Details of ramp down strategy is described in next slides.

Initiatives taken to address operational constraints

- Continued to review fund shifting opportunities within the ESA budget line categories
- Optimized measure mix to maximize savings and improve cost-effectiveness
- Ongoing review of contractor spend and rebalancing budgets to avoid under/overspending

Assisted contractors to be prepared for the program changes

- Conducted various pre-bid workshops and contractor training
- Offered information about SCE's Capitation programs for CARE & FERA and other RFP opportunities outside of the income qualified programs.
- Met with all contractors quarterly and scheduled one on one discussions on a regular basis.
- SCE offered a series of program offerings that all ESA contractors were eligible to participate through its Energy Education Centers (EECs). SCE provided free online computer-based training for soft skills and software.

Ramp Down Transitional Issues

- ***Who falls under the Enrolled Category?*** Contractors have enrolled customers, verified income, and provided enrollment measures but customers may still have secondary installations pending, such as larger measures (Refrigerator, HVAC, etc.)
 - Approx. number of enrollments to date (15,700)
- To meet energy savings goal, SCE anticipates needing to serve all currently enrolled customers.
 - Expect ongoing historical drop-out rate due to ineligibility, refusal, or cancellation.
 - Suspended measures will not be offered (ex: Room ACs, outdoor fixtures)
- Continue to optimize portfolio by installing high energy savings measures (Evaporative Coolers, Pool Pumps and Refrigerators) while balancing all programmatic objectives.
- Proactively identify factors that may impact ongoing delivery of measures: (1) Supply issues and (2) purchase order limits for vendors and contractors.

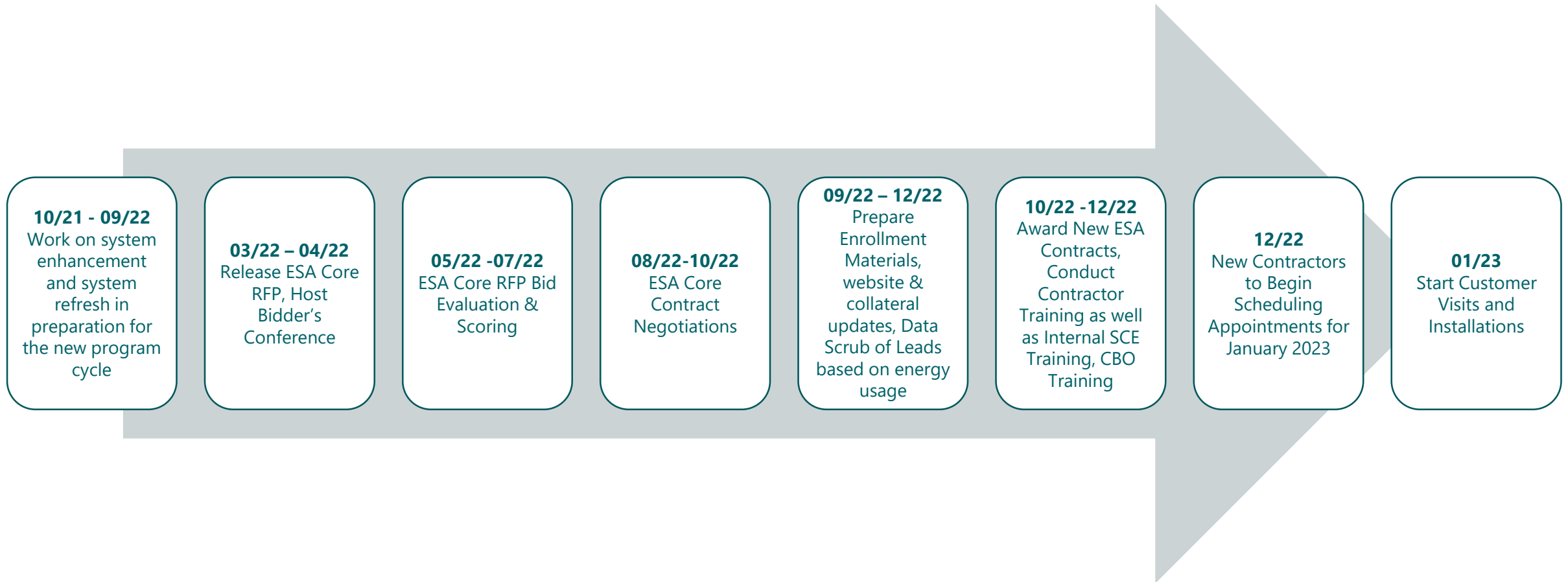
Ramp Down Transitional Issues

- ***Who do we consider Waitlisted Customers?*** These are customers who have expressed interest to enroll via our call center or online interest form. A contractor visit has not been scheduled, customer documents have not been submitted and no measures provided.
- Approximately 4,710 Waitlisted customers, 3,510 are currently enrolled in CARE and 43 are enrolled in FERA, remaining 988 customers have no record of enrollment in either programs. Based on current rate of waitlisted customers, SCE forecast the total number may double by December 2022.
- Beginning Q4 2022, SCE plans to add waitlisted customer to the leads data base for 2023. The data will then be analyzed based on energy use and prioritization model to assess whether these customers qualify for Basic or Basic Plus measures in the new program model.
- Currently, SCE's Call Center Representatives communicated the ESA Program funding status and advised customers that if funding becomes available they will be contacted to schedule an assessment. Additionally, this message is displayed on SCE.com for those customers seeking ESA Program information online.
- SCE will continue to advise customers of other Energy Efficiency programs/offerings (e.g. Marketplace and Residential Direct Install).

Compliance to SB756

- As of June 2022, SCE updated its website, and contractor education about the eligibility of customers at or below 250% of Federal Poverty Levels in compliance with SB 756.
- 369,751 potentially new eligible customers for 2022. Represents about one-fifth of the total potentially eligible low-income customer base.
- SCE is not planning to prioritize newly eligible FERA for the remainder of the year. SCE's budget is fully committed, and current focus is serving the remaining 15,700 enrolled customers.
- Starting Q4 2022, SCE plans to perform a new data scrub of all potentially eligible ESA customers to perform customized marketing to target those customers with the highest energy usage. Planned service is for 2023.

ESA Core 2023 Ramp Up Strategy



Note: SCE incorporated the WE&T Section 6.13 of D.21.-06-015 into its ESA Solicitations and will be integrating these targets within the Statement of Work to enforce and track these requirements.

ESA Funding Opportunities for 2022

- Potential transfer of unused funds from the closed Multifamily Affordable Housing Solar Program (MASH)
- Potential transfer of unused funds from the Energy Efficiency Budgets
- Leveraging opportunities with other programs that may have similar eligibility requirements and measures with the ESA program.
- Impacts of infusing additional budgets to ESA in 2022.
 - Further delays in fully integrating D. 21-06-015 directives to focus on energy savings when qualifying customers.
 - Carry over enrollments from 2022 to 2023. These enrollments will be “grandfathered” and will continue to adopt old program rules since they were enrolled in previous year.
 - SCE may have to extend old contracts beyond March 2023 and manage both old and new contracts concurrently in January 2023. New contracts expected to be awarded in late October and early November 2022.
 - Will need to determine if SCE’s current system can operate old program processes and new program configurations at the same time. May have to handle some work manually until all carryover enrollments are completed.
- As an alternative approach, SCE recommends using additional funds for 2022 for installations only and to retain suspension of enrollments through December 2022.