

UTILITY ALLY IMPLEMENTATION MODEL

SOUTHERN CALIFORNIA EDISON: ENERGY LEADER PARTNERSHIP



TYPE OF UTILITY AND LOCATION

Investor-owned Utility
Rosemead, California

OPPORTUNITY (BARRIER OR CHALLENGE)

Managing energy usage and demand is an important component of achieving California's vision for a cleaner energy future, as established in California's Long Term Energy Efficiency Strategic Plan. Government offices use approximately 13% of total office energy usage in the nation; state and local government agencies spend more than \$12 billion annually on energy.

Southern California's local governments, like the residents and businesses they serve, seek to save energy, improve their energy code compliance, and help their communities through conservation.

OUTCOME: SHOWCASE PROGRAM

Southern California Edison's (SCE) Energy Leader Partnership (ELP) program enables local governments to lead by example. ELP assists cities in developing energy policies and deploying multi-measure energy efficiency upgrades, including lighting, heating, and cooling retrofits.

PROGRAM START DATE

SCE's ELP program launched in 2010

PROGRAM ACHIEVEMENTS

ELP provides assistance with energy efficient solution installations, access to valuable incentives, and recognition for achieving savings goals. The program has moved local governments to become more sustainable, reducing energy, costs, and Greenhouse Gas (GHG) emissions. It has also helped create "green" jobs, and to keep those jobs within participating communities.

PROGRAM PARTNERS

Program partners are comprised of more than 112 cities and counties within SCE's service territory



SCE's ELP program provides support to local governments to assist in achieving a joint vision of energy efficiency and sustainability. SCE works closely with partners to address key issues that act as barriers to achieving this vision, and to develop long-term energy efficiency strategies. The program helps identify and address energy efficiency and Demand Response (DR) opportunities in municipal facilities, develop long-term energy and sustainability plans, and increase community awareness of Integrated Demand-Side Management (IDSM) opportunities. In addition, ELP supports cities in strategic initiatives and policy development in climate action planning, reach codes, benchmarking, and other longer-term objectives.

ELP involves partnerships with local governments, or groups of local governments, working together with SCE to achieve IDSM goals. A single city or county can directly participate as a partner, while groups of cities, counties, or other jurisdictional entities can participate as bundled partners. The comprehensive program has three major elements: 1) Municipal Facilities Retrofits; 2) Strategic Plan Support; and 3) Core Program Coordination. The target audience is the municipalities and the residential and business communities they serve.



Energy Leadership Partnership Project | Program Roadmap

Local governments often lack the funds and time to pursue energy efficiency opportunities. SCE's ELP is designed to help local governments by providing integrated technical and financial assistance, so local governments can address opportunities to:

- Increase energy efficiency
- Reduce GHG emissions
- Protect air quality
- Create green jobs
- Ensure communities are more livable and sustainable

The Government Facilities element helps local governments lead by example, identifying and implementing "clean energy" projects (energy efficiency, DR, and renewable energy) in municipal facilities and operations. Standard measures are available to local government partners. Program energy savings are derived from energy efficiency retrofits and retro-commissioning of municipal facilities. Specific energy efficiency measures for each local government depend on technical audits and assessments to identify retrofit opportunities. Buildings include libraries, fire stations, police stations, public works department facilities, and streetlights. The Government Facilities element works by:

- Conducting technical audits and assessments.
- Identifying potential projects.
- Implementing deep retrofits and retro-commissioning for existing facilities.
- Integrating cleaner energy design and technologies into new facilities.
- Supporting local governments with technical support needed to implement projects.
- Providing enhanced incentives, on-bill financing, and information about financing strategies deployed by other local governments.

The ELP Strategic Plan Support element focuses on helping local governments to:

- Use regulatory authority over local development, planning, and permitting to drive or motivate communities to adopt cleaner energy design, technologies, and practices.
- Lead by example by developing policies, plans and ordinances to improve energy efficiency and reduce GHG emissions in facilities.
- Demonstrate energy leadership by influencing attitudes and actions of citizens and businesses through a variety of channels, from public education to policies and codes to address energy efficiency and sustainability.

This effort provides local governments with access to extensive peer networks and databases of best practices, tools, and techniques, and code enforcement training. It also provides best practices for “reach” codes and policies, goals, codes, standards, plans, and practices (“reach” being defined as efforts which exceed statutory requirements approved by the California Energy Commission).

Overall, the Strategic Plan Support effort will yield important outcomes, such as completed climate and energy action plans, trained energy plan checkers and inspectors, installation of enterprise energy management systems to assist local governments with ongoing assessments of energy efficiency opportunities, and new policies to promote energy efficiency for over 112 participating local governments.

The Core Program Coordination element:

- Focuses on partnering with local governments to deliver key co-branded IDSM messaging to the community through approaches that leverage local governments’ communication channels, including bill inserts, cable television, and direct mail.
- Helps create awareness in the community, so residents and businesses understand and leverage the full range of SCE’s IDSM programs and services.
- Provides education opportunities for the community regarding IDSM strategies, technologies and opportunities.
- Improves understanding and access to programs, such as small business direct install programs, income-qualified programs, distributed generation programs, and other energy offerings.
- Helps communities learn about and implement energy efficiency, DR, and distributed generation to reduce GHG emissions and their environmental impact.

ELP has four tier levels: Valued Partner, Silver, Gold, and Platinum. All levels receive SCE support, including marketing, education, outreach and training, technical assistance, and direct implementation. To reward and motivate partners to increase IDSM efforts, ELP offers increased incentives to offset project costs as partners move progressively up the tiers. Ascending enhanced energy efficiency incentives (greater than SCE standard incentives) are paid at progressively higher levels of achieved municipal energy savings (5%, 10%, and 20%). DR incentives are also provided at regular tariff rates for participating entities.

ELP at a Glance:

Program name	Energy Leader Partnership
Targeted Customer Segment	Local Government
Program Start Date	2010
Annual Energy Savings Achieved	2010 Reported*: 16.76 GWh 2011 Reported*: 12.16 GWh 2012 Preliminary: 22.47 GWh
Peak Demand (Summer) Savings Achieved:	2010 Reported*: 2.69 MW 2011 Reported*: 1.76 MW 2012 Preliminary: 4.58 MW
Other Measures of Program Results to Date:	<p>Reach Codes Green Building Programs Point of Sale Program Online Permitting System Education Programs for Elected Officials, and City/County Staff Local Governments: Code Enforcement Training Benchmarking Policy Utility Manager Systems CAP/EAP LEED, ENERGY STAR Rating Policies for Municipal Facilities Revolving Energy Efficiency Funds Cx/RCx Policies Regional Templates for CAP/EAP Community CAP/EAP GHG Inventory Savings Analyses</p> <p>Numerous marketing and outreach events to build awareness for energy efficiency and savings. Numerous community events, including energy walks, small business direct install, lamp exchanges, multi-family housing energy efficiency retrofits, and other events where local government partners co-brand SCE standard programs and deliver them to their communities.</p>
Budget for most recent year (and next budget cycle if available):	2012 Authorized Budget of \$28.7M Operating Budget (rate reduction) of \$26.7M 2013-14 Cycle Budget of \$29.1M
Funding Sources (name and description):	Ratepayers
Website:	http://www.sce.com/business/energy-solutions/energy-efficiency-partnerships.htm
Best Person to Contact for Information about the Program:	
Name	Nancy Jenkins, P.E.
Position	Manager, Energy Efficiency Partnership Program
Organization	Southern California Edison
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*In July 2011, the CPUC adopted the final 2010-12 ex ante assumptions, and retroactively applied them to January 1, 2010. As a result, the 2011 reported activity is derived as the difference between the adjusted cumulative 2010-11 performance and SCE's 2010 Energy Efficiency Annual Report.

- **Tools:**

- [SCE ELP Overview](#)
- [SCE ELP Partnership Map](#)



Process

Before 2002, SCE initiated a limited number of informal arrangements, which helped develop stronger relationships with cities to address energy efficiency opportunities. In the 2002-2003 program cycle, third-party programs solicited by the CPUC worked with a select number of local government entities. Under this early model, third parties proposed specific activities, energy savings goals, deliverables, and program budgets, while the IOU performed direct administration and oversight. However, these third-party programs did not fully capture the spirit and intent of a partnership, were not coordinated, and varied significantly in incentive levels, approach, and expectations, resulting in program inconsistencies.

In the 2004-2005 program cycle, the CPUC program decision encouraged IOU/Local government partnerships. The third-party model evolved into a rudimentary partnership model, which retained much of the existing program design. This change enabled the IOUs to better coordinate partnerships, and to build consistency and efficiencies in incentives, processes, communications, and implementation. While many of the prior third-party partnerships were continued, new partnerships were also developed and added to the portfolio.

In the 2006-2008 program cycle, SCE continued to improve overall effectiveness by refining partnership implementation processes, and improving program internal controls and communications. The partnerships improved in consistency and cost-effectiveness.

Lessons Learned – Advice for utility program managers working in partnership with local governments to be gleaned from SCE’s ELP program experience centers around the relationship, coordination, and mutual awareness of organizational needs and strengths:

- Importance of having engagement and participation from various parts of the local government. For example, participation from the facilities manager is critical for municipal retrofits, while input from an energy champion from another department may be the right individual for coordinating community events.
- Recognize local governments for their IDSM achievements. This public recognition proved very important to local governments.
- Early planning for community outreach efforts to ensure that the partnership does not miss key community events that typically occur in the community.
- Co-branding materials between SCE and the local government provides a more compelling message to the community.
- Technical support services typically need to be provided, to assist local governments in identifying retrofit opportunities and justify payback to senior city leadership.
- Projected project costs need to be determined early enough for inclusion in annual local government budgeting process.
- Need for expanded professional services.

Program Partners



More than 112 cities and counties are included in SCE’s ELP program. Customers in these jurisdictions are also served by the partnerships.



Impact Summary

In 2009-2011, there were several significant changes to program design and implementation. Based on lessons learned, ELP was redesigned to capture key elements that were the most effective and compelling for the local government sector. The new model was designed to recognize local governments for taking progressively-comprehensive actions in demonstrating IDSM leadership. The actions rewarded and recognized include retrofits that achieve tangible energy and demand savings, and longer-term energy action planning to ensure a sustained focus on IDSM actions.

Within this model, as local governments achieve milestones in energy savings through municipal retrofits, they are rewarded with higher incentives to drive to deeper, more comprehensive retrofits. The new model includes DR initiatives, as well as a requirement to develop and adopt longer-term energy action plans to ensure a sustained focus on energy efficiency within local government policies.

During this time, program spending almost doubled, from 2010 \$7.32 million reported to \$13.43 million in 2011 reported. Preliminary figures indicate spending has tripled in 2012 to \$23.21 million.

Annual savings (shown in the table below) have not tracked annual spending, dropping in 2011 over 2010. This dynamic may have changed, as preliminary savings for 2012 point to a dramatic increase:

	Savings (GWh)	Savings (MW)	Cost Effectiveness
2010 Reported*	16.76	2.69	Cumulative for 2010 and 2011 results: UCT (PAC): 0.70 TRC: 0.49 \$/kWh: \$0.75
2010 Adjusted*	15.48	2.57	
2011 Reported*	12.16	1.76	
2011 Adjusted*	13.44	1.88	
2012 Preliminary	22.47	4.58	

*In July 2011, the CPUC adopted the final 2010-12 ex ante assumptions, and retroactively applied them to January 1, 2010. As a result, the 2011 reported activity is derived as the difference between the adjusted cumulative 2010-11 performance and SCE's 2010 Energy Efficiency Annual Report.

■ Tools:

- [2010-12 WO033 Custom Impact Evaluation Interim Report](#)
- [City of Hawthorne ELP Success Story](#)
- [City of Beaumont ELP Success Story](#)