

# SoCaIREN 2022 and 2023 BBAL

October 21, 2021



# Agenda

- Program Closure(s)
- Proposed New Program(s)
  - Streamlined Savings Pathway
- Outcomes

# Program Closure(s)



# Multifamily Finance Program (LLR)

## Program Objective:

The Multifamily Finance Program (MFF Program) objective was to broaden access to finance for more multifamily property owners/contractors for energy efficiency upgrades by allowing a financial institution partner to modify its underwriting criteria and accept more risk than it would otherwise on qualified projects.

The program design incorporates a credit enhancement that reduces the borrowing rate for the borrower.

The Multifamily Finance Program was originally planned for launch in 2020 and many of the processes including the application portal were built in preparation for that launch.

## Drivers:

### 1. Poor market demand:

- Most market participants are currently hesitant to pursue project financing during a pandemic.
- Market participants pursued existing capital channels with existing relationships
- Although there is a lack of financing demand, project pipeline is fully committed

### 2. Difficulty securing lending partners due to the COVID pandemic:

- Discussions with financial institutions slowed dramatically as they transitioned to remote work and focused on existing business.
- Financial institutions were hesitant to take on the additional risk they perceived for energy efficiency retrofit projects due to market uncertainty.

# New Program(s)

Public Sector



# Streamlined Savings Pathway (SSP)

Resource

SSP is a downstream offering that provides electric deemed and custom incentive opportunities for qualifying energy efficiency upgrades based on lifecycle GHG emission reductions. The program seeks to provide **expedited project application reviews** to **maximize savings opportunities** and **install projects faster**. **SSP prioritizes underserved public agencies** by offering enhanced incentives to sites located in DAC, rural, and low-income communities.

## Objectives

1. Generate persistent and long-term electric savings and GHG emissions reductions;
2. Increase energy efficiency program participation in underserved communities by offering enhanced monetary incentives to fund energy upgrades, and;
3. Mitigate the cost of project implementation delays for public agencies through an expedited incentive application review process. SSP will offer an estimated 10 day turnaround for initial application processing and an estimated 30 day turnaround for application technical review.

## Innovations

- Quality and comprehensive expedited application review & approvals
- Incentives based on GHG reductions and higher lifetime EE savings; encourages deep energy retrofits and peak demand savings (4pm-9pm)
- Aligns with states aggressive GHG reduction goals
- Aligns incentive to grid impacts of measures
- Program incentives designed to better align with benefits as measured by TRC/TSB

# Streamlined Savings Pathway

Resource

## DRIVERS: Market Need and

- Gaps left by SCE program closures (Public, Deemed, Custom programs);
- No electric Third Party programs currently in the market serving public sector;
- Expedited custom project reviews to mitigate delays accelerate project implementation;
- Lack of EE programs with a focus on equity;
- Public Sector incentives to overcome funding and financing barriers.

Public agencies receive comprehensive Project Management support by leveraging SoCalREN's non-resource program services.



SoCalREN Start to Finish Project Management Support

# Outcomes

## Portfolio Overview





# Expanded and Reduced Programs

Program ID	Program Name
<b>Program Closures</b>	
FIN-C2	Residential Loan Loss Reserve
<b>New Program Proposed for CPUC Approval</b>	
SCR-PUBL-B4	Streamlined Savings Pathway
<b>Existing Programs with Expanded Budgets &gt;40%</b>	
PUBL-B3	Public Agency NMEC Program
<b>Existing Programs with Reduced Budgets &lt;40%</b>	
N/A	N/A

## Questions?

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