

Enervee SoCalGas Marketplace Program

Implementation Plan

Program Budget and Savings

1. Program and/or Sub-Program Name

SoCalGas Marketplace

2. Program / Sub-Program ID number: SCG3947

3. Program / Sub-program Budget Table

Year/Category	Program Budget
2023	
Admin	\$0
Marketing	\$350,200
Direct Implementation	\$1,307,032
Total	\$1,657,232
2024	
Admin	\$0
Marketing	\$343,200
Direct Implementation	\$1,253,884
Total	\$1,597,084
2025	
Admin	\$0
Marketing	\$343,200
Direct Implementation	\$1,253,884
Total	\$1,597,084
TOTAL	\$4,851,400

4. **Program / Sub-program Gross Impacts Table** - Not applicable.
5. **Program / Sub-Program Cost Effectiveness (TRC)** - Not applicable.
6. **Program / Sub-Program Cost Effectiveness (PAC)** - Not applicable.
7. **Type of Program / Sub-Program Implementer** - Third-party delivered.

8. **Market Sectors**

Residential with a focus on hard to reach and disadvantaged community and commercial (small and medium business).

9. **Program / Sub-program Type**

Market Support

10. **Market channel and Intervention Strategies , Campaign Goals, and Timeline.**

Market channel: Midstream

Intervention Strategies: Education to overcome cognitive barriers, incentives, and financing

Campaign Goals: The overarching goal of the program is to significantly increase the adoption of customer energy efficiency solutions by helping consumers overcome key market barriers along their purchasing journey. The program is well aligned with objectives laid out for market support programs overall, including increasing demand for energy efficient products and services; influencing supply chains (including manufacturers, retail fulfillment partners and installation contractors); building strategic partnerships to tap into natural replacement cycles and offering affordable financing to consumers; increasing the sales share of cutting edge efficient products, by tying financing to efficient products only; and enabling more equitable access to capital.

Timeline: The residential marketplace will be available on the Effective Date, January 1, 2023. The small and medium business marketplace is expected to launch in 2023.

Implementation Plan Narrative

1. Program Description:

The Enervee online Marketplace will encourage participation in SoCalGas energy efficiency programs to drive residential and small and medium business (SMB) customer retail purchases of qualified energy efficiency measures, especially in disadvantaged communities (DAC), by eliminating market barriers, including financial barriers critical to engage DAC/ Hard-to-Reach (HTR) customers. The Marketplace includes an educational platform which supports SoCalGas residential and nonresidential programs as well as a transactional e-commerce platform featuring Eco Financing which compliments SCG programs by integrating instant, point-of-sale rebates on qualified products. The SMB marketplace is expected to launch with a focus on water heating and food service businesses, subject to further discussions between SCG and Enervee. This will start as informational then transition to a transactional site.

2. Program Delivery and Customer Services:

Geography: Entire SCG territory with targeted approaches for hard to reach customers and those residing in disadvantaged communities

Customer sectors and sub-segment(s) served: Residential (Single Family, Multi-Family, Mobile Homes), including owners and renter and select Small and Medium Business segments.

Delivery channel: The program relies on the online retail delivery channel. The online retail delivery channel allows customers to include professional installation and haul-away/recycling services in their purchase transaction.

Energy Savings: The program will facilitate savings by driving in-market shoppers to an online marketplace that eliminates market, cognitive/psychological, and financial barriers that prevent consumers from following through on their desire to buy energy efficient products for their homes. The program's Choice Engine technology and customer-facing features (including the Enervee Score and personalized estimates of energy bill savings and total cost of ownership) are proven to influence product choices and will nudge customers towards more efficient choices. The residential Enervee Marketplace platform also offers integrated financing on energy efficient products in selected categories to address the up-front purchase price barrier.

Disadvantaged Communities: Enervee's digital marketing will target DAC. To facilitate email marketing to DAC, SCG will assist Enervee with DAC customer identification.

Services: Marketing (integrated digital marketing including email, search, and social that relies on SCG customer data, Enervee's product catalog, online behavior data, user-supplied data and third-party data to engage consumers cost-effectively at scale); Customer Support.

3. Program Design and Best Practices:

The Program will provide an online marketplace to residential customers, specifically targeting customers in disadvantaged communities. The Program will also provide an online marketplace for small and medium business (SMB) customers.

Contractor will coordinate with other SCG program implementers, where applicable. Upon program launch, Enervee may refer and/or forward customer inquiries pertaining to services provided by other programs.

Enervee will perform the following activities:

Run the Choice Engine. Enervee's Choice Engine technology uses Enervee's patented Enervee Score to nudge consumers to the higher energy efficiency product purchases and provide real-time data on product prices, costs, and other key information relevant to consumers.

Run the Commerce Platform. Enervee's Commerce platform streamlines the purchasing journey by enabling consumers to purchase EE products instantly through Enervee's Choice Engine with fulfillment through retail partners. Consumers can also redeem instant rebates and add installation and haul away services on select products.

Administer Eco Financing. Enervee partners with financial institutions and CAEATFA to offer safe and affordable payment options, making it easier for people to buy the most energy efficient products that meet their needs, while building good credit. As opposed to a one-time, lump sum payment, customers can pay with no-money-down and low monthly payments via credit-enhanced term loans.

Engage Marketing Plan. Enervee will provide a digital marketing plan that will use email, paid search, paid social, and retargeting to target in-market shoppers and drive them to the Enervee Marketplace.

Marketing to Disadvantaged Communities (DAC). Enervee's digital marketing will target DAC, as this is a geographically defined customer segment with a significant overlap with hard-to-reach (HTR) customers. To facilitate email marketing to DAC (and to track/report DAC/HTR metrics), Company will assist Contractor with DAC customer identification.

Small and Medium Business Marketplace. Enervee will launch a first-of-its-kind, small and medium businesses (SMB) marketplace using Choice and Commerce features for select product categories and including a FastTrack component, in which SMB customers can redeem a rebate online post-purchase. The site will utilize existing product categories offered on the residential platform. The SMB Marketplace will be promoted with Enervee's digital marketing program Engage and will focus on email and paid media on channels (e.g., Google Search or business networks like LinkedIn).

Additional Features. The Program will scale marketplace engagement and add new

functionality, including an energy efficiency program selection tool that can enable SCG to cross-promote relevant programs to customers during their purchase journey and the ability to place multiple-unit orders via the site.

4. **Innovation**

The proposed Program relies on Enervee’s new Commerce solution, featuring Choice Engine technology and integrated Eco Financing, and sophisticated digital marketing to increase participation in cost-effective energy efficiency programs. Innovations include:

One-stop shop for energy management. The Enervee Marketplace will serve as a hub for customers to better manage their energy, whether by making efficient purchases, participating in other SCG programs or taking advantage of income-qualified CARE tariffs, just to provide some examples.

Efficient shopping ecosystem to eliminate barriers. Enervee has orchestrated an efficient shopping ecosystem, bringing together strategic partners to eliminate market, cognitive/psychological and financial barriers and transform markets at scale.

Inclusive Eco Financing. Enervee offers safe and affordable payment options, making it easier for people to buy the most efficient products that meet their needs, while building good credit. Customers can pay with no money down and low monthly payments via credit-enhanced term loans.

Small and Medium Business Marketplace. The program will also include a first-of-its-kind SMB marketplace, which will include Enervee’s Choice Engine technology, the ability to purchase select products directly through the Enervee Commerce platform, and Enervee’s FastTrack component in which SMB customers can redeem a rebate online post-purchase. To personalize the experience for SMB customers, there will be a segmented landing page.. This will test strategies to reach SMB customers via an online marketplace, and if successful, will provide insight into potentially expanding to other SMB customer segments.

5. **Metrics:** Not applicable.

6. **For Programs claiming to-code savings:** Not applicable, as we do not intend to claim “to-code” savings.

7. **Pilots:** Not applicable.

8. **Workforce Education and Training:**¹ Not applicable.

¹ D.18-05-041, page 20-21 and Ordering Paragraph 7

9. **Workforce Standards:**² Not applicable.
10. **Disadvantaged Worker Plan:**³ Not applicable.
11. **Additional information:** Not applicable.

Supporting Documents

1. Program Manuals and Program Rules (See below)

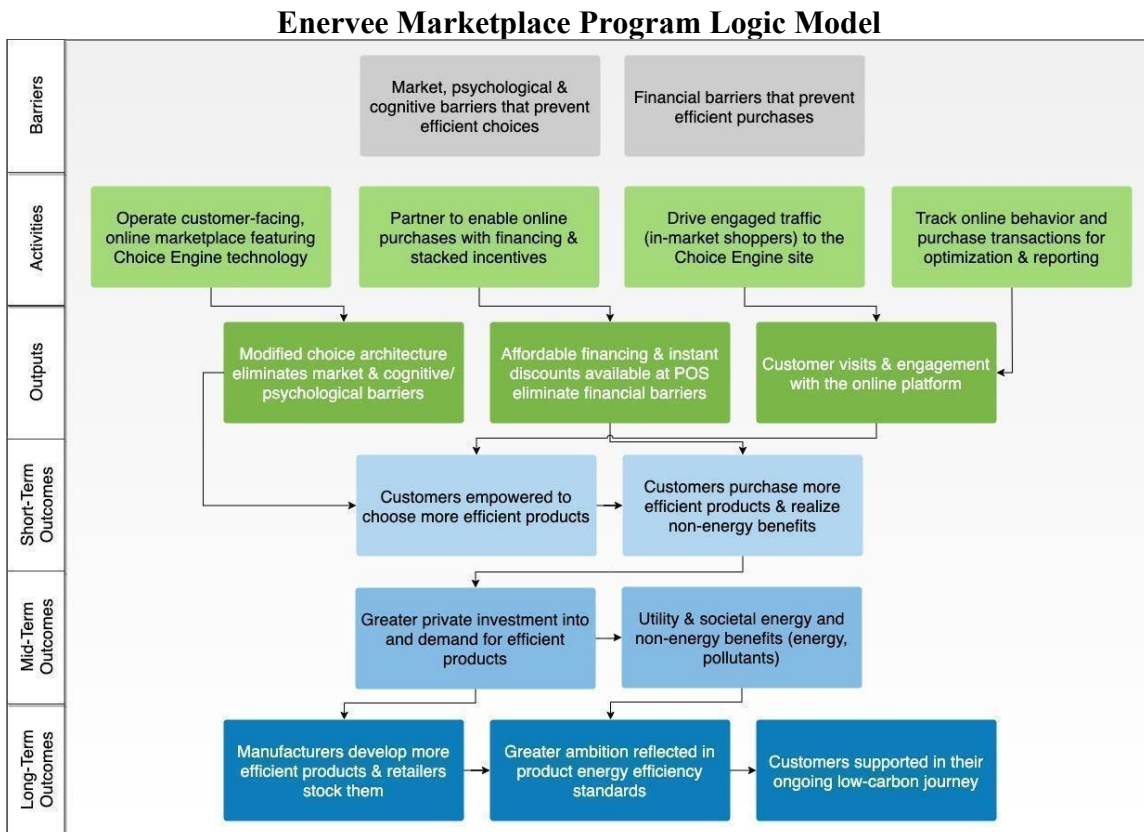
#	Information Required	Short Description
1	Eligible Measures or measure eligibility, if applicable	Requirements for measure eligibility or a list of eligible measures
2	Customer Eligibility Requirements	Requirements for program participation
3	Contractor Eligibility Requirements	Requirements for participating contractors.
4	Participating Contractors, Manufacturers, Retailers, Distributors, and Partners	Not applicable
5	Additional Services	None
6	Audits	A description of audit requirements, if any.
7	Sub-Program Quality Assurance Provisions	Quality assurance requirements
8	Other Program Metrics	Documentation and data used to calculate Program Metrics

² D.18-10-008, Ordering Paragraph 1-2 and Attachment B, Section A-B, page B-1.

³ D.18-10-008, Attachment B, Section D, page B-9.

2. Program Theory⁴ and Program Logic Model⁵:

The program will provide residential and small and medium business SCG customers with online marketplaces that rely on the Enervee Commerce shopping platform, Choice Engine technology and, for residential customers, integrated Eco Financing to address market, cognitive/psychological and financial barriers comprehensively, leading to more efficient purchases. Below we describe the program theory, which is summarized in the program logic model.



Barriers

Multiple barriers prevent consumers from buying energy efficient products, including:

- Lack of market transparency with respect to product efficiency (market barrier);
- Cognitive and psychological barriers that can lead to poor buying decisions;

⁴ The expected causal relationships between program goals and program activities in a way that allows the reader to understand why the proposed program activities are expected to result in the accomplishment of the program goals. A well-developed program theory can (and should) also describe the barriers that will be overcome in order to accomplish the goals and clearly describe how the program activities are expected to overcome those barriers. California Evaluation Framework, June 2004.

⁵ The graphical representation of the program theory showing the flow between activities, their outputs, and subsequent short-term, intermediate, and long-term outcomes. California Evaluation Framework, June 2004.

- Lack of access to capital and/or the incremental cost of efficient products (financial barrier).

The first two groups of barriers prevent customers from choosing energy efficient products in the first place; in addition, some customers are unable to follow through with an efficient purchase for financial reasons tied to the up-front purchase price of an efficient, new model.

Activities

Enervee’s role in orchestrating this efficient shopping ecosystem includes:

- Developing, hosting and continually improving the Enervee Marketplace platform;
- Partnering with retailers, manufacturers, lenders, and the State Treasurer’s Office to make efficient purchases simple and compelling;
- Conducting digital marketing campaigns to drive traffic and site engagement;
- Tracking online behavior and purchase transactions for optimization and reporting.

Outputs

The program will deliver the following outputs to eliminate barriers to energy efficient purchases:

An energy-aware choice architecture. The Enervee Marketplace, featuring Choice Engine technology, injects actionable energy efficiency information into the shopping journey, with a view to eliminating barriers and closing the attitude-behavior gap. The impacts of various marketplace design elements on consumer decision-making have been well documented. Examples include the influence of:

- The Enervee Score®, a zero to 100 relative energy efficiency index, which can function as either a simple heuristic (just aim for the high number) or as a clear product attribute (concrete efficiency measure). Experimental results suggest that the Enervee Score works across both the “hot,” more impulsive, attitude-based and “cold,” more deliberative, attribute-based decision-making styles to deliver more efficient choices⁶. The Score has therefore proven influential across all customer segments, demographics, and buying conditions⁷.
- YOUSAVE® and CLEARCOST®, personalized estimates of bill savings impacts and total cost of ownership, which are particularly salient for income-constrained customers and in emergency buying situations. When consumers buy under a distressed, fast buying context, adding energy savings information to the Enervee

⁶ Champniss, G., & Arquit Niederberger, A. (2017). Making efficiency visible – Insights on effective nudging across decision styles and choice models. UC Berkeley: Behavior, Energy and Climate Change Conference.

⁷ Arquit Niederberger, A., Champniss, G. (2018). Flip sides of the same coin? A simple efficiency score versus energy bill savings information to drive consumers to choose more energy-efficient products. *Energy Efficiency* 11, 1657–1671.

Score results in a considerable step-up in the energy efficiency of product choices¹⁷.

- The design of product cards, which helps dispel the lay theory that efficient products necessarily cost more, by pairing aggregated user reviews (an indicator of customer satisfaction) with retail price and efficiency data that may otherwise lead to cognitive dissonance (in cases where price and efficiency are not correlated).

Affordable financing & instant incentives for online retail product purchases. The residential Enervee Marketplace integrates Eco Financing, taking advantage of the microloan pathway under the GoGreen Home program. In addition, and consistent with D.21-11-002, the program can layer in a variety of incentives that may be available at the time of purchase (e.g., promotional pricing negotiated with manufacturers or other market actors), reducing monthly payments. Residential customers will be free to pay using the Eco Financing loan product, or other payment method of their choice.

Outcomes

As the program scales, we will see greater private investment into and demand for efficient products (resulting in downward price pressure) and significant utility and societal energy and non-energy benefits.

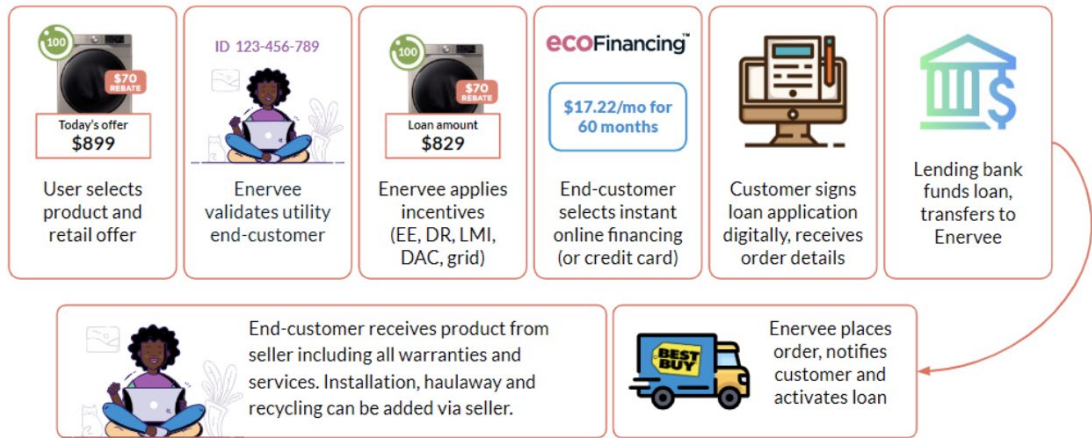
Ultimately, the program creates ongoing market demand for manufacturers to develop increasingly efficient appliances and for retailers to stock them, serving a dynamic technology forcing function. This can speed the product innovation cycle and allow for more rapid and aggressive updates to minimum energy performance standards.

3. **Process Flow Chart:**

Customer Experience/User Flow

The customer online shopping experience is as follows:

- **Product & service selection.** The customer visits the Enervee Marketplace and chooses an efficient product that meets their needs.



The customer can choose to add a variety of related services to their cart, including delivery; professional installation; accessories required for installation; haul-away service; delivery; and for residential customers, Eco Financing.

- Customer validation & eligibility check. Enervee validates the customer.
- Choice of payment method. Once the shopper is successfully validated as an SCG customer, any incentives that the customer or transaction are eligible for will be automatically applied to the cart and the customer will be able to finalize their order and choose their preferred payment method.
- Loan application & approval. If the customer chooses to pay using Eco Financing, they will be passed to Enervee’s loan origination system. If approved, the customer signs loan documents and disclosures electronically as part of the loan process and is then directed back to Enervee.
- Order & delivery. If the loan application was rejected, the customer may purchase with a credit card or other accepted payment method. If the loan application was approved, Enervee processes the purchase with Eco Financing as the payment method. The customer then receives the details of the order. The order is processed as a normal online purchase transaction, and the customer receives their purchased product directly, along with any related services purchased.
- Loan servicing. On approved Eco Financing loans, Enervee is the loan servicer and will collect loan repayments from the customer.

As the merchant of record, Enervee has the full transaction details and is able to report information needed for SCG to submit savings claims.

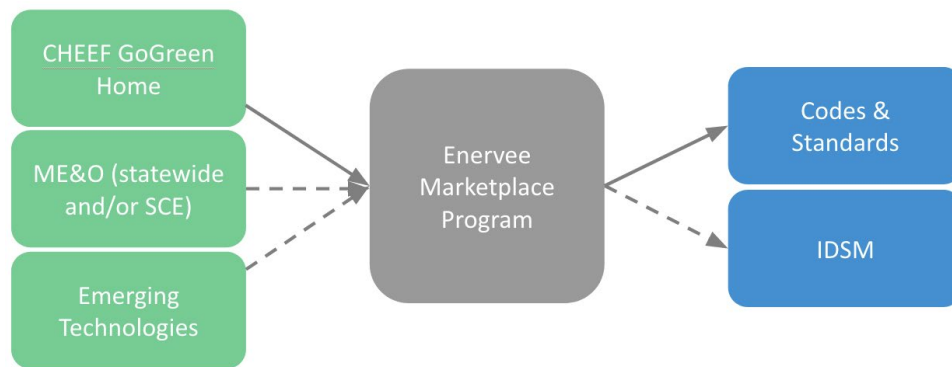
4. Incentive Tables, Workpapers, Software Tools:

This program is non-resource, and any and all rebates are passed through from SoCalGas rebate programs. Rebate values and workpaper definitions are defined by SoCalGas, and inherited by Enervee within this program design.

5. **Quantitative Program Targets:**

The program will track various metrics, including number of customers who make energy efficient purchases, level of participant satisfaction with the marketplace experience, number of products available for purchase, number of product categories available for direct purchase, and share of energy efficient purchases using Eco Financing.

6. **Diagram of Program:**



7. **Evaluation, Measurement & Verification (EM&V):** Not applicable.

8. **Normalized Metered Energy Consumption (NMEC):** Not applicable.

Program Manuals

All programs must have manuals uploaded in CEDARS to clarify the eligibility requirements and rules of the program for implementers and customers. Program rules must comply with CPUC policies and rules. Table templates are available at CEDARS. At minimum, manuals should include:

1. **Eligible Measures or measure eligibility, if applicable:** Provide requirements for measure eligibility or a list of eligible measures.
2. **Customer Eligibility Requirements:** Provide requirements for program participation (e.g., annual energy use, peak kW demand)
3. **Contractor Eligibility Requirements:** List any contractor (and/or developer, manufacturer, retailer or other “participant”) or sub-contractor eligibility requirements (e.g. specific required trainings; specific contractor accreditations; and/or, specific technician certifications required).
4. **Participating Contractors, Manufacturers, Retailers, Distributors, and Partners:** For upstream or midstream incentives and/or buy down programs indicate, if applicable.
5. **Additional Services:** Briefly describe any additional sub-program delivery and measure installation and/or marketing & outreach, training and/or other services provided, if not yet described above
6. **Audits:** Indicate whether pre and post audits are required, if there is funding or incentive levels set for audits, eligibility requirements for audit incentives, which demand side resources will be included within the audit’s scope and who will perform the audit.
7. **Sub-Program Quality Assurance Provisions:** Please list quality assurance, quality control, including accreditations/certification or other credentials
8. **Other Program Metrics:** List all documentation and data used to calculate Program Metrics. This includes but is not limited to data in support of sector-level and portfolio-level metrics.

(End of Appendix A)