



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: 941

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Jennifer Berg
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 E-mail Disposition Notice to: jberg@bavareametro.gov

EXPLANATION OF UTILITY TYPE
 ELC = Electric GAS = Gas WATER = Water
 PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

September 3, 2019

Advice Letter (AL) #: 12-E

Tier Designation: 2

Subject of AL: 2020 Annual Energy Efficiency Program and Portfolio Budget Request for the San Francisco Bay Area Regional Energy Network (BayREN).

Keywords (choose from CPUC listing):

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.15-10-028; D.18-05-041

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: N/A

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date: 10/3/19

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

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ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	



September 3, 2019

California Public Utilities Commission
Energy Division Tariff Unit
505 Van Ness Ave.
Fourth Floor
San Francisco, CA 94102-3298

Advice Letter 12-E
(BayREN ID #941)

Subject:

BayREN 2020 Annual Energy Efficiency Program and Portfolio Budget Request

Purpose

The purpose of this advice filing is to seek approval for the 2020 Annual Energy Efficiency Program and Portfolio Budget request for the San Francisco Bay Area Regional Energy Network (“BayREN”).

The BayREN is a collaboration of the nine counties that make up the San Francisco Bay Area. Led by the Association of Bay Area Governments,¹ the BayREN implements effective energy saving programs on a regional level and draws on the expertise, experience, and proven track record of Bay Area local governments to develop and administer successful climate, resource, and sustainability programs. Since its inception, the BayREN has been addressing the three areas indicated by Decision 12-11-015 in the formation and implementation of programs: filling gaps that the investor-owned utilities (“IOUs”) are not serving; developing programs for hard-to-reach markets; and piloting new approaches to programs that have the potential to scale and offer innovative avenues to energy savings.

Background

In D. 14-10-046, the California Public Utilities Commission (“CPUC” or “the Commission”) approved the Rolling Portfolio for programs and funding, and provided that 2015 is “year zero” insofar as we are leaving 2015 programs and funding in place until the earlier of when we provide superseding direction, or 2025.”² Regional Energy Network (“REN”) funding for 2018 was approved in D.16-08-019: “[E]xisting approved activities [of the RENs] may have ongoing funding that was previously approved.”³ In D.18-05-041, BayREN’s Business Plan and Budgets for the term of the Rolling Portfolio was approved with slight modifications.

¹ On July 1, 2017 ABAG underwent a staff consolidation with the Metropolitan Transportation Commission (MTC). ABAG and its Executive Board continue to exist and to implement programs, such as BayREN.

² D.14-10-046 at page 31.

³ D.16-08-019 at page 10.

1. Filing Requirements

D.15-10-028 established that on the first business day in September, each Program Administrator (“PA”) will file a Tier 2 Advice Letter for continued collection of Energy Efficiency (EE) funding from ratepayers. This filing, which envisions ministerial review, is intended to formalize the Program Administrator’s annualized budget which shall remain in place until superseded by Commission or Commission Staff action on the new budget. Said advice letters shall contain a Portfolio cost-effectiveness statement and summary tables with forecasted budgets and savings by sector and program/intervention.

D.18-05-041 provided further guidance regarding Annual Budget Advice Letters (ABAL), and for Regional Energy Networks (REN), specifically directed that the ABAL include:

- Forecasted energy savings goals must meet or exceed the annual energy savings targets included in the PA’s business plan; and
- Forecasted budget must not exceed the PA’s annual budget in the approved business plans.

Beginning with the 2020 ABALs (due on September 3, 2019), D.18-05-041, Ordering Paragraph (OP) #44 provides that PAs must include updated budget estimates in the same format as the supplemental budget information filed in this proceeding on June 12, 2017.

2. Contents of this Filing

This ABAL includes:

- Budget, Goals and Cost-Effectiveness
- 2020 Program Changes
- Strategies for Improving Cost-Effectiveness
- Metrics
- Implementation Plans

BayREN’s 2020 ABAL also includes:

- Attachment 1: California Energy Data and Reporting System (CEDARS) Filing Confirmation
- Attachment 2: Supplemental Budget Details per D.18-05-041, Ordering Paragraph #44

Discussion

1. BayREN 2020 Portfolio Cost-effectiveness and Budget Request

BayREN requests a total portfolio and Evaluation, Measurement and Verification (“EM&V”) budget of \$23,053,150. This represents a slight decrease in the 2019 approved budget, as some funds were shifted into future years; budget shifts were also made between programs. A Total Resource Cost (TRC) of 0.38 is forecasted. The budget breakdown and energy savings by sector is provided in Table 1.

Table 1: BayREN 2020 Budget and Savings (Net)⁴

Sector	Program Year 2020 Budget	Forecast GWh	Forecast kW	Forecast MM therms
Residential	\$17,855,779	2.48	685	0.25
Commercial	\$3,409,536	5.26	196	0.02
Industrial				
Agriculture				
Emerging Tech				
Public				
Codes and Standards	\$1,516,700	n/a	n/a	n/a
WE&T				
Finance				
OBF Loan Pool				
Subtotal	\$22,782,015	7.74	881	0.26
BayREN EM&V	\$271,135			
Total BayREN 2020 Spending Budget	\$23,053,150			
Uncommitted and Unspent Carryover balance⁵	\$1,200,000			
Total BayREN 2020 Budget Recovery Request	\$23,053,150			
Authorized 2020 Budget Cap (D.18-05-041)	\$24,615,000			
Forecast 2020 TRC	0.38			
Forecast 2020 PAC	0.45			
Forecast 2020 RIM	0.45			

2. Discussion of Proposed Program and Portfolio Changes

Except as discussed below, the BayREN portfolio of programs will remain primarily the same as 2019 offerings with no changes in current program design. However, with the recent approval of the *Decision Modifying the Energy Efficiency Three-Prong Test Related to Fuel Substitution⁶* and the expected approval of relevant work papers, the BayREN will work towards offering fuel substitution measures into both residential offerings.

⁴ Values provided in Table 1 (and all subsequent Tables) are without the 5% market effects.

⁵ Unspent funds for 2019 are approximate and will likely change at the end of the 2019 program year.

⁶ <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M310/K053/310053527.PDF>

While there are no significant program changes, below we discuss why the BayREN’s 2020 total budget request is slightly less than the last program year.

Multifamily (BAMBE)

BayREN has worked closely with PG&E and MCE (the other PAs in our shared territory) to streamline cross-referrals and maintain a positive participant experience. To increase compatibility with PG&E’s Multifamily Upgrade Program (MUP), BayREN created a pathway for rater-guided projects to participate in BAMBE. Whereas Raters previously did not have a role in BAMBE, they now are able to conduct the upfront site visit and perform energy modeling; Rater projects are also now eligible to receive an assessment incentive. BayREN is working with PG&E to enable MUP Raters to use EnergyPro Lite (modeling software) for BAMBE projects and for initial screening in MUP. This alignment of modeling software and program delivery simplifies participation for Raters and customers within the Bay Area. BayREN is also collaborating with MCE to further align the multifamily programs with the intent of reducing confusion in the market and helping to ensure that property owners are getting the type of service and incentive level most appropriate for their business model, thereby expanding the volume and quality of projects in the shared territory.

Single Family (Home+)

BayREN closed its Home Upgrade Program in December 2018, and launched the newly designed Single Family program “Home+” in January 2019. The new program focuses on lower-to-middle income^[1] homeowners and renters in the Bay Area, a population that is consistently underserved in ratepayer energy efficiency programs throughout the state. Prior to launching Home+, BayREN conducted a Single Family Moderate Income Market Characterization study; the findings informed much of the new program design.

The key elements of the new program include rebates for single measure upgrades with bonus rebates offered for bundled measures. Customers are able to undertake upgrades that best fit their needs. The new program also expanded its reach and unlike Home Upgrade, allows renters (representing one third of the target market) to participate. Additionally, up to four unit single family homes are now eligible. The program also offers energy efficiency kits that are mailed to customers that complete an online home energy evaluation.

An important offering of the program is direct install of basic energy efficiency measures. These measures are targeted specifically to households that have historically low program participation. These measures are installed with youth trained through our partner Rising Sun Energy, via “Green House Calls”.

Compared to the Home Upgrade Program, Home+ has been able to serve a higher number of program participants within a lower incentive budget because of the new increased flexibility of measures available. This high participation rate is expected to continue in 2020.

Commercial

The BayREN Small and Medium Business (SMB) Commercial program consists of two subprograms: Pay-for-Performance and Microloan. The Pay-for-Performance subprogram is designed to empower building and business owners to take a holistic and longer-term approach in incorporating energy efficiency. Applicants will receive whole-building technical analysis, learn about attractive financing options, and

^[1] Households with annual income range of \$48,000 – \$125,000.

receive ongoing project support from a network of qualified industry and trusted local government partners. The Microloan subprogram is designed to provide small business owners with access to attractive, flexible, hassle-free financing to install energy efficiency upgrades.

BayREN recognizes that whole-building retrofit projects can be complex and costly. BayREN also recognizes the need to transition from traditional (deemed and customer) to meter-based program designs. As such, the Pay-for-Performance subprogram breaks down SMB market barriers and initiates the transition from traditional to meter-based programs by:

- Taking a hybrid approach. First, the “low-hanging fruits,” such as deemed measures are identified. Next, custom measures, with a focus on HVAC, refrigeration and equipment-control improvements will be identified.
- 50% of the eligible rebates will be paid after installation completion; the balance will be paid over 24 months. The amounts paid are dependent on third-party verified savings from the utility meters.
- All available financing options will be explored.
- Each project will be resourced with a Building Performance Advisor: a program implementer who offers a range of advisory services to busy customers, their contractors, and service providers.
- The subprogram will contract and partner with an energy service company (ESCO) that was selected via a competitive procurement. The selected ESCO demonstrated the financial capacity to absorb all of the project performance risk as well as experience with working pay-for-performance, meter-based programs.

The Pay-for-Performance subprogram will leverage financing with incentives. Again, 50% of the eligible incentive is paid up front based on deemed, modeled and/or calculated savings, and the remaining 50% is tied to actual metered performance after Years 1 and 2. Financing options will be fully explored, including PG&E’s On-Bill Financing, the ESCO’s private lending services, and the BayREN Microloan.

Another notable feature of the Pay-for-Performance subprogram is “program layering” via referrals to complimentary energy efficiency offerings like CCA, Local Government Partnerships and PG&E’s third-party programs, in order to harvest deeper energy savings. Program layering serves not only to amplify the subprogram’s ability to develop comprehensive projects with a small budget, but also helps PG&E programs achieve the 5% small commercial penetration target directive from D.18-05-014.

The Microloan subprogram is available in all nine Bay Area Counties. BayREN is partnering with San Francisco lender, Mission Asset Fund (MAF), to market and implement the subprogram. The Microloan is a no-interest, small-dollar loan made to individuals and businesses with the intent to purchase and install energy-efficient equipment. MAF will deploy a high-impact marketing strategy to the Bay Area’s SMB sector. MAF has also designed a fully automated intake system to reduce participant-acquisition costs and streamline the application process. Together with the financing, borrowers will also be required to attend financial literacy courses developed and taught by MAF staff.

WBSP

The Water Bill Savings Program (WBSP) is a collaboration of BayREN and Association of Bay Area Governments (ABAG) to help Bay Area residents and businesses upgrade their properties to be more water efficient using an on-bill financing offer through their local water utility. This financing Program is based

on the Pay-As-You Save® (PAYS®) model: Water utility customers install eligible efficiency improvements with no up-front cost and repay project costs with a monthly on-bill surcharge that is significantly lower than the estimated savings. As indicated in BayREN's Business Plan, general program design components address:

- Eligible improvements for residential customers. Indoor improvements include ultra-low-flow toilets, showerheads, and aerators. Outdoor improvements include drought tolerant landscaping, weather-based irrigation controllers, and irrigation system repairs. Energy-only measures may be permitted at the water utility's discretion.
- Tariff structure. The program's project financing uses a voluntary surcharge established by the water utility using its regulatory authority for origination, contracting, servicing, and repayment. Participating water customers agree to pay the tariff surcharge assigned to their meter location; the utility can resolve non-payment through existing collection practices.
- Utility portfolio. The WBSP financing mechanism uses ABAG-secured capital to facilitate utility investment for public benefit, while leveraging water utility rate-setting authority to recover the investment. ABAG pays for services rendered to participating customers who join the utility's portfolio of WBSP projects. The utility collects the tariff surcharge at participating meter locations to make full repayment of invested capital.

Since the WBSP Program was approved in 2013, BayREN has worked with three water utility partners: Town of Windsor, City of Hayward, and East Bay Municipal Utility District. Starting in 2020, BayREN will operate the Program regionally throughout the Bay Area providing turn-key program financing and administration services under a single program framework to participating local governments and their water utilities. The Program currently serves multifamily and single family customers and will expand to small and medium commercial customers in 2020. The Program is on track to begin enrolling water utilities in Q1 2020. The slight increase in the budget request for 2020 is to support:

- Water utility enrollment in the regional Program: BayREN is initially targeting Windsor and Hayward as well as other well positioned water utilities to opt into the Program.
- Design and deployment of a digital platform to support: Program administration including contractor communications; customer enrollment, customer relationship management (CRM), and customer support; ABAG financing service tracking/payment/reporting, and; Program tracking/reporting.
- Establishment of value-add program services, including: A bulk purchasing strategy to drive down program costs; geographically targeted marketing services, and the commercial expansion.

Originally the program design called for the establishment of a new joint powers authority (JPA) to provide the financing service; however, program partners later determined that ABAG (a JPA) was well positioned to fill that role. An action item to formally establish the ABAG financing service will be presented to the ABAG Executive Board in November 2019.

Codes & Standards

BayREN will continue its Codes offerings and expand in a few areas: trainings, reach code impacts and tracking, and improving permit closure rates.

Training will continue to be offered to local government staff, with BayREN offering reach code enforcement training for the first time. In addition, we anticipate expanding a pilot program to provide

training for contractors at local building department venues. This will engage contractors who are difficult to reach but also very important for improving code compliance. Having the trainings occur on site at the building departments is designed to make attendance easier for contractors. Outreach and trainings will be done jointly with the BayREN single family program.

BayREN has been working over the past year to support and encourage local government reach code adoption. Building on those efforts, BayREN has started examining reach code enforcement and is planning to expand that effort to look at estimated impacts of reach codes as well as ways to improve reach code compliance.

A new effort that will be rolling out in 2020 will be focused on improving permit closure rates. BayREN has researched this area and is now working to design the needed activities.

Green Labeling

Since program launch in 2018, the number of Home Energy Scores in the region has continued to increase. To accommodate this uptake in interest and to ensure equitable distribution throughout the region, BayREN has placed a cap on the number of Home Energy Scores per county. We are requesting a slight increase in the program budget (\$140,000) to continue to support city and county data requests for Climate Action Planning; updating the program forms and databases; and, increase support for Assessors, Raters and Contractors.

3. Strategies for Increased Cost-Effectiveness

Given BayREN's directive to focus on filling gaps, piloting different or unique approaches that have the potential to scale and/or targeting hard-to-reach customers, we are not held to a particular cost-effectiveness threshold. However, we do strive to be more cost-effective and the strategies employed in 2019 have increased the forecasted Portfolio level TRC for 2020 and beyond. BayREN has three resource programs. Strategies for increasing the cost effectiveness of these programs in 2020 are:

a) Single Family

The new program offers deemed measures that have a range of cost-effectiveness. The most cost-effective measures are offered through the mail-in kits and the direct install "Green House Calls". In 2020, efforts will be focused on promoting these offerings while also marketing the most efficient home upgrade measures which include water heaters and smart thermostats.

b) Multifamily

As detailed in the Business Plan, steps will be taken to continue streamlining the participation process, phasing out rebates over time and replacing them with scalable market drivers. This includes introducing our simplified property assessment process and modeling tools to a broader set of users in the industry. These changes should collectively reduce the total cost of going through an energy upgrade. We will leverage resources such as the CEC Local Government Challenge grant received by program lead agency StopWaste, and strong local government relationships to facilitate scaling. Our long-term strategy will be to communicate marketability and non-energy benefits to participants in order to build market awareness around energy efficiency as we prepare to transition away from rebates. Additionally, ongoing coordination with other Bay Area Multifamily Program Administrators is designed to support the efficient use of ratepayer funds.

c) Commercial

The Commercial program was slower to launch in 2019 than had been anticipated. However, the strategies for greater cost effectiveness in this program remain. In the Pay-for-Performance subprogram, a significant portion of the eligible incentives is tied to metered-verified savings. This ensures that incentives are going towards actual energy savings and the savings are sustained. As designed, many of the traditional implementation tasks, including customer-acquisition and project development, will be performed by the ESCO thereby reducing implementation expenditures. Financing and program-layering remain fundamental features of the Pay-for-Performance subprogram. As for the Microloan subprogram, many of the marketing and implementation functions will be digital and automated. To ensure equitable access, customers without internet will receive in-person assistance from BayREN.

4. Metrics

Pursuant to D.18-05-041, BayREN reported on sector-level metrics and associated targets for program years 2017 and 2018 as part of the 2018 EE Annual Report filed on May 1, 2019, as well as the spreadsheet filed at EEstats.⁷

5. Program Implementation Plans/Implementation Plans

BayREN does not have any changes to the Implementation Plans (IPs) uploaded to CEDARS in 2019 for Codes and Standards, Commercial, Multifamily, Single Family and Water Bill Savings Program. Minor changes were made to the Green Labeling Program and an updated IP (redlined and clean versions) has been uploaded to CEDARS. BayREN anticipates making changes to the Commercial IP and Program Manual once the Program Ally and Implementers are under contract later this year.

Protest

Anyone may protest this Advice Letter. The Protest must state the grounds upon which it is based. The Protest must be made in writing and received by the Commission within 20 days of the date this Advice Letter was filed with the Commission, or September 23, 2019. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

Public Utilities Commission
CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies of the Protest should also be sent via e-mail to the attention of the Energy Division at EDTariffUnit@cpuc.ca.gov. It is also requested that a copy of the Protest be sent by email to the address shown below on the same date it is mailed or delivered to the Commission.

Jennifer K. Berg Assistant Director - Energy Programs Association of Bay Area Governments 375 Beale Street, 7 th Floor San Francisco, CA 94105 JBerg@bayareametro.gov

⁷ <http://eestats.cpuc.ca.gov/Views/Documents.aspx>

**ATTACHMENT 1 to the BAYREN 2020 ANNUAL ENERGY EFFICIENCY PROGRAM
AND BUDGET REQUEST**

California Energy Data and Reporting System (CEDARS) Filing Confirmation

CEDARS FILING SUBMISSION RECEIPT

The BAY portfolio filing has been submitted and is now under review. A summary of the filing is provided below.

PA: Bay Area Regional Energy Network (BAY)

Filing Year: 2020

Submitted: 16:29:56 on 29 Aug 2019

By: Lacey Tan

Advice Letter Number: 12-E

*** Portfolio Filing Summary ***

- TRC: 0.3826
- PAC: 0.4546
- TRC (no admin): 0.8174
- PAC (no admin): 1.2349
- RIM: 0.4546
- Budget: \$23,053,150.27

*** Programs Included in the Filing ***

- BAYREN02: Multi Family
- BAYREN03: Codes and Standards Program
- BAYREN04: Water/Energy Nexus
- BAYREN05-A: Evaluation Measurement and Verification - BAYREN
- BAYREN06: Commercial
- BAYREN07: Green Labeling
- BAYREN08: Single Family

**ATTACHMENT 2 to the
BAYREN 2020 ANNUAL ENERGY EFFICIENCY PROGRAM AND BUDGET REQUEST
Supplemental Budget Details (D.18-05-041, OP # 44)**

**SUPPLEMENT TO BAYREN 2020 ANNUAL ENERGY EFFICIENCY PROGRAM AND
PORTFOLIO BUDGET REQUEST (AL 12-E) PURSUANT TO D.18-05-041, ORDERING
PARAGRAPH 44**

Pursuant to D.18-05-041, Ordering Paragraph #44, BayREN provides this supplemental budget information together with the 2020 Annual Budget and Advice Letter (ABAL). BayREN also provides an update to the information provided in our response to the April 14, 2017 Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judges (Scoping Memo) requesting certain information regarding BayREN’s proposed budgets.

I. Narrative Description of ABAG’s Organizational Structure Supporting its Energy Efficiency (EE) Portfolio

ABAG was created in 1961 to provide a forum for local elected officials to discuss topical issues, specifically around regional planning and, in later years, services. ABAG was the first Council of Governments established in California. Recognizing that community issues transcend local boundaries, ABAG now examines issues of regional and local concern addressing planning and research needs related to land use, environmental, and water resource protection; builds local governments’ capacity regarding disaster resilience and energy and water efficiency; and provides financial services to local counties, cities, and towns. On July 16, 2012 ABAG filed a Motion for Consideration of the San Francisco Bay Area Regional Energy Network requesting to be a program administrator of energy efficiency funds; the Commission granted said motion in D.12-11-005. ABAG has administered BayREN since January 1, 2013.

In July 2017, through a contract for services¹, the staff of ABAG were consolidated under the Metropolitan Transportation Commission (MTC), the transportation planning, financing, and coordinating agency for the nine-county San Francisco Bay Area. As a result of the staff consolidation, MTC’s policies for administration, personnel, payroll, employee relations purchasing, contracting, and other business operations apply to the operations of ABAG and, by extension, BayREN. BayREN continues to be an ABAG program, overseen by the ABAG Executive Board.

1. Functions Conducted by Each Department

Multiple sections within ABAG/MTC support work on BayREN, including Energy, Administration and Facilities, Technology Services, Budget and Revenue, Treasury, the Office of General Counsel, and Executive Management. The Energy Section is the only department with full-time staff employed with EE funding; it is also the only section that directly charges to the

¹ https://abag.ca.gov/sites/default/files/mtc_abag_approved_contract_for_services_final.pdf

BayREN budget. (Appendices A.1 and A.2 contain function descriptions performed by each respective department and role(s) that support BayREN’s EE portfolio.)

2. Management Structure and Organization Chart

The consolidated staff of ABAG and MTC functions under one executive director; however, ABAG and MTC continue to be separate governance entities with their own statutory authorities and responsibilities, governing board, policy positions, assets, liabilities, revenues, debts and local collaboration programs. (Appendix A contains a consolidated organizational chart.)

3. Staffing Needs by Department

Full Time Equivalents (FTEs) are a unit of measure showing how many employees work on BayREN assuming all employees work a full-time schedule. For the purposes of this response, a full-time schedule refers to a 36-hour work week, or 1,872 hours worked in a year. In 2018, ABAG/MTC employed 3.29 FTE’s supporting BayREN, or about 6,180 total hours. In 2020, BayREN does not anticipate significant changes to in-house staffing, and forecasts having 3.9 FTEs supporting BayREN’s EE portfolio, or about 7,300 hours. (Appendix B provides FTEs by functional group, as defined by the functional definitions developed jointly by the PAs, TURN, and the Office of Ratepayer Advocates, listed in Appendix C.)

4. Non-program Functions Currently Performed by Contractors

ABAG currently has no consultants retained solely for the purpose of engaging in “non-program functions”. Certain consultants have scopes of work that include tasks related to general BayREN communications and regulatory support. ABAG will continue to engage consultants to support these BayREN specific tasks.

5. Anticipated Drivers of In-House Cost Changes by Department

We interpret ‘in-house cost’ to be any BayREN-associated cost (including labor) paid directly by ABAG/MTC. Based on this interpretation, these costs are driven by the addition of new staff and/or an increase to our program portfolio, neither of which is forecasted for 2020.

6. Explanation of Method for Forecasting Costs

ABAG/MTC does not maintain accounting records in the cost categories specified in the functional groups within the supplemental EE appendices. Therefore, to prepare these responses, staff analyzed actual historical costs and estimated the amount that was spent in the various cost categories. The relative historical amounts in each category was then applied to the future budgets to estimate the future amounts in the requested categories. Costs are estimated by using a ‘bottoms-up’ approach at the program level. Each BayREN sector lead estimates the required administration,

marketing, implementation, and incentives budgets based on the expected scope and participation in the program.

II. Management and Administrative Strategies

1. Please justify administrative budgets and describe primary determinants of budget. What are the drivers of administrative and implementation (non-incentive) cost categories?

The BayREN's administrative budget includes costs associated with the general functioning of the approved programs, as well as activities required for overall management of the portfolio.² These tasks are typically standardized across all programs in the portfolio and include: accounting, reporting, legal, regulatory compliance, regular BayREN staff meetings, and procurement/contracting. Given the relatively small size of staff working on BayREN, many activities are split between administration and implementation, resulting in efficiencies and overall lower administrative costs.

The Energy Efficiency Policy Manual, Version 5, at Appendix F lists discrete activities under the recognized budget categories for administration and implementation. The level of need for each of these activities will impact the budget.

The overall drivers of administrative costs include:

- The number of programs in the portfolio
- The number of participating agencies
- Procurement and contracting with expansion of portfolio and natural timeline for current programs
- Increased regulatory participation
- Reporting requirements
- IT services

The drivers of implementation costs include:

- The number of participants in a program
- Processing of rebate applications
- Inspecting rebated/incentive measures
- Engineering related activities
- Measurement development
- Education and training of contractors/partners/customers

² D.12-11-015 did not limit BayREN's administrative budget as prior decisions have done for the IOUs. However, the BayREN's Business Plan sets forth an administrative budget below 10%.

- Project management activities (i.e. Planning Scope of Work, working with contractors and customers, setting goals, reviewing goals, reacting to market conditions, and responding to customer inquiries (i.e. calls, emails, letters))
- Program planning, development and design
- Customer support
- Energy audits and continuous energy improvement
- Market transformation and long-term strategic plan support
- Compiling and maintaining information (i.e., data, customer records) for projects
- Licensing fees or IT development cost for program specific applications for implementation (e.g., benchmarking tool or project management tool);
- Direct-implementation specific IT costs (e.g., licensing fees or IT development cost for program-specific applications)
- Staff travel to undertake direct implementation-specific work activities (excluding conference participation)
- Program planning/design/project management and information gathering costs related to specific Strategic Plan related non-resource and resource programs
- Whether the program is new or existing
- The amount of technical assistance provided both in terms of customers and effort³
- If the program target is a “hard-to-reach” market since this typically requires more interaction/education/marketing to get the customer to act

2. *Explanation of allocation of labor and O&M costs between EE-functions and GRC-functions or other non-EE functions*

- ***When an employee spends less than 100% of her/his time on EE, how are costs tracked and recovered (e.g., on a pro rata basis between EE rates and GRC rates; when time exceeds a certain threshold, all to EE; etc.)***

While ABAG is not engaged in ‘GRC-functions’, all staff time is tracked on an hourly basis by program. ABAG staff time spent on BayREN activities is tracked on time sheets that are submitted to the ABAG finance department (payroll) bi-weekly.⁴ On a monthly basis, ABAG staff time spent on BayREN is reported and broken down by program and budget category (administration, marketing, and implementation) is included in the invoice submitted to our fiscal

³ Technical assistance (for at least the multifamily program) is planned to decline over time and shift to implementation activities that leverage other market drivers.

⁴ Time sheets are reviewed and approved by the Energy Programs Manager, the Executive Office, and accounting staff.

agent, PG&E. The monthly invoices, prior to submission to PG&E, are reviewed by the subprogram leads, the BayREN program manager, and several levels within financing.

- ***Describe the method used to determine the proportion charged to EE balancing accounts for all employees who also do non-EE work.***

All staff time is tracked on an hourly basis by program. ABAG staff time spent on BayREN activities is tracked on time sheets that are submitted to the ABAG finance department (payroll) bi-weekly. On a monthly basis, ABAG staff time spent on BayREN is reported and broken down by program and budget category (administration, marketing, and implementation) is included in the invoice submitted to our fiscal agent, PG&E. The monthly invoices, prior to submission to PG&E, are reviewed by the subprogram leads, the BayREN program manager, and several levels within financing. ABAG has a time and materials contract with PG&E and is therefore only paid the portion of our annual budget that is invoiced. ABAG does not maintain balancing accounts for BayREN funding.

- ***Identify the EE functions that are most likely to be performed by employees who also do non-EE work (e.g. Customer Account Representatives?)***

The functions performed by employees who do non-EE work are Administration and Facilities, Technology Services, Budget and Revenue, Treasury, the Office of General Counsel, and Executive Management. These services are not charged directly to BayREN, but rather are part of the overhead charge.

- ***Are labor costs charged to EE fully loaded?***

Labor rates are fully loaded (i.e., inclusive of overhead and fringe benefits).

- ***How are burden benefit-related administrative and general (A&G) expenses for employees who work on EE programs recovered (EE rates or GRC rates)?***
*****PG&E allocates these costs to EE pursuant to a settlement agreement with MCE and TURN, which was adopted in D.14-08-032.***

Not applicable.

- ***When EE and non-EE activities are supported by the same non-labor resources, how are the costs of those resources or systems allocated to EE and non-EE activities?***

General administrative resources are allocated via the overhead rate included in all labor rates. Labor costs are charged to individual programs (BayREN or non-BayREN) as appropriate, and thus the overhead costs are spread appropriately to the individual programs.

- *Identify the EE O&M costs that are most likely to be spread to non-EE functions as well as EE, if any.*

General administrative resources are allocated via the overhead rate included in all labor rates. Labor costs are charged to individual programs (BayREN or non-BayREN) as appropriate, and thus the overhead costs are spread appropriately to the individual programs.

III. Budget Tables as directed in Ordering Paragraph 44 from D.18-05-041

a. Energy Savings Targets and Expenditures

See Appendix D

b. In-House Budget by Sector

See Appendix E, E.1, E.2, and E.3.

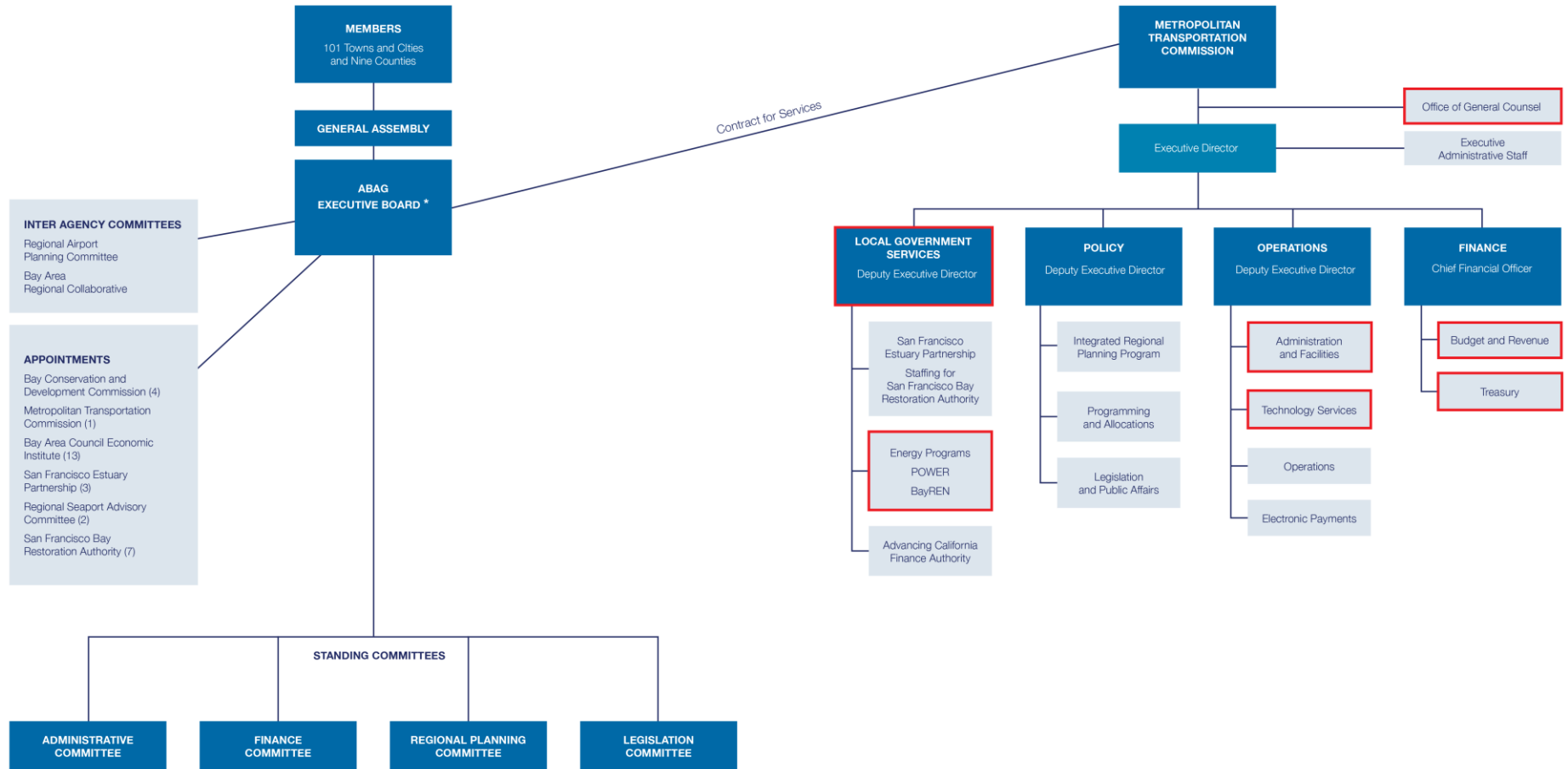
c. Solicitation Schedule

BayREN completed several procurements in 2019 and does not anticipate any solicitations in 2020.

Appendix A – ABAG/MTC Governance Structure and Consolidated Organizational Chart

GOVERNANCE CHART

CONSOLIDATED ORGANIZATIONAL CHART



* Advises the Executive Board and Commission directly

Appendix A.1 – Summary Department and Function Descriptions

Department	Function Description	Primary Representative Functional Group(s)
Executive Board	Policy guidance, procurement review, ultimate decision authority and oversight.	Planning and Compliance
Executive Office	Policy review, approval of contracts and senior staff decision maker.	All
Office of General Counsel	Review of contracts and other legal documents.	Agency Regulatory Support
Energy	This department performs the majority of tasks for BayREN, including program and portfolio management, invoice review and approval, coordination with PG&E, CCAs, local Energy Watch programs, and other stakeholders. This list is not exhaustive.	Policy, Strategy, and Regulatory Reporting Compliance; Program Management; Portfolio Analytics; Contract Management
Budget and Revenue	Invoice review and submittal; preparation of ABAG internal review and budgeting, audit compliance, etc.	Contract Management
Treasury	Initiate and verify electronic funds transfers, monthly bank reconciliation, and fiscal management.	Contract Management
Technology Services	Website management	IT – Project Specific; IT – Regular O&M

Appendix A.2 – Summary Personnel Descriptions

Department	Representative Positions	Function Description
Energy Programs	Assistant Director, Energy Programs Manager	Manager for all energy programs. Provides guidance and assistance with regulatory compliance and program oversight. Develops internal and portfolio budgets. Responsible for administrative tasks for the entire BayREN portfolio.
Energy Programs	Program/Project Manager	Sub program oversight. Tasks include policy, strategy and regulatory compliance; and overall program management.
Energy Programs	Energy Programs Coordinator	Provides administrative support to Program Managers and Assistant Director.
Budget and Revenue	Accountant / Accounting Specialist	Invoice preparation, review and submittal; preparation of ABAG internal review and expense monitoring, audit compliance, etc.
Budget and Revenue	Accounting Supervisor	Prepare financial reporting and budget preparation/review.
Treasury	Financial Analyst	Initiate and verify electronic fund transfers.
Office of General Counsel	General Counsel	Review of contracts and other legal documents relating to BayREN.
Executive Office	Deputy Executive Director	Provide strategy of section within agency; overall managerial tasks.
Technology Services	Webmaster	Website management.
Administration and Facilities	Contracts Analyst / Specialist	Review of contracts and oversight of BayREN procurement.

Appendix B – Energy Efficiency Full Time Equivalent Headcount by Functional Group

Functional Group	2018 EE Portfolio FTE	2020 EE Portfolio FTE
Policy, Strategy, and Regulatory Reporting Compliance	1.05	1.30
Program Management	2.24	2.60
Engineering Services	0.00	0.00
Customer Application/Rebate/Incentive Processing	0.00	0.00
Customer Project Inspections	0.00	0.00
Portfolio Analytics	0.00	0.00
EM&V	0.00	0.00
ME&O	0.00	0.00
Account Management / Sales	0.00	0.00
IT	0.00	0.00
Call Center	0.00	0.00
Total	3.29	3.90

Appendix C – Function Definitions

Aggregated Category	Definition	Functional Category	Detailed Definition
Policy, Strategy, and Regulatory Reporting Compliance	Includes policy, strategy, compliance, audits and regulatory support	Planning and Compliance	DSM Goal Planning; lead legislative review/positioning; policy support on reg proceedings; portfolio optimization; end use-market strategy; DSM lead for PRP, DRP, ES; locational targeting; audit support; SOX certifications; developing control plans; developing action plans; continuous monitoring; inspections; program/product QA/QC; decision compliance oversight/tracking; data requests; policies & procedures
		Company Regulatory Support	Case management for EE proceedings
Program Management	Includes labor, contracts, admin costs for program design, program implementation, product and channel management for all sectors	Program Management & Delivery	Market Segment & Locational Resource programs; Business Core & Finance Programs; Large Power DR Programs; Non-Res HVAC & Technical Services; Program Integration & Optimization; Residential EE & DR Programs (incl. Res HVAC QI); IQP & Economic Assistance Programs; Mass Market DR Programs; Education & Information Products & Services; Energy Leader Partnerships; Institutional & Federal Partnerships; REN Coordination; Strategic Plan Support; Energy/Water Program Mgt; Service Level Agreement Tracking
		Product Management	Manage end-to-end new products and services (P&S) intake, evaluation, and launch process; develop and facilitate P&S governance teams, coordination of all sub-process owners, stakeholders, and technical resources required to evaluate and launch new products; evaluate and launch new services and OOR opportunities; develop external partnerships & strategic alliances; work with various companies and associations to help advance standards, products, and tech.; work with external experts to help reduce SCE costs to deliver new prog. and products; develop and launch new customer technologies, products, services for residential and business customers; conduct customer pilots of new technologies and programs; lead customer field demonstrations of new technologies and products; align new P&S to savings programs/incentives; develop new programs/incentives in support of savings goals
		Channel Management	
		Contract Management	Budget forecasting, spend tracking, invoice processing, and contract management with vendors and suppliers; Regulatory support for ME&O activities
Engineering Services	Includes engineering, project management, and contracts associated with workpaper development and pre/post sales project technical reviews and design assistance	Custom Project Support	Management of Emerging Products projects; Customized reviews; LCR/RFO support; Ex-ante review management; Technical policy support; Technical assessments; Workpapers; Tool development; End use subject matter expertise
		Deemed Workpapers	
		Project Management	
Customer Application/Rebate and Incentive Processing	Costs associated with application management and rebate and incentive processing (deemed and custom)	Rebate & Application Processing	
Inspections	Costs associated with project inspections	Inspections	
Portfolio Analytics	Includes analytics support, including internal performance reporting and external reporting	Data Analytics	Data development for programs, products and services; Standard and ad hoc data extracts for internal and external clients ; Database management; CPUC, CAISO reporting; Data reconciliation; E3 support ; Compliance filing support; Funding Oversight; ESPI support; Program Results Data & Performance
EM&V	EM&V expenditures	EM&V Studies	Program and product review; manage evaluation studies
		EM&V Forecasting	EE lead for LTPP and IEPR; market potential study; integration w/ procurement planning; CPUC Demand Analysis Working Group
ME&O	Costs associated with utility EE marketing; no statewide; focus on outsourced portion	Marketing	Customer Programs, Products, and Services Marketing; Digital Product Development; Digital Content & Optimization
		Customer Insights	Voice of the Customer; Customer satisfaction study measurement and analysis (JD Power, SDS); Customer testing/research
Account Management / Sales	Costs associated with account rep energy efficiency sales functions	Account Management	
IT	IT project specific costs and regular O&M	IT – Project Specific	Projects and minor enhancements. Includes project management/business integration ("PMO/BID"). Excluded: maintenance (which SCE defines as when something goes down, normal batch processing, verifying interfaces, etc.).
		IT – Regular O&M	
Call Center	Costs associated with call center staff fielding EE program questions	Call Center	
Incentives	Costs of rebate and incentive payments to customers	Incentives	

Appendix D– Energy Savings Targets and Expenditures by Sector

Sector	2018 EE Portfolio Expenditures (\$Million)				2020 EE Portfolio Budget Request (\$Million)				2018 EE Portfolio Savings			2020 EE Portfolio Forecasted Savings		
	Labor	Non-Labor (excl. Incentives)	Incentives	Total	Labor	Non-Labor (excl. Incentives)	Incentives	Total	kWh	kW	Mtherms	kWh	kW	Mtherms
Residential	\$0.575	\$6.109	\$8.497	\$15.181	\$0.650	\$9.076	\$8.130	\$17.856	2,016,076	850	242,668	2,477,253	685	245,521
Commercial	\$0.050	\$0.276	\$0.000	\$0.326	\$0.050	\$1.972	\$1.387	\$3.410	0	0	0	5,257,840	196	16,742
Agricultural														
Industrial														
Public (GP)														
Cross Cutting ¹	\$0.294	\$0.901	\$0.000	\$1.195	\$0.344	\$1.173	\$0.000	\$1.517	0	0	0	0	0	0
Total Sector Budget	\$0.918	\$7.286	\$8.497	\$16.701	\$1.044	\$12.221	\$9.517	\$22.782	2,016,076	850	242,668	7,735,092	881	262,263
EM&V-PA	\$0.000	\$0.149	\$0.000	\$0.149	\$0.000	\$0.271	\$0.000	\$0.271	-	-	-	-	-	-
EM&V-ED														
OBF - Loan Pool ²														
EE Total	\$0.918	\$7.435	\$8.497	\$16.850	\$1.044	\$12.492	\$9.517	\$23.053	2,016,076	850	242,668	7,735,092	881	262,263

Notes:

Numbers presented are rounded to the nearest dollar and may not add up precisely to the totals indicated.

¹ Cross Cutting sector includes Codes & Standards, Emerging Technologies, Workforce Education & Training, Financing.

² For SDG&E and SCG the loan pool is not part of the authorized EE portfolio budget and is collected and tracked through a separate balancing account.

Appendix E – Energy Efficiency Costs by Functional Group (Portfolio)

Sector	Cost Element	Functional Group	EE Portfolio Expenditures (\$Million)	
			2018	2020
Portfolio	Labor ¹	Policy, Strategy, and Regulatory Reporting Compliance	\$0.31	\$0.34
		Program Management	\$0.61	\$0.70
		Engineering services	\$0.00	\$0.00
		Customer Application/Rebate/Incentive Processing	\$0.00	\$0.00
		Customer Project Inspections	\$0.00	\$0.00
		Portfolio Analytics	\$0.00	\$0.00
		ME&O (Local)	\$0.00	\$0.00
		Account Management / Sales	\$0.00	\$0.00
		IT	\$0.00	\$0.00
		Call Center	\$0.00	\$0.00
	Labor Total		\$0.92	\$1.04
	Non-Labor	Third-Party Implementer (as defined per D.16-08-019, OP 10)	\$0.00	\$0.00
		Local/Government Partnerships Contracts ³	\$0.00	\$0.00
		Other Contracts	\$0.00	\$0.00
		Program Implementation ⁴	\$5.49	\$8.09
		Policy, Strategy, and Regulatory Reporting Compliance	\$0.14	\$0.40
		Program Management	\$1.65	\$3.73
		Engineering services	\$0.00	\$0.00
		Customer Application/Rebate/Incentive Processing	\$0.00	\$0.00
		Customer Project Inspections	\$0.00	\$0.00
		Portfolio Analytics	\$0.00	\$0.00
		ME&O (Local)	\$0.00	\$0.00
		Account Management / Sales	\$0.00	\$0.00
		IT	\$0.00	\$0.00
		Call Center	\$0.00	\$0.00
		Facilities	\$0.00	\$0.00
		Incentives--(PA-implemented and Other Contracts Program Implementation) Programs	\$8.50	\$9.52
		Incentives--Third Party Program (as defined per D.16-08-019, OP 10)	\$0.00	\$0.00
	Non-Labor Total		\$15.78	\$21.74
Portfolio Total			\$16.70	\$22.78
	Other (collected through GRC) ²	Labor Overheads		

Notes:

Programs Included: BayREN02, BayREN03, BayREN04, BayREN06, BayREN07, and BayREN08.

¹ Labor costs are already loaded with (state loaders covered by EE).

² These costs are collected through GRC (state current applicable decision).

³ LGP contracts that directly support the sector is included/not included in this item.

⁴ BayREN assumes "Program Implementation" is inclusive of all program elements (i.e. marketing & outreach, program management, incentive processing, etc.) and represents the prime contract for all program implementation services.

Appendix E.1 – Energy Efficiency Costs by Functional Group (Residential)

Sector	Cost Element	Functional Group	EE Portfolio Expenditures (\$Million)	
			2018	2020
Residential	Labor ¹	Policy, Strategy, and Regulatory Reporting Compliance	\$0.23	\$0.26
		Program Management	\$0.34	\$0.39
		Engineering services	\$0.00	\$0.00
		Customer Application/Rebate/Incentive Processing	\$0.00	\$0.00
		Customer Project Inspections	\$0.00	\$0.00
		Portfolio Analytics	\$0.00	\$0.00
		ME&O (Local)	\$0.00	\$0.00
		Account Management / Sales	\$0.00	\$0.00
		IT	\$0.00	\$0.00
		Call Center	\$0.00	\$0.00
	Labor Total		\$0.57	\$0.65
	Non-Labor	Third-Party Implementer (as defined per D.16-08-019, OP 10)	\$0.00	\$0.00
		Local/Government Partnerships Contracts ³	\$0.00	\$0.00
		Other Contracts	\$0.00	\$0.00
		Program Implementation ⁴	\$4.81	\$7.24
		Policy, Strategy, and Regulatory Reporting Compliance	\$0.06	\$0.09
		Program Management	\$1.16	\$1.74
		Engineering services	\$0.00	\$0.00
		Customer Application/Rebate/Incentive Processing	\$0.00	\$0.00
		Customer Project Inspections	\$0.00	\$0.00
		Portfolio Analytics	\$0.00	\$0.00
		ME&O (Local)	\$0.00	\$0.00
		Account Management / Sales	\$0.00	\$0.00
		IT	\$0.00	\$0.00
		Call Center	\$0.00	\$0.00
		Facilities	\$0.00	\$0.00
		Incentives--(PA-implemented and Other Contracts Program Implementation) Programs	\$8.50	\$8.13
		Incentives--Third Party Program (as defined per D.16-08-019, OP 10)	\$0.00	\$0.00
	Non-Labor Total		\$14.53	\$17.21
Residential Total			\$15.10	\$17.86
	Other (collected through GRC) ²	Labor Overheads		

Notes:

Programs Included: BayREN02, BayREN04, BayREN07 and BayREN08.

¹ Labor costs are already loaded with (state loaders covered by EE).

² These costs are collected through GRC (state current applicable decision).

³ LGP contracts that directly support the sector is included/not included in this item.

⁴ BayREN assumes "Program Implementation" is inclusive of all program elements (i.e. marketing & outreach, program management, incentive processing, etc.) and represents the prime contract for all program implementation services.

Appendix E.2 – Energy Efficiency Costs by Functional Group (Commercial)

Sector	Cost Element	Functional Group	EE Portfolio Expenditures (\$Million)		
			2018	2020	
Commercial	Labor ¹	Policy, Strategy, and Regulatory Reporting Compliance	\$0.02	\$0.02	
		Program Management	\$0.03	\$0.03	
		Engineering services	\$0.00	\$0.00	
		Customer Application/Rebate/Incentive Processing	\$0.00	\$0.00	
		Customer Project Inspections	\$0.00	\$0.00	
		Portfolio Analytics	\$0.00	\$0.00	
		ME&O (Local)	\$0.00	\$0.00	
		Account Management / Sales	\$0.00	\$0.00	
		IT	\$0.00	\$0.00	
		Call Center	\$0.00	\$0.00	
		Labor Total		\$0.05	\$0.05
		Non-Labor	Third-Party Implementer (as defined per D.16-08-019, OP 10)	\$0.00	\$0.00
	Local/Government Partnerships Contracts ³		\$0.00	\$0.00	
	Other Contracts		\$0.00	\$0.00	
	Program Implementation ⁴		\$0.00	\$0.01	
	Policy, Strategy, and Regulatory Reporting Compliance		\$0.04	\$0.25	
	Program Management		\$0.27	\$1.71	
	Engineering services		\$0.00	\$0.00	
	Customer Application/Rebate/Incentive Processing		\$0.00	\$0.00	
	Customer Project Inspections		\$0.00	\$0.00	
	Portfolio Analytics		\$0.00	\$0.00	
	ME&O (Local)		\$0.00	\$0.00	
	Account Management / Sales	\$0.00	\$0.00		
IT	\$0.00	\$0.00			
Call Center	\$0.00	\$0.00			
Facilities	\$0.00	\$0.00			
Incentives--(PA-implemented and Other Contracts Program Implementation) Programs	\$0.00	\$1.39			
Incentives--Third Party Program (as defined per D.16-08-019, OP 10)	\$0.00	\$0.00			
Non-Labor Total		\$0.32	\$3.36		
Commercial Total			\$0.37	\$3.41	
	Other (collected through GRC) ²	Labor Overheads			

Notes:

Programs Included: BayREN06.

¹ Labor costs are already loaded with (state loaders covered by EE).

² These costs are collected through GRC (state current applicable decision).

³ LGP contracts that directly support the sector is included/not included in this item.

⁴ BayREN assumes "Program Implementation" is inclusive of all program elements (i.e. marketing & outreach, program management, incentive processing, etc.) and represents the prime contract for all program implementation services.

Appendix E.3 – Energy Efficiency Costs by Functional Group (Cross Cutting)

Sector	Cost Element	Functional Group	EE Portfolio Expenditures (\$Million)	
			2018	2020
Cross-Cutting	Labor ¹	Policy, Strategy, and Regulatory Reporting Compliance	\$0.02	\$0.02
		Program Management	\$0.03	\$0.03
		Engineering services	\$0.00	\$0.00
		Customer Application/Rebate/Incentive Processing	\$0.00	\$0.00
		Customer Project Inspections	\$0.00	\$0.00
		Portfolio Analytics	\$0.00	\$0.00
		ME&O (Local)	\$0.00	\$0.00
		Account Management / Sales	\$0.00	\$0.00
		IT	\$0.00	\$0.00
		Call Center	\$0.00	\$0.00
	Labor Total		\$0.05	\$0.05
	Non-Labor	Third-Party Implementer (as defined per D.16-08-019, OP 10)	\$0.00	\$0.00
		Local/Government Partnerships Contracts ³	\$0.00	\$0.00
		Other Contracts	\$0.00	\$0.00
		Program Implementation ⁴	\$0.00	\$0.01
		Policy, Strategy, and Regulatory Reporting Compliance	\$0.04	\$0.25
		Program Management	\$0.27	\$1.71
		Engineering services	\$0.00	\$0.00
		Customer Application/Rebate/Incentive Processing	\$0.00	\$0.00
		Customer Project Inspections	\$0.00	\$0.00
		Portfolio Analytics	\$0.00	\$0.00
		ME&O (Local)	\$0.00	\$0.00
		Account Management / Sales	\$0.00	\$0.00
		IT	\$0.00	\$0.00
		Call Center	\$0.00	\$0.00
		Facilities	\$0.00	\$0.00
		Incentives--(PA-implemented and Other Contracts Program Implementation) Programs	\$0.00	\$1.39
		Incentives--Third Party Program (as defined per D.16-08-019, OP 10)	\$0.00	\$0.00
	Non-Labor Total		\$0.32	\$3.36
Cross-Cutting Total			\$0.37	\$3.41
	Other (collected through GRC) ²	Labor Overheads		

Notes:

Programs Included: BayREN03.

¹ Labor costs are already loaded with (state loaders covered by EE).

² These costs are collected through GRC (state current applicable decision).

³ LGP contracts that directly support the sector is included/not included in this item.

⁴ BayREN assumes "Program Implementation" is inclusive of all program elements (i.e. marketing & outreach, program management, incentive processing, etc.) and represents the prime contract for all program implementation