Central Coast LEAP

Meeting the Moment: Building Inclusive Energy Action Across the Central Coast

June 13, 2023

Getting to Know You

1. Which sector do you represent?
2. Which region do you represent?
3. Table activity
    a. If you weren't in energy/the field you are in today, what would you be doing?
    b. What is one of your energy/sustainability priorities?

Where we begin: PG&E Local Government Partnerships

- What are PG&E Local Government Partnerships?
- Why were they established?
- Market support programs
  - Regional challenges and innovations
- Key partners and stakeholders
- Benefits of energy efficiency investments

What are Local Government Partnerships?

PG&E's Local Government Partnerships (LGPs) are collaborations with public entities that shape energy efficiency and sustainability at the local, regional, and statewide level. These partnerships aim to meet the needs of local and state government, schools, and educational institutions to offer comprehensive solutions that are flexible, innovative, and a reflection of the communities' needs.

Origins of Local Government Partnerships (LGPs)

- In 1992, the City of Irvine, Southern California Edison, and The Energy Coalition formed the first city-utility energy efficiency partnership, the Irvine Energy Efficiency Initiative (IEEI)
- By the early 2000s, the CPUC approved funding for each California investor-owned utility to build a portfolio of partnerships with local governments to promote energy efficiency
- Today, PG&E's LGPs serve 32 counties, delivering a pipeline of ~12,000,000 kWh of energy savings to communities since 2021

Benefits of LGPs and investing in energy efficiency

- In March of this year, the CPUC wrapped up an assessment of LGP programs, noting the high value of programs that connect local governments with someone knowledgeable about energy efficiency (EE) and available funding and financing resources (Source)
- Also hot off the press, the CPUC's 2023 Energy Efficiency Potential and Goals Study cites significant opportunities across all sectors to reduce electricity and natural gas use across the state, in turn reducing the costs and emissions associated with increased energy demand and supply costs (Source)

Through innovative programs and partnerships, local governments can lead the way!

Regional EE Barriers and Innovations

- Tailoring messaging to better reach customers where they are
  - WhatsApp Groups
  - Community development agencies
  - In-language materials
  - Virtual or in-person
- Piloting new technologies for the market
  - Heat pump water heaters
  - Induction cooktops
  - Heat pump HVAC

Introducing CC-LEAP

Central Coast Leaders in Energy Action Program

CC-LEAP provides customized project management, engineering and financing support.

They are a resource hub for public agencies and businesses to get help identifying and implementing cost-effective energy retrofits that save money and energy.

CC-LEAP Geographic Region: PG&E service territory within San Luis Obispo, Santa Barbara, and San Benito Counties

Tailored programs to meet regional energy needs

- Newly expanded service territory
- Newly supported sector (commercial)
- Serving customers of San Benito County

CC-LEAP launched in 2020 as a centralized resource hub for energy projects

Central Coast LEAP

Project Identification
Benchmarking & energy analysis

Audit
Project proposals & application support

Design & Procurement
Scope of work & supportive services

Construction
Support coordination & submittal review

Hand-off
Closeout activities and celebrate success!

Our Objective: Help public agencies save money and energy through energy retrofits

CC-LEAP Services

Benchmarking Support

Customized facility benchmarking in ENERGY STAR Portfolio Manager®

Energy Project Technical Support

Energy-efficiency audits and scope of work support

Financing Support

Incentive and On-Bill Financing (OBF) application support

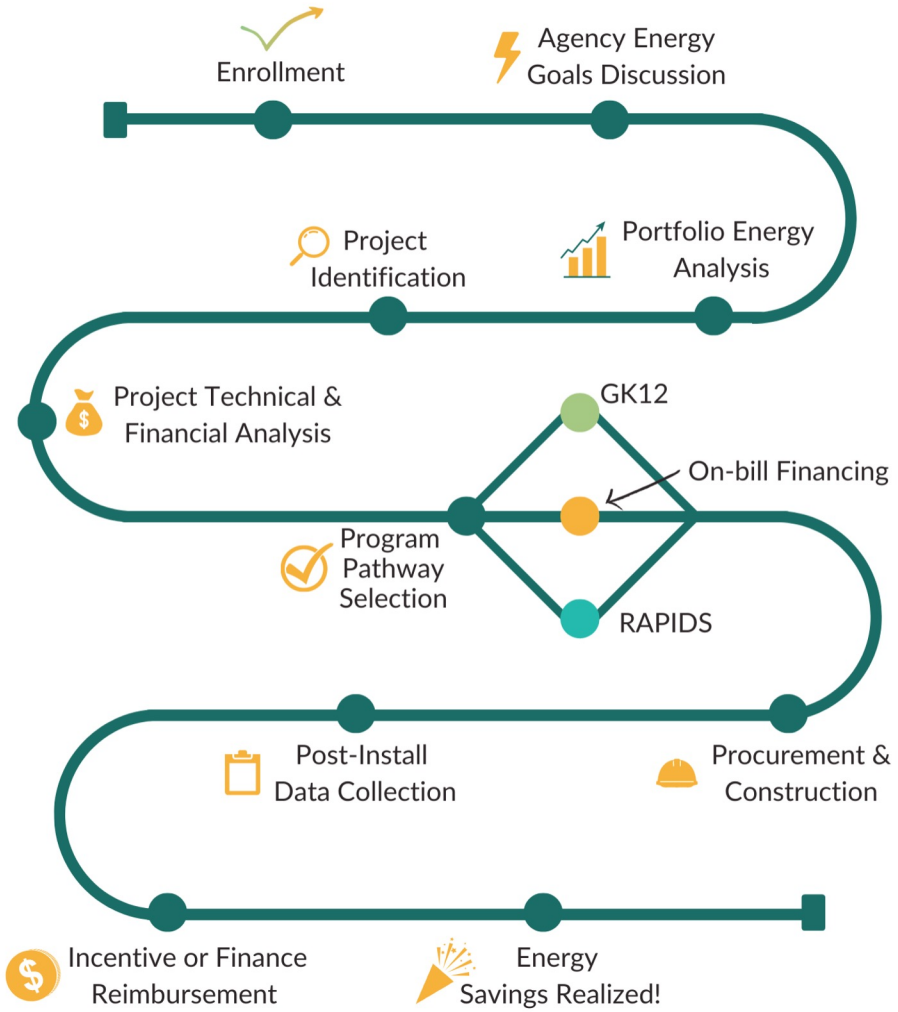
Construction Support

Project management and guidance on the best energy resources for you

Over time, CC-LEAP has worked to combine a structured project development model with regionally-tailored solutions to alleviate barriers and meet the needs of each unique agency

Regional consideration: limited staff and capital resources for energy efficiency upgrades

Innovation: A dedicated project manager guides customers through the complex program landscape, tailoring a custom program pathway for each project

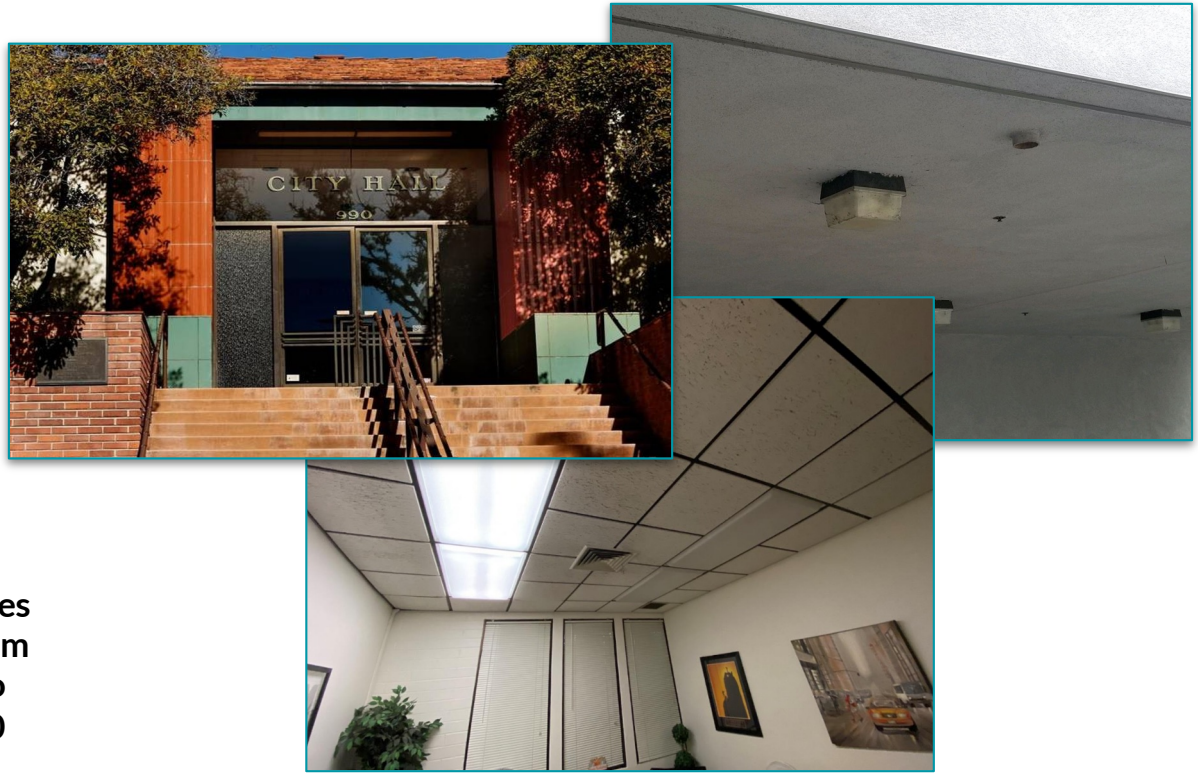


Regional consideration: smaller public sector facilities along the Central Coast

Innovation: Supporting locally impactful projects, big and small

CC-LEAP aims to free up public resources through energy cost savings. Every project supported delivers local benefits through reduced energy costs.

CC-LEAP supports projects at facilities of all sizes, ensuring all public agencies have access to no-cost energy efficiency support.

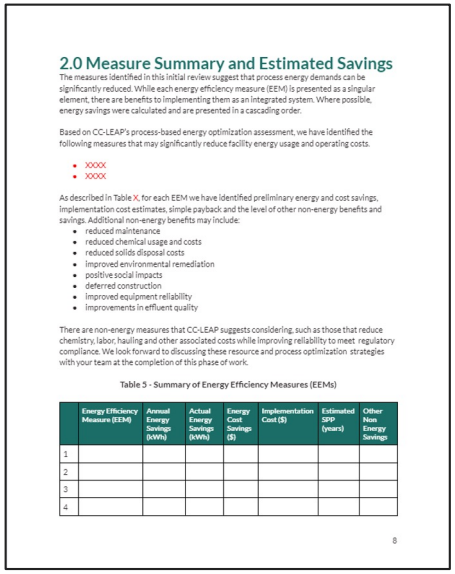


$1.4 million in financing applications supported

Project sizes ranging from $6,000 to $250,000

Innovation: Targeted services to small water & wastewater districts to identify impactful projects

Custom **Energy Action Plans** to identify cost-effective facility upgrades and available incentive opportunities



2.0 Measure Summary and Estimated Savings

The measures identified in this initial review suggest that process energy demands can be significantly reduced. While each energy efficiency measure (EEM) is presented as a singular element, there are benefits to implementing them as an integrated system. Where possible, energy savings were calculated and are presented in a cascading order.

Based on CC-LEAP's process-based energy optimization assessment, we have identified the following measures that may significantly reduce facility energy usage and operating costs.

- XXXX
- XXXX

As described in Table X, for each EEM we have identified preliminary energy and cost savings, implementation cost estimates, simple payback and the level of other non-energy benefits and savings. Additional non-energy benefits may include:

- reduced maintenance
- reduced chemical usage and costs
- reduced solids disposal costs
- improved environmental remediation
- positive social impacts
- deferred construction
- improved equipment reliability
- improvements in effluent quality

There are non-energy measures that CC-LEAP suggests considering, such as those that reduce chemistry, labor, hauling and other associated costs while improving reliability to meet regulatory compliance. We look forward to discussing these resource and process optimization strategies with your team at the completion of this phase of work.

Table 5 - Summary of Energy Efficiency Measures (EEMs)

	Energy Efficiency Measure (EEM)	Annual Energy Savings (kWh)	Actual Energy Savings (kWh)	Energy Cost Savings ($)	Implementation Cost ($)	Estimated SPP (years)	Other Non Energy Savings
1							
2							
3							
4							

8

Regional water and wastewater energy efficiency **working group meetings** and webinars

CC-LEAP Project Manager Tyler Aguirre and City of San Luis Obispo Wastewater Deputy Director Chris Lehman present on energy efficiency opportunities in the wastewater sector.

Regional consideration: Local Government Partnership territory coverage

Innovation: CC-LEAP leverages regional partnerships to expand into San Benito County

- A customized outreach approach
  - Regional partnerships with trusted local entities
- Tailored service delivery and support
  - Serving both public agencies and small businesses
  - Customized deliverables to identify project opportunities

A representative from the San Benito County Clerk Recorder's office during an energy site scan

Regional consideration: Overlapping utility service and public sector electrification

Innovation: Close coordination with utilities and program implementers unlocks electrification funding for split-utility customers

- High incentives available for electrification projects, but eligibility for split-utility customers remained uncertain
- CC-LEAP, PG&E, Willdan, and the City of San Luis Obispo partnered to pilot a City-wide heat pump water heater electrification project in a split-utility region

As a result of successful coordination, split-utility public agency customers receiving electricity service from PG&E can now receive incentives for electrification measures through PG&E's Government & K12 Energy Efficiency Program

Key takeaway: evolve services to meet the needs of each individual customer

- No one-size-fits-all approach to energy efficiency and climate action
- **Most valuable services, according to our partner agencies**
  - On-Bill Financing (OBF) application assistance
  - Energy efficiency audits
  - AB 802 benchmarking compliance and energy management services
  - Project identification and management through project lifecycle - acting as an “extension of staff” to help navigate the evolving energy programs landscape

About San Luis Obispo County

About San Luis Obispo County

- California rural county: 86 people/square mile vs 254 people/square mile
- ~284,000 people
- Per capita income: ~$41k
- Average home price: ~$992k

About the County of San Luis Obispo

- Approximately 3,000 staff across 24 departments
- Energy
  - Planning and Building:
    - Administering the Tri-County Regional Energy Network (3C-REN)
    - Diablo Nuclear Power Plant decommissioning
  - Public Works
    - One staff member focusing on managing County's energy use

County San Luis Obispo's Energy Profile

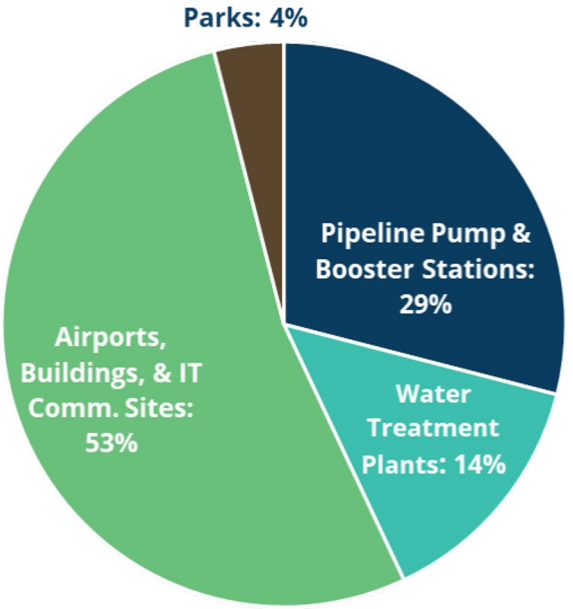
Asset Types

- **4** pipeline pump and booster stations
- **4** water treatment plants
- **167** buildings
- **16** communication sites
- **2** airports
- **27** parks

Energy Use

- Electricity: ~28.9 M kWh per year
- Natural gas: ~366,000 therms per year

Energy Use by Asset Type



Energy Goals

"Percent of electricity derived from renewable sources at County-owned facilities and infrastructure"

Project Drivers & Priorities

- Cost reduction/stabilization
- Time-sensitive opportunities
- Ability to leverage no-cost services
- Operational efficiencies

SWARM

Small Workplace Automation & Remote Monitoring

Project Approaches

Successes

Trust in a company/organization

Ability to form long-term relationships

Unique funding opportunities

Challenges

Large, multi-department capital projects/overlapping FCA scopes

External stakeholder groups

No CAP/GHG reduction goals driving specific project types

Uniqueness of funding sources

Conceptual barriers to project comprehension

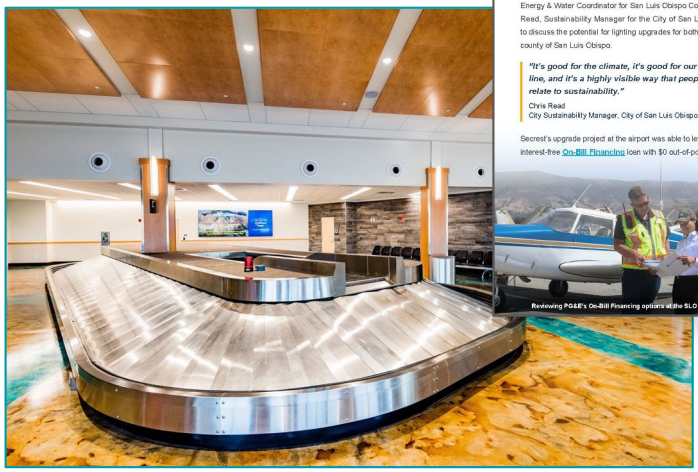
Case Study: San Luis Obispo Regional Airport

Project drivers: Cost reduction/stabilization, ability to leverage no-cost services

- 120 high-efficiency exterior LEDs installed
- Over 2.5 million kWh in lifetime energy savings
- 5-year project payback
- $0 out of pocket cost
- $40,000 annual savings

Partnership services leveraged:

- Energy efficiency audit
- Customized financial analysis
- Financing application support
- Start-to-finish project management



PG&E

Local Government Partnership Helps San Luis Obispo Shine

As part of the Central Coast Leaders in Energy Action Program (CC-LEAP), PG&E has been partnering with local governments in California for energy efficiency projects — and has produced some illuminating results for the city and county of San Luis Obispo.

After initial energy assessments, CC-LEAP noticed the outdated lighting equipment at the San Luis Obispo County Regional Airport, City Hall, and City Fire Station #1. As with most old equipment, it was driving up energy usage for the city and county, leading to high energy costs. The agency contacted PG&E and Annie Secrest, Energy & Water Coordinator for San Luis Obispo County, and Chris Read, Sustainability Manager for the City of San Luis Obispo, to discuss the potential for lighting upgrades for both the city and county of San Luis Obispo.

"It's good for the climate, it's good for our bottom line, and it's a highly visible way that people can relate to sustainability."

Chris Read
City Sustainability Manager, City of San Luis Obispo

Secrest's upgrade project at the airport was able to leverage an interest-free On-Bill Financing loan with $0 out-of-pocket cost.

Reviewing PG&E's On-Bill Financing options at the SLO county airport

Savings by the numbers

AIRPORT
210,823 kWh EST. ANNUAL SAVINGS
5 YEARS PAYBACK TIME
$0 OUT-OF-POCKET EXPENSE

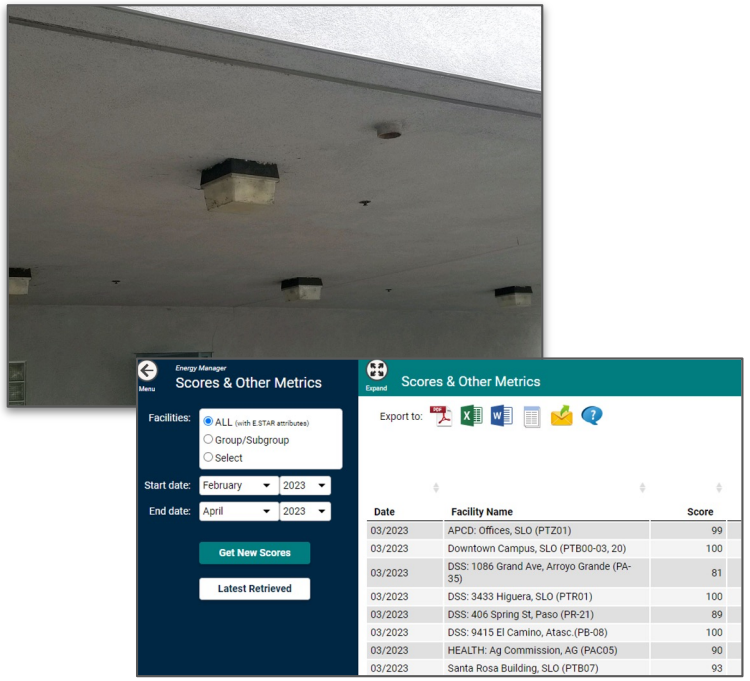
CITY HALL
44,609 kWh EST. ANNUAL SAVINGS
10 YEARS PAYBACK TIME
$0 OUT-OF-POCKET EXPENSE

FIRE STATION
40,201 kWh EST. ANNUAL SAVINGS
9 YEARS PAYBACK TIME
$0 OUT-OF-POCKET EXPENSE

Trust brings more opportunities

Other partnership endeavors:

- Third-party audit review
- AB-802 compliance *(project driver: ability to leverage no-cost services)*
- Sheriff's substation lighting project *(project drivers: cost reduction/stabilization, ability to leverage no-cost services, operational efficiencies)*
- A County-wide heat pump water heater upgrade *(project drivers: Cost reduction/stabilization, time-sensitive opportunities, ability to leverage no-cost services)*
- Process optimization audit via RAPIDS program at Los Osos Water Recycling Plant *(project driver: cost reduction/stabilization, ability to leverage no-cost services, operational efficiencies)*



"The key to successfully converting projects in the public sector is taking a long-term perspective. Projects originate from the time spent building and maintaining relationships with public agencies. Credibility with public agencies is the currency LGPs use to convince these agencies to pursue EE opportunities." ***CPUC Year 3 Assessment of Local Government Partnerships***

What's next?

The usual, plus…

SWARM

EV Planning

3C-REN

Offshore Wind

Diablo

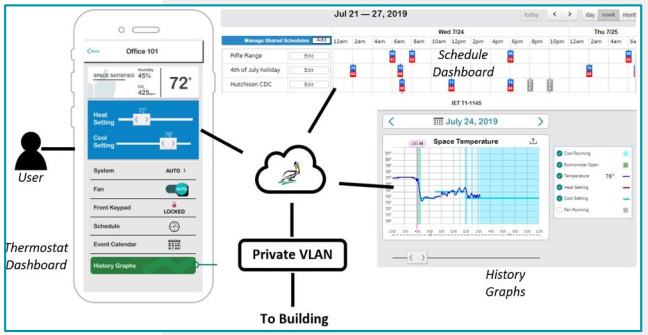


Image: UC-Davis

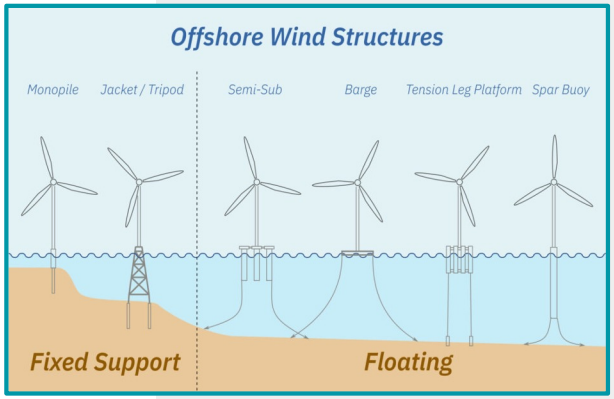


Image: SDC Verifier

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Additional Resources

Energy efficiency funding and financing programs leveraged by CC-LEAP projects

- Utility On-Bill Financing: Bill-neutral financing mechanism to repay energy efficiency projects through energy cost savings directly on the customer's utility bill. Can be paired with incentives or pursued as a standalone resource.
- Government & K12 Schools Energy Efficiency Program: provides incentives and technical assistance for a wide variety of energy efficiency measures, including lighting, HVAC, building controls, and electrification upgrades.
- RAPIDS Wastewater Treatment Optimization: provides incentives and energy management solutions for wastewater treatment plants
- Energy Efficiency and Conservation Block Grant (EECBG): Over $500 million in funding is available in the form of formula allocations to local governments for the implementation of energy efficiency projects.

Thank you!

Central Coast LEAP

Ivana Dorin
idorin@energycoalition.org

Lindsey Tillisch
L2T4@pge.com

Rachel Pennington
rpennington@energycoalition.org

Annie Secrest
ASecrest@co.slo.ca.us