

May 15, 2023

**Advice 4754-G/6943-E**

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: PG&E Multifamily Energy Savings Program Closure Request****Purpose**

Pursuant to California Public Utilities Commission (“Commission” or “CPUC”) Decision (“D.”) D.21-05-031, Pacific Gas and Electric Company (PG&E) submits this following Advice Letter (“AL”) to notify the Commission of PG&E’s request to close the Multifamily Energy Savings Program (“MESP” or “the Program”).

**Background**

The Commission authorized PG&E’s Multifamily Energy Savings Program (MESP) in October 2020.<sup>1</sup> PG&E issued a request for proposals (“RFP”) consistent with Commission guidance<sup>2</sup> to implement a multifamily residential program in June 2019. PG&E received 14 bids and contracted with TRC as the implementer.

TRC launched MESP in January 2021. In 2021, MESP focused on remote customer outreach by engaging with PG&E’s Business Energy Solutions team and participants in the industry (for example, homeowners’ associations and assisted living facilities). MESP’s goal is to deliver cost-effective and persistent energy savings for multifamily properties. The program continued building out the pipeline of projects and implementation in 2022 and achieved therms savings goals through the domestic hot water loop measure.

However, due to the lack of kilowatt (kW) and kilowatt hour (kWh) savings throughout 2021 and 2022, as well as a 2023 pipeline that will not meet program savings goals, PG&E is planning to close the MESP program to new enrollments on June 1, 2023. TRC expects that projects already in the program pipeline will be completed by July 2023.

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<sup>1</sup> PG&E Advice Letter 4285-G/5895-E

<sup>2</sup> D.18-01-004D

PG&E followed the program closure guidelines provided by Commission staff<sup>3</sup> on December 31, 2021, including the following requirements:

- PG&E notified the program implementer, TRC, of the intended program closure on February 23, 2023;
- PG&E notified service list R.13-11-005 of requested program closure on March 31, 2023, at least 45 days prior to the filing of this Advice Letter.
- PG&E hosted a public webinar soliciting stakeholder input, detailing justifications for program closure and providing information on proposed next steps on April 21, 2023, at least 20 days prior to the filing of this Advice Letter.

## **Discussion**

### **A. Program Description**

The Multifamily Energy Savings Program (MESP) provides property owners EE upgrade services for multifamily buildings of five units or greater throughout PG&E's service territory. The program provides end-to-end program implementation services, including marketing, outreach, engineering, operations, customer service, data management, and reporting.

### **B. Justification for Closure**

MESP has not achieved its program savings goals since the start of the program. In Program Year (PY) 2021, MESP achieved 32 percent of its kWh savings goal; 11 percent of its kW savings goal; and eight percent of its therm savings goal. In PY2022, MESP achieved less than one percent of its kWh savings goal and zero percent of its kW savings goal. The program achieved 130 percent of its therm savings goal in PY2022 through installations of one measure domestic hot water loop.

For PY2023, Year to Date (YTD) actuals through March 2023 show that MESP has achieved zero percent of its kWh savings goal; zero percent of its kW savings goal; and two percent of its therm savings goal. The forecast of potential savings from the project pipeline for 2023 indicates that the program will fall short of its energy and demand savings goals in PY2023. MESP has struggled to find leads; attempts to generate new leads included PG&E granting permission to serve exceptions for multiple projects outside of the multifamily space, after confirming that these sites are not being served by any other program.

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<sup>3</sup> Energy Division Process Checklist to Energy Efficiency Program Administrators for Program Closures and Launches (12/31/2021), pursuant to Decision (D.).21-05-031, Ordering Paragraph (OP) 12, available at: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/energy-efficiency/rolling-portfolio-program-guidance/posted-program-closure-checklist-required-by-d2105031-12312021.docx>

TRC has indicated several ongoing challenges to the program. The program launched during the COVID-19 pandemic in January 2021, which limited opportunity for in-person outreach with potential property owners. After the program launched, claimable energy savings were reduced for certain program measures. The Modified Lighting Calculator also became unavailable to multifamily properties effective 2022, which eliminated custom lighting incentives for the program.

### C. Program Start Date

Customer enrollment began on January 1, 2021.

### D. Planned Program Sunset Date

The Program will close to new applications on June 1, 2023. Projects already in progress or in the program pipeline will be completed as planned, with a target completion date of June 30, 2023.

### E. Previous Three Years Program Metrics

#### a. *Budget*

<b>CPUC Cost Categories</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Administration	n/a	\$249,692	\$277,108
Marketing and Outreach	n/a	\$128,990	\$139,746
Direct Implementation Incentives and Rebates	n/a	\$2,105,675	\$2,358,356
Direct Implementation Non-Incentive	n/a	\$553,479	\$607,349
<b>Total:</b>	n/a	<b>\$3,037,836</b>	<b>\$3,382,559</b>

#### b. *Forecasted Cost-Effectiveness and Savings*

<b>Forecasted Cost-Effectiveness</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
TRC ratio	0.00	1.09	1.25
PAC ratio	0.00	1.19	1.34

<b>Forecasted Savings (Net)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
kW	0.00	133	211
kWh	0.00	2,352,620	3,280,970
therms	0.00	222,703	228,957

## F. Previous Two Years Expenditures and Claimed Savings

### a. Budget Expenditures

<b>CPUC Cost Categories</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Administration	\$37,500	\$51,169	\$201,341
Marketing and Outreach	\$15,000	\$57,537	\$102,935
Direct Implementation Incentives and Rebates	-	\$83,744	\$705,720
Direct Implementation Non-Incentive	\$130,630	\$327,927	\$776,773
<b>Total:</b>	<b>\$183,130</b>	<b>\$520,377</b>	<b>\$1,786,769</b>

### b. *Claimed Cost-Effectiveness and Savings*

<b>Claimed Cost-Effectiveness</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
TRC ratio	0.00	0.27	0.67
PAC ratio	0.00	0.30	0.72

<b>Claimed First Year Savings (Net)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
kW	0.00	16.25	0.00
kWh	0.00	154,089	7,554
therms	0.00	19,592	350,882

Given that MESP did not receive contract approval until the end of 2020<sup>4</sup> the Program forecasted for no TRC/PAC or savings in 2020.

## G. Stakeholder Feedback

PG&E served notice to the Commission service list for R.13-11-005 and subsequently hosted a public webinar regarding the MESP Program Closure on April 21, 2023. Six participants in addition to PG&E staff attended. During the webinar, PG&E provided the opportunity for stakeholder feedback and questions. PG&E received clarifying questions on the decision to close the program and shared the next steps of the program closure process, per CPUC guidance.

<sup>4</sup> PG&E Advice Letter 4285-G/5895-E, approved October 23, 2020. Per the Disposition, the program could not begin launch activities until the Implementation Plan was filed 60 days later, on December 22, 2020.

#### H. Plans to Replace the Program

There are no current plans to replace MESP. Due to ongoing challenges serving customers through programs like MESP<sup>5</sup>, PG&E recommends an assessment of the multifamily market to better understand the needs of the multifamily sector and the opportunities to serve multifamily customers in a cost-effective way.

Multifamily customers in PG&E territory are eligible to participate in several other programs, such as PG&E Energy Savings Assistance: In Unit (ESA In Unit); PG&E Energy Savings Assistance: Common Area (ESA CAM); Low Income Weatherization Program (LIWP); California Energy-Smart Homes Program; Building Initiative for Low-Emissions Development (BUILD); ESA – Multifamily Whole Building; ESA – Multi Family Housing and Small Business EV Charger program; PG&E Self Generation Incentive Program (SGIP); Solar on Multifamily Affordable Housing (SOMAH); WatterSaver; Home Energy Checkup; and Energy Action Guide.

Additionally, Community Choice Aggregators (CCAs) and Regional Energy Networks (RENs) also have their own multifamily programs that can serve this sector in their respective territories. BAYREN has Bay Area Multifamily Building Enhancements (BAMBE). Tri-County REN (3C-REN) has Multifamily Home Energy Savings (MHES); Marin Clean Energy (MCE) has Multifamily Energy Savings Program (MFES) and Multifamily Residential Strategic Energy Management (SEM). Leads that come in for multifamily projects will be referred to the PG&E Single Point of Contact<sup>6</sup> service, which helps customers find multifamily program offerings.

#### **Protests**

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than June 5, 2023, which is 21<sup>7</sup> days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division  
ED Tariff Unit  
E-mail: EDTariffUnit@cpuc.ca.gov

The protest shall also be electronically sent to PG&E via E-mail at the address shown below on the same date it is electronically delivered to the Commission:

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<sup>5</sup> Previously, the PG&E's Multifamily Upgrade Program (MUP) also faced significant cost-effectiveness challenges and was closed in December 2019 as part of portfolio balancing to achieve PG&E's 2018-2025 Business Plan goals.

<sup>6</sup> <https://pgemultifamily.com>

<sup>7</sup> PG&E is moving this date to the following business day because the 20-day protest period concludes on a weekend.

Sidney Bob Dietz II  
Director, Regulatory Relations  
c/o Megan Lawson  
E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name and e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

### **Effective Date**

Pursuant to G.O. 96-B and D.21-05-031, this advice letter is submitted with a Tier 2 designation. PG&E requests that this Tier 2 advice submittal become effective on regular notice, June 14, 2023 which is 30 calendar days after the date of submittal.

### **Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically to parties shown on the attached list and the parties on the service list for R.13-11-005. Address changes to the General Order 96-B service list should be directed to PG&E at email address [PGETariffs@pge.com](mailto:PGETariffs@pge.com). For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov). Send all electronic approvals to [PGETariffs@pge.com](mailto:PGETariffs@pge.com). Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs/>.

          /S/            
Sidney Bob Dietz II  
Director, Regulatory Relations  
CPUC Communications

cc: Service List R.13-11-005



# ADVICE LETTER SUMMARY

## ENERGY UTILITY



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

Company name/CPUC Utility No.: Pacific Gas and Electric Company (U 39 M)

Utility type:

- ELC       GAS       WATER  
 PLC       HEAT

Contact Person: Stuart Rubio

Phone #: 415-973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: stuart.rubio@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas      WATER = Water  
 PLC = Pipeline      HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 4754-G/6943-E

Tier Designation: 2

Subject of AL: PG&E Multifamily Energy Savings Program Closure Request

Keywords (choose from CPUC listing): Compliance

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.21-05-031

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

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: 6/5/23

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 proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

<sup>1</sup>Discuss in AL if more space is needed.

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

California Public Utilities Commission  
Energy Division Tariff Unit Email:  
[EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Contact Name: Sidnev Bob Dietz II. c/o Megan Lawson  
Title: Director, Regulatory Relations  
Utility/Entity Name: Pacific Gas and Electric Company  
  
Telephone (xxx) xxx-xxxx: (415)973-2093  
Facsimile (xxx) xxx-xxxx:  
Email: PGETariffs@pge.com

Contact Name:  
Title:  
Utility/Entity Name:  
  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

CPUC  
Energy Division Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Clear Form

**PG&E Gas and Electric  
Advice Submittal List  
General Order 96-B, Section IV**

AT&T  
Albion Power Company

Alta Power Group, LLC  
Anderson & Poole

Atlas ReFuel  
BART

Barkovich & Yap, Inc.  
Braun Blaising Smith Wynne, P.C.  
California Community Choice Association  
California Cotton Ginners & Growers Assn  
California Energy Commission

California Hub for Energy Efficiency  
Financing

California Alternative Energy and  
Advanced Transportation Financing  
Authority  
California Public Utilities Commission  
Calpine

Cameron-Daniel, P.C.  
Casner, Steve  
Center for Biological Diversity

Chevron Pipeline and Power  
City of Palo Alto

City of San Jose  
Clean Power Research  
Coast Economic Consulting  
Commercial Energy  
Crossborder Energy  
Crown Road Energy, LLC  
Davis Wright Tremaine LLP  
Day Carter Murphy

Dept of General Services  
Don Pickett & Associates, Inc.  
Douglass & Liddell  
Downey Brand LLP  
Dish Wireless L.L.C.

East Bay Community Energy Ellison  
Schneider & Harris LLP  
Engineers and Scientists of California

GenOn Energy, Inc.  
Green Power Institute  
Hanna & Morton  
ICF

iCommLaw  
International Power Technology  
Intertie

Intestate Gas Services, Inc.

Johnston, Kevin  
Kelly Group  
Ken Bohn Consulting  
Keyes & Fox LLP  
Leviton Manufacturing Co., Inc.  
Los Angeles County Integrated  
Waste Management Task Force  
MRW & Associates  
Manatt Phelps Phillips  
Marin Energy Authority  
McClintock IP  
McKenzie & Associates

Modesto Irrigation District  
NLine Energy, Inc.  
NRG Solar

OnGrid Solar  
Pacific Gas and Electric Company  
Peninsula Clean Energy

Pioneer Community Energy

Public Advocates Office

Redwood Coast Energy Authority  
Regulatory & Cogeneration Service, Inc.

Resource Innovations

SCD Energy Solutions  
San Diego Gas & Electric Company

SPURR  
San Francisco Water Power and Sewer  
Sempra Utilities

Sierra Telephone Company, Inc.  
Southern California Edison Company  
Southern California Gas Company  
Spark Energy  
Sun Light & Power  
Sunshine Design  
Stoel Rives LLP

Tecogen, Inc.  
TerraVerde Renewable Partners  
Tiger Natural Gas, Inc.

TransCanada  
Utility Cost Management  
Utility Power Solutions  
Water and Energy Consulting Wellhead  
Electric Company  
Western Manufactured Housing  
Communities Association (WMA)  
Yep Energy