

Southern California Edison & Southern California Gas Continuous Energy Improvement (CEI) Offering

Mugi Lukito

(Southern California Edison, Program Manager)

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As the old proverb goes...

Give a man a fish...



..you feed him for a day,



The Man



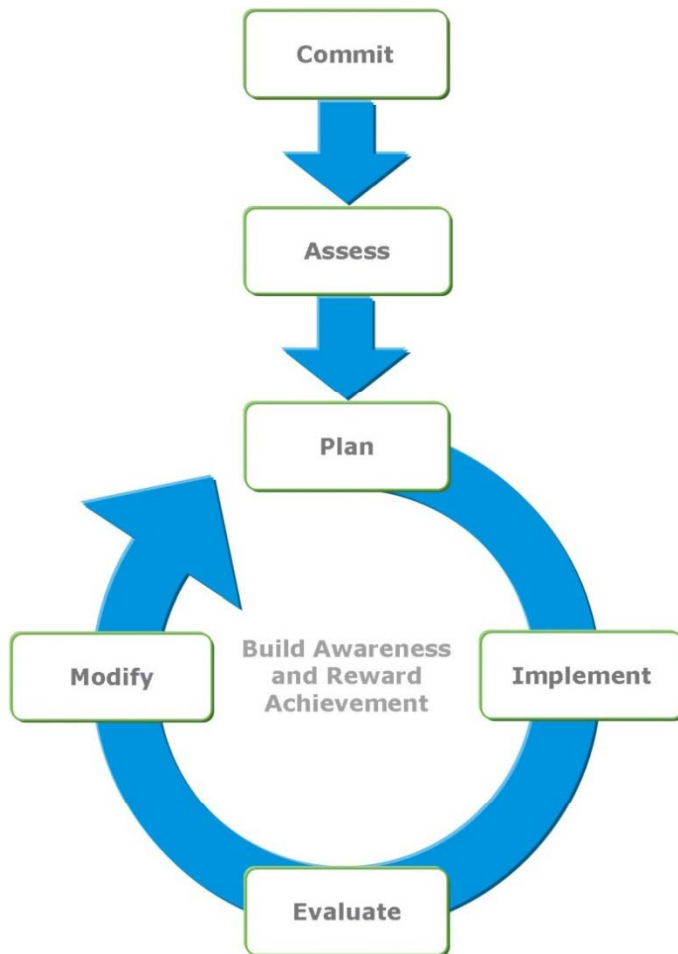
The Fish

BUT,...

Teach the man to fish...



He implements Continuous Energy Improvement.



What is CEI?

- ★ Continuous Energy Improvement (CEI) is a new offering that provides **consultative services** aimed at helping customers engage in long-term, strategic Integrated Demand Side Management (IDSMD) and implement energy management best practices
- ★ Applies principles of well-known business continuous improvement programs (e.g. Six Sigma, ISO 9001, 14001, 50001)
- ★ Targeting electricity and natural gas opportunities, demand response, distributed generation, waste (limited), water (limited)

What is CEI (contd.)?

- ★ Participating customers are paired with CEI advisors (third-party experts/consultants) who provide coaching to help customers
 - set energy targets;
 - develop policies and strategic plans;
 - perform comprehensive assessments of facilities;
 - execute plan and implement projects;
 - establish employee awareness and training activities
- ★ A non-resource acquisition pilot in 2010-12, i.e., no energy savings are reported or claimed by CEI, but participants are encouraged to utilize existing rebates and services from SCE's and SCG's portfolio of programs

How is CEI different?

CEI

- Focuses on whole-facility performance over a long period of time (up to 2 years)
- Focuses on quality of engagement
- End goals are improved performance, strategic thinking and planning → market transformation

Typical IDSM or EE Programs

- Project or transactional based
- Quality is important, but quantity is more.
- kWh/Therm savings, kW reduced, etc. → results oriented

Commercial vs. Industrial/Ag

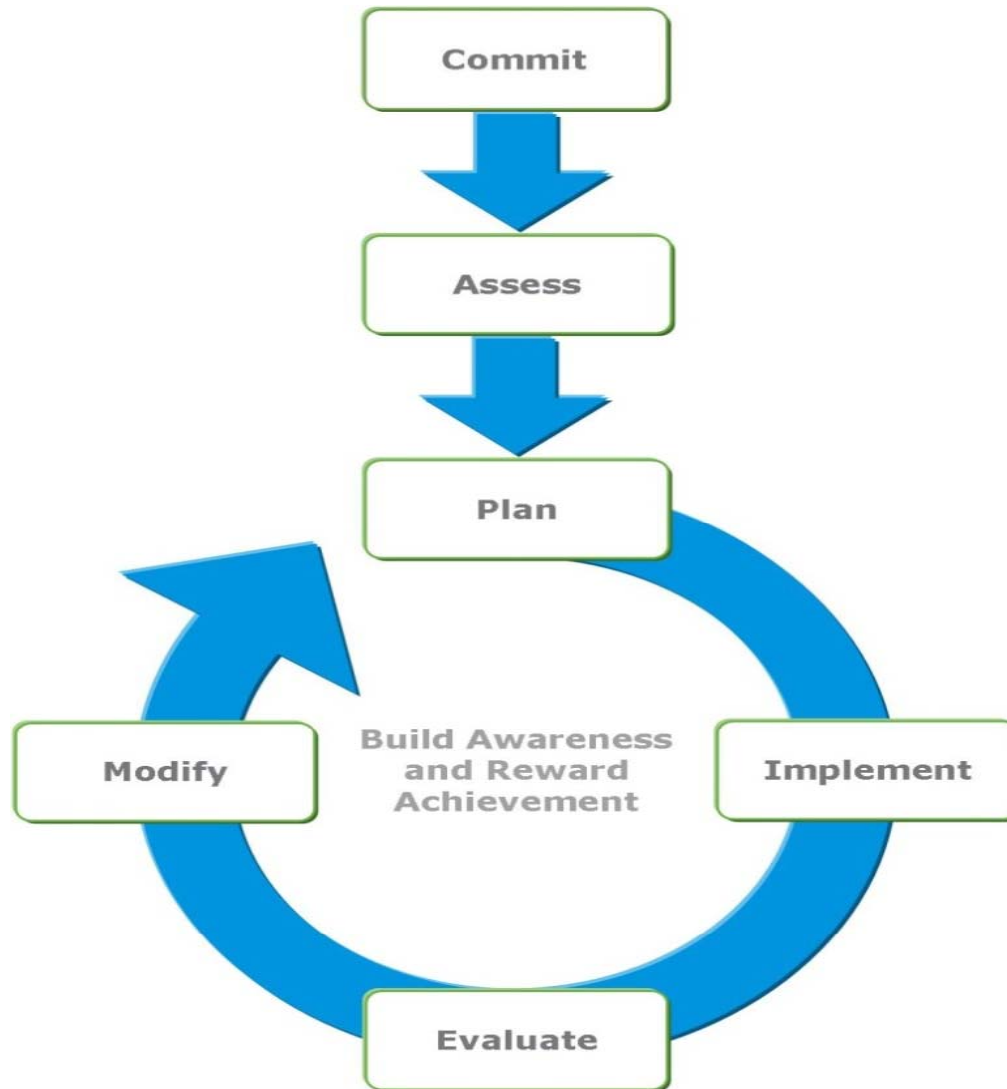
Commercial

- Budget of \$1 million for 3 years
- 5 participating companies:
 - County government, education, hotel, food service, grocery
- 2 CEI advising firms:
 - Ecova
 - Enovity

Industrial/Ag

- Budget of \$2.5 million for 3 years
- 12 participating companies:
 - Aerospace, building products, food processing, industrial laundry, pharmaceutical
- 3 CEI advising firms
 - Ecova
 - Nexant
 - CMTC

How?



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Commitment

- Identify customers
- Obtain customer commitment
- Ramp up CEI project
- Hold Kick-Off meeting

- Screening:
 - Size (500 kW, 50,000 Therms annually)
 - Demonstrate certain characteristics
- A non-binding MOU is signed between utilities and company, laying out the road map
- Select team members and workgroups



Required/Desired Characteristics

| | Characteristic | Required or Desired |
|----|---|---------------------|
| 1 | A customer of both SCE and SCG | Required |
| 2 | Incorporation, or commitment to incorporate, sustainability and/or energy efficiency into corporate goals, strategic planning, or messaging | Required |
| 3 | Support from executive level | Required |
| 4 | Ability to clearly articulate corporate priorities and goals | Required |
| 5 | Previous experience or interest in branding and certification (quality standards, green building certification, energy management, etc.) | Required |
| 6 | Willing to commit financial and human resources for IDSM projects | Required |
| 7 | Training integrated into the company culture and processes | Required |
| 8 | Based or have a strong corporate presence in California | Desired |
| 9 | One or more facilities that are single tenant or owner occupied | Desired |
| 10 | History of participating in energy efficiency programs | Desired |
| 11 | Managed account with a strong Account Executive relationship | Desired |
| 12 | View of energy efficiency both as a means for cost savings as well as a path to corporate citizenship | Desired |
| 13 | Lack of recent or ongoing reorganization | Desired |

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Assessment

- Assessment Preparation
- Identify assessment participants
- Administer Assessment

- Organizational Assessment
 - Envinta 1-5
- Technical Assessment
 - Select boundary
 - Baseline and benchmark
 - Identify gaps to ISO-50001
 - Coordinate audits
 - Compile and present results



Envinta Results

| <i>Critical Areas for Improvement</i> | <i>% of Respondents</i> |
|---------------------------------------|-------------------------|
| Metering & monitoring | 100% |
| Understanding of performance | 100% |
| Targets, KPI and motivation | 83% |
| Awareness and training | 50% |
| Reporting, feedback, control systems | 33% |
| Demonstrate corporate commitment | 33% |
| Plans | 33% |
| Accountabilities | 33% |
| Operating procedures | 17% |

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Planning

- Establish roles & responsibilities
- Set goals
- Develop Energy Policy
- Develop Strategic Energy Management Policy
- Develop Action Plan
- Promote energy management initiative

- Establish KPI, policy, goals
- Develop Strategic Energy Management Plan
- Develop Action Plan
- Hold awareness events

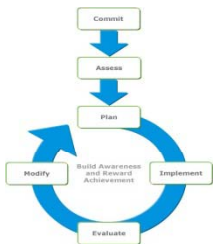


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Implementation

- Conduct monthly and annual meetings
- Analyze data, indentify key performance indicators and create dashboards
- Energy Efficiency Awareness and Marketing
- Reward key milestones

- Monitor performance
- Track results



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Evaluation

- Evaluate corporate CEI performance
- Evaluate CEI Program impact on Utility IDSM
- Evaluate CEI Program performance
- Recognize Customer accomplishments

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Modification

- Modify Action Plan
- Modify Strategic Energy Management Plan
- Transition to self-sufficiency



- Envinta
- 360 Evaluation

Organizational Improvements

- ★ Better communication and teamwork
- ★ Increased regularity in energy-related activities
- ★ Greater visibility at the executive level
- ★ Increased desire to take the leadership role in the industry and community

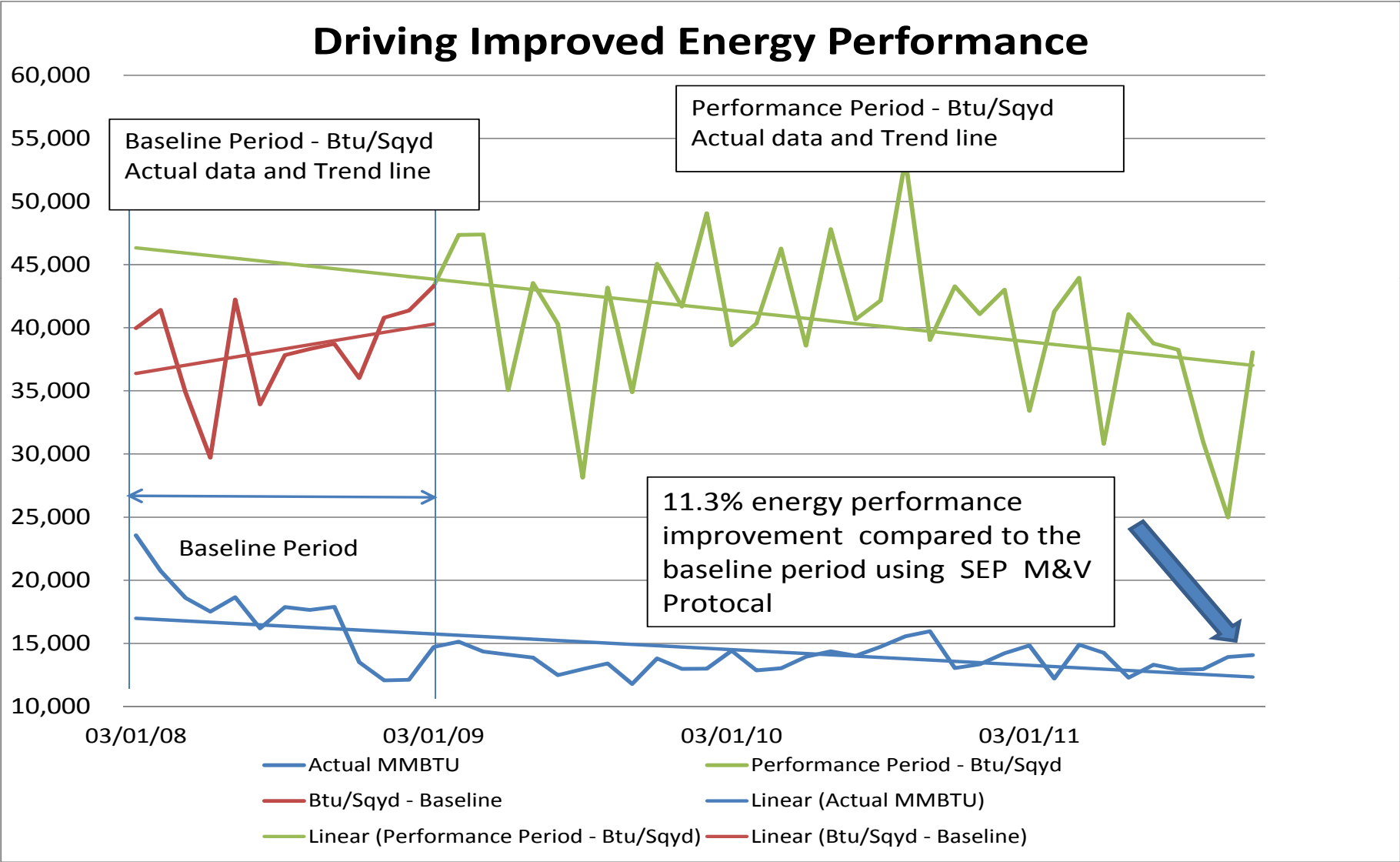
Technical Improvements

- ★ Increased participation in utility's technical services (benchmarking, audits, retrocommissioning, etc.)
- ★ Baselineing and benchmarking results in operational improvements
- ★ Greater interest in other DSM opportunities such as demand response, solar generation, solar water heating

Certification and Branding

- ★ DOE's Superior Energy Performance (SEP) – 1 pilot
- ★ ISO-50001 – 7 interested
- ★ EPA's Energy Star Building Certification (Portfolio Manager) – 1 on track
- ★ Building Performance with Energy Star (future)
- ★ LEED (limited)

SEP - Building Product Manufacturer Pilot



Looking to the Future

- ★ Third-party process evaluation
- ★ Increase interest and participation in branding and certification – education, training and incentives
- ★ Increase tie in to other initiatives:
 - BPwES, E3, MEP
- ★ Resource-acquisition track – behavioral and operational savings?



Save the Date

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Baltimore, MD**

Oct. 15-17, 2012

**AESP's Fall Conference
Long Beach, CA**

Jan. 28-31, 2013

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