

Clean Energy Financing Proceeding: SCE Metrics and Verification Workshop

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Key Design Principles

- 1) Emphasize affordability
- 2) Encourage maximum impact and uptake
- 3) Reduce complexity
- 4) Minimize customer and utility risk
- 5) Maximize equity and inclusion



Overview of SCE's Proposals

Expansion of Existing Non- Residential On-Bill Financing (OBF)

- Expand current OBF program to allow loans for clean energy technologies outside of energy efficiency (e.g., electrification) to allow for deeper retrofits and additional customer benefit and GHG savings.
- Projects could include EV charging, energy efficiency or building electrification
- Continue to use ratepayer funds to pay financing costs.

Establish New Residential-Only Tariffed On-Bill Program (TOB)

- Residential customers, owners, or tenants with owner consent, can finance a broad range of clean energy technologies (e.g., electrification), where costs are recovered via a utility tariff attached to the site meter.
- Projects could include energy efficiency or building electrification
- SCE proposes a phased approach, with plans to scale, to allow for modest initial investment to ensure viability before undertaking large scale risk and incorporate lessons learned into future designs.

Program Metrics Goals

Lessons learned and further program design

Quantify the value of SCE's CEF Programs

Maximize cost effectiveness of financing

Show the influence of financing on the adoption of clean technologies

Show the impact of financing on meeting energy savings goals

Show the impact of financing on customer's energy costs

Challenges and Limitations

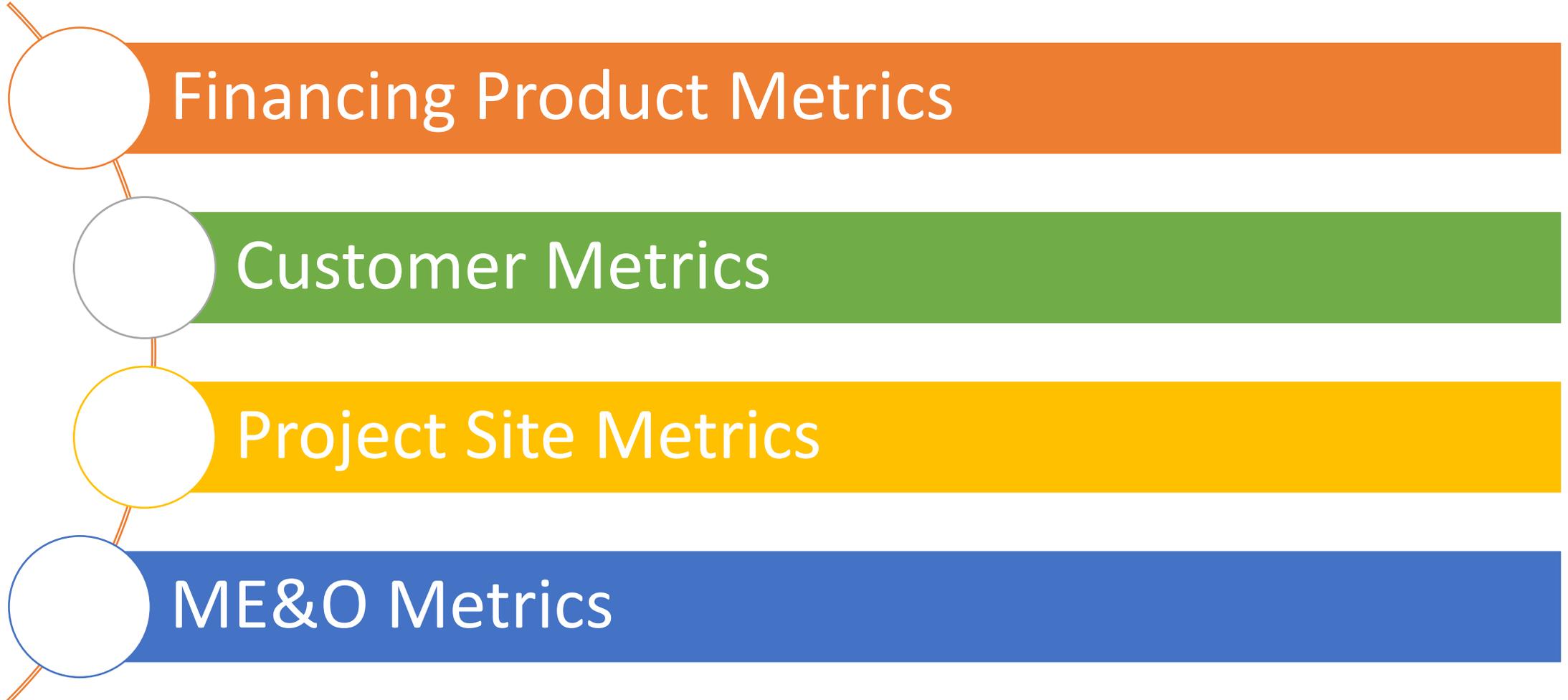
For OBF, energy savings metrics are calculated and reported through the underlying incentive program

In general, energy savings for fuels not provided by SCE are difficult to account for, such as reductions in natural gas or gasoline/diesel

For TOB, changes in occupancy will have a direct impact on program metrics

Income levels for customers participating in TOB might be hard to determine unless the program incorporates specific income requirements

Main Areas for Evaluation



Proposed Metrics For OBF

OBF

SCE will leverage existing reporting as the foundation for any metrics in this proceeding and expand them to incorporate any new technologies that are also included.

Authorized Loan Pool Amount

Issued Loans

Fully Repaid Loans

Defaulted Loans

Committed Loans

Outstanding Issued Loans Balance

Size of Available Loan Pool

Loans by Market Segment

Loans by Technology Type

Proposed Metrics For TOB

TOB

In addition to customer adoption rates, project information, and finance amounts, SCE will evaluate the impact on participating customers' energy bills and changes in occupancy.

Authorized Tariff Pool Amount

Financed Projects

Fully Recovered Investments

Unrecoverable Investments

Number of Transferred Tariffs

Financial Impact on Customers

Committed Investment Amounts

Outstanding Tariff Investment Balance

Size of Available Tariff Pool

Projects by Market Segment

Projects by Technology Type

Number of Investment Projects in DACs

Conceptual Timeline for TOB



Phase 1

- Complement incentives that are cost-effective to push the market
- Finance non-incentive project costs

Evaluation

Phase 2

- Target 5-25% of current utility program expenditures
- Funds could offset customer energy programs expenses

Evaluation

SCE recommends that TOB evaluation not begin until a minimum of 24-months into the initial phase to provide sufficient and more robust data regarding customer adoption rates as well as impact on energy bills. Because energy usage and any potential savings on the energy bill may be influenced by seasonal customer energy usage, it is recommended that at least 12-months of data be used in evaluation.

Phase 3

- Target >25% of current utility program expenditures
- Offsetting customer energy program expenses

Marketing Education and Evaluation Metrics



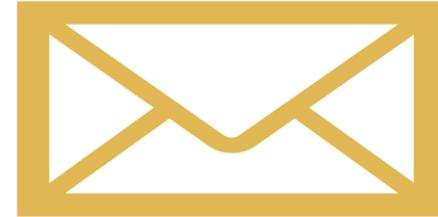
- SCE will rely on social media and website metrics, as well as information collected from the application process, to measure effectiveness of marketing and outreach
- SCE will potentially conduct customer surveys and other market research techniques to collect information about the customer's overall experience
- Customer experience data will be used to improve the programs' design
- A robust evaluation of the financial impact of SCE's finance programs is crucial before SCE makes the TOB program available to low-income customers

Questions/Answers



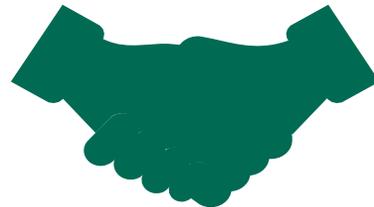
QUESTIONS

SCE welcomes questions and feedback on our proposal.



CONTACT US

Please email SCE's Regulatory Case Manager at Luis.Gutierrez@sce.com



THANK YOU