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**Program Referral** – BayREN Business recognizes that not all small and medium businesses (SMBs) are ideal candidates for a NMEC program experience or fit the HTR definition. For instance, to be eligible for BayREN Business, the potential program participant’s energy consumption baseline must be stable. An unstable baseline could adversely impact energy savings performance in the future. Therefore, instead of NMCE, such businesses would be best served by direct-install or point-of-sale rebate programs. As such, BayREN Business, acting through its Building Performance Advisor<sup>14</sup>, endeavors to provide referrals to complimentary EE and financing programs (e.g. MCE’s current commercial program to the benefit of the customers). Program referrals serve to help other utility and CCA programs achieve the five percent small commercial penetration target in D.18-05-041.<sup>15</sup>

### MCE Program Summary (MCE02)

MCE’s Commercial Upgrade Program (MCE02x) targets commercial customers in MCE’s service area. New for 2022-2023, MCE organized its Commercial Program into participation pathways, with each pathway constituting its own program. In addition, MCE will be launching an equity-focused<sup>16</sup> Commercial Program in early 2023, following a program design and solicitation phase in late 2022. The program IDs below refer to the following Commercial programs:

- MCE02A – Commercial Deemed
- MCE02B – Commercial Custom
- MCE02C – Commercial Strategic Energy Management
- MCE02D – Commercial Marketplace
- MCE17 – Commercial Equity

MCE delivers the Commercial Program through partnerships with three different implementers – and each partner focuses on different customer sub-groups and delivery pathways in contributing to the overall Program goals. Collectively, the Commercial Upgrade Program serves nearly any non-residential customer within MCE’s service area, and leverages custom, deemed, Normalized Metered Energy Consumption (“NMEC”) and Strategic Energy Management (“SEM”) participation pathways. The Commercial Equity Program is actively in development and will launch in early 2023.

In terms of budget and impact, the most significant component program is the MCE Commercial Efficiency Market –which leverages population-level NMEC, and scales up investment in energy efficiency projects within MCE’s service area. The Commercial Efficiency Market a simple and flexible pathway for aggregators to participate. The program provides aggregators flexibility in determining cost-sharing (incentive payments) arrangements with customers. Payments to aggregators are grounded in the cost-effective value of their projects – which is made possible by forecasting the avoided cost value of a project,

<sup>14</sup> The BayREN Building Advisor is a neutral, third-party advisor that provides technical assistance and program referrals – including programs of other program administrators – to small, medium and hard-to-reach businesses.

<sup>15</sup> D.18-05-041, p. 28.

<sup>16</sup> Designed to promote achievement of goals pursuant to Cal. Pub. Util. Comm’n, Environmental and Social Justice Action Plan version 2.0, (April 7, 2022), available at: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf>.











