

# MCE/MSSR Commercial Metered-Savings Program Outline

Alternative Energy Systems Consulting, Inc. (AESC) implements both MCE's Commercial Efficiency Market Program and Pacific Gas and Electric Company's Measured Savings Program for Summer Reliability (MSSR). The below comparison is intended to highlight eligibility and payment structures for Aggregators that may be interested in enrolling in both programs.



## Project Submission Overview

Aggregator enrolls, verifies potential project site eligibility and estimated incentives, then submits a Project Application Package to AESC for review.

AESC reviews the Project Application Package and sends an Incentive Reservation Letter (IRL) to the Aggregator, reserving funds.

Project Installation begins. Once installation is complete, the Aggregator submits a Project Completion Package to AESC for review.

AESC approves final project and sends a Performance Period Notification Letter (PPNL) to Aggregator, confirming the start of Measurement and Verification (M&V) and processing of the upfront/pre-payment.

Project performance is monitored over a twelve-month M&V ("performance") period. All Aggregators with active projects will have access to Praxis to track project performance and incentives.

M&V and Project Conclusion

### MCE Commercial Efficiency Market Program

### PG&E Measured Savings Program for Summer Reliability (MSSR)

#### Example Project

Project Total System Benefit (TSB): \$50,000  
M&V Start Date: January 1, 2025

#### Incentive Value

**\$22,500**

$\$0.45/TSB * \$50,000$

Based on 100% of Forecasted TSB

#### Incentive Value:

**\$17,500**

$\$0.35/TSB * \$50,000$

Based on 100% of Forecasted TSB

#### Upfront Payment

**\$5,625**

25% of \$22,500

Expected to be paid within 30 days of PPNL issuance

#### Incentive Pre-Payment

**\$7,875**

45% of \$17,500

Expected to be paid within 30 days of PPNL issuance

#### Quarterly Performance Payments

- 10% holdback per quarter
- Only paid once the quarterly aggregator cohort has earned more than the upfront payment
- Equal performance per quarter assumed in the example below
- Paid within 75 days of prior quarter's end

**M&V Q1 Payment: \$0**  
**M&V Q2 Payment: \$4,500**  
**M&V Q3 Payment: \$5,063**

#### M&V Q4 Payment

**\$7,313**

$(\$22,500 - (\text{Upfront Payment} + \text{Q1} + \text{Q2} + \text{Q3 payments}) + \text{Holdback earned (Up to reservation cap)})$

- Q4 may include overperformance payment, if applicable

#### Incentive True-up Payment

**\$9,625**

$\$17,500 - \$7,875$   
Based on achieving 100% of estimated savings

Paid within 75 days of the end of the twelve-month M&V period.

#### Overperformance Payment

Overperformance incentives are capped at 120% of the forecasted TSB value, or 110% of the total project cost, whichever is less

# Program Eligibility and Payment Outline

Program	MCE Commercial Efficiency Market Program	PG&E Measured Savings Program for Summer Reliability (MSSR) – Commercial
Geographic Eligibility	<u>MCE Service Area</u> (Contra Costa, Marin, Napa, and Solano counties)	<u>PG&amp;E Service Area</u> (except areas served by MCE)
Aggregator Eligibility	Any company that can meet and agree to the Participating Aggregator Agreement terms can enroll.	
Customer Eligibility	<ul style="list-style-type: none"> <li>Customer pays the Public Purpose Programs (PPP) surcharge</li> <li>Customer site has not participated in a CPUC ratepayer-funded EE program within the past 12 months</li> <li>At least 12 months of baseline usage data is available, and the project meets other statistical and modeling eligibility requirements</li> </ul>	
Site Eligibility	✗ Indoor agriculture/horticulture and industrial sites are not allowed in either program	
Measure Eligibility	Any energy efficiency measure that saves energy and demonstrates an effective useful life of three or more years, including lighting, building retrofits, optimization, load flexibility. Some limitations apply and payable savings only count towards avoided energy from the grid.	
	✓ Standalone fuel substitution measures resulting in increased electricity usage accepted on a case-by-case basis	✗ Standalone fuel substitution measures and overall projects with fuel substitution measures resulting in increased electricity usage are not eligible
Current Incentive Rate	Pop-NMEC: \$0.45/TSB As of November 2024	Pop-NMEC: \$0.35/TSB Site-NMEC: \$0.33/TSB As of November 2024
Payment Structure	<ul style="list-style-type: none"> <li>One pre-payment based on 25% of the forecasted incentive value <ul style="list-style-type: none"> <li>○ Capped at \$40,000</li> </ul> </li> <li>Four quarterly payments based on the quarterly aggregator cohort of projects' measured TSB during each quarter of the M&amp;V period <ul style="list-style-type: none"> <li>○ 10% holdback applied</li> <li>○ Last quarterly payment includes overperformance payment, if applicable</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>One pre-payment per project based on 45% of the forecasted incentive amount</li> <li>One true-up payment per quarterly aggregator cohort, after 12-month M&amp;V period</li> <li>If applicable, one overperformance payment after 12-month M&amp;V period based on quarterly aggregator cohort</li> </ul>
Incentive Cap	<ul style="list-style-type: none"> <li>Up to 120% Forecasted Incentive Amount</li> </ul>	Capped at the quarterly aggregator cohort level by either: <ul style="list-style-type: none"> <li>• 120% of cumulative Forecasted Incentive Amount</li> <li>• 110% of cumulative project costs</li> </ul>
Payment Timeframe	<ul style="list-style-type: none"> <li>Upfront payment is expected within one (1) month of project acceptance, but no later than 75 days</li> <li>Performance payments are paid quarterly within 75 days of prior performance quarter's end</li> </ul>	<ul style="list-style-type: none"> <li>Incentive pre-payment is expected within one (1) month of project acceptance</li> <li>True-up payment is paid quarterly within 75 days of prior performance quarter's end</li> </ul>