

PGE2008 HOSPITALITY FACILITIES

2006 - 2008

1. Projected Program Budget	\$11,793,097
See Tables in Attachment III for components	
2. Projected Net Program Impacts	
MWh	37,330
MW (Summer Peak)	7.577
Therms	33,302
3. Program Cost Effectiveness	
TRC	1.84
PAC	2.11

Forecasted impacts for gas savings are incorporated in the Mass Markets; Agricultural and Food Processing; and Fabrication, Process, and Heavy Industrial Manufacturing programs.

4. Program Descriptors

This new program targets new and existing lodging, hotel facilities using PG&E and third party industry specialists, Honeywell International and Quest PTAC, to facilitate delivery of a portfolio of energy efficiency services. It will include statewide elements as well as elements specifically targeted to the customers in PG&E's service area. The market integrated program will address the energy needs of larger hotels, convention centers, and chains while PG&E's Mass Market *program* will be the primary delivery channel for smaller hotels/motels and bed and breakfast inns.

There were no LGP proposals in this segment.

The Program will use utility, contractor and consultant staff to coordinate energy efficiency services to customers. Decision makers will be approached through multiple information and relationship channels with the common theme of increasing energy efficiency while increasing occupant comfort and decreasing costs at the properties. Short and longer term plans will be developed by a mix of PG&E, potential third party implementers, and external consultants for both planned new construction and scheduled facility remodel projects. Emerging technologies such as more efficient fluorescent; induction; pulse start metal halide or light emitting diode (LED) lighting; and improved heating, ventilation and air conditioning (HVAC) systems will be introduced and incorporated into the plans. Plans will also address strategies to participate in demand response programs such as load shedding (turning off non-crucial loads like decorative and parking structure lighting or fountain pumps), thermal storage for peak period cooling, and solar panels for water heating. Assessment of emergency generation or information on distributed generation technologies for critical peak periods (stage 3 emergency status), as well as the potential to aggregate for load

shedding to meet demand reduction program minimums (stage 1 and 2 system status) will also be integrated. As appropriate, photovoltaic systems will be assessed once all the efficiency upgrades have been considered.

The program integrates the following third party offerings:

- a) Quantum Energy Services and Technologies Inc. (QUEST) Hospitality Energy Efficiency Program (HEEP) designed for hotels and motels HVAC system improvements, controls and lighting. The program components are marketing and outreach, audit and energy efficient measures.
- b) Honeywell Utility Solutions Cool Control Plus targeted to small hotels and motels in-room PTAC units and lighting, common lighting and vending machines in climate zones 4,11,12 and 13. It is a direct install program with minimum cost to the customers.

5. Program Statement

The hospitality market segment includes hotels, motels, bed and breakfast inns, resorts, convention centers, and hotel chains as well as the architects, design engineers, contractors, and vendors who specialize in the hospitality market segment. There are over 7,100 hospitality electric accounts. The majority (6,920) fall into the 1-200 kW range of customer size. The Mass Market program effort will likely reach the smaller independent customers while the market integrated program will reach the larger and chain customers.

6. Program Rationale

The hospitality industry has substantial opportunity for energy efficiency. Remodeling in large hotels and corporate chains occurs fairly frequently, about every three to seven years, in order to remain competitive. Growth in this market sector is occurring in the Central Valley, coincident with economic and population growth, where air conditioning can be a significant load and advanced evaporative cooling could be a viable alternative to compressor based cooling. However, remodeling tends to focus on improving amenities and competitive features rather the energy efficiency. Lighting color temperature and color rendition may become the entry point with interior designers and other remodeling decision makers to introduce energy efficiency into project design. Hotel chains often use the same basic designs in which the corporate decision makers may determine the design as well as procedures for operations groups, therefore replication of savings options in multiple facilities is possible. The market integrated program will bring together program services and industry experts to promote energy efficiency as an integral part of remodeling and renovation efforts. Education and training activities will target industry decision makers who influence the cycle of remodeling properties. Engineering and maintenance groups as well as design and purchasing along with facility management should understand their role in increasing and maintaining the efficiency of their properties.

Other opportunities for promoting energy efficiency *exist*:

- Common areas in hospitality facilities have high peak coincidence factors with a proliferation of R30 and R40 lamps that could be replaced with compact fluorescent, induction, or new self-ballasted ceramic metal halide lamps without affecting aesthetics;
- Both energy efficiency and operations and maintenance changes that would increase energy efficiency are relatively similar across many hotels/motels. Classes can be offered for this market through the education and training centers;
- Turnkey options for lighting retrofit in common use areas could be especially effective in this market segment;
- At the same time, vendors for HVAC can also take advantage of the market similarities while partnering with PG&E to promote more efficient chiller or packaged terminal air conditioner (PTAC) units and commissioning or retro-commissioning of systems; and
- Information on efficient food service equipment for hospitality industry designers, owners and decision makers combined with upstream incentives to make this equipment more available may be needed to encourage a more comprehensive approach to energy efficiency during retrofit and remodeling.

Coordinating the delivery of all services in the program will help the hospitality industry develop comprehensive, short-, medium- and long-term energy plans for their businesses.

7. Program Outcomes

- The first objective of this Program is to encourage customers to undertake long-term plans and innovative energy efficiency and demand response projects that will result in cost-effective, long-term energy savings and peak demand reductions to achieve the goals listed above in section 2.
- A second objective is to help the lodging and hotel facilities customers save energy by increasing the efficiency of their operations. PG&E will work with at least one large hotel chain to demonstrate an optimum efficiency lodging site and utilize it as a case study to educate other hospitality customers.
- Another important objective is to influence customers to change energy practices by providing education, training and information to familiarize the customers and their contractors, designers and consultants with all new energy efficiency equipment and practices as they are developed for the industry. PG&E will sponsor at least two seminars targeted to the hospitality industry and identify the extent of training needs necessary for the larger customers.

- In addition, the program will promote all energy options that may be applicable across *this* industry segment.

8. Program Strategy

Information Clearinghouse

The services available to this market segment are as varied as the customers included. For that reason, PG&E will develop a Clearinghouse which will assist customers to define services that they may need at the present stage of their projects as well as introduce them to services that will be available as they complete each stage of their long term energy plans. For instance, a customer may call with questions about distributed generation but may not have considered some of the available energy efficiency upgrades that could reduce the size of a future distributed generation project. Or, a customer interested in demand response options may not have considered HVAC controls that would allow ongoing energy efficiency options as well as demand response.

Design Assistance

Early intervention during the design stage of major remodeling or new construction by the specialized engineers, contractors and consultants who serve this market segment, especially the corporate chain hotels with more centralized decision making, is especially important. Integrated energy design for building shells and energy-using systems may be more easily incorporated in large chains. However, integrated design during remodeling has high potential for smaller hotels and franchises as well.

PG&E will align both new construction and retrofit opportunities and services to capture the growth and retrofit opportunities as they arise. It will be especially important to incorporate energy efficiency options that fit well with the aesthetic preferences and identified amenities at each facility. Seminars and classes provided by the Pacific Energy Center can familiarize designers/owners and decision makers on the options available in lighting, controls and design. If training assessments determine more field training is needed, the program will provide more resources via internal or external personnel and develop other training tools such as compact disc or Web-based training.

Energy Efficiency Audits

A more concerted focus on educating and training industry trend-setters and decision makers on benefits of various *types of* energy efficient equipment will help to pull the rest of this highly competitive market. For instance, PG&E's approach will increase the availability of newer, more efficient packaged terminal air conditioners and LED decorative lighting. Upstream efforts will make these products more available.

For large and medium customers, facility surveys and audits will be conducted by PG&E or third-party program implementer staff to make the customer aware of

opportunities that may exist to implement energy efficiency projects. These surveys and audits can be initiated through a customer or vendor request to PG&E, through PG&E's account management staff, or third-party program staff. Detailed information will be recorded in a tracking system, including equipment inventories and project recommendations. Recommendations will be followed up periodically to determine implementation status and whether additional assistance will be required to cause a project to be implemented. If a project resulting from a survey or audit is implemented without design or financial assistance, energy savings will be logged into the tracking system, and claimed toward program goals.

For smaller customers, onsite audits may be conducted, or information may be provided through direct mail, email, telephone or other means through the Education, Training and Outreach program. Detailed information will be recorded in a tracking system, including equipment inventories and project recommendations. Recommendations will be followed up periodically to determine implementation status and whether additional assistance will be required to cause a project to be implemented. If a project resulting from a survey or audit is implemented without design or financial assistance, energy savings will be logged into the tracking system, and claimed toward program goals.

Education, marketing and energy audits will be specifically tailored to the various lodging and hotel facilities customer groups. Both retrofit and new construction efficiency improvements are often too complex to be pre-determined with a simple calculation. Therefore, PG&E will also deliver calculated savings approaches that capture interactive effects of different end-uses to maximize potential savings. Thus, a *high percentage* of savings for this market segment will be realized in calculated approaches. The Mass Market program will provide deemed savings options and quick energy savings especially to smaller hotels/motels.

Financial Incentives

Incentives are available to customers or their consultants and contractors with the customers' approval. It is not mandatory that audits or design assistance be provided through the program prior to application for incentives. The application process for deemed savings (available in the Mass Market program) will reduce customer confusion and paperwork.

- a. Deemed savings measures. If the proposed measure is a designated prescribed measure, a fixed incentive amount per unit/measure is offered. Each measure has a prescribed energy savings and a corresponding prescribed incentive amount. Customers will receive rebates from an expanded point of sale promotion or an on-line or paper application process. The on-line or paper application will require that the applicant indicate the quantity proposed, and the resultant total incentive, on the form. Upon approval by the utility, the applicant is permitted to proceed with the project. Upon verification of project completion, the rebate is paid to the customer. For small projects, lower dollar value applications, pre-installation approval may not be required, and post-installation inspection may be done on a sample basis.

The deemed measure design makes customer participation easy because:

1. The program lists specific energy saving measures so the customer does not need to take the time to search out energy efficient technologies;
 2. The terms and conditions clearly state the eligible product specifications and rebate levels;
 3. The customer purchases and installs the product from whomever they choose; and
 4. The customer simply sends in the rebate form along with the itemized paid invoice.
- b. Calculated projects. Many projects whose energy savings are dependent on the variables of the specific project (e.g., operating hours, loading factor, building type) are listed as calculated. For these projects, the applicant will input characteristics of the proposed project into an algorithm mode, and the model will calculate the estimated energy savings and corresponding rebate. The models use current minimum standards as the baseline and calculate the energy usage utilizing the proposed project; the difference is the resultant energy savings, which provides the basis for the financial incentive. In some cases an appropriate model does not exist. In those cases, the customer or the customer's contractor/vendor will provide calculations of energy savings using standard engineering methods and assumptions. As with the deemed approach, the project proceeds to installation upon approval by PG&E, and incentive payment is made upon PG&E's verification of project completion.

PG&E will also coordinate the energy service options with other applicable demand side options to help the customer develop a comprehensive energy plan for the company.

9. Program Objectives

The integrated program seeks to build the infrastructure necessary to sustain momentum for ongoing growth of energy efficiency in the hospitality industry. This will require the expansion of some and creation of new relationships and communication channels among the efficiency community and decision makers within the hospitality sector. Decision makers will become more informed so they can make independent decisions that will bring about more efficiency and sustainability in their ongoing business practices. Relationships and communications channels for industry associations such as the California Hotel/ Motel Association, the San Francisco Hotel Council, the California Visitors and Conventions Bureau and other regional visitors and convention bureaus are potential channels for strengthened or new relationships. Decision makers at various hospitality customers such as the Marriott Corporation,

Hilton Hotels, Hyatt Hotel Group as well as many others will be the focus of increased communication around energy efficiency and demand response activity.

Demand response programs provide tariff-based benefits to customers implementing demand response activities. For demand response initiatives involving the purchase and installation of equipment by PG&E customers, a plan to provide a financial incentive for the energy savings resulting from the equipment will be developed. A sample audit showing what an integrated audit may entail is included as an attachment.

Some demand response strategies that will be promoted to this sector during critical peak periods include:

- Turn off ornamental lighting and some signage;
- Turn off fountains and swimming pool pumps;
- Turn off other lighting such as hallway lighting, display lighting;
- Delay laundry processes;
- Turn off ice machines;
- Raise cooling thermostat settings;
- Use daylight in the afternoon and turn off all unneeded lighting;
- Reduce use of elevators or escalators (the down escalator and some elevators); and
- Delay use of battery chargers

Incorporated in the development of plans will be information on distributed generation including solar and cogeneration. In the market integrated DSM model of service delivery, these measures follow analysis, conservation, and energy efficiency so they will be addressed in the customer's plans.

10. Program Implementation

The integrated Hospitality program is primarily delivered directly to customers by PG&E account representatives, vendors, direct mail, or the internet

Information

The Hospitality program will coordinate Information and Education and Training activities to best meet the needs of the market. The program will serve as a conduit to give direction to information elements and will deliver the information to the Hospitality customers. These activities include energy audits, commissioning and retro-commissioning, design assistance, codes and standards, emerging technologies, energy design resources. Coordination of these activities will be supported through the development of an energy Clearinghouse

Energy Audits

Customers often lack knowledge about identifying energy efficiency opportunities and assessing potential energy and cost savings. The offering of energy audits assists in filling this void. Over the years, audit services have shown to be an effective method for delivering energy efficiency information and awareness to customers, and leading to participation in energy efficiency projects. An analysis of participants in PG&E's 2004 Energy Audit program indicated that 20% to 30% of the energy audits performed resulted in the installation of hardware retrofits during the program year.

Integrating audit services program into the Hospitality program will provide several advantages. The process of referring audit recommendations to the Hospitality program's delivery system greatly enhances the current process. Since the vast majority of audit recommendations will be related to measures or to process improvements covered under the Hospitality program, it will be effective and efficient to congregate all the recommendations and then sort and parcel them out to the appropriate delivery channel. This process will also lead to tracking efficiencies. Linking the audit database with the Hospitality program database will result in improving the tracking of the audit process through the stages of recommendation, lead generation, project implementation and results, and follow-up of non-participation.

Commissioning and Retro-Commissioning

Hospitality facilities have not historically utilized commissioning to verify that systems function as intended. The Hospitality program will encourage the integration of commissioning activities and to elevate the importance of energy system commissioning in this market segment. Additionally, where appropriate, the program will provide building operator training and certification to facility managers within larger facilities or chain stores to develop the skills and knowledge needed to maintain the energy efficiency systems in their facilities.

Design Assistance

Customers often lack knowledge or resources to identify energy efficiency opportunities and assessing potential energy and cost savings in new construction or major renovation projects. The offering of energy design assistance has been shown to be an effective method for delivering energy efficiency information to customers and helps to leverage additional savings through the interactive effects identified in integrated design.

Codes and Standards

Through the market based approach, the Hospitality team will be in a unique role to better identify the needs of the customer and identify potential codes and standard improvements to better integrate energy efficiency into the market.

Emerging Technologies

Through the market based approach, the Hospitality team will be in a unique role to better identify the needs of the customer and relay those needs to the Emerging Technologies group and Food Service Technologies Center within PG&E. Through support of pilot projects and technology assessments, the Hospitality team will be better able to introduce proven new technologies to the market segment.

Energy Design Resources

Customers and design teams often lack knowledge or tools to implement new successful design strategies or utilize new technologies. Through the well established statewide Energy Design Resources element, the Hospitality team will support the development of new design briefs, case studies, and design tools and training for designers and owners of Hospitality facilities.

Deemed Savings

Deemed savings rebates offer a simplified process for customers to apply for and receive a 'per-wadget' rebate to reduce capital investment costs of installing higher efficiency equipment or retrofitting outdated and inefficient lighting, HVAC, refrigeration, equipment making it attractive for firms to spend money in the short term in order to lower energy costs in the long term. Deemed measures make it quick and easy for customers to participate in saving energy and reducing peak demand. Although deemed savings measures are filed separately under the Mass Market program, the Hospitality program will coordinate marketing and customer access to these incentives for Hospitality customers. Deemed savings measures are expected to meet many of the needs of smaller motels and hotels as well as large facilities that are pursuing minor upgrades. Deemed savings will also be available to some small new construction projects for which calculated savings are not appropriate.

Vendors have consistently used the deemed approach to sell energy efficient equipment. In many cases, the customer's assurance of receiving a rebate actually helps to make the sale and the rebate is often signed over to the vendor who lists the rebate amount as a credit on the customer's invoice. This partnership with the vendor community will be further developed and fostered within the Hospitality program.

Calculated Incentives

The calculated incentive element pays incentives based on calculated project performance for both new construction and retrofit projects. Offering incentives for the utilization of non-deemed energy efficient measures encourages and supports comprehensive projects that go beyond single measures and common efficiency practices. The calculated approach for new construction projects also allows for integrated design analysis, capturing interactive savings and potentially minimizing first costs to the customer (e.g., downsizing cooling equipment due to high performance glazing specifications).

The calculated approach will build upon the success of the statewide Savings By Design program. To the extent possible, program offerings will be aligned with statewide programs.

For new construction and major renovation projects, program staff will work to provide information and design assistance as early as the conceptual design stage. Early intervention by specialized engineers, contractors and consultants who serve these industries is especially important because design changes become more costly to the owner later in the design process, and in some cases changes cannot be implemented. Consequently this program will first focus on educating the market and establishing ongoing working relationships with Hospitality corporate staff or business owners in charge of capital budgeting and facility development.

Calculated incentives will be determined using building and process energy modeling based on DOE2 or other appropriate energy simulations prepared by qualified energy consultants and verified internally or through external consultants. For new construction projects, owner incentives will be paid to new construction projects that beat the baseline by 10%. Retrofit projects will be paid based on all savings beyond the baseline. Design team incentives will be available for both new construction and retrofit projects.

Market specific delivery of calculated program offerings will allow better market penetration through market specific customization and will allow better integration with market experts through partnerships with architects, engineers and energy consultants who regularly work with Hospitality customers.

Demand Response

As first line of contact with customers, the Hospitality team will be in the role of assisting the customer through developing a portfolio of energy services. As a complete package, this portfolio should include assessment of demand response opportunities where applicable.

Distributed Generation

As first line of contact with customers, the Hospitality team will be in the role of assisting the customer through developing a portfolio of energy services. As a complete package, this portfolio should include information on distributed generation technologies where applicable.

Coordination with other entities has been and will remain a commitment of the Program.

1. Coordination with vendors, particularly local ones, has been a key driver in the success of delivering itemized energy efficiency measures. Vendors bring eligible products directly to the customer and make energy efficient equipment purchases

convenient. They know and rely on PG&E to educate and assist customers with the purchase of time-proven energy efficient products.

2. Working with local government agencies is crucial to meeting the needs of each unique community. PG&E will continue to actively partner with local governments to explore opportunities to increase program outreach. PG&E representatives will continue to actively partner with those agencies to leverage the influence necessary to achieve the desired efficiency changes.

The market segment focus will allow program managers to integrate various demand side *programs* into a tailored package of offerings most suitable to meet the needs of this market. Due to the cycle of remodeling, it is important that program managers develop and maintain a working relationship with decision makers and the design community to ensure that remodels take advantage of the best energy efficiency options.

PG&E's lodging and hotel facilities consultants will meet with customers to identify their specific energy needs: additional information/education on recent industry developments, site specific energy audits, energy efficient retrofit options, retro-commissioning, or new facility design assistance. Together they will develop a comprehensive energy efficiency plan which also considers options for distributed generation and demand response. For instance, approaches might include:

- Coordinate architects, engineers and commissioning agents as well as corporate managers to provide integrated building and systems design;
- Work with hotel chains and large individually-owned hotels' financial managers to encourage adoption of standard energy efficient design practices, construction, maintenance and operations;
- Stress benefits of commissioning and retro-commissioning for energy and non-energy benefits;
- Use industry and end-use experts (e.g., in lighting and HVAC);
- Provide specialized audits to identify options for cooking facilities, laundry facilities, telecom centers and fitness centers;
- Include offerings of distributed generation and solar information.

PG&E will also coordinate state and national efforts (e.g., the California Energy Commission's Public Interest Energy Research, the Environmental Protection Agency's ENERGY STAR[®] program, Leadership in Energy Efficiency and Design, the Green Building Initiative, and California Commissioning Collaborative). Trade associations will be linked into the entire package for education, outreach and lead generation. Additional financing may be offered if feasible.

PG&E will also identify energy efficiency projects where design assistance has impacts, but the customer does not apply for program incentives.

The lodging and hotels facilities program will be one component of an integrated marketing and outreach strategy. A variety of channels (e.g., technical and program information, case studies, seminars, advertisements, direct mail, articles, bill inserts, point of purchase materials, trade shows) will be used as appropriate to both inform the general customer audience and to appeal to niche markets. Particular emphasis will be placed on Web-enabled information and assistance.

11. Customer Description

The hospitality market segment includes hotels, motels, bed and breakfast inns, resorts, convention centers, and hotel chains as well as the architects, design engineers, contractors, and vendors who specialize in the hospitality market segment. This effort will target all customers within the hospitality industry specific messaging.

There are over 7,100 hospitality electric accounts. The majority (6,920) fall into the 1-200 kW range of customer size. The Mass Market program effort will likely reach the smaller independent customers while the market integrated program will reach the larger and chain customers.

Larger hospitality facilities tend to fit into three general areas:

- Convention destinations which include large exhibit halls, meeting rooms of various sizes, auditoriums, and hotel rooms;
- Tourist destinations which may include large and medium sized hotels/motels with some conference/meeting facilities.
- Recreation destinations which are often self-contained resorts away from urban areas.

Small hotels may be either corporate owned or franchised. The corporate owned hotels/motels have the potential for corporate-wide energy efficiency changes. Franchised hotels are a large part of this segment of the market but have decentralized decision making and may require more resources to achieve kW and kWh savings. Other resources may include the intervention of a third party directly installing more efficient lighting or lighting/refrigeration/HVAC controls.

This market segment uses about 736 GWh (160 MW demand) of electricity primarily for indoor lighting (254 GWh, 55 MW) and cooling (110 GWh, 50 MW). Gas usage is mostly for water heating for rooms and laundries (40 Mtherms), cooking (10 Mtherms), heating (8 Mtherms) and pools (8 Mtherms).

Lighting potential includes common use areas such as hallways, staircases, exit signs, and parking garages. Plug load potentials often include icemakers, vending machines,

room refrigerators/minibars, and room coffee makers. Standby losses could be reduced from TVs and room telecommunications equipment. HVAC potential exists in both existing central air conditioning equipment, and less efficient package terminal air conditioning units.

Larger hotels and convention centers also hold significant potential for the introduction of distributed generation technologies for use during critical peak periods.

The 2006-2008 programs result from a complete reevaluation of existing programs, historical successes, the needs of the market, and the Commission's energy savings targets for 2006 and beyond. The resulting programs use a new and innovative approach to markets and delivery methods to maximize savings opportunities. The programs will have the flexibility to continue to evaluate and adjust based on successes and customer responses.

12. Customer Interface

The Hospitality program will be presented to customers by PG&E account representatives, industry consultants and contractors/vendors of energy efficient equipment. Customers will also learn of the program through PG&E marketing efforts and in trade publications. The integrated market DSM portfolio will provide customers easy access to energy efficiency options as well as appropriate options for demand response, distributed generation and solar applications.

13. Energy Measures and Program Activities

13.1. Measures Information

Measure information is provided in the corresponding cost-effectiveness calculator and portfolio workbook. Incentive levels for the targeted market programs are being developed to reflect current market conditions. PG&E is building on the statewide consensus of previous years to establish the rebate levels for the Mass Market program that will reflect current market conditions.

Many commonly-implemented energy efficiency projects are classified as calculated measures. Projects and processes with limited results history cannot be assigned deemed savings nor can a model to appropriately calculate savings be devised. For these projects, additional, specific information about the project will be required of the applicant, and based on the information an engineering analysis and evaluation of the savings potential will be completed. Incentives will be based on savings similar to the method used for other calculated projects. For these measures, an energy-savings calculation model will be used to estimate energy savings and corresponding incentive, based on an annual per-kWh saved rate.

Measures and processes not identified as deemed or calculated are categorized as customized. Those measures will undergo a comprehensive engineering analysis to

determine energy savings and the appropriate incentive amount. This process permits emerging technologies and new entrants in the marketplace the opportunity to make their way into the marketplace. As sufficient operating and savings history is gained on specific customized projects, a standardized calculation model may be developed and the project added to the list of calculated measures.

Additionally, the program recognizes the importance of integrating energy efficiency and demand response. Through the integration of certain technologies like energy management systems or other control equipment, both initiatives can be met. The Medical Facilities program will provide incentives for many types of control systems that allow demand reduction and permanent control of lighting, HVAC, and refrigeration systems.

13.2. Energy Savings and Demand Reduction Level Data

Energy savings and demand reduction information is provided in a corresponding cost-effectiveness calculator and portfolio workbook.

13.3. Non-energy Activities (Audits, Trainings)

Sections 6 and 7 above provide information on planned non-energy activities for medical facilities market actors. In addition, the program will host several training classes to educate end-users and contractors on specific end-use equipment. Separate contractor/customer seminars will also be planned.

Other industry-specific activities may include:

- Outreach/marketing activities, including annual Energy Efficiency Design Awards, co-sponsored with the AIA, California Council, to raise the awareness of successful high performance medical facilities within the design professions.
- Feasibility studies and pilot components as needed to develop new approaches to more effectively engage targeted market segments such as nursing homes, skilled nursing facilities, and treatment-specific out-patient centers (orthopedic centers, imaging centers).
- Training and resource enhancements in concert with the Energy Design Resources component (now included in the Education and Training program).

Participate in various conference and workshops to develop tools and concepts that will aid the program expand its education and efforts to encompass sustainability issues, Demand Response, water conservation, and enhanced gas savings into the program.

13.3.1 End Use Load

End use loads are indoor, common area lighting, air conditioning, water heating for rooms, laundries, cooking and pools.

13.3.2 Targeted Sector

Hospitality facilities customers

13.3.3 Activity Description

- Design assistance at time of remodeling;
- Information and assistance on energy efficiency food service equipment;
- Education and training on energy efficiency equipment and practices that would be applicable across many hotels/motels;
- Special seminars for hospitality industry; and
- Integrated, site-specific energy audits.

13.3.4. Quantitative Activity Goals

As required in the Energy Action Plan, Decision 04-09-060, the Energy Saving Targets Decision, Decision 05-04-051, and Policy Rules II.1 and II. 2, the focus of all activities in the program will be to promote and produce energy savings.

13.3.5. Assigned attributes of the activity

Appropriate end uses for hospitality facilities customers

13.4. Subcontractor Activities

PG&E's portfolio of programs will integrate new and existing third parties as well as partnerships into each program. The need for additional subcontractors will be determined at that time.

13.5. Quality Assurance and Evaluation Activities

PG&E will continue the level of quality assurance of the present programs including pre-inspections for larger or specialized projects and post-inspections on all large projects and a percentage of smaller projects similar to 2004-2005.

The Hospitality Facilities program has quality assurance verification activities and evaluations to ensure the program's efficiency and cost-effectiveness. The project verification, review and quality assurance will be carried out by independent consultants. PG&E will review and quality-check consultants' reports and customers' applications. Independent consultants' evaluations and program tracking data will be

used to assess the effectiveness of program intervention strategies in order to meet customer needs and overcome market barriers.

The program evaluation consultants will gather data during the program interventions, review and conduct quality assurance on the data. The independent consultants will also supplement the data as needed to carry out the analyses to determine the successfulness of the program.

For measurement of energy savings, a detailed EM&V plan will be developed by an independent consultant that will select methods that are consistent with the currently adopted measurement rules at the time the detailed plan is developed. Either in this evaluation or in an over-arching statewide study, the ex ante energy and demand savings estimates will be reviewed, and new ex post estimates will be developed if additional measurement is needed to assure accurate savings estimates. Savings estimates will be updated to reflect the best available information, as needed.

- **Process Evaluation:** This task will include evaluation of program delivery mechanisms, marketing and delivery channels, timelines and customer satisfaction. The research will provide ongoing feedback and guidance on program implementation through customer behavior and market actor studies. It will measure indicators of the program effectiveness. Surveys undertaken as part of the process evaluation are likely to include participating and non-participating customers and trade allies.
- **Market Assessment and Customer Behavior Analysis:** These tasks will assist in assessing customer awareness, behaviors and practices given their participation in the Hospitality Facilities program. The data used will be drawn from the process evaluation survey of customers and from the verification data collected. The market saturation/market share/potential data from statewide studies currently underway will be another primary source of information for market assessment and baseline analysis
- **Interim Impact Assessment and Feedback Analyses:** These tasks will provide ongoing feedback to program managers on the impacts being achieved. The analyses will let the program managers know early what measures are capturing large savings opportunities and what are not progressing and recommend timely program changes.

13.5.1. Expected Number/Percent of Inspections (planned percent of projects)

The Hospitality Facilities program will adopt a inspection plan to ensure that calculated measures are installed and operational. One hundred percent of the participating calculated projects are verified during an on-site visit as soon as a facility is substantially complete.

The inspection plan for deemed measures, if any, is addressed under the Mass Market program.

13.6. Marketing Activities

This program will be one component of an integrated marketing and outreach strategy. A variety of channels (e.g., technical and program information, fact sheets, seminars, brochures, advertisements, point-of purchase materials, trade shows, direct mail, and articles in industry publications) will be used as appropriate. Particular emphasis will be placed on Web-based information and assistance.

14. Conclusion

This Market Integrated DSM program compliments the rest of PG&E's portfolio, contributes to the overall balance of the entire portfolio and is designed to achieve the Commission's energy savings targets.

15. Appendices

Documents shared with PG&E's Public Advisory Group and at the Public Workshops on the development of PG&E's 2006-2008 portfolio can be found on PG&E's Web site at http://www.pge.com/rebates/program_evaluation/advisory_group/.