



City & County of San Francisco

A White House Climate Action Champions Case Study

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Executive Summary

The City and County of San Francisco (CCSF) has shown a strong commitment to protecting its environment and, in 1996 joined the handful of US cities to create a department solely focused on environmental issues. In 2004, San Francisco committed to reducing its emission to 20% below 1990 levels by 2012, a goal it has already exceeded. As part of its goal of reducing emissions, the Department of the Environment has provided energy efficiency programs to small businesses since 2001. The latest iteration of these programs, SF Energy Watch was launched in 2006, a public-private partnership with Pacific Gas and Electric Company.

Through SF Energy Watch, small businesses—the lifeblood of San Francisco’s diverse, multicultural neighborhoods—qualify for incentives and vital services. These services start with a no-cost energy assessment, followed by full project management through the completion of the installation by one of the program’s participating contractors. While there are programs that focus on large businesses, few are addressing the harder-to-serve small business sector.

Over the last 15 years, the Department of the Environment has built a passionate team of multilingual energy advisors that are able to engage small business communities in every neighborhood in the city. SF Energy Watch turnkey services are key to program success because small business owners generally lack the technical background and time to implement efficiency upgrades.

As of October 2015, program staff has managed almost 7,000 energy efficiency jobs in commercial and multifamily buildings. The result is a reduction of nearly 60,000 metric tons of greenhouse gas emissions associated with implementing SF Energy Watch projects, the equivalent of taking more than 9,500 automobiles off the road or powering over 28,500 San Francisco residences for a year. In addition, the efficiency upgrades help property owners trim their costs and increase property value. The SF Energy Watch program has been successful because of its commitment to filling unmet demand in hard to serve sectors like small businesses and multifamily buildings.

Climate Action Champion

In 2004, San Francisco became one of the first US cities to adopt a Climate Action Plan. Understanding the management tenet that “what gets measured gets managed”, in the 2004 plan, San Francisco committed to measuring its city wide emissions and reducing them to 20% below 1990 levels by 2012—a goal it exceeded by an additional 3%. This success has sparked additional work to reduce emissions and set San Francisco apart as a leader in sustainability.

San Francisco’s recently updated Climate Action Strategy, released in early 2014, not only outlines a series of potential strategies to meet the City’s ambitious greenhouse gas reduction goals through mitigation, it also highlights the need to begin planning for adaptation. The Strategy calls for emissions reductions of 25% and 40% below 1990 levels by the year 2017 and 2025 respectively. The multiple recommended strategies can be summarized in four simple goals: 1) Zero Waste, or sending nothing to the landfill or incineration, by the year 2020; 2) 50% Sustainable Trips by 2020; 3) 100% Renewable

Energy by 2020; and 4) Roots, which describes its commitment to not only reduce GHG emissions but actually sequester them.

Its progress toward these goals includes:

- The city diverts approximately 80% of its waste from landfill.
- The city has achieved the 50% sustainable transit goal and is considering its next goal in this area.
- In addition to its energy efficiency programs, San Francisco has implemented a range of renewable energy programs—from developing large scale municipal solar projects to offering program incentives for residential solar.
- San Francisco has many plans and projects to go from “gray-to-green” infrastructure including the SF Carbon Fund, the Green Connectors project, the Pavement to Parks program, Food to Flowers school program, and it’s Sewage System Improvement Program which is in the process of implementing 8 large-scale Green Infrastructure projects.

Project Spotlight 1 – Small Business Engagement

Getting the attention of the small business community can be challenging. Small business owners generally do not have time available or staff to take over their business while they meet with technical service providers. In addition, some lack the technical background to understand newer technologies available in the market today. Most importantly, small business owners may not have the upfront capital to invest in energy-saving technology, even though they will ultimately save money. Understanding these barriers, program staff highlights the hassle-free start-to-finish technical assistance. To motivate small business owners to take advantage of the program, energy auditors and participating contractors utilize tangible samples of different technologies during site visits, which have proven to be very effective.

The Department’s multilingual staff provide materials in multiple languages, including flyers, quick tips and case studies featuring past SF Energy Watch participants as Energy Efficiency Champions. Personnel also employ community members who direct face-to-face outreach to small businesses in every neighborhood in San Francisco—from its densely packed Chinatown to the primarily Latino, Outer Mission neighborhood. While this door-to-door engagement can be labor intensive, it is vital to helping the small business owner understand the program resources in a way that simply mailing a brochure cannot. One-on-one conversations offer the opportunity for program staff to learn about the opportunities and barriers that small business owners experience related to energy savings. Therefore, street level engagement with neighborhood business owners also fosters relationships with the Department of the Environment in the community.

Project Spotlight 2 – Community Outreach

In the multifamily building sector, SF Energy Watch offers incentives for energy efficiency upgrades – both in residential units and common areas. Program staff assist with project implementation, including

audits, bids, and equipment selection. The program has been able to reduce energy usage by helping multifamily building owners upgrade to energy efficient equipment while increasing tenant comfort. To maximize savings, SF Energy Watch proposes bundles of measures to achieve deeper and more cost-effective energy savings. This flexibility is crucial to program success and serves as a model for future programs.

The Department is developing a comprehensive greening program for community based organizations that will roll out in the next 14 months. It incorporates the SF Energy Watch resource and targets local community based organizations to help them implement energy efficiency and renewable energy measures, reduce their use of toxics, install water conservation equipment and provide community education and outreach to their constituents.

Co-benefits for the Community

SF Energy Watch has been successful not only in delivering energy savings, it also creates and sustains local green collar jobs. Since the inception of this program SF Energy Watch has increased its staff to 13 full time staff and recruited over 80 licensed contractors to work in the program. Most active participating contractors who remain in good standing are referred to customers and posted on the SF Energy Watch web site. Thus, supporting contractors grow their business while stimulating the local economy.

SF Energy Watch has taken a grassroots approach to outreach by employing staff from the Department's green careers program, Environment Now, which prepares workers for jobs in the environmental field through rigorous eco-literacy training and soft skills development. The diverse, multilingual Environment Now team members were trained to identify energy efficient opportunities and developed excellent sales skills. The program also helps small businesses stay in San Francisco. With some of the most expensive real estate in North America, San Francisco has become increasingly off-limits financially for small family-owned businesses and non-profit organizations. However, these are the very businesses and organizations that contribute to San Francisco's unique urban flavor and neighborhood charm. It is imperative that city government help them stay in the City and thrive.

Ongoing challenges and lessons learned

The SF Energy Watch program is possible through state regulations – frequent changes in the regulations pose a constant threat to program stability.

Small businesses typically have little attention for anything not directly related to their business model: acquiring customers and making profit from sales; therefore, getting their attention about energy retrofits requires patience and repeated personal visits.

Small business owners are hard to reach and have time constraints; therefore, meeting them where they operate is an effective way to engage them.

Small businesses may have very limited energy saving opportunities; conducting merchant walks with participating program contractors that offer a wide variety of services, for example lighting and refrigeration, is an effective way to bundle up services.

Small business owners are concerned about their co-pay, therefore, by changing the messaging that the cost of not upgrading is higher than their one time co-pay helps change the perception of the small business owner.

Small businesses experience uncertainty about their future; therefore, their investment horizons are very short, typically less than one year.

Small businesses receive a great number of solicitations related to energy efficiency upgrades by different parties, including non-participating program contractors, utility company representatives, lighting suppliers and others; therefore, they get overwhelmed and confused by which program works best for them.

Utilizing community based social marketing, program staff generates trust and credibility by continuing to do program presentations in the community, connecting with community leaders and featuring past participants as SF Energy Watch Energy Efficiency Champions.

Small businesses in multicultural neighborhoods may feel apprehensive by City employees visiting their business; therefore, having a diverse and multilingual staff can produce a favorable connection when doing site visits.

Marketing and outreach campaigns are costly; therefore, targeting specific technologies and business sectors per geographical areas are more cost-effective.

Strategizing potential energy savings in the small business sector can be difficult; therefore, working in partnership with the utility company is valuable to identify energy demand per customer.

Resources/Learning More

1. www.SFEnergyWatch.org

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Project Impact from 2006 to October 2015:

- SF Energy Watch has served more than 6,800 San Francisco commercial and multifamily properties,
- Saved them an average of \$4,300 in annual utility bills,
- Paid over \$22 million dollars in incentives for energy efficiency upgrades, and
- Reduced the City's carbon emissions by nearly 60,000 metric tons.
 - The equivalent of taking more than 9,500 automobiles off the road or powering almost 28,500 San Francisco residences for a year!

Project Costs and Funding

SF Energy Watch is funded by the California Public Utilities Commission through the electricity ratepayer funds. Approximately **3%** of income collected by local investor owned utilities from gas and electric bills is used specifically for energy efficiency projects.

Project Facts

Project Duration

2006-Present

Project Cost

Annual budget is approximately \$6.9 million

Project Staff Required

The Department of the Environment employs 13 full-time staff to implement Energy Watch. It works with more than 80 approved participating program contractors to provide expert installation of energy efficient equipment.

Population Served

Commercial and multifamily buildings in San Francisco, including the small business sector.

Community Type

Urban

Partners

Program partner is Pacific Gas and Electric Company. Other partners include small business, neighborhood merchant associations and other professional organizations, low-income housing developers, and licensed contractors.