



**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

**FILED**  
04/16/19  
04:59 PM

*Order Instituting Rulemaking  
Concerning Energy Efficiency Rolling  
Portfolios, Policies, Programs,  
Evaluation, and Related Issues.*

Rulemaking 13-11-005  
(Filed November 21, 2013)

**SONOMA COUNTY REGIONAL CLIMATE PROTECTION AUTHORITY  
COMMENTS REGARDING ADMINISTRATIVE LAW JUDGE'S  
RULING SEEKING COMMENT ON FUTURE OF  
REGIONAL ENERGY NETWORKS**

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Dated: April 16, 2019

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**I. Introduction**

Pursuant to the March 27, 2019, Administrative Law Judge’s Ruling Seeking Comment on Future of Regional Energy Networks (the Ruling), and in accordance with Rule 6.2 of the Commission’s Rules of Practice and Procedure, the Sonoma County Regional Climate Protection Authority (RCPA), which is a Bay Area Regional Energy Network (BayREN) member, submits the enclosed comments.

Formed in 2009 to coordinate countywide climate protection efforts among Sonoma County’s nine cities, the County, and multiple agencies, the RCPA fosters collaboration, helps to set goals, pools resources, formalizes partnerships, and works across silos to create local solutions that complement State, Federal, and private sector actions — to ensure a better future with lower emissions. Governed by a board of elected representatives from all ten local governments, RCPA facilitates coordinated local action to address climate change and increase climate resiliency.

RCPA is also the local implementer for BayREN's single family, multifamily, business, codes and standards, and financing programs, which offer citizens with varying needs and means a range of efficiency and clean energy solutions.

In 2017, Sonoma County entered a new era as the historic and catastrophic Tubbs Fire swept through Santa Rosa and northern county destroying five percent of the county's residential and commercial building stock and causing \$12 billion in damage. As the community took its first steps to recover, BayREN took action, developing and providing trainings and permitting guides to help in the rebuild efforts. This specific action and BayREN's continuing program support demonstrate the value of regional partnership as the impact of a warming atmosphere and oceans lead to more weather extremes.

## **II. Comments**

RCPA's responses to specific questions are summarized here, with additional detail provided below. Specifically:

1. The Regional Energy Networks (RENs) are doing what they were asked to do, are doing it well, and getting results
2. RENs have and will continue to leverage multiple sources of funding and partnerships — particularly with Community Choice Agencies (CCAs) — to expand and enhance ratepayer funded programs and serve citizens with varying needs and means
3. RENs are a critical part of future solutions to increase energy efficiency and decrease Greenhouse Gas Emissions (GHGs), particularly in existing buildings
4. RENs are a valuable resource for local governments enabling the sharing expertise, local strategies, program resources and best practices, and collaboration aimed a local and regional benefits

RCPA also supports the BayREN request that there be a Commission led workshop on the RENs prior to any decision on the future of RENs to ensure that parties, who are participating in multiple proceedings, have time to learn about the REN performance and provide a fully informed response to REN proceedings.

RCPA would like to offer the following comments on the questions posed in the Ruling:

**1. Threshold REN Policy. Are RENs still appropriate (new or existing) in light of likely geographic overlap, and/or portfolio overlap, with CCAs and LGPs? Why or why not? What unique value do RENs bring, if any, compared to CCA or LGP programs?**

Yes, RENs are appropriate because they focus on identifying the best use of resources through collaboration with government, business, and community partners; a strategy built on a long history of local government coordination. In particular, RENs provide a regional framework in which partners can coordinate efforts and leverage core competencies to provide a more comprehensive public service. RENs help local governments to be more innovative, flexible, and effective in responding to climate-driven changes in policy, technology, and GHG reduction targets while fostering opportunities for local economic growth.

RENs have and continue to collaborate with Local Government Partnerships (LGPs) and Community Choice Agencies (CCAs) to coordinate efforts, serve more people, and provide the accountability and transparency inherent in the public service mission of local government: To foster healthy and sustainable communities.

Since their founding, RENs have followed the Commission's D.12-05-015 guidance to be "additional to" and not compete with LGPs. Meanwhile the trend among CCAs is to focus on self-funded programs that are not allowed under Commission rules (e.g., fuel substitution) or are not appropriate for an Investor Owned Utility (IOU) to deliver (e.g., short duration, experimental, fast-paced, or targeted to specific neighborhoods or industry). One local example is the partnership between BayREN/RCPA and Sonoma Clean Power on a free Electric Vehicle charging station program for multifamily properties, which is being implemented in collaboration with PG&E, Bay Area Air Quality Management District, and Center for Sustainable Energy.

RENs provide a regional market in which to coordinate the efforts of these key partners with the REN programs so that customers can find the solution that best fits their needs and means. On the local level, RCPA is able to bring lessons learned and best practices from our BayREN engagement to our ten member jurisdictions in the form of new tools, resources, and specific incentives to increase energy efficiency in multiple building types. This collaboration ensures that all Bay Area jurisdictions benefit from expertise developed through BayREN and

also enables consistency across counties leading to greater environmental and cost benefits for cities, counties, and residents.

**2. Existing REN policy. Should the Commission consider cancelling REN programs after the expiration of the current business plan period? Why or why not?**

No. The importance of effective coordination and established partnerships will increase as investment in and deployment of distributed energy resources (e.g., solar, storage, and building efficiency) grows and communities navigate a successful and timely transition to a decarbonized future. RCPA has been able to build stronger partnerships and bring more services to local citizens through its role as the Sonoma County BayREN representative. For example, RCPA partners with the county Energy and Sustainability Division staff to leverage and layer Sonoma County–based efficiency programs with those that BayREN offers to increase overall impact.

**3. New REN policy. Should the Commission consider discontinuing the opportunity for formation of new RENs? Or should the Commission consider new REN proposals? Why or why not?**

The Commission should not discontinue the opportunity for formation of new RENs and should consider new REN proposals. The regional scope of RENs allows them to support market-driven progress by providing consistent program processes across jurisdictions that allow qualified contractors to participate in alignment with their business model. The regional scope also supports REN members through sharing of expertise and coordination of efforts. More RENs would enable these beneficial impacts in more counties across the state creating a clear market signal for contractors, building owners, and developers, who will then be better positioned to help California meet our ambitious energy efficiency, housing, and environmental goals.

**4. Criteria for REN evaluation. Are the criteria adopted in D.12-11-015 and reaffirmed in D.16-08-019 still the appropriate criteria to apply to RENs and their programs? Or should new or different criteria be developed and applied?**

RCPA concurs with the BayREN comments that the first criteria (activities that utilities cannot or do not intend to undertake) and the second criteria (pilot activities where there is no current utility program offering, and where there is potential for scalability to a broader geographic reach) are still appropriate for the RENs. But, as stated in the BayREN comments, that the third criteria should be revised to say hard-to-reach “or underserved” and if a REN asserts that a program serves an underserved market, they must present “concrete data and analysis” to justify this position.

**5.     Application of REN criteria. Should REN programs be required to meet all of the criteria from D.12-11-015 and not just one? Why or why not?**

Under the current one-criterion minimum arrangement, RENs have successfully met their goals to fill gaps in statewide programs, pilot new program models with potential to scale, and focus on hard to reach or underserved markets. In addition, the ability to meet one (or more) of the criteria has provided the flexibility to respond to opportunities in a quickly changing environment with new approaches and partnerships. RCPA supports continuing the current practice of allowing RENs to meet at least one of the three criteria because it enables RENs to tailor their programs to address unique regional challenges and meet unique regional needs.

**6.     New REN geography. Should the Commission consider proposals for formation of new RENs that overlap with existing or other new REN proposals? Why or why not?**

RCPA concurs with the BayREN comments: “Each region is unique, with a diversity of constituents and energy needs across regions. New REN-applications should be considered and programs evaluated based on the established criteria in D.12-11-005. With the significant reduction of LGP budgets and the movement to third party contracting and high TRC, it is likely that hard to reach customers will be largely ignored. New RENs could fill this gap and ensure an equitable distribution of ratepayer funds across the state. RENs offer a unique opportunity for the CPUC’s Energy Efficiency Portfolio to continue to benefit from regional program administration.”

**7.     New REN timing. If you recommend that the Commission consider formation of new RENs, when during the rolling portfolio cycle should such proposals be considered?**

RCPA concurs with the BayREN comments on this question: “In D.14-01-033, the Commission ruled that first-time applicants’ proposals are reviewed at any time. As such, new RENs should enjoy equal treatment. If the Commission determines that it is appropriate to consider the formation of new RENs, it should be in advance of the annual regulatory filings such as the Joint Cooperation Memo and the ABAL. Further, any new REN should be required to follow the CAEECC procedures for stakeholder input on a proposed business plan.”

**8. REN sector limitations. Should RENs be limited to delivering programs in specific sectors (e.g., the public sector, or multi-family buildings) or to specific populations (e.g., hard-to-reach communities)? Explain your rationale.**

The importance of energy and water efficiency is increasing driven by climate change impacts, more assertive policies, and economic and technological factors. The current system of coordination between IOU, REN, and other partners through business planning and joint cooperation memo coordination allows all parties to respond as a team to new conditions and priorities. Limiting RENs and other stakeholders to deliver programs in specific sectors or to specific populations artificially divides what is an integrated market place that benefits from responsive, flexible services.

**9. REN program types. Should RENs be limited to offering certain types of programs only (e.g., non-resource programs or resource programs)?**

No. As cited above, customer demand does not exist in siloes, but occurs across customer classes, building types, and technological advances. It is the ability to evolve strategies to meet changing conditions, such as increasing weather extremes and rising housing costs, that offers the greatest promise for meeting GHG, economic, and equity goals. Non-resource programs would benefit from Commission guidance on establishing appropriate key performance indicators to measure results and make course corrections in a timely manner as local conditions change.

**10. Cost-effectiveness requirements. Should RENs be required to meet a certain cost-effectiveness threshold in order to be approved or continued? If so, what level, and why?**

RCPA concurs with BayREN that programs that serve customers traditionally left behind by the statewide cost-effectiveness program system should be allowed to demonstrate success with metrics that address social and environmental benefits not represented in a strict cost-effectiveness context.

**11. REN evaluations. Are there specific studies that the Commission should undertake to more directly evaluate the effectiveness of the REN programs thus far? Please describe.**

RCPA concurs with the BayREN response to this question: “We urge the Commission to also consider studies and other efforts that would better inform the collective understanding of the value of the RENs. These efforts should focus not on the REN Programs themselves, but what policies and associated customer segments the Program Administrators (PAs) collectively are or are not serving. A “Policy and Program Alignment Assessment” for example could focus on questions such as: What programs are disappearing as the LGPs are defunded? What customer segments are not being served by third-party programs? What strategic high value state policy goals (for example, deep retrofits of existing residential buildings) are not being met by PAs?

“This type of assessment could provide valuable information not only for the evaluation of REN programs (i.e., what gaps are they successfully filling) but also for the development of new programs that would cleanly fit within the approved REN criteria.”

### **III. Conclusion**

RCPA and its member jurisdictions place high value on working together to solve problems. Membership in BayREN continues to deliver for Sonoma County citizens whether through its wide range of program offers, expanded local capacity as a result of BayREN expertise, or support during a crisis, such as after the 2017 Tubbs Fire (which destroyed five percent of the county’s residential and commercial building stock and caused \$12 billion in damage) when BayREN developed and provided trainings and permitting guides to help in the rebuild efforts.

RCPA supports the Regional Energy Network model and recommends the Commission renew its commitment to an approach that blends the best of long-standing local government



leadership to create healthy and sustainable communities and the emerging importance of collaborative teams in finding solutions for large complex problems.

Dated: April 16, 2019

Respectfully submitted,

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