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<p>Association of Monterey Bay Area Governments AMBAG- 1</p>	<p>Local Government Commission LGC</p>	<p>Local Government Statewide Proposal</p>	<p>35</p>	<p>Observations</p> <ul style="list-style-type: none"> <i>The Goal of the Integrated Climate Funding Market, as designed and displayed in the chart shows six very distinct state level funding organizations that each have their own targets, goals, processes, specific directives, etc. The Local Government Commission has identified that it seeks to coordinate all six of these very distinct state level organizations to make access to their funding something that could be coordinated through the Local Government Commission via one application document. In the presentation the Local Government Commission indicated it would be similar to a college application that is identical for applying to multiple universities. At the time of the presentation, none of the other five state agencies had committed at any level to participate in this conceptual program vision. This visionary concept raises two major concerns. The first is, would energy efficiency ratepayer funds be used to finance moving this visionary concept forward, as currently the Local Government Commission has not indicated any other source of funding to support this effort. The second issue is a serious concern to rural local government partnerships; with this vision of combining the funds of six state agencies into one large pot. The concern is that the requirements to access these funds would by necessity (to comply with all the separate state agency’s qualifications) would be extensive. This will they make it so that only larger, urban jurisdictions will have the capability to access funding because they will be the only jurisdictions that will be able to identify projects that can comply to the bundled requirements of six state agencies simultaneously.</i> <p>Recommended Action</p> <ul style="list-style-type: none"> <i>In view of the observations and comments above AMBAG recommends the Local Government Commission provide a much more detailed plan of how this visionary plan will be actually implemented, clearly indicating how it will</i>

				<p><i>be funded.</i></p> <ul style="list-style-type: none"> <i>To resolve the second issue, it is recommended that the Local Government Commission compile the current application processes and materials for each of the six state agencies and conduct a complete comparison and contrast analysis of the application requirements. This chart should be included in any future revisions of the business plan.</i>
AMBAG - 2	LGC	Local Government Statewide Proposal	7	<p>Observations</p> <ul style="list-style-type: none"> <i>In general, the majority of data barriers that exist for local government partners do not exist because of the behavior of IOU's but they exist because of prioritization of regulations at the state level. For example data privacy for businesses takes a higher priority in state regulation, then providing accurate energy/GHG data for reporting on the business and industrial sectors of jurisdiction's GHG inventories.</i> <p>Recommended Action</p> <ul style="list-style-type: none"> <i>These types of data barriers need to be resolved at the state regulatory level and are not something that an IOU or the LGSEC can resolve themselves.</i>
AMBAG - 3	LGC	Local Government Statewide Proposal	7	<p>Observations</p> <ul style="list-style-type: none"> <i>In reference to data management for actual energy efficiency project management including SMB Commercial, CRI complex projects, integrating 0% OBF financing, the Local Government Commission does not have as a core competency a robust customer relationship management (CRM) software infrastructure for communicating and reporting.</i> <i>IOU's with this highly developed software infrastructure, do have this as their core competency.</i> <p>Recommended Action</p> <ul style="list-style-type: none"> <i>PG&E, for example, has developed Energy Insight, a tool that effectively and efficiently manages the customer relationship. Every local government partner works actively in this tool along with all the many staff members at PG&E and can seamlessly advance an energy efficiency project forward through all its steps. It is a very effective tool. It does not make financial sense to have the ratepayers incur the very significant overhead cost of</i>

				<p><i>building a similar tool for Local Government Commission from the ground up. It is recommended that the local government partnerships stay in partnership with the IOU's.</i></p>
<p>AMBAG-4</p>	<p>LGC</p>	<p><i>Local Government Statewide Proposal</i></p>	<p>9-10</p>	<p>Observation</p> <ul style="list-style-type: none"> <p><i>Table 1.1 lists factors that contribute to unsuccessful local government partner outcomes. Some of the factors listed include these eight factors: 1.) Inconsistent Purpose and Mission, 2.) Lack of Predictability in mission, contracting, goals, and programming, 3.) Budgets varying from year to year, 4.) Passive vs. Active Role in Implementation, 5.) Inconsistent Operational Structures, 6.) Failure to link LGPs with cross-functional programs, 7.) Inconsistent Data Access, and 8.) Limited Growth and Development.</i></p> <p><i>The AMBAG local government partnership, which began in 2006, has not experienced any of these factors as a result of working with the current IOU partner PG&E. In point of fact, the experience has been 100% positive. The AMBAG Energy Watch local government partnership has had 1.) consistent purpose and mission, 2.) has had very active participation in developing our program and implementation methodology, and been encouraged in our new program development. 3.) The AMBAG Energy Watch partnership has never had an arbitrary budget, but a very consistent and predictable budget that is discussed in advance for program development. 4.) The AMBAG Energy Watch program has always been encouraged to push for market transformation in the development of new program elements and has successfully done such program development. 5.) The AMBAG Energy Watch program has benefitted from PG&E's willingness to work with us to localize the program elements to our unique local government region. We do not perceive this partnership localization as a negative, but as a key positive strategy that helps us achieve optimal energy savings in our local partnership. 6.) The AMBAG Energy Watch is very well linked with cross functional programs. Our projects very often contain financing components, grant components, and DI components coordinated with customized</i></p>

				<p><i>components all in one project. This ability to develop these sophisticated bundled projects is completely facilitated by PG&E's Customer Relationship Software and by a full complement of PG&E staff that work side by side with AMBAG staff to implement energy efficiency. 7.) To the extent that PG&E is able, from a state regulatory perspective to provide data, PG&E is very responsive in responding to data needs. 8.) PG&E has encouraged the growth and development of the AMBAG Energy Watch local government partnership consistently.</i></p> <p>Recommended Action</p> <ul style="list-style-type: none"> <i>It is recommended that an actual survey of Local Government Partnerships be conducted by a neutral third party to determine how many local government partners share the perspective of the Local Government Commission. While there is no doubt that as a standard protocol of business excellence, there can always be continuous improvement in any operational process, it must also be recognized that PG&E and the other IOUs have many local government partnerships that have very strong and effective partnerships that would disagree with being categorized as having these negative factors in their partnership due to the IOU.</i>
AMBAG-5	LGC	Local Government Statewide Proposal	11	<p>Observation</p> <ul style="list-style-type: none"> <i>In the identification of objectives of the over-arching goals it does not seem that the first goal of achieving the highest and best use of ratepayer funds would be achieved by creating a Statewide Local Government Program. The value add of a local government partnership is that it does have the flexibility to shape itself around local needs. Statewide program development by its nature would reduce local government partnerships to the lowest common denominator program elements in order to achieve statewide consistency.</i>

				<p>Recommended Action</p> <ul style="list-style-type: none"><i>Rigorously develop a table that indicates the negative impacts of moving to a statewide model for local government partnerships and include a sound business analysis of the pros and cons of both options.</i>
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Comments submitted by the Association of Monterey Bay Area Governments
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