

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



DT: November 6, 2015

TO: ABAG Executive Board

FM: Gerald Lahr, Energy Programs Manager
Jennifer Berg, BayREN Program Manager

RE: Bay Area Regional Energy Network

Action: Approve the acceptance of funding from the California Public Utilities Commission (CPUC) for the continued implementation of the San Francisco Bay Area Regional Energy Network (“BayREN”) until the earlier of 2025 or when the California Public Utilities Commission issues a superseding decision, in an annual amount of \$12.9 million¹, and authorize the ABAG Executive Director to enter negotiations and execute the necessary agreements for acceptance of the approved funding and implementation of the BayREN program.

Background.

On November 8, 2012 the CPUC approved ABAG’s application to form the BayREN, a collaboration of the 9 Bay Area counties to implement effective energy saving programs on a regional level. The BayREN draws on the expertise, experience, and proven track record of Bay Area local governments to develop and administer successful climate, resource, and sustainability programs. The BayREN uniquely addresses key sector regionally-scaled programs, and is able to offer and market them to residential and commercial customers across a large geographic area.

ABAG is the lead administrator of the BayREN and has convened a Coordinating Committee of local government agency staff representing the nine Bay Area counties, as follows:

- Alameda County (Energy Council)
- City and County of San Francisco
- City of Suisun City (Representing Solano County)
- County of Contra Costa
- County of Marin
- County of Napa
- County of San Mateo
- County of Santa Clara
- Sonoma County Regional Climate Protection Authority

¹ The contract amount may increase slightly depending on any funds from the 2015 contract that remain at the end of the calendar year. These funds – if any – will be rolled into the 2016 program budgets. BayREN will also have the opportunity in 2016 to request a higher annual budget for subsequent years.

With an approved budget of \$22.7 million for 2013-14, and an additional 2015 budget of \$12,837,000,² the BayREN's main program elements include:

- Energy Efficiency Retrofits for Single Family Residential
- Energy Efficiency Retrofits for Multi-family Residential
- Promotion of Energy Efficiency Codes and Standards
- Commercial Property Assessed Clean Energy (PACE) financing facilitation
- Multifamily Project Financing (Capital Advance)
- Pay-As-You-Save (PAYSTTM)

Program successes to date include:

- ✓ Over 1,759 completed single family energy efficiency upgrades across the ABAG region
- ✓ Over 28,790 multifamily units completing technical assistance and 9,400 implementing energy efficiency measures (completed and in the pipeline)
- ✓ On-site assessments of energy code compliance rates in ten jurisdictions
- ✓ Convening of forums addressing Local Government Climate Action Planning, Commercial Benchmarking Ordinances and other energy/government related topics
- ✓ Providing information and services to members about PACE
- ✓ Participation agreements with four lending institutions to co-fund financing loans for multifamily energy retrofit projects
- ✓ Partnership with three water utilities for development of on-bill repayment program for financing of water/energy efficiency measures

A new rulemaking (R 13-11-005) at the CPUC commenced in 2013 and addresses a proposal to change the energy efficiency program cycle from two years to ten years. A decision in the second phase of this proceeding has recently been issued and provides BayREN with the same 2015 annualized budget until the earlier of 2025 or when the California Public Utilities Commission issues a superseding decision.

Recommendation. ABAG requests that the ABAG Executive Board approve the acceptance of the annual funding for the BayREN in the amount of \$12.9 million commencing in 2016 and continuing until the earlier of 2025 or when the California Public Utilities Commission issues a superseding decision, and authorize the ABAG Executive Director to enter negotiations and execute the necessary agreements for acceptance of the approved funding and implementation of the BayREN program.

cc: Ezra Rapport, Executive Director
Brad Paul, Deputy Executive Director

² Approved annualized budget. Excludes funds rolled forward from prior years.