

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison
Company (U338E) for Approval of Energy
Efficiency Rolling Portfolio Business Plan.

Application 17-01-013
(Filed January 17, 2017)

And Related Matters.

Application 17-01-014
Application 17-01-015
Application 17-01-016
Application 17-01-017

**RESPONSE OF THE VENTURA COUNTY ON BEHALF OF 3C-REN TO
THE APRIL 14, 2017 ADMINISTRATIVE LAW JUDGE'S RULING SEEKING
SUPPLEMENTAL BUDGET INFORMATION FROM PROGRAM
ADMINISTRATORS**

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For the 3C-REN, Tri-County Regional
Energy Network, San Luis Obispo County,
Santa Barbara County and Ventura County

Dated: **June 12, 2017** in Ventura, California

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Pursuant to the April 14, 2017 Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judges (Scoping Memo), directed current and potential program administrators (PAs) to submit responses to specific questions from Attachment A. On May 12, 2017, the Administrative Law Judges granted a *Motion for Extension of Time to File Responses to Attachment A of April 14, 2017 Scoping Memo and Ruling* extending the deadline for submission to June 12, 2017. As a moving party to A.17-01-013, et al, The County of Ventura (“Ventura County”), for itself and on behalf of San Luis Obispo County and Santa Barbara County for the Tri-County Regional Energy Network (3C-REN) and as the proponent of the 3C-REN Energy Efficiency (EE) Rolling Portfolio Business Plan proposal (3C-REN BP), respectfully submits this Response in compliance with the Scoping Memo. Included in this supporting document Response is the narrative and common template requested in the Scoping Memo for this matter, and will serve in alignment with requirements by the Public Utilities Code and the Commission’s Rules of Practice

and Procedure to all parties on the official service list for this application, and a copy of this and other documents relating to 3C-REN are publicly available online at <http://www.ventura.org/environment/energy-efficiency>.

I. Questions applicable to all prospective Program Administrators (PAs)

- 9. Using a common budget template developed in consultation with interested stakeholders (hopefully agreed upon at a “meet and confer” session), display how much of each year’s budget each PA anticipates spending “in-house” (e.g., for administration, non-outsourced direct implementation, other non-incentive costs, marketing), by sector and by cross-cutting program.***

The 3C-REN BP proposal would create a new Program Administrator (PA) in a region that has service gaps. As such, there are no past or current budget data (e.g. 2016 staff positions). For the purposes of this filing, 2018 is considered year one. To the best of its current ability, the County of Ventura, for 3C-REN, has provided requested budget information below in the format resulting from the stakeholder agreement in response to the TURN/ORR request for additional budget related information.

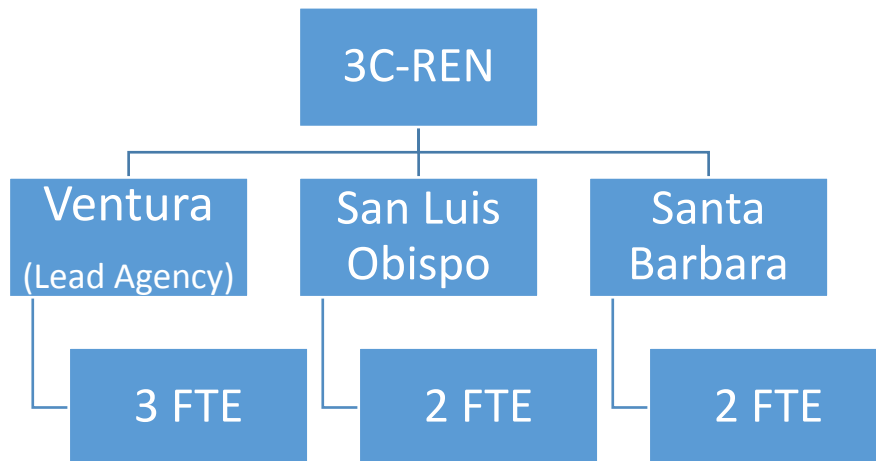
A. Narrative description of in-house departments/organizations supporting the PA’s EE portfolio

The County of Ventura will serve as the lead agency in the administration of 3C-REN programs. As part of the Executive Office Team, staff has experience and expertise working with Utilities as partners on several programs. Program design will be fully developed by 3C-REN team in coordination with the utilities, in addition to using best practices already established by other REN programs and local government designed programs. Hence program administration is expected to be manageable and efficient; in addition 3C-REN will be able to utilize existing resources

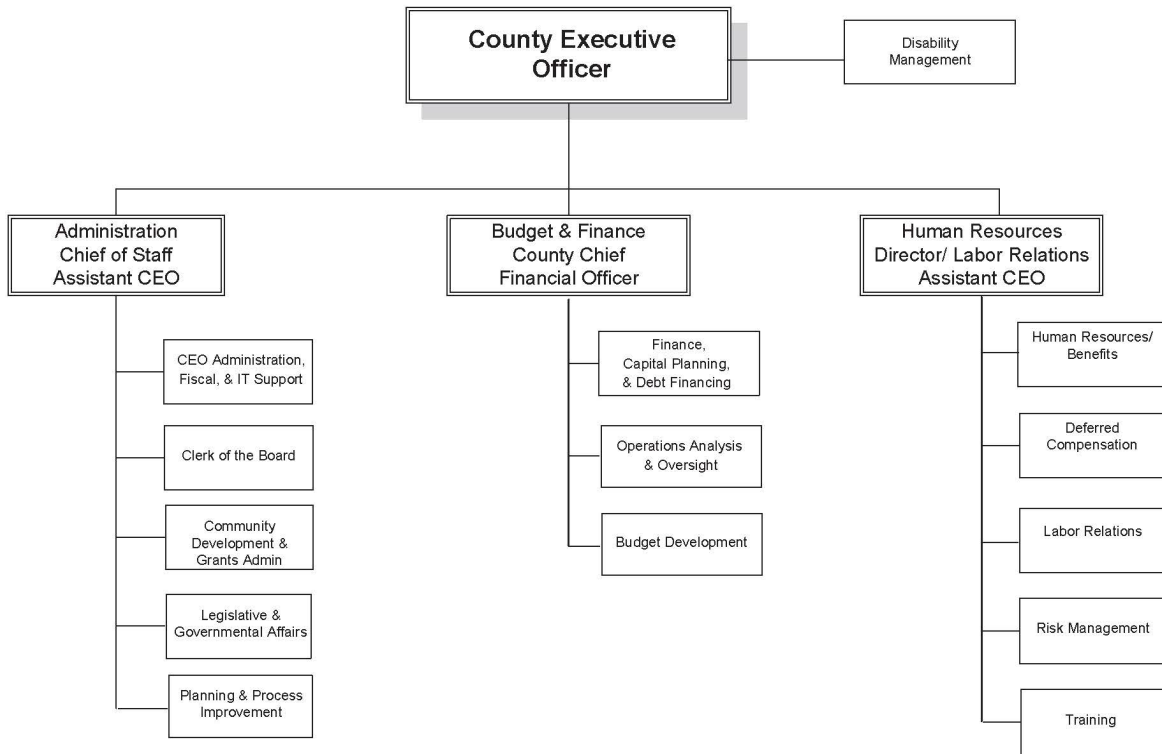
within our county government structure to assist with overall program design, implementation and management of contracts thereby allowing us to be streamlined. Some of those may be Procurement services, legal support from County Counsel, and financial assistance from the Auditor Controller, among others. In addition, we will also have the expertise of Santa Barbara and San Luis Obispo counties and their experienced staff who have also have extensive experience planning and implementing energy program and working with utilities and other relevant stakeholders.

The following 3C-REN Organizational Chart, shows administration and full time equivalents (FTE). The County Executive Office (CEO) Organizational Chart reflects the potential management structure applicable to 3C-REN.

3C-REN Organizational Chart



County of Ventura CEO Organizational Chart



Staffing needs are described further in **section B** and the forecasted cost is detailed in **section C**. These cost projections were determined using current rates for each position. Expected cost-drivers are outlined in **section D**.

B. Table showing PA EE “Full Time Equivalent” (FTE) headcount by department/organization

The functional groups for 3C-REN fit within the agreed template created through the PA’s meet and confer process, however there are some categories that are not expected to be filled by FTE’s. In some cases, such as with the 3C-REN energy coach service, it would be beneficial for the function to be outsourced to a sub-contractor or consultant. The functional areas are not applicable to 2016 since

program delivery is expected to start in 2018. The table below shows FTE forecast for 2018 – 2025.

3C-REN Projected FTE's

Functional Group	Phase 1		Phase 2			Phase 3		
	2018	2019	2020	2021	2022	2023	2024	2025
Policy, Strategy, and Regulatory Reporting Compliance	1	1	1	1	1	1	1	1
Program Management	2	2	2	2.5	2.5	2.5	2.5	2.5
Engineering Services	-	-	-	-	-	-	-	-
Customer Application/Rebate/Incentive Processing	1	1	1.5	1.5	1.5	1.5	1.5	1.5
Customer Project Inspections	-	-	-	-	-	-	-	-
Portfolio Analytics	-	-	-	-	-	-	-	-
EM&V	-	-	-	-	-	-	-	-
ME&O	2	2	2	2.5	2.5	3	3	3
Account Management / Sales	-	-	-	-	-	-	-	-
IT	1	1	1	1	1	1	1	1
Call Center	-	-	-	-	-	-	-	-
Total	7	7	7.5	8.5	8.5	9	9	9

FTE's will perform a variation of duties in two or more functional categories. Activities will include regulatory filings, participation in proceedings, managing of individual contracts, overall coordination with other PA's and any other needs to follow PUC guidance. 3C-REN will structure programs within the proposed organizational structure, all three counties will work together to design and implement programs.

In addition 3C-REN will work with SoCalREN and BayREN to apply already established successful best practices in all of the above functions creating a network of successful REN programs that provide uniform delivery practices and programs in all PA territories.

C. Table showing costs by functional area of management structure

The following table illustrates labor and non-labor cost for 2018:

Residential Sector Labor and Non-labor Costs for 2018

Sector	Cost Element	Functional Group	2016 EE Portfolio Expenditures	2018 EE Portfolio Budget
Residential	Labor	Policy, Strategy, and Regulatory Reporting Compliance	-	\$ 161,399
		Program Management	-	\$ 316,524
		Engineering services	-	\$ -
		Customer Application/Rebate/Incentive Processing	-	\$ 147,160
		Customer Project Inspections	-	\$ -
		Portfolio Analytics	-	\$ -
		ME&O (Local)	-	\$ 152,714
		Account Management / Sales	-	\$ -
		IT	-	\$ -
		Call Center	-	\$ 82,035
	Labor Total			\$ 859,832
	Non-Labor	Third-Party Implementers Contracts	-	\$ -
		Local/Government Partnerships Contracts	-	\$ -
		Other Contracts	-	\$ -
		Policy, Strategy, and Regulatory Reporting Compliance	-	\$ -
		Program Management	-	\$ -
		Engineering services	-	\$ 324,000
		Customer Application/Rebate/Incentive Processing	-	\$ -

Sector	Cost Element	Functional Group	2016 EE Portfolio Expenditures	2018 EE Portfolio Budget
		Customer Project Inspections	-	\$ 191,950
		Portfolio Analytics	-	\$ 150,000
		ME&O (Local)	-	\$ 150,000
		Account Management / Sales	-	\$ -
		IT	-	\$ 100,000
		Call Center	-	\$ -
		Facilities	-	\$ -
		Incentives--Core Programs	-	\$ 348,000
		Incentives--Third Party Program	-	\$ -
	Non-Labor Total			\$ 1,263,950
Residential Total				\$ 2,123,782
	Other (collected through GRC)	Labor Overheads	-	\$ -

Cross-cutting Labor and Non-labor Costs for 2018

Sector	Cost Element	Functional Group	2016 EE Portfolio Expenditures	2018 EE Portfolio Budget
Cross Cutting	Labor	Policy, Strategy, and Regulatory Reporting Compliance	-	\$ 161,399
		Program Management	-	\$ 155,615
		Engineering services	-	\$ -
		Customer Application/Rebate/Incentive Processing	-	\$ -
		Customer Project Inspections	-	\$ -
		Portfolio Analytics	-	\$ -
		ME&O (Local)	-	\$ 174,173

Sector	Cost Element	Functional Group	2016 EE Portfolio Expenditures	2018 EE Portfolio Budget
		Account Management / Sales	-	\$ -
		IT	-	\$ -
		Call Center	-	\$ 82,035
	Labor Total			\$ 573,222
	Non-Labor	Third-Party Implementers Contracts	-	\$ -
		Local/Government Partnerships Contracts	-	\$ -
		Other Contracts	-	\$ -
		Policy, Strategy, and Regulatory Reporting Compliance	-	\$ -
		Program Management	-	\$ 108,000
		Engineering services	-	\$ 171,496
		Customer Application/Rebate/Incentive Processing	-	\$ -
		Customer Project Inspections	-	\$ -
		Portfolio Analytics	-	\$ 100,000
		ME&O (Local)	-	\$ 60,500
		Account Management / Sales	-	\$ -
		IT	-	\$ 100,000
		Call Center	-	\$ -
		Program Delivery	-	\$ -
		Facilities	-	\$ -
		Incentives--Core Programs	-	\$ -
		Incentives--Third Party Program	-	\$ -
	Non-Labor Total			\$ 539,996
Cross Cutting Total				\$ 1,113,218
	Other (collected through GRC)	Labor Overheads		

Overall labor costs are expected to be well balanced in all categories in order to deliver targeted outreach and engagement.

Non-labor costs focus on program delivery; energy coach service, quality control, marketing to local homeowners and contractors. These costs also include development of a robust data collection platform to evaluate program analytics/EM&V. Currently, customer data is collected by IOU service territory, rather than by County or region.

D. Table showing cost drivers across the EE organization

The following table summarizes the projected cost drivers and the percent increase expected:

Expected Cost Drivers for 2018-2019

<u>Description</u>	<u>Increase</u>	<u>% of Increase</u>
Labor	\$ 71,653	5%
Regulatory Process - New PA	\$ 57,950	17%
Increase Program Participation	\$ 225,000	15%
Energy Coach service	\$ 144,000	15%
IT Cost (Data)	\$ 79,000	5%
Incentives	\$ 151,000	43%
Total	\$ 728,603	100%

3C-REN divided its business plan into phases, each associated with a projected increase in participation. As program uptake increases and new programs rollout, costs are expected to go up. Overall program administration is not expected to be significant cost drivers. In contrast, Program Delivery is considered a cost driver due to the expected increase in the number of EE projects, energy coach site visits, and incentives processed as the programs gain traction.

E. Explanation of allocation of labor and O&M costs between EE-functions and GRC-functions or other non-EE functions

The 3C-REN has no planned allocation of labor costs attributable to GRC functions, the costs described are fully attributable to 3C-REN programs. Labor costs are fully loaded, and are tracked at the project and/or activity level by all staff. Contract rates for County labor rates are calculated to provide for total cost recovery of the department's Requested Budget. Each department is treated as a separate cost center and a rate is established for each classification within each department. General guidelines are used in determining all rates, and costs are easily traced to or associated with a specific job/ program. Only 3C-REN EE functions will be directly allocated to 3C-REN budget.