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|  1LACo_SEAL_K2in0904PC1 | County of Los Angeles**INTERNAL SERVICES DEPARTMENT**1100 North Eastern AvenueLos Angeles, California 90063 |  |
|  | *“To enrich lives through effective and caring service”* | Telephone: (323) 267-2101FAX: (323) 264-7135 |

September 1, 2020

**Advice Letter 13-E/13-G**

(CPUC Identification #940)

Public Utilities Commission of the State of California

**SUBJECT: COMPLIANCE FILING REGARDING SOUTHERN CALIFORNIA REGIONAL ENERGY NETWORK 2021 ENERGY EFFICIENCY PROGRAM PORTFOLIO CHANGES AND FUNDING REQUEST**

# Purpose

The Southern California Regional Energy Network (SoCalREN) submits its 2021 Energy Efficiency (EE) portfolio budget by Tier 2 Advice Letter (AL) to the California Public Utilities Commission (Commission), in compliance with *Decision Re Energy Efficiency Goals for 2016 and Beyond and Energy Efficiency Rolling Portfolio Mechanics*, the “Rolling Portfolio decision,” (D.15-10-028) and the Decision Addressing Energy Efficiency Business Plans (D.18-05-041) and guidance from the Commission Energy Division (ED) Staff. This Advice Letter provides budget, programmatic adjustments and updated supporting documentation for energy efficiency programs the SoCalREN will offer in 2021.

SoCalREN requests that the Commission approve its 2021 EE Budget, effective as of January 1, 2021. SoCalREN also requests the approval of its updated common metric targets as detailed below.

**Background**

1. **Filing Requirements**

D.15-10-028 requires each EE Program Administrator (PA) to file a Tier 2 advice letter with the PA’s annual EE budget for the coming year in September of each year and requires such advice letters to contain:

* Portfolio cost-effectiveness statement; and
* Application summary tables with forecast budgets and savings by sector and program/intervention.

In addition, D.18-05-041 provided further guidance to PAs in submitting Annual Budget Advice Letters (ABAL). D.18-05-041 requires that the Regional Energy Networks (REN) Annual Budget Advice Letters (ABAL) include the following:

* Forecasted energy savings goals must meet or exceed the annual energy savings targets included in the PA’s business plan; and
* Forecasted budget must not exceed the PA’s annual budget in the approved business plans, or (if applicable) the revised annual budget in this ABAL. [[1]](#footnote-1)

Furthermore, beginning in 2019, D.18-05-041 directs all PAs to include the following:

“Beginning with the annual budget advice letters due on September 3, 2019, the program administrators must include updated budget estimates in the same format as the supplemental budget information filed in this proceeding on June 12, 2017.”[[2]](#footnote-2)

This supplemental budget information is included in Attachment C of this advice letter.

1. **Contents of this Filing [update dates only and list proposed program changes]**

SoCalREN’s advice letter is organized as follows:

* Budget
* Cost Effectiveness
* Energy Savings
* Proposed Program and Portfolio Changes
	+ Proposal for a new residential program.
	+ Covid-19 Strategies
* SoCalREN Unique Value Metrics
* CPUC Common Metrics

In addition to the information above, SoCalREN’s 2021 EE budget AL includes the following materials:

* Attachments
	+ Attachment A – SoCalREN 2021 ABAL Tables
	+ Attachment B – CEDARS Filing Confirmation
	+ Attachment C – Per D.18-05-041, Supplemental Budget Information
	+ Attachment D – Kits For Kids Program Proposal Details
	+ Attachment E – SoCalREN Unique Value Metrics
	+ Attachment F – CPUC Common Sector Level Metrics: Updated Targets

# Discussion [update needed]

1. **BUDGET**

SoCalREN requests a total portfolio and evaluation, measurement and verification (EM&V) budget of $21,626,000. This budget reflects a total authorized program year cap as adopted in D.18-05-041 and includes shifts between and within sectors, to accommodate new offerings. These portfolio modifications are oriented toward addressing the COVID-19 crisis. For 2021 and beyond, SoCalREN has taken a range of actions to mitigate the impact of COVID-19, including fostering Regional Partnerships with a variety of groups (e.g. Councils of Government, Clean Energy Organizations, etc.) to develop innovative pilot programs that can address specific gaps in their localities, and to help support the needs of hard-to-reach markets and disadvantaged communities who were already struggling pre-COVID-19. We intend to provide alternative delivery solutions through the launch of pilot programs that can be delivered remotely with the potential to scale. SoCalREN’s proposed portfolio is forecasted to meet a TRC of 0.37 for 2021.

Table 1 provides an overview of SoCalREN’s 2021 forecasted portfolio budget, savings, and cost-effectiveness. The net savings forecast excludes market effects.

**TABLE 1. SoCalREN Budget and Savings Summary**

[To be inserted.]

Table 2 provides an overview of SoCalREN’s forecasted annual portfolio and EM&V budgets, as well as cost-effectiveness until 2025.

**TABLE 2. SoCalREN Annual Rolling Portfolio Budget Forecast- True Up**

[To be inserted.]

1. **Cost-Effectiveness**

As stated above, SoCalREN anticipates achieving a 0.37 TRC and aims to progressively increase that value over the rolling portfolio term each year with the existing authorized budget cap. COVID-19 has presented significant challenges to the energy efficiency industry resulting in significant loss regarding portfolio momentum achieved in 2019. SoCalREN is still assessing the impact of COVID-19 on the energy landscape, and what it means for future development and implementation of EE programs and services.

[Further details regarding SoCalREN’s TRC, CE drivers/tactics and anticipated increasing trajectory to be included in final filing.]

1. **SAVINGS**

Table 3, 4 and 5 provide an overview of SoCalREN’s forecasted annual rolling portfolio savings forecasts.

**Table 3. SoCalREN Annual Energy Savings Forecast, kWh**

[To be inserted.]

**Table 4. SoCalREN Annual Energy Savings Forecast, kW**

[To be inserted.]

**Table 5. SoCalREN Annual Energy Savings Forecast, Therms**

[To be inserted.]

1. **Proposed Program and Portfolio Changes**
2. **SoCalREN 2021 Portfolio Level Changes**

SoCalREN’s 2021 EE Portfolio continues to leverage well established successes that were originally adopted during the inception of the RENs in D.12-11-015 and conforms to the authorization adopted in D.18-05-041. SoCalREN’s 2021 EE portfolio is a continuation of SoCalREN’s commitment to adopt a “long-term” path towards administrative efficiency and its endeavor to find areas that maximize outcomes, customer benefits, and program performance, while minimizing costs. This path includes tactics such as:

* Identifying administrative tasks within program implementation that can be automated or eliminated so long as regulatory compliance or customer support is not compromised.
* Leveraging external resources to offer more strategies while reducing EE ratepayer cost burden
1. **Reduced and Expanded Programs**

SoCalREN has proposed in this advice filing some performance adjustments to its existing portfolio that allocates more funding resources to resource strategies thus providing the needed diversification to increase portfolio cost-effectiveness.

Pursuant to D.18-05-041, Table 6 below reflects the list of reduced and expanded programs whose total budget increased or decreased by more than 40%. In SoCalREN’s PY 2021 planning efforts to achieve goals cost-effectively, SoCalREN optimized its portfolio by expanding resource programs, while shifting funds from programs that have not yet been fully launched within the market. This optimization allows for greater achievement in claimable savings while allowing certain strategies not yet fully up to scale to increase overtime and ensure that every ratepayer dollar within the portfolio is being efficiently utilized in PY 2021.

Table 6. List of Expanded and Reduced Programs

[To be included in final filing.]

1. **SoCalREN 2021 Program Level Changes**

Except as discussed below, the SoCalREN portfolio of programs will remain primarily the same as 2020 offerings with no changes in current program design.

1. **New Programs and Sub-programs**

[To be included in final filing.]

1. **Reduced Programs and Sub-programs**

[To be included in final filing.]

1. **Covid-19 Strategies**

[To be included in final filing.]

1. **Metrics**
2. **SoCalREN Unique Value Metrics**

[To be included in final filing.]

1. **Progress to Date**

D.18-05-041 Ordering Paragraph (OP) 11 directs each Program Administrator (PA) to include its metrics results and assessments in the PA’s EE annual reports. To access SoCalREN’s most recent metrics report, see SoCalREN’s 2019 EE Annual Report for metrics and assessments for Program Year 2018.

1. **Update to Common Metric Targets**

Due to the COVID-19 crisis and the implementation of new programs, SoCalREN submits updated Common Metric targets for Commission review and approval.[[3]](#footnote-3) These revised targets reflect updated short, mid and long-term targets values for its portfolio and authorized sectors that take in consideration strategies adopted in SoCalREN’s PY 2020 ABAL filing.

As mentioned above, COVID-19 will have short- and long-term impacts on all energy sectors including energy efficiency. SoCalREN is still assessing the impact of COVID-19 on the energy landscape, and what it means for future development and implementation of EE programs and services. SoCalREN foresees short-term negative impacts in energy savings across the entire EE portfolio due to COVID-19, and those challenges will be reflected in the updated common metrics targets. However, strategies implemented over the life of the Business Plan portfolio period will allow for an increasing trajectory.

# Protests

Anyone may protest this Advice Letter. The protest must state the grounds upon which it is based. The protest must be made in writing and received by the Commission within 20 days of the date this Advice Letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

Public Utilities Commission

CPUC Energy Division

Attention: Tariff Unit

505 Van Ness Avenue

San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of the Energy Division at EDTariffUnit@cpuc.ca.gov. It is also requested that a copy of the protest be sent by email to addresses shown below on the same date it is mailed or delivered to the Commission.

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| Minh LeEnergy and Environmental ServicesGeneral Manager County of Los Angeles Office 1100 North Eastern Avenue Los Angeles, CA 90063-3200 (323) 267-2006 MSLe@isd.lacounty.gov |  |

# Effective Date

Per D.14-10-046 this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B. The SoCalREN respectfully requests that this Advice Letter be made effective on October 3, 2020, which is 30 calendar days after the date filed.

# Notice

A copy of this Advice Letter is being sent to the Commission’s service lists for R.13-11-005 and A.17-01-013 (et al.). For changes to R.13-11-005 or A.17-01-013 (et al.) service lists, please contact the Commission’s Process Office at 415-703-2021 or by electronic mail at process\_office@cpuc.ca.gov.

 Respectfully Submitted,

/s/

Minh Le

Energy and Environmental Services General Manager

County of Los Angeles Office

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1. D.18-05-041, p. 134 [↑](#footnote-ref-1)
2. D.18-05-041, Ordering Paragraph (OP) #44 p. 192 [↑](#footnote-ref-2)
3. [↑](#footnote-ref-3)