

Mike Pettit
Assistant County Executive Officer

Catherine Rodriguez
County Chief Financial Officer

Shawn Atin
Assistant County Executive Officer/
Human Resources Director
Labor Relations

September 4, 2018

California Public Utilities Commission
Energy Division Tariff Unit
505 Van Ness Ave.
Fourth Floor
San Francisco, CA 94102-3298

3C-REN Advice Letter 1-E

Tier Designation

This AL has a Tier 2 designation pursuant to Decision 18-05-041¹.

Subject

3C-REN 2019 Energy Efficiency Annual Budget Advice Letter

Purpose

The purpose of this advice filing is to seek approval for the 2019 Energy Efficiency Annual Program and Portfolio Budget request for the Tri-County Regional Energy Network (“3C-REN”).

The 3C-REN is a collaboration of the three counties, Ventura, Santa Barbara, and San Luis Obispo, in the California Central Coast Region, with a diverse service area that is geographically isolated from utility hubs, has pockets of rural and disadvantaged communities, as well as large underserved Spanish-speaking populations. After several years’ experience and cooperative administration of energy and sustainability programs, the tri-county local governments formed the 3C-REN, led by the County of Ventura, to better leverage resources in the delivery of effective programs on a regional level. In Decision 16-08-019², the California Public Utilities Commission (“CPUC” or “Commission”) provided guidance for Energy Efficiency (“EE”) Rolling Portfolio Business Plan (“BP”) filings and included consideration of the formation of new Regional Energy Networks (“RENS”). Since filing 3C-REN’s BP to serve public agencies and their constituencies within Southern California Edison’s (“SCE’s”), Southern California Gas’ (“SCG’s”), and Pacific Gas and Electric’s (“PG&E’s”) service territories, 3C-REN has continued participation in the California Energy Efficiency Coordinating Committee (“CAEECC”) process. 3C-REN remains intent to deliver programs that meet CPUC criteria as indicated by Decision 12-11-015 in the formation and implementation of programs: filling gaps that the investor-owned utilities (“IOUs”)

¹ See D. 18-05-041 page 58.

² See D.16-08-019 page 10.

are not serving; developing programs for hard-to-reach markets; and piloting new approaches to programs that have the potential to scale and offer innovative avenues to energy savings.

Background

In Decision 14-10-046 the Commission authorized funding for EE programs until 2025. In 2015 the Commission issued Decision 15-10-028 approving the mechanics for EE rolling portfolio and outlining the business plan application process. On January 23, 2017 3C-REN filed a motion for approval of its rolling portfolio business plan and budget proposal. Decision 18-05-041 provided the requirements of the Annual Budget Advice Letter (“ABAL”) and directed Program Administrators to file the 2019 ABAL by September 4, 2018.

Discussion

1. 3C-REN 2019 Budget Request

3C-REN, as a new REN, requests a total portfolio and Evaluation, Measurement and Verification (“EM&V”) budget of \$6,200,000.00. The budget breakdown is reflected in Table 1.

Table 1: 3C-REN 2019 Budget

<i>Sector/Program</i>	<i>2018 Approved Budget</i>	<i>2019 Budget Request</i>
Residential	\$0	\$2,896,875
Codes and Standards	\$0	\$ 1,796,749
WE&T	\$0	\$1,270,776
Total Program Portfolio	\$0	\$5,964,400
EM&V	\$0	\$235,600
Total 3C-REN 2019 Budget/Request	\$0	\$6,200,000

2. Cost-Effectiveness

Table 2: 3C-REN Cost-Effectiveness

<i>REN Forecast Portfolio PY TRC</i>	<i>0.148</i>
<i>REN Forecast Portfolio PY PAC</i>	<i>0.161</i>

3. Forecasted Energy Savings

Table 3: 3C-REN Forecasted Energy Savings

Sector	Program Year Budget	3C-REN FORECAST ENERGY SAVINGS (Net)		
		3C-REN forecast kWh	3C-REN forecast kW	3C-REN forecast therms (MM)
Residential	\$2,896,875	404,482.50	281.70	0.06
Commercial	\$0			
Industrial	\$0			
Agriculture	\$0			
Emerging Tech	\$0	n/a	n/a	na
Public	\$0			
Codes and Standards	\$1,796,749	-	-	-
WE&T	\$1,270,776	n/a	n/a	na
Finance	\$0			
OBF Loan Pool	\$0	n/a	n/a	n/a
Subtotal	\$5,964,400	404,482.50	281.70	0.06
PA EM&V	\$235,600			
Total 3C-REN PY Spending Budget¹	\$6,200,000			
Uncommitted and Unspent Carryover balance ²	\$0			
Total 3C-REN PY Budget Recovery Request³	\$6,200,000			
Authorized PY Budget Cap (D.18-05-041)				
Forecast PY TRC	0.148			
Forecast PY PAC	0.161			

¹ Total proposed program year budget spending, including uncommitted unspent carryover

² The balance of unspent uncommitted must reflect the total unspent uncommitted starting Jan 1 2018 through Dec 31 of current year (PY-1). Because each ABAL is filed in Q3, this unspent uncommitted amount will be an estimate for the year in which the ABAL is filed.

³ Amount of funds to be collected for the Program Year - Line 18 less Line 19

4. Discussion of Proposed Program and Portfolio

All 3C-REN programs are designed to align with the criteria established in D.12-11-005.

Residential Direct Install (DI)

The 3C-REN proposed a residential direct install (RES DI) program designed to fill a gap in current IOU offerings for the 3C-REN territory, as the region is far removed from IOU training & resources hubs and experiences significant market confusion. The 3C-REN Region is served by three different IOUs – PG&E to the north, SCE to south, SCG in all three counties – with overlapping electrical services in Santa Barbara and Ventura. This increased coverage has not resulted in a higher level of service, but instead led to increased confusion due to different programs, requirements and providers. The 3C-REN program will deliver a direct install (DI) program that targets hard-to-reach (HTR) residential customers, including single family and multifamily, renters and owners, and Disadvantaged Communities (DACs) in Ventura, Santa Barbara and San Luis Obispo Counties, offering a single, unified program to regional residents.

The program will provide energy and behavior change education, installation of simple energy saving measures to build customers trust and interest and deliver a pathway to deeper savings by offering co-pay options for more substantial upgrades. 3C-REN will partner with local non-profits (e.g. Community Action Partnerships, or CAPs), who currently deliver the Energy Savings Assistance (ESA), Middle Income Direct Install (MIDI), and Low-Income Home Energy Assistance Programs (LIHEAP) to leverage their experience and infrastructure to provide 3C-REN program services to a broader audience than they currently serve.

Qualifying customers will receive an in-home visit from a trained assessor who will collect information on the home, provide consumer education, and install DI measures. Education will focus on behavioral changes and easy actions the customer can take to reduce energy use. The program will employ digital education tools such as energy education videos that customer can watch while DI measures are being installed to reduce time spent in the home. Assessors will also cross promote utility and third-party energy management tools (e.g. through Green Button) and demand response programs (e.g. SCE Summer Rate Program). Additionally, assessors will provide initial information on co-pay options for more substantial upgrades.

A WE&T and C&S overlay is included in this program as 3C-REN will work with local non-profit low-income providers to help build their staffing capacity and provide training, as well as code coaching for permitted projects. Some projects may also be used as hands-on, in the field training opportunities that will result in increased quality assurance. Partnering with local non-profit and low-income service providers also provides an opportunity to create career pathways for disadvantaged workers as many of the crew members and contractors live in the disadvantaged communities that they serve.

The program budget for 3C-REN RES DI, (3C-R-001) shall be \$2,896,875.

The 3C-REN Residential DI program will target hard-to-reach (HTR) residential customers, including single-family and multifamily, renters and owners, and moderate-income families not currently being served by, nor meeting the criteria of current ESA, LIHEAP, or MIDI in Ventura, Santa Barbara and San Luis Obispo Counties.

This resource program will include measure types including lighting, air sealing, insulation, HVAC measures, water flow controls, smart thermostat, power strip, plug load feedback device, duct system servicing, appliances, pool pumps, and water heating measures.³ 3C-REN is currently engaging IOUs and organizations that contract DI services to identify additional measures beyond those offered by ESA, MIDI, and LIHEAP that have potential to enhance service and savings, as well as overcome any administrative barriers that may inhibit successful delivery. Single measures will be allowed. Savings will be deemed per measure.

Codes and Standards (C&S)

³ This is a preliminary list of measure types. The final measures will be provided in the program Implementation Plan.

The 3C-REN proposes a cross-cutting C&S program designed to fill gaps in current IOU offerings for the 3C-REN territory. The 3C-REN program will offer local, person-to-person trainings and mentorship opportunities, as well as counter and on-call expert assistance for codes and standards. In addition to coordinating with the IOUs to leverage existing Statewide C&S resources, for classroom and online trainings, the 3C-REN will establish a Code Coach offering to run concurrent to and alongside other training efforts.

Building departments in the Central Coast Region will receive building performance support and mentoring for plan review and field compliance. All design-side stakeholders, from the architect to field inspector and from the mechanical engineer to the plan checker, will be encouraged to attend trainings. The Code Coach approach, having local counter-to-counter and on-call experts for the region, will foster an environment where stakeholders have a deeper understanding of building performance and interrelated concerns. The goal is to ensure consistency throughout the Central Coast Region, providing the workforce with a more stable business climate and known code compliance resources.

The program budget for 3C-REN C&S, (3C-CS-001) shall be \$1,796,749.

The target audience is all construction design-side stakeholders, including building departments, architects, field inspectors, mechanical engineers, and plan checkers. This is a non-resource program.

Workforce, Education and Training (“WE&T”)

The 3C-REN proposes a cross-cutting WE&T program designed to fill gaps in current investor-owned utilities⁴ (IOU) offerings for the 3C-REN territory, as the region is far removed from IOU training & resource hubs. The current IOU training and education programs require substantial travel to energy centers outside of the Tri-County area and are often not designed to meet the needs of local building professionals. The 3C-REN program will offer career pathways and enrichment by providing access to in-person trainings, mentorship opportunities and cross promotion of IOU workforce trainings, including hard-to-reach (HTR) workers and those in identified disadvantaged communities (DACs).

Building professionals living and working in the 3C-REN territory face unique challenges given the dispersed nature of communities within the Tri-County Central Coast Region. The region, and its building professional workforce, have historically struggled to fill key positions in energy efficiency, including the retrofit market and energy code compliant new construction. The 3C-REN WE&T activities will address these challenges through collaboration with existing providers, programs, apprenticeship-style learning, targeted management, technical trainings for building professionals, and integrated resources for design and compliance professionals.

⁴ For the purposes of this Joint Cooperation Memo, the IOUs consist of SoCalGas, SCE and PG&E.

The 3C-REN territory has two primary needs for training and education in addition to local, in-person mentorship:

- Technical Code Compliance, Home Performance and zero net energy (ZNE);
- “Soft Skills” Training for better communications, sales and marketing training and business management.

The 3C-REN will leverage established contractor and program relationships to provide technical trainings, Energy Advisor in-field job and installation mentoring, construction firm specific trainings and provide certification opportunities. The 3C-REN’s partnerships and Residential Energy Advisor service provide a direct connection to the workforce, leverage and improve the existing labor force and provide apprenticeship-style trainings with real-time experience that business owners value most. This will set up a network of building professionals and connection to the workforce seeking training and career development.

The 3C-REN will apply a holistic approach to the market with highly targeted training events, using apprenticeship and mentoring style models to enhance the workforce within the 3C-REN territory. Workforce training will be real world reinforced while simultaneously influencing direct energy savings. As a result of a stronger workforce, building departments will increase efficiency and efficacy with existing resources.

The program budget for 3C-REN WE&T, 3C-WET-001 \$1,270,776.

The program targets local building professionals needing more in-depth training, such as contractors, HVAC, engineers, architects, designers, certified energy managers, local jurisdictions’ building & safety department staff, lighting professionals, real estate professionals, raters, including professionals in DACs and HTR areas, as well as other key market actors.

The 3C-REN’s WE&T program is non-resource and will serve to support 3C-REN and IOU programs in the region by training the workforce that can deliver resource programs.

5. Strategies for increased cost-effectiveness

By the very nature of how REN activities are defined (e.g. “pilot activities in hard-to-reach markets”) RENs address market segments that are typically not as cost-effective. Nevertheless, it is 3C-REN’s intention to develop improved programs that enhance services, cost and energy savings and deliver other benefits to increase participation while continuing to improve overall cost-effectiveness. 3C-REN will engage in activities that seek to serve hard-to-reach customers, who in the past have not had access to or generally have not participated in energy efficiency programs.

While 2019 is 3C-REN’s baseline year, yet, with a directive to be more cost-effective, 3C-REN’s forecasted energy savings are projected to improve over time. 3C-REN has one resource program, Residential Direct Install. Strategies for increasing the cost effectiveness of this program in 2019 include:

- Residential Direct Install Program
 - Agile program design and deployment
 - Collaborative and coordinated approach with PG&E, SCE, and SCG
 - Scale up participation to improve cost effectiveness

RENs excel at locally adapted programming, providing on-the-ground engagement, which complement and enhance IOU programs. RENs offer innovative program delivery that has strong potential for success and scalability to engage hard-to-reach markets. The RENs should be evaluated as a complimentary addition to the IOU Statewide programs.

Protest

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, which is September 1, 2018. 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 address shown below on the same date it is mailed or delivered to the Commission.

Susan Hughes
Senior Deputy Executive Officer
Ventura County
800 S. Victoria Avenue
Ventura, CA 93009
Telephone: 805-654-3836
Facsimile: 805-654-5106
Email: susan.hughes@ventura.org

Effective Date

3C-REN requests that this Tier 2 advice filing become effective on regular notice, October 2, 2018, which is 30 calendar days from the date of this filing.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to service list for R.13-11-005 and A17-01-013. Address changes to the General Order 96-B service list should be directed to Alejandra Tellez at Alejandra.tellez@ventura.org or by calling 805-654-3835. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

ALEJANDRA TELLEZ,
Program Management Analyst,
County Executive Office, County of Ventura
800 S. Victoria Avenue, L#1940, Ventura, CA 93009
Tel: 805-654-3835
E-mail: Alejandra.Tellez@ventura.org

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

Attachment: CEDARS Filing Submission Receipt

DRAFT

ATTACHMENT TO 3C-REN ABAL

3C-REN FORECAST ENERGY SAVINGS (Net)

Sector	Program Year Budget	3C-REN forecast kWh	3C-REN forecast kW	3C-REN forecast therms (MM)
Residential	\$2,896,875	404,482.50	281.70	0.06
Commercial	\$0			
Industrial	\$0			
Agriculture	\$0			
Emerging Tech	\$0	n/a	n/a	na
Public	\$0			
Codes and Standards	\$1,796,749	-	-	-
WE&T	\$1,270,776	n/a	n/a	na
Finance	\$0			
OBF Loan Pool	\$0	n/a	n/a	n/a
Subtotal	\$5,964,400	404,483	282	0.06
PA EM&V	\$235,600			
Total 3C-REN PY Spending Budget¹	\$6,200,000			
Uncommitted and Unspent Carryover balance²	\$0			
Total 3C-REN PY Budget Recovery Request³	\$6,200,000			
Authorized PY Budget Cap (D.18-05-041)				
Forecast PY TRC				0.15
Forecast PY PAC				0.16

¹ Total proposed program year budget spending, including uncommitted unspent carryover

² The balance of unspent uncommitted must reflect the total unspent uncommitted starting Jan 1 2018 through Dec 31 of current year (PY-1). Because each ABAL is filed in Q3, this unspent uncommitted amount will be an estimate for the year in which the ABAL is filed.

³ Amount of funds to be collected for the Program Year - Line 18 less Line 19

2b. 3C-REN budget trueup

Annual Rolling Portfolio Budget Forecast - True-up									
Sector	2018**	2019	2020	2021	2022	2023	2024	2025	Total
Residential	0	2,896,875	3,169,204	3,594,314	4,257,958	5,020,486	5,198,978	5,469,553	29,607,368
Commercial	0								-
Industrial	0								-
Agriculture	0								-
Emerging Tech	0								-
Public	0								-
Codes and Standards	0	1,796,749	1,814,615	1,750,282	1,513,742	1,224,537	1,246,017	1,216,173	10,562,115
WE&T	0	1,270,776	1,278,801	1,231,158	1,067,082	867,306	880,707	859,747	7,455,577
Finance	0								-
OBF Loan Pool	0								-
Subtotal	0	5,964,400	6,262,620	6,575,754	6,838,782	7,112,329	7,325,702	7,545,473	47,625,060
EM&V	0	235,600	247,380	259,749	270,139	280,945	289,373	298,054	1,881,239
Total Portfolio Program Year 3C-REN Budget	0	6,200,000	6,510,000	6,835,503	7,108,921	7,393,274	7,615,075	7,843,527	49,506,299
Total Authorized Portfolio PY Budget Cap	0								-
Forecast Portfolio PY TRC	n/a	0.15	0.19	0.26	0.36	0.47	0.49	0.52	0.35
Forecast Portfolio PY PAC	n/a	0.16	0.22	0.31	0.45	0.63	0.68	0.73	0.43

** "Reset" 2018 budget at or below 2018 annual budget approved in Business plan Decision. "True-up" years 2019-2025.

3.b.i. 3C-REN kWh trueup

Sector	Annual Rolling Portfolio Savings Forecast - True-up (kWh)							
	2018	2019	2020	2021	2022	2023	2024	2025
Residential		404,483	541,665	756,243	1,099,490	1,519,979	1,607,918	1,727,955
Commercial								
Industrial								
Agriculture								
Emerging Tech	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Public								
Codes and Standards		-	-	-	-	-	-	-
WE&T	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Finance								
OBF Loan Pool								
Total Forecast Portfolio Savings	-	404,483	541,665	756,243	1,099,490	1,519,979	1,607,918	1,727,955
CPUC Goal*								
% of Goal*								

* Not applicable to CCA/REN as of 2018, in template for future ABAL when applicable

3.b.ii. 3C-REN kW trueup

Sector	Annual Rolling Portfolio Savings Forecast - True-up (kW)							
	2018	2019	2020	2021	2022	2023	2024	2025
Residential		282	378	546	780	1,073	1,161	1,251
Commercial								
Industrial								
Agriculture								
Emerging Tech	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Public								
Codes and Standards		-	-	-	-	-	-	-
WE&T	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Finance								
OBF Loan Pool								
Total Forecast Portfolio Savings	-	282	378	546	780	1,073	1,161	1,251
CPUC Goal*								
% of Goal*								

* Not applicable to CCA/REN as of 2018, in template for future ABAL when applicable

3.b.iii.3C-REN therms trueup

Sector	Annual Rolling Portfolio Savings Forecast - True-up (therms)							
	2018	2019	2020	2021	2022	2023	2024	2025
Residential		56,995	69,084	98,964	141,341	194,027	208,967	225,117
Commercial								
Industrial								
Agriculture								
Emerging Tech	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Public								
Codes and Standards		-	-	-	-	-	-	-
WE&T	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Finance								
OBF Loan Pool								
Total Forecast Portfolio Savings	0	56,995	69,084	98,964	141,341	194,027	208,967	225,117
CPUC Goal*								
% of Goal*								

* Not applicable to CCA/REN as of 2018, in template for future ABAL when applicable