



# ADVICE LETTER SUMMARY

## ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Tri-County Regional Energy Network (3C-REN)/CPUC #220

Utility type:

☒ ELC ☒ GAS ☐ WATER  
☐ PLC ☐ HEAT

Contact Person: Alejandra Tellez, County of Ventura

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### EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas      WATER = Water  
PLC = Pipeline      HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

09/03/2019

Advice Letter (AL) #: 3C-REN AL 4-E/3-G (CPUC #220)

Tier Designation: Tier II

Subject of AL: Compliance Filing of Energy Efficiency Rolling Portfolios Annual Budget Advice Letters (ABAL) for proceeding R.13-11-005 and A.17-01-013, et al. by the Tri-County Regional Energy Network (3C-REN).

Keywords (choose from CPUC listing):

AL Type: ☐ Monthly ☐ Quarterly ☒ Annual ☐ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: In compliance with D.15-10-029 and D.18-05-041

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: N/A

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Confidential treatment requested? ☐ Yes ☒ No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? ☐ Yes ☒ No

Requested effective date: 10/3/19

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

<sup>1</sup>Discuss in AL if more space is needed.

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

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## ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	

**Mike Pettit**  
Assistant County Executive Officer

**Kaye Mand**  
County Chief Financial Officer

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

September 3, 2019

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

**3C-REN Advice Letter 4-E/3-G**  
**(CPUC # 220)**

**Tier Designation**

This Advice Letter has a Tier 2 designation pursuant to Decision 18-05-041<sup>1</sup>.

**Subject**

3C-REN 2019 Energy Efficiency Annual Budget Advice Letter

**Purpose**

The purpose of this Advice Letter is to seek approval for the 2020 Energy Efficiency Annual Program and Portfolio Budget request for the Tri-County Regional Energy Network (“3C-REN”).

This Advice Letter is filed in compliance with Ordering Paragraph (OP) 4 of Decision 15-10-028, which directs program administrators to file a Tier 2 Advice Letter containing the budget for the next calendar year’s EE portfolio; and with OP 41 of Decision 18-05-041, which directs PAs to include information identified in Section 7.2.

**Background**

The 3C-REN is a collaboration of 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, and large underserved Spanish-speaking populations. After several years’ experience and cooperative administration of energy and sustainability programs, the three counties 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 16-08-019<sup>2</sup>, the California Public Utilities Commission (“CPUC” or “Commission”) provided guidance for Energy Efficiency (“EE”) Rolling Portfolio Business Plan (“BP”) filings

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<sup>1</sup> See D. 18-05-041 page 58.

<sup>2</sup> See D.16-08-019 page 10.

and included consideration of the formation of new Regional Energy Networks (“RENs”). Since filing 3C-REN’s business plan to serve public agencies and their constituencies within Southern California Edison’s (“SCE’s”), Southern California Gas’ (“SoCalGas’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 on delivering programs that meet CPUC criteria as indicated by Decision 12-11-015 in the formation and implementation of programs including: filling gaps that the investor-owned utilities (“IOUs”) 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.

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. Decisions 15-10-028 and 18-05-041 provided the requirements of the Annual Budget Advice Letter (“ABAL”) and directed Program Administrators to file ABAL. In Decision 19-05-019 the commission directed the ABALs going forward to include the results of the Program Administrator Cost (PAC) and the Ratepayer Impact Measure (RIM) test and cost-effectiveness estimates.

As directed by D.18-05-041 and additional guidance provided by Commission staff, 3C-REN has submitted via CEDARS the 2020 3C-REN Budget Filing; the confirmation receipt is attached hereto as Attachment A. The Budget Filing Detail Report is publicly available on CEDARS.

## **Required Cost Effectiveness, Budget, Energy Savings and Metrics Components of ABAL<sup>3</sup>**

### **1. 3C-REN 2020 Budget Request**

3C-REN, requests a total portfolio and Evaluation, Measurement and Verification (“EM&V”) budget of \$6,334,301. The budget breakdown is reflected in Table 1.

**Table 1: 3C-REN 2020 Budget**

<b>Program</b>	<b>2020 Budget</b>
Residential	\$ 3,169,197
Codes and Standards	\$ 1,814,620
WE&T	\$ 1,278,805
<b>Program Subtotal</b>	<b>\$ 6,262,622</b>
EM&V (3C-REN only)	\$ 71,679
<b>Total 3C-REN 2020 Spending Budget</b>	<b>\$6,334,301</b>

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<sup>3</sup> See D. 18-05-041 page 124-127.

## 2. 3C-REN 2020 Forecasted Energy Savings and Cost-Effectiveness

3C-REN's forecast energy savings in kWh, kW, and therms (MM) are included alongside the sector level budget in Table 2. Forecast cost effectiveness for 2020 in TRC, PAC and RIM is also included below.

**Table 2: 3C-REN FORECAST ENERGY SAVINGS (Net)<sup>4</sup>**

Sector	2020 Program Year Budget	3C-REN FORECAST ENERGY SAVINGS (Net)		
		forecast kWh	forecast kW	forecast therms (MM)
Residential	\$3,169,197	625,018	389	0.08
Commercial				
Industrial				
Agriculture				
Emerging Tech				
Public				
Codes and Standards	\$1,814,620	n/a	n/a	n/a
WE&T	\$1,278,805	n/a	n/a	n/a
Finance				
OBF Loan Pool				
Subtotal	\$6,262,622	625,018	389	0.08
<b>3C-REN EM&amp;V</b>	<b>\$71,679</b>			
Total 3C-REN 2020 Spending Budget <sup>1</sup>	\$6,334,301			
<b>Uncommitted and Unspent Carryover balance<sup>2</sup></b>	<b>\$2,862,165</b>			
<b>Total 3C-REN PY Budget Recovery Request<sup>3</sup></b>	<b>\$3,472,136</b>			
<b>Authorized PY Budget Cap (D.18-05-041)</b>	<b>\$6,345,601</b>			
<b>Forecast 2020 TRC</b>	<b>0.23</b>			
<b>Forecast 2020 PAC</b>	<b>0.26</b>			
<b>Forecast 2020 RIM</b>	<b>0.26</b>			

<sup>1</sup> Total proposed program year budget spending, including uncommitted unspent carryover

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

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

## 3. 3C-REN Portfolio Savings

<sup>4</sup> Forecast energy savings (net) calculated using the updated CET which excludes the market effects.

**Table 3: Annual Rolling Portfolio Budget Forecast - True-up**

Sector	2019 <sup>1</sup>		2020	2021	2022	2023	2024	2025	Total
	2018	Revised							
Residential	n/a	1,354,893	3,169,197	3,594,291	4,257,943	5,020,442	5,960,406	6,249,404	29,606,576
Commercial									
Industrial									
Agriculture									
Emerging Tech									
Public									
Codes and Standards	n/a	1,058,766	1,814,620	1,750,295	1,513,749	1,224,564	1,600,708	1,599,888	10,562,590
WE&T	n/a	767,604	1,278,805	1,231,167	1,067,088	867,324	1,122,540	1,121,369	7,455,897
Finance									
OBF Loan Pool									
<b>Subtotal</b>	n/a	3,181,263	6,262,622	6,575,753	6,838,780	7,112,330	8,683,654	8,970,661	47,625,063
<b>3C-REN EM&amp;V</b>	n/a	-	71,679	75,263	78,273	81,404	117,595	120,879	545,092
<b>Total Portfolio Program Year 3C-REN Budget</b>	n/a	3,181,263	6,334,301	6,651,016	6,917,053	7,193,734	8,801,249	9,091,540	48,170,155
<b>Total Authorized Portfolio PY Budget Cap</b>	n/a	6,043,428	6,345,601	6,662,881	6,929,395	7,206,567	7,422,768	7,645,451	48,256,091
<b>Forecast Portfolio PY TRC</b>	n/a	0.06	0.23	0.31	0.42	0.51	0.50	0.53	0.38
<b>Forecast Portfolio PY PAC</b>	n/a	0.06	0.26	0.35	0.51	0.69	0.68	0.75	0.49
<b>Forecast Portfolio PY RIM</b>	n/a	0.06	0.26	0.35	0.51	0.69	0.68	0.75	0.49

<sup>1</sup> 3C-REN's 2019 annual forecast is projected to be below the 2019 ABAL filing and has been revised accordingly. This is due to solicitation and procurement schedule delays. Implementers for all programs are projected to be on board and operational by fourth quarter 2019. Unspent and uncommitted funds are forecasted in 2024 and 2025 annual budgets.

#### **4. Sector-Level Metrics**

The 3C-REN does not have metrics modifications for program year 2020.

#### **5. 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 (RES-DI) (TCR-Res-001)

The 3C-REN offers a RES-DI program designed to fill gaps 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, SoCalGas 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.

After the initial site visit, an expert Energy Advisor will follow up with the customer to provide more detailed information on bundled measure options. Using the information obtained during the assessor site visit, the Energy Advisor will help customers identify a scope of work, provide technical advice, pricing information, cost benefit analysis and financing options (e.g. Residential Energy Efficiency Loans). Customers interested in making more substantial upgrades will work with the Energy Advisor and the local non-profit to complete their project.

A Workforce Education and Training and Codes and Standards 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, (TCR-Res-001) shall be \$ 3,169,197.

The 3C-REN RES-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. 3C-REN is finalizing RFP and contract process for a DI installer. 3C-REN engaged 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. DI implementation is scheduled to start end of third quarter 2019.

#### Codes and Standards (C&S) (TCR-CS-001)

The 3C-REN offers a cross-cutting C&S program designed to fill gaps in current IOU offerings for the 3C-REN territory. The 3C-REN program offers 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 has 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, (TCR-CS-001) shall be \$ 1,814,620.

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. The Code Coach implementer is scheduled to start end of third quarter 2019.

### Workforce, Education and Training (WE&T) (TCR-WET-001)

The 3C-REN offers a cross-cutting WE&T program designed to fill gaps in current investor-owned utilities<sup>5</sup> (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.

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 leverages 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 applies 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 (TCR-WET-001) \$ 1,278,805.

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<sup>5</sup> For the purposes of this ABAL, the IOUs consist of SoCalGas, SCE and PG&E.

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.

## **6. 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 2020 will be 3C-REN's first full year of program delivery, 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
  - Leveraging existing infrastructure, bulk purchasing, marketing and outreach activities of local non-profits, who currently deliver low income energy efficiency programming
  - Collaborative and coordinated approach with PG&E, SCE, and SoCalGas
  - Scale up participation to improve cost effectiveness
  - Analysis of program processes to facilitate continual process improvements that increase efficiency and reduce costs
  - Evaluation of available measure mix to identify additional measures that have the potential to improve cost effectiveness

RENs excel at locally adapted programming and 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.

## **7. Portfolio Changes, Annual Spending, and Fund Shifting**

3C-REN's 2019 annual spending is projected to be below the 2019 ABAL filing. This is due to solicitation and procurement schedule delays. Implementers for all programs are projected to be on board and operational by fourth quarter 2019. Unspent and uncommitted funds are forecasted in 2024 and 2025 annual budgets.

EM&V budget was reduced across all program years to align with CPUC/PA allocation split.

## **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 3, 2019. 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](mailto: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](mailto:susan.hughes@ventura.org)

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Facsimile: 805-654-5106  
E-mail: [Alejandra.Tellez@ventura.org](mailto:Alejandra.Tellez@ventura.org)

## Effective Date

3C-REN requests that this Tier 2 advice filing become effective on regular notice October 3, 2019, 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](mailto: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](mailto:Process_Office@cpuc.ca.gov).

Alejandra Tellez

ALEJANDRA TELLEZ,  
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County Executive Office, County of Ventura  
800 S. Victoria Avenue, L#1940, Ventura, CA 93009  
Tel: 805-654-3835  
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For the 3C-REN, Tri-County Regional Energy Network

## Attachments

1. CEDARS Filing Confirmation
2. Supplemental Budget Information

ATTACHMENT 1 TO 3C-REN ABAL  
CEDARS Filing Confirmation

## Tellez, Alejandra

---

**From:** cedars@sound-data.com  
**Sent:** Tuesday, September 3, 2019 11:42 AM  
**Subject:** CEDARS 2020 filing submitted for TCR

### CEDARS FILING SUBMISSION RECEIPT

The TCR portfolio filing has been submitted and is now under review. A summary of the filing is provided below. PA: Tri-county Regional Energy Network (TCR)

Filing Year: 2020

Submitted: 11:42:02 on 03 Sep

2019 By: Drew Brauer

Advice Letter Number: 4-E-3-G

#### \* Portfolio Filing Summary \*

- TRC: 0.2326
- PAC: 0.2566
- TRC (no admin): 0.83
- PAC (no admin): 1.2452
- RIM: 0.2566
- Budget: \$6,334,301.00

#### \* Programs Included in the Filing \*

- TCR-CS-001: Codes & Standards
- TCR-EMV-001: TCR EM&V
- TCR-Res-001: Residential Direct Install
- TCR-WET-001: Workforce Education & Training

#### ----- Subscriptions

-----  
You can manage your CEDARS email subscriptions here:  
<https://cedars.sound-data.com/accounts/notifications/>

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CEDARS  
Administrator

-----  
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ATTACHMENT 2 TO 3C-REN ABAL  
Supplemental Budget Information



## **DESCRIPTION OF 3C-REN IN-HOUSE EE ORGANIZATIONAL STRUCTURE & ASSOCIATED COSTS**

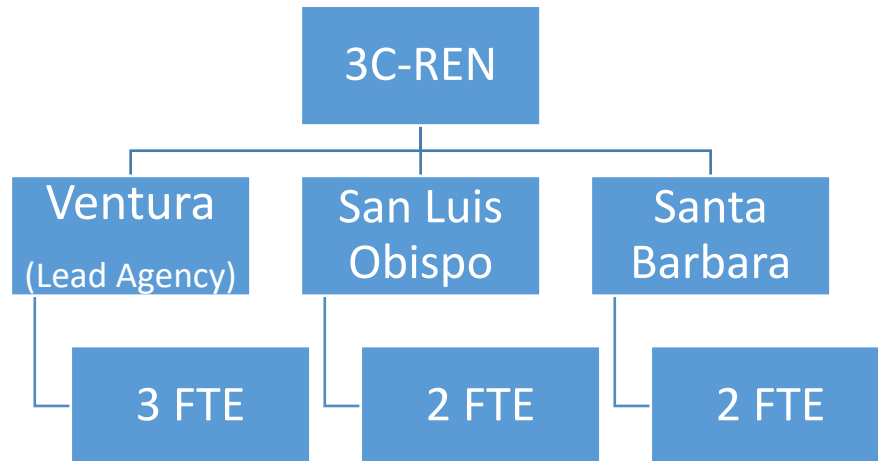
To the best of its current ability, the County of Ventura, for 3C-REN, has provided requested budget information below in the format resulting from the stakeholder agreement in response to the TURN/PAO request for additional budget related information.

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

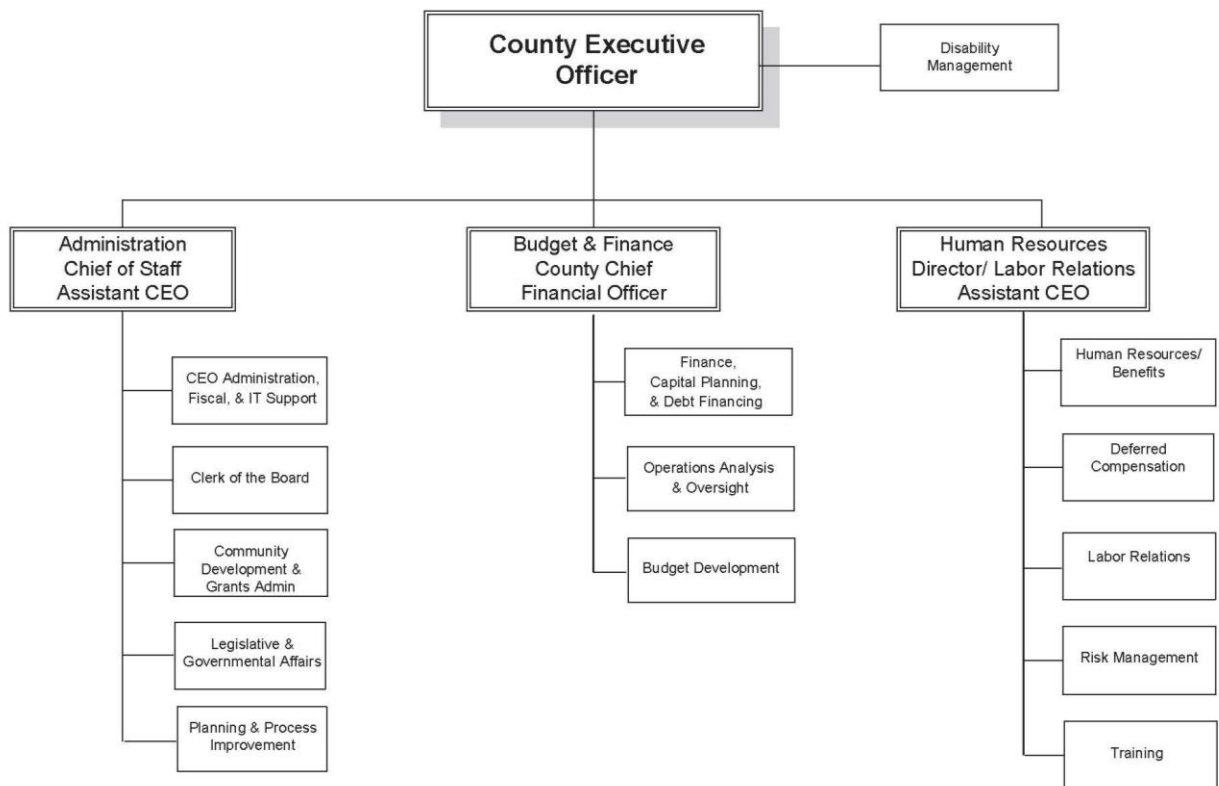
The County of Ventura is the lead agency in the administration of 3C-REN programs. As part of the Executive Office Team, staff has expertise working with Utilities as partners on several programs. Program design has been developed by the 3C-REN team in coordination with the utilities, in addition to using best practices already established by other REN programs and local government designed programs. Hence, program administration has been manageable and efficient; in addition, 3C-REN has utilized existing resources within our county government structure to assist with overall program design, implementation and management of contracts thereby allowing 3C-REN to be streamlined. Examples of applied resources include Ventura Procurement services, legal support from County Counsel, and fiscal oversight from the Auditor Controller, among others. In addition, 3C-REN also applies the expertise of Santa Barbara and San Luis Obispo counties and their knowledgeable staff who have extensive experience planning and implementing energy programs 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. Functional Group definitions are in **section E**. The table below shows FTE forecast for 2020 – 2025.

**3C-REN Projected FTEs**

Functional Group	Phase 2			Phase 3		
	2020 <sup>1</sup>	2021	2022	2023	2024	2025
Policy, Strategy, and Regulatory Reporting Compliance	1	1	1	1	1	1
Program Management	3.5	4.5	4.5	5	5	5
Engineering Services	-	-	-	-	-	-
Customer Application/Rebate/Incentive Processing	-	-	-	-	-	-
Customer Project Inspections	-	-	-	-	-	-
Portfolio Analytics	1	1.5	1.5	1.5	1.5	1.5
EM&V	-	-	-	-	-	-
ME&O	.5	.5	.5	.5	.5	.5
Account Management / Sales	-	-	-	-	-	-
IT	1.5	1	1	1	1	1
Call Center	-	-	-	-	-	-
<b>Total</b>	<b>7.5</b>	<b>8.5</b>	<b>8.5</b>	<b>9</b>	<b>9</b>	<b>9</b>
1. This includes staffing for all three counties						

FTEs perform a variation of duties in two or more functional categories. Activities include regulatory filings, participation in proceedings, managing of individual contracts, overall coordination with other PA’s and any other needs to follow CPUC guidance. 3C-REN structured programs within the organizational structure above, all

three counties work together to design and implement programs.

In addition, 3C-REN works 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 2020:

#### Residential Sector Labor and Non-labor Costs for 2020

Sector	Cost Element	Functional Group	2018 EE Portfolio Expenditures <sup>1</sup>	2020 EE Portfolio Budget
Residential	Labor (1)	Policy, Strategy, and Regulatory Reporting Compliance	NA	\$ 126,963
		Program Management	NA	\$ 270,587
		Engineering services		
		Customer Application/Rebate/Incentive Processing		
		Customer Project Inspections		
		Portfolio Analytics	NA	\$ 218,150
		ME&O (Local)	NA	\$ 166,296
		Account Management / Sales		
		IT	NA	\$ 82,035
		Call Center		
		Labor Total	NA	\$ 864,031
	Non-Labor	Third-Party Implementer (as defined per D.16-08-019, OP 10)		
		Local/Government Partnerships Contracts (3)		
		Other Contracts		
		Program Implementation	NA	\$ 809,120

<sup>1</sup>2018 EE portfolio expenditures is not applicable for 3C-REN because 2019 was 3C-REN's first year as a program administrator.

Budget Supplemental Information

Sector	Cost Element	Functional Group	2018 EE Portfolio Expenditures <sup>1</sup>	2020 EE Portfolio Budget
		Policy, Strategy, and Regulatory Reporting Compliance	NA	\$ 115,754
		Program Management	NA	\$ 223,960
		Engineering services		
		Customer Application/Rebate/Incentive Processing	NA	\$ 310,329
		Customer Project Inspections		
		Portfolio Analytics	NA	\$ 354,655
		ME&O (Local)	NA	\$ 158,949
		Account Management / Sales		
		IT		
		Call Center		
		Facilities		
		Incentives--(PA-implemented and Other Contracts Program Implementation) Programs	NA	\$ 332,400
		Incentives--Third Party Program (as defined per D.16-08-019, OP 10)		
	Non-Labor Total		NA	\$ 2,305,166
<b>Residential Total</b>			NA	\$ 3,169,197
Other (collected through GRC) (2)		Labor Overheads		
<b>Notes:</b>	(1) Labor costs are already loaded with (state loaders covered by EE)			
	(2) These costs are collected through GRC (state current applicable decision)			
	(3) LGP contracts that directly support the sector is included/not included in this item			

**Cross-cutting Labor and Non-labor Costs for 2020**

<b>Sector</b>	<b>Cost Element</b>	<b>Functional Group</b>	<b>2018 EE Portfolio Expenditures</b>	<b>2020 EE Portfolio Budget</b>
Cross Cutting	Labor(1)	Policy, Strategy, and Regulatory Reporting Compliance	NA	\$ 126,963
		Program Management	NA	\$ 203,694
		Engineering services		
		Customer Application/Rebate/Incentive Processing		
		Customer Project Inspections		
		Portfolio Analytics		
		ME&O (Local)	NA	\$ 166,296
		Account Management / Sales		
		IT	NA	\$ 221,915
		Call Center		
	<b>Labor Total</b>		<b>NA</b>	<b>\$ 718,868</b>
	Non-Labor	Third-Party Implementers Contracts (as defined per D.16-08-019, OP 10)		
		Local/Government Partnerships Contracts (3)		
		Other Contracts		
		Program Implementation	NA	\$ 674,289
		Policy, Strategy, and Regulatory Reporting Compliance	NA	\$ 115,754
		Program Management	NA	\$ 223,960
		Engineering services		
		Customer Application/Rebate/Incentive Processing		
		Customer Project Inspections	NA	\$ 429,100
		Portfolio Analytics	NA	\$ 522,503
		ME&O (Local)	NA	\$ 158,949
		Account Management / Sales		
		IT	NA	\$ 250,002
		Call Center		

## Budget Supplemental Information

Sector	Cost Element	Functional Group	2018 EE Portfolio Expenditures	2020 EE Portfolio Budget
		Facilities		
		Incentives--(PA-implemented and Other Contracts Program Implementation) Programs		
		Incentives--Third Party Program (as defined per D.16-08-019, OP 10)		
	Non-Labor Total			\$ 2,374,557
Cross Cutting Total				\$ 3,093,425
	Other (collected through GRC) (2)	Labor Overheads		
Notes:	(1) Labor costs are already loaded with (state loaders covered by EE)			
	(2) These costs are collected through GRC (state current applicable decision)			
	(3) LGP contracts that directly support the sector is included/not included in this item			

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 2019<sup>2</sup>-2020**

	<b>Increase</b>	<b>% of Increase by Cost Category</b>
Admin	30,217	5%
Marketing & Outreach	18,130	5%
Direct Implementation	-96,665	-2%
Direct Install	263,740	34%
Incentives	82,800	33%
<b>Increase 2019 to 2020</b>	<b>298,222</b>	<b>5%</b>

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 and management is not expected to be a significant cost driver. 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 and, 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. Each County is treated as a separate cost center and a rate is established for each classification within each division in each County. 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.

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<sup>2</sup> 2018 EE portfolio expenditures is not applicable because 2019 was 3C-REN's first year as a program administrator. Expected Cost Drivers are calculated based on year over year (2019 to 2020) budget increase.



## Section E Functions Definitions

Aggregated Category	Definition	Functional Category	Detailed Definition
<b>Policy, Strategy, and Regulatory Reporting Compliance</b>	Includes policy, strategy, compliance, audits and regulatory support	Planning & Compliance	DSM Goal Planning; lead legislative review/positioning; policy support on reg proceedings; portfolio optimization; end use-market strategy; DSM lead for PRP, DRP, ES; locational targeting; audit support; SOX certifications; developing control plans; developing action plans; continuous monitoring; inspections; program/product QA/QC; decision compliance oversight/tracking; data requests; policies & procedures
		Company Regulatory Support	Case management for EE proceedings
<b>Program management</b>	Includes labor, contracts, admin costs for program design, program implementation, product and channel management for all sectors	Program Management & Delivery	Market Segment & Locational Resource programs; Business Core & Finance Programs; Large Power DR Programs; Non-Res HVAC & Technical Services; Program Integration & Optimization; Residential EE & DR Programs (incl. Res HVAC QI); IQP & Economic Assistance Programs; Mass Market DR Programs; Education & Information Products & Services; Energy Leader Partnerships; Institutional & Federal Partnerships; REN Coordination; Strategic Plan Support; Energy/Water Program Mgt; Service Level Agreement Tracking

Budget Supplemental Information

Aggregated Category	Definition	Functional Category	Detailed Definition
		Product Management	Manage end-to-end new products and services (P&S) intake, evaluation, and launch process; develop and facilitate P&S governance teams, coordination of all sub-process owners, stakeholders, and technical resources required to evaluate and launch new products; evaluate and launch new services and OOR opportunities; develop external partnerships & strategic alliances; work with various companies and associations to help advance standards, products, and tech.; work with external experts to help reduce SCE costs to deliver new prog. and products; develop and launch new customer technologies, products, services for residential and business customers; conduct customer pilots of new technologies and programs; lead customer field demonstrations of new technologies and products; align new P&S to savings programs/incentives; develop new programs/incentives in support of savings goals
		Channel Management	
		Contract Management	Budget forecasting, spend tracking, invoice processing, and contract management with vendors and suppliers; Regulatory support for ME&O activities
<b>Engineering Services</b>	Includes engineering, project management, and contracts associated with workpaper development and pre/post sales project technical reviews and design assistance	Custom project support	Management of Emerging Products projects; Customized reviews; LCR/RFO support; Ex-ante review management; Technical policy support; Technical assessments; Workpapers; Tool development; End use subject matter expertise
		Deemed workpapers	
		Project management	

Budget Supplemental Information

Aggregated Category	Definition	Functional Category	Detailed Definition
<b>Customer Application/Rebate and Incentive Processing</b>	Costs associated with application management and rebate and incentive processing (deemed and custom)	Rebate & Application Processing	
<b>Inspections</b>	Costs associated with project inspections	Inspections	
<b>Portfolio Analytics</b>	Includes analytics support, including internal performance reporting and external reporting	Data analytics	Data development for programs, products and services; Standard and ad hoc data extracts for internal and external clients ; Database management; CPUC, CAISO reporting; Data reconciliation; E3 support ; Compliance filing support; Funding Oversight; ESPI support; Program Results Data & Performance
<b>EM&amp;V</b>	EM&V expenditures	EM&V Studies	Program and product review; manage evaluation studies
		EM&V Forecasting	EE lead for LTPP and IEPR; market potential study; integration w/ procurement planning; CPUC Demand Analysis Working Group
<b>ME&amp;O</b>	Costs associated with utility EE marketing; no statewide; focus on outsourced portion	Marketing	Customer Programs, Products, and Services Marketing; Digital Product Development; Digital Content & Optimization
		Customer insights	Voice of the Customer; Customer satisfaction study measurement and analysis (JD Power, SDS); Customer testing/research
<b>Account Management / Sales</b>	Costs associated with account rep energy efficiency sales functions	Account Management	

Budget Supplemental Information

Aggregated Category	Definition	Functional Category	Detailed Definition
<b>IT</b>	IT project specific costs and regular O&M	IT - project specific	Projects and minor enhancements. Includes project management/business integration ("PMO/BID"). Excluded: maintenance (which SCE defines as when something goes down, normal batch processing, verifying interfaces, etc.).
		IT - regular O&M	
<b>Call Center</b>	Costs associated with call center staff fielding EE program questions	Call Center	
<b>Incentives</b>	Costs of rebate and incentive payments to customers	Incentives	

## BUDGET TABLES INCLUDING INFORMATION IDENTIFIED IN THE SCOPING MEMO

### Question C.8

The table below summarizes energy savings targets, and expenditures by sector (for the six specified sectors). This table should enable / facilitate assessment of relative contributions of the sectors to savings targets, and relative cost-effectiveness.

	2018 EE Portfolio Expenditures (\$Million)				2020 EE Portfolio Budget (\$Million)				2018 EE Portfolio Savings			2020 EE Portfolio Forecasted Savings		
Sector	Labor	Non-Labor (excl. Incentives)	Incentives	Total	Labor	Non-Labor (excl. Incentives)	Incentives	Total	KWH	KW	M THERMS	KWH	KW	M THERMS
Residential	NA	NA	NA	NA	864,032	1,972,766	332,400	3,169,197	NA	NA	NA	625,018	389	0.08
Commercial														
Agricultural														
Industrial														
Public (GP)														
Cross Cutting*	NA	NA	NA	NA	718,868	2,374,557		3,093,425	NA	NA	NA			
Total Sector Budget	NA	NA	NA	NA	1,582,900	4,347,322	332,400	6,262,622	NA	NA	NA	625,018	389	0.08
EM&V-PA						71,679								
EM&V-ED														
OBF - Loan Pool**														
EE Total	NA	NA	NA	NA	1,582,900	4,419,001	332,400	6,262,622	NA	NA	NA	625,018	389	0.08

\* Cross Cutting Sector includes Codes & Standards, Emerging Technologies, Workforce Education & Training, Financing.

**Question C.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."

	2018 EE Portfolio Expenditures				2020 EE Portfolio Budget			
Sector	Labor	Non-Labor (excl. Incentives)	Incentives	Total	Labor	Non-Labor (excl. Incentives)	Incentives	Total
Residential	NA	NA	NA	NA	864,031	1,972,766	332,400	3,169,197
Commercial								
Agricultural								
Industrial								
Public (GP)								
Cross Cutting*	NA	NA	NA	NA	718,868	2,374,557		3,093,425
Total Sector Budget						4,347,322	332,400	6,262,622
EM&V-PA						71,759		71,679
EM&V-ED								
OBF - Loan Pool**								
EE Total					1,582,899	4,419,001	332,400	6,334,301

\* Cross Cutting Sector includes Codes & Standards, Emerging Technologies, Workforce Education & Training, Financing.