

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Southern California Edison Company (U 338 E) for adoption of its Energy Efficiency Rolling Portfolio Business Plan and related relief.

And Related Matters

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

Application 17-01-014
Application 17-01-015
Application 17-01-016
Application 17-01-017
(CONSOLIDATED)

**COMMENTS OF THE COUNTY OF VENTURA ON BEHALF OF 3C-REN
REGARDING PROPOSED DECISION ADDRESSING 2018-2025
ROLLING PORTFOLIO ENERGY EFFICIENCY BUSINESS PLAN**

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

Dated: April 24, 2018

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INDEX OF RECOMMENDED CHANGES

3C-REN requests modification to Finding of Fact #60, Proposes a New Finding of Fact, Conclusions of Law #8, 53, and 66, and Ordering Paragraphs #9, 31, and 37 (proposed revisions are provided in Attachment A).

- Request for 2018 budget allocation for 3C-REN activities.
- 3C-REN requests the Commission establish a new process for submittal of metrics targets for approved programs post Annual Budget Advice Letter (ABAL) approval.
- 3C-REN requests that RENs submit metrics along with the ABALs, rather than submitting a compliance filing within 60 days of the final decision.
- 3C-REN requests that Southern California Gas (SCG) be the single IOU lead for coordination in the Tri-County Region.
- The PD definitions of hard-to-reach customers should be evaluated in a deliberative process.
- Workforce standards related to downstream programs should not apply to residential and small commercial.
- Expansion of Energy Atlas throughout the State by a local government administrator to allow better data access and to inform energy efficiency program planning.

TABLE OF AUTHORITIES

CPUC DECISIONS AND ORDERS

D.12-11-015, *Decision Approving 2013 2014 Energy Efficiency Programs and Budgets*,
November 8, 2012

Resolution G-3497, December 18, 2014

STATUTES

Public Utilities Code Section 400

CPUC RULES OF PRACTICE AND PROCEDURE

Rule 14.3

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REGARDING PROPOSED DECISION ADDRESSING 2018-2025
ROLLING PORTFOLIO ENERGY EFFICIENCY BUSINESS PLAN AND BUDGET**

Pursuant to Rule 14.3 of the California Public Utilities Commission’s (CPUC or Commission) Rules of Practice and Procedure, the County of Ventura for itself and on behalf of the County of San Luis Obispo, County of Santa Barbara, and for the Tri-County Regional Energy Network (3C-REN), respectfully submits these comments and provides the following requests on the Proposed Decision Addressing Energy Efficiency Business Plans (PD) of Administrative Law Judge (ALJ) Julie A. Fitch and Valerie U. Kao, mailed April 4, 2018 in this proceeding. The County of Ventura for 3C-REN supports the PD, but requests the following clarifications to be included in the final decision.

I. INTRODUCTION

3C-REN acknowledges Commissioner Carla J. Peterman, ALJ Julie A. Fitch, ALJ Valerie U. Kao, and Commission staff for their diligence in addressing the extensive considerations of this

proceeding, and appreciates their commitment to achieving long-term energy efficiency savings toward meeting State goals. The PD allows for 3C-REN to collaborate with all program administrators (PAs) and provide innovative and gap-filling activities in the Tri-County Region, to serve hard-to-reach (HTR) customers. 3C-REN will strive to meet targets while working collaboratively with Investor Owned Utilities (IOUs), Regional Energy Networks (RENs), and Community Choice Aggregators (CCAs), as well as a variety of partners and stakeholders.

3C-REN requests modification to Finding of Fact #60, Proposes a New Finding of Fact, Conclusions of Law #8, 53, and 66, and Ordering Paragraphs #9, 31, and 37 (proposed revisions are provided in Attachment A).

II. DISCUSSION, BY SECTION OF PROPOSED DECISION (PD):

A. 3C-REN/REN BUSINESS PLAN (SECTION 2 & 4)

1. Approved Activities and 2018 Budget Request

3C-REN welcomes the Commission's approval of certain components of its business plan and authorization to submit a 2019 Annual Budget Advice Letter (ABAL).¹ Also, 3C-REN looks forward to submitting an ABAL and Implementation Plan (IP) to further demonstrate 3C-REN's value toward long-term savings goals.²

3C-REN has expended significant resources to date in its development of the business plan and subsequent participation in the stakeholder and regulatory process. The transition to PA requires a substantial investment to allow for activities such as coordination with the IOUs, development of the IP, JCM, ABAL, and participation in the ongoing regulatory process. 3C-REN does not have an approved budget³ for these activities. 3C-REN respectfully requests Commission

¹ A.17-01-013, et al; April 4, 2018 PROPOSED DECISION ADDRESSING ENERGY EFFICIENCY BUSINESS PLANS OF ALJs FITCH AND KAO (PD), Conclusions of Law (52 and 55), at p. 160-1.

² PD, Finding of Fact, "61. 3C-REN's proposed activities for WE&T and code compliance have value in terms of the significant distance of its service area to the IOUs' training centers.", at p. 149.

³ A17-01-013, et al; Motion of Ventura County on Behalf of the 3C-REN, Tri-County Regional Energy Network, For Approval of its Residential Energy Efficiency Rolling Portfolio Business Plan and Budget, dated January 23, 2017, at p. 2.

approval for \$822,738, a percentage of its original budget ask for year one,⁴ to support costs incurred in 2018 associated with the development of the IP, JCM and ABAL, which will lead to program deployment in 2019.

2. 3C-REN Distinctly Different from emPower Program

The PD states that “A key component of 3C-REN’s proposal is to continue and broaden the emPower Central Coast (emPower) program.”⁵ 3C-REN would like to clarify and reaffirm that 3C-REN’s program framework is distinctly different from emPower. 3C-REN has **no intention of duplicating or expanding emPower**, but rather to use the lessons learned about homeowner education and outreach, workforce engagement needs, and gaps in services to inform **new** program design in the Tri-County Region.

It has never been 3C-REN’s intention to develop or offer its own financing program, but to educate consumers and workforce on existing financing options.⁶ 3C-REN clarifies that all mention of financing in the 3C-REN BP were not to be interpreted as a continuation of emPower financing but **rather the promotion of all financing options available**.

Modified Findings of Fact #60 and New Proposed Findings of Fact should be adopted to prevent error in identifying 3C-REN as an expansion of emPower or as proposing its own financing program.

Findings of Fact

60. 3C-REN’s proposed ~~financing and~~ direct install activities may duplicate existing services and/or IOU activities.

New Finding of Fact

3C-REN is not proposing an expansion of emPower nor proposing to offer its own financing program.

⁴ 3C-REN BP at p. 1-2.

⁵ PD Section 4.4 3C-REN, at p. 103.

⁶ 3C-REN BP, Moving Forward, “...to formally engage, and report lending activity from multiple financing providers including CHEEF lenders, PACE programs, and other local energy efficiency financing providers,” at p. 14.

3. Metrics and Targets

In order to track 3C-RENs progress in meeting designated metrics and targets, targets must be appropriately calibrated and revised post ABAL approval. 3C-REN suggests that RENs be allowed to submit their metrics along with the ABALs, rather than submitting a compliance filing within 60 days of the final decision.⁷ This would ensure that metrics tie directly to Commission approved programs.

3C-REN requests Commission to direct staff and evaluation, measurement, and verification (EM&V) consultants to engage with 3C-REN at least 90 days before IPs are due. This will help ensure metrics and targets are appropriately designed to allow CPUC to effectively assess RENs' value.

4. Preventing Overlap of Services

a. Direction for a Local Government Administrator, not an IOU, to Expand the Energy Atlas Database Statewide.

In the PD, the Commission denies the Local Government Sustainable Energy Coalition (LGSEC) motion to expand the Energy Atlas tool to PG&E and SDG&E's territory, and directs the IOUs to work with local government partnerships (LGPs) to fill the data gap. The IOUs have not adequately and cannot legally provide the level of energy use data needed by local governments for informing energy efficiency programs and long-range master planning. The Energy Atlas database created with SoCalREN funding has effectively remedied the problem of data access. 3C-REN asserts that assigning a local government administrator as the lead to coordinate Energy Atlas expansion would be more fitting. If in the final decision LGSEC's proposal is denied and is not allowed to expand the current Energy Atlas into PG&E and SDG&E territory, 3C-REN recommends the Commission identify and direct a local government administrator, not an IOU, to conduct the activity of developing a statewide energy usage database, and requests that associated funding be allocated.

Modified Conclusions of Law #66 and Ordering Paragraph #31 should be adopted to allow for expansion of the Energy Atlas program led by a local government administrator providing

⁷ PD at p. 23.

suitable levels of data access for regional master planning, identifying program gaps, and preventing overlap.

Conclusion of Law

66. A local government administrator should expand the UCLA Energy Atlas and expand the effort to PG&E and SDG&E territories. The IOUs should work with LGP partners to improve LGP programs' cost-effectiveness and to meet LGP partners' needs with contract terms that align with local governments' budgeting, legal, etc. constraints.

Ordering Paragraph

31. The investor owned utilities must quantify co-benefits and local economic benefits of Local Government Partnerships in hard-to-reach and disadvantaged communities; and support local governments' efforts to increase local capacity to conduct energy efficiency activities. In furtherance thereof, a local government administrator shall be directed to expand the UCLA Energy Atlas in the PG&E and SDG&E service territories and shall be provided an associated budget.

b. Clarification of Gap Filling Activities

3C-REN acknowledges the Commission's concerns regarding the "potential for unnecessary duplication and/or insufficient focus on hard-to-reach"⁸ and will focus its IP accordingly. 3C-REN requests the Commission provide clear direction on what is considered "duplication." For instance, the Home Upgrade Program is a statewide program that is supposedly offered by all three IOUs. However, each utility operates the program in different ways. SCE and SCG have signaled that they do not plan to offer the program after 2018. PG&E has discontinued the Home Upgrade participation pathway, which had more accessible project costs, and now offers only the Advanced Home Upgrade pathway. In this scenario it is currently unclear whether a REN program that offered to fill some of the gaps resulting from inconsistent statewide IOU administration would be considered duplicative. Yet, these are the types of gaps RENs are well positioned to fill.

⁸ PD at p. 105.

3C-REN will work to prevent duplication through collaboration with the IOUs and by adhering to CPUC decisions guiding REN activities, as well as PD direction to ensure programs target hard to reach ratepayers. Still, IOUs must be transparent about their programs and details of the scope to ensure the JCM process is effective and meets the goals of the Commission.

Modified Conclusion of Law #53 should be adopted to clarify 3C-RENs intention and purpose to offer gap-filling services.

Conclusion of Law

53. We should ~~not~~ authorize 3C-REN's proposed business plan activities for ~~financing~~ and residential direct install programs that target hard-to-reach customers.

5. Joint Cooperation Memos (JCMs)

3C-REN is concerned that the requirement for a jointly authored IOU/REN JCM grants the IOUs a role in 3C-RENs activities that exceed the authorities established in D.12-11-015, including:

“the Commission should consider and select REN program proposals independently from utility program portfolios,”⁹ “the utilities should serve as the fiscal managers for contracts with RENs”¹⁰, “the utilities should not have control over the design of or modifications to REN programs or delivery models,”¹¹ and “the RENs should be independently responsible to the Commission for delivering the results of their programs.”¹²

Accordingly, 3C-REN requests the Commission modify the requirements for the JCM to provide greater value to all signatories and the Commission as follows. 3C-REN information/data requests to IOUs must be responded to in a timely manner at least 30 days prior to JCM due date. This is necessary for an informed JCM and clear understanding that 3C-REN proposals are not duplicative. The requirement for the 3C-REN to include a summary of the programs it intends to run should be extended to all PAs in the 3C-REN territory, and the level of data provided should be the same. 3C-REN asks the CPUC to establish a mechanism with associated timing for RENs

⁹ D. 12-11-015 Conclusions of Law #1.

¹⁰ D. 12-11-015 Conclusions of Law #4.

¹¹ D. 12-11-015 Conclusions of Law #5.

¹² D. 12-11-015 Conclusions of Law #6.

to launch programs if the IOUs do not effectively fulfill their responsibilities in a timely manner and consistent with Commission direction.

Having a region that hosts three IOU service territories will require intense coordination from 3C-REN. To simplify this process, 3C-REN requests the designation of a single lead IOU. In light of having an established relationship with Southern California Gas (SCG) whose territory extends to all three counties and thus has a vested interest in program operations in the entire Tri-County Region, 3C-REN requests designation of a single lead IOU, SCG, to facilitate IOU JCM response and overall program coordination.

Modified Conclusion of Law #37 should be adopted to allow for one IOU lead in the multiple IOU territories housed within the 3C-REN Tri-County Region, and that 3C-REN's request for SCG to be that IOU lead be granted.

Conclusion of Law

37. The energy efficiency program administrators must submit annual joint memoranda of cooperation between energy efficiency program administrators with overlapping service areas, or "joint cooperation memos" (i.e., one memo each between Pacific Gas and Electric Company and the Bay Area Regional Energy Network; between/among Southern California Edison Company, Southern California Gas Company and the Southern California Regional Energy Network; between/among Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and the Tri-County Regional Energy Network, for which Southern California Gas will be the IOU lead; and between Pacific Gas and Electric Company and Marin Clean Energy). The required contents of these joint cooperation memos are included in Section 7.1 of this decision. The program administrators must submit their first annual joint cooperation memos for approval via Tier 2 advice letters no later than August 1, 2018. The program administrators must include subsequent annual joint cooperation memos via Tier 2 advice letters no later than June 15, prior to submitting their annual budget advice letters.

B. ISSUES COMMON TO ALL (SECTION 2 & 7)

1. Definition of Hard-to-Reach

While 3C-REN agrees with the PD regarding disadvantaged communities and adherence to CPUC Code 400, the PD seeks to adopt a definition of Hard-to-Reach (HTR) found in Resolution G-3497, which was not part of a deliberative process. Adopting the Resolution G-3497 definition would alter the criteria for determining HTR customers and the established definition found in the Policy Manual Version V¹³ would be precluded, limiting services to certain geographic regions. 3C-REN acknowledges that the PD seeks to clarify varying HTR definitions, yet, allowing for the Resolution G-3497 definition to be adopted would create further conflict and confusion for this and other proceedings. 3C-REN does not dispute the need for a final definition for HTR, but requests that the decision on this definition be made after a deliberative process in R.13-11-005.

2. Workforce Standards for Downstream Programs should not be applied to Residential and Small Commercial Programs

The PD, at Section 2.2, provides new workforce standards for all downstream programs going forward.¹⁴ 3C-REN requests that these standards be reconsidered for Residential Programs, as these new requirements would cause many smaller contractor companies that do energy efficiency retrofits and have built their businesses around these programs to abruptly stop this work. Projects in the residential market segment are small in scope and are typically performed by small local firms. New requirements would result in a significantly reduced workforce and would shut out a large segment of the current contracting community that have invested many years and resources into participating in energy efficiency.

While the expressed concerns that energy efficiency measures are not being installed correctly and the proposed minimum workforce standards are a way to address this problem, 3C-REN asserts that this concern can be addressed by increased quality control built into programs and the provision of targeted contractor training. This alternative would allow for a better trained

¹³ CPUC Energy Efficiency Policy Manual, July 2013.

¹⁴ PD at p. 21.

workforce and would preclude a large scale departure of contractors from the energy efficiency market.

Modification to Conclusion of Law #8 and Ordering Paragraph # 9 should be adopted.

Ordering Paragraph

9. The following minimum workforce standards should be required for all PAs to utilize in their programs, excluding residential and small commercial:

- All downstream or midstream heating, ventilation, or air conditioning (HVAC) energy efficiency measures installed, subsidized, or paid for out of the energy efficiency program portfolio shall be installed by journeymen with five or more years of experience or apprentices currently enrolled in or having completed a federal or California state apprenticeship program.
- All downstream and midstream advanced lighting control installation, modification, or maintenance measures installed, subsidized or paid for under a PA's energy efficiency portfolio shall be installed by workers that have been certified by the California Advanced Lighting Controls Training Program.

Residential and small commercial (defined as energy usage <500,000 kWh or <250,000 therms or <200 kW demand) are excluded from these workforce standards.

3. ABAL Filing Date Revision Request

Request CPUC approval/comment on JCMs a minimum of 15 days before ABAL filing date so that ABAL forecasted energy savings goals and other metrics can be appropriately calibrated with activities presented in the JCM.

4. JMC Filing Date Revision Request

In Section 7.1 p. 120 and Ordering Paragraph 37 p. 171 the Commission establishes a submittal date of August 1, 2018 for the initial REN/IOU JMC's; Section 8.1 p. 133 lists a submittal date of July 15, 2018. Reference in Section 8.1 should be revised.

C. ADDITIONAL ITEMS

In the PD Summary (1), p. 6, a correction is needed in reference to the May 15, 2017, supplemental information responding to the questions in Attachment A of the Scoping Memo, to omit reference to the City of Ventura, who is not a party to these proceedings, and correct to the County of Ventura, on behalf of 3C-REN.

III. CONCLUSION

For the reasons stated above, the County of Ventura, on behalf of the 3C-REN requests the Commission to adopt the PD with the clarifications and revisions suggested herein and in the appendices to these comments.

Respectfully submitted,

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

Dated: April 24, 2018

ATTACHMENT A

Proposed Changes to Findings of Fact

60. 3C-REN's proposed ~~financing and~~ direct install activities may duplicate existing services and/or IOU activities.

Proposed New Findings of Fact

3C-REN is not proposing an expansion of emPower nor proposing to offer its own financing program.

Proposed Changes to Conclusions of Law

8. The following minimum workforce standards should be required for all PAs to utilize in their new programs, excluding residential and small commercial:

- All downstream or midstream heating, ventilation, or air conditioning (HVAC) energy efficiency measures installed, subsidized, or paid for out of the energy efficiency program portfolio shall be installed by journeymen with five or more years of experience or apprentices currently enrolled in or having completed a federal or California state apprenticeship program.
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Residential and small commercial (defined as energy usage <500,000 kWh or <250,000 therms or <200 kW demand) are excluded from these workforce standards.

53. We should ~~not~~ authorize 3C-REN's proposed business plan activities for ~~financing and residential direct install programs~~ that target hard-to-reach customers.

66. A local government administrator should expand the UCLA Energy Atlas and expand the effort to PG&E and SDG&E territories. The IOUs should work with LGP partners to improve LGP programs' cost-effectiveness and to meet LGP partners' needs with contract terms that align with local governments' budgeting, legal, etc. constraints.

Proposed Changes to Ordering Paragraphs

9. The following minimum workforce standards should be required for all PAs to utilize in their new programs, excluding residential and small commercial:

- All downstream or midstream heating, ventilation, or air conditioning (HVAC) energy efficiency measures installed, subsidized, or paid for out of the energy efficiency program portfolio shall be installed by journeymen with five or more years of experience or apprentices currently enrolled in or having completed a federal or California state apprenticeship program.
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31. The investor owned utilities must quantify co-benefits and local economic benefits of Local Government Partnerships in hard-to-reach and disadvantaged communities; and support local governments' efforts to increase local capacity to conduct energy efficiency activities. In furtherance thereof, a local government administrator shall be directed to expand the UCLA Energy Atlas in the PG&E and SDG&E service territories and shall be provided an associated budget.

37. The energy efficiency program administrators must submit annual joint memoranda of cooperation between energy efficiency program administrators with overlapping service areas, or "joint cooperation memos" (i.e., one memo each between Pacific Gas and Electric Company and the Bay Area Regional Energy Network; between/among Southern California Edison Company, Southern California Gas Company and the Southern California Regional Energy Network; between/among Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and the Tri-County Regional Energy Network, for which Southern California Gas will be the IOU lead; and between Pacific Gas and Electric Company and Marin Clean Energy). The required contents of these joint cooperation memos are included in Section 7.1 of this decision. The program administrators must submit their first annual joint cooperation memos for approval via Tier 2 advice letters no later than August 1, 2018. The program administrators must include subsequent annual joint cooperation memos via Tier 2 advice letters no later than June 15, prior to submitting their annual budget advice letters.