

**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 17-01-015
Application 17-01-016
(CONSOLIDATED)

**REPLY OF THE COUNTY OF VENTURA ON BEHALF OF 3C-REN, ON COMMENTS
TO THE MOTION OF THE 3C-REN, TRI-COUNTY REGIONAL ENERGY
NETWORK, FOR APPROVAL OF ITS ENERGY EFFICIENCY ROLLING
PORTFOLIO BUSINESS PLAN AND BUDGET PROPOSAL**

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I. Introduction

Pursuant to Rules of the California Public Utilities Commission's (CPUC) Rules of Practice and Procedure and the rulings of the Assigned Commissioner(s) and Administrative Law Judge(s), the County of Ventura for itself and on behalf of San Luis Obispo County and Santa Barbara County and for the Tri-County Regional Energy Network (3C-REN), respectfully submits this Reply to the Comments remitted in response to the filing of Energy Efficiency Rolling Portfolio Business Plans 2018-2025 for the proceeding R.13-11-005 and the consolidated Investor Owned Utility (IOU) Applications A.17.01.013, A.17.01.015 and A.17.01.016, both to respond to, cite comments being responded to, and clarify any inaccuracies for the following broad categories of comment topics relating to the MOTION OF THE 3C-REN, TRI-COUNTY REGIONAL ENERGY NETWORK, FOR APPROVAL OF ITS RESIDENTIAL ENERGY EFFICIENCY (EE) ROLLING PORTFOLIO BUSINESS PLAN AND BUDGET PROPOSAL (Motion of the 3C-REN). In Summary 3C-REN is poised to:

- Provide Regional Energy Networks (RENs) framework needed in the Tri-County Region.
- Effectively and efficiency fill critical service gaps and avoid duplicative activities.
- Ensure the 3C-REN and its programs focus on guidance established by the CPUC, as in Decision D. 12-11-015 and confirmed in D.16-08-019.
- Provide intervention strategies, tactics and energy saving targets tailored to market opportunities that overcome barriers to EE adoption.

II. 3C-REN Clearly Meets Criteria¹ for REN Program Approval

In response to comments² regarding the need and appropriateness of a REN in the Tri-County Region, 3C-REN contends that it clearly meets the CPUC's intent and purpose of the REN pilots³ program. In Decision D. 12-05-015 the CPUC set conditions for RENs stating, "Desired characteristics of a regional pilot are inclusion of a broad geographical area, encompassing a variety of demographic characteristics, and depth and breadth of coverage related to energy efficiency program goals and objectives." Further, the programs outlined in the 3C-REN BP directly address the key criteria outlined by the CPUC for RENs. The 3C-REN BP carefully outlines the large and significant gaps in residential programs, training, and offerings for the moderate income and rural communities within the Tri-Counties. The current regional offerings, deficient in strategies for the variety of audiences within the Tri-Counties, is completely lacking in current IOU offerings. The proposed coordinated, streamlined residential services that will be offered through 3C-REN across Ventura, Santa Barbara and San Luis Obispo Counties, is clearly representative of a Regional approach. As stated in 3C-REN BP⁴ and as authorized by the CPUC in Decision D.12-11-015,⁵ 3C-REN meets the criteria for the creation of a REN. According to

¹ D.16-08-019 (R.13-11-005), "This does not represent a new set of criteria for RENs. Their proposals will continue to be evaluated against the criteria established in D.12-11-015, which includes three areas: activities that utilities cannot or do not intend to undertake; pilot activities where there is no currently utility program offering, and where there is potential for scalability to a broader geographic reach, if successful; and pilot activities in hard to reach markets, whether or not there is a current utility program that may overlap." p. 10

² Response of Center for Sustainable Energy® (CSE RESPONSE), Intro, p. 2; II, p. 5; Natural Resources Defense Council Response (NRDC RESPONSE), Motions, p. 19-20; Protest Of The Office Of Ratepayer Advocates (ORA PROTEST), A, p. 5-9; C, p. 11; L, p. 24-25; Response of Pacific Gas And Electric (PGE) Company (PGE RESPONSE), Intro, p. 1; II, A, p. 2; III, p. 5; III, A, 3, p. 9; III, B, p. 11; Response of Southern California Edison Company (SCE RESPONSE), Intro, p. 2; II, B, p. 6; Response Of Southern California Gas Company (SCG RESPONSE), II, A, p. 3.

³ D. 16-08-019, "First, we clarify that when we approved REN programs for funding initially, they were designated on a "pilot" basis because such an approach of having regional program administrators rather than the utilities apply directly to the Commission (CPUC) had not been tried before. In addition, the label signaled that the REN designation would not be automatically renewed. This latter part of the Commission's reasoning still applies today." p. 10

⁴ 3C-REN BP, 1.2 Regulatory Requirements, p. 5; 1.3 Strategic Plan and Legislative Direction, p. 6-7

⁵ D.12-05-015 (R.09-11-014), 6.1.3 Local Government Regional Energy Efficiency Pilots, The CPUC states "the concept of local government regional pilots to be reasonable," and encouraged local

Decision D.12-11-015,⁶ 3C-REN wholly meets CPUC criteria for the creation of a REN. According to Decision D.16-08-019, 3C-REN is eligible to submit a REN program proposal, where the CPUC states it will “consider REN program proposals, to the extent new or existing RENs decide to make them, alongside proposals from the other program administrators (PAs) during the rolling portfolio business plan process.”⁷

Prior to submitting the County of Ventura’s Motion of the 3C-REN to the CPUC on January 23, 2017, 3C-REN coordinated with other PAs through the California Energy Efficiency Coordinating Committee (CAEECC). In response to comments during CAEECC draft business plan stakeholder process, the 3C-REN BP was revised to completely address the concerns of NRDC, the IOUs and other stakeholders. The final 3C-REN BP submitted to the CPUC contains the necessary data supporting the need and rationale for a REN in the Tri-County Region. Participation in the CAEECC process was endorsed in Decision D.15-10-028.⁸ 3C-REN submitted a proposal in accordance with CPUC guidance.

All REN proposals will be evaluated by the CPUC against the criteria established in D.12-11-015 and subsequent guidance. The 3C-REN BP restates and unmistakably focuses on adherence

governments to submit proposals for regional EE pilot programs. p 145-147; 8.1.5.2 Discussion, Highlighted need for “non-utility actors in residential market transformation” and CPUC requested within program submissions “to see significant government roles identified include locally-tailored outreach and marketing and contractor and technician training,” p. 174; 8.1.5 Energy Upgrade California: Role of Local Governments, states that “local governments are best suited to establish partnerships with regional entities, the private sector (contractors, retailers property managers), other organizations (media, schools and community groups), and that existing Energy Upgrade California coordination between utilities and local governments can be expanded and strengthened.” p.173

⁶ D.12-05-015 (R.09-11-014), 6.1.3 Local Government Regional Energy Efficiency Pilots, The CPUC states “the concept of local government regional pilots to be reasonable,” and encouraged local governments to submit proposals for regional EE pilot programs. p 145-147; 8.1.5.2 Discussion, Highlighted need for “non-utility actors in residential market transformation” and CPUC requested within program submissions “to see significant government roles identified include locally-tailored outreach and marketing and contractor and technician training,” p. 174; 8.1.5 Energy Upgrade California: Role of Local Governments, states that “local governments are best suited to establish partnerships with regional entities, the private sector (contractors, retailers property managers), other organizations (media, schools and community groups), and that existing Energy Upgrade California coordination between utilities and local governments can be expanded and strengthened.” p.173

⁷ D.16-08-019, p.10-11

⁸ D.15.10.028, p.124-126

to CPUC requirements for RENs. The 3C-REN BP sufficiently addresses concerns of existing programs' gaps that the utilities cannot or do not intend to undertake in the Region, identifies Tri-Counties' audiences that are hard-to-reach (HTR) and underserved, and exemplifies scalability potential as required by the CPUC's guidance.⁹

Further, the 3C-REN BP vision, goals and strategies framework follows CPUC direction for REN programs (D.12-11-015), confirms ratepayer benefit and value as a program, is steeped in effective means for energy savings and market transformation, and includes provision for the 3C-REN to manage and continuously evaluate the program toward improvement for long-term cost-effectiveness.¹⁰

The IOUs suggest in their comments that the CPUC should postpone evaluation and approval of the 3C-REN BP until the Regional Finance Program Attribution and Cost-effectiveness Study evaluating the emPower program has been completed. However, the scope of that study is limited to gaining an understanding of the value that financing brings to increasing energy savings from whole home retrofits. The results of the cited Cost-Effectiveness Study for the emPower program has little, if any, relevance to the proposed 3C-REN BP. It is not appropriate to postpone consideration of 3C-REN's Business Plan to provide services for the Region's underserved audiences.¹¹

3C-REN is **not an expansion of the emPower program**. The 3C-REN BP addresses issues related to the emPower program, particularly as it relates to the required connection to the unsuccessful IOU Energy Upgrade California (EUC) Home Upgrade programs.¹² The 3C-REN BP fills the gaps in service of current and expected programs and identifies issues surrounding the lack of coordination among the three IOU service territories with regards to the direction and

⁹ 3C-REN BP, 1.2 Regulatory Requirements, p. 5 and 1.3 Strategic Plan and Legislative Direction, p. 6-7

¹⁰ 3C-REN BP, 5.3 Strategies and Tactics, p.45-64

¹¹ D.12-11-015, 3.1.3 Cost-effectiveness Considerations, "It should also be noted that many of the REN program plans address hard to reach market segments that are generally more expensive than average to deliver. REN proposals should not be punished for that, because, if successful, their pilot approaches could lead to breakthroughs for more cost effective solutions in the future. They should, however, be encouraged to find cost savings and additional energy savings and other benefits to the extent possible, and improve their cost effectiveness over time."p.19

¹² *Id.*, 2.2 Evolving From Past Cycles and 3C-REN Role, p. 13

provision of seamless local services across the Tri-County Region. 3C-REN staff acknowledges these challenges and has communicated with the IOUs the need for providing more effective and coordinated efforts for EE services for all residents in the Region.

The Tri-Counties have tried to engage with IOUs regarding program obstacles for success since February 2016. By May 2016, the IOUs denied any scope changes and Tri-County staff were told to wait for the Evaluation, Measurement and Verification (EM&V) report and encouraged the Tri-County program administrators to fully participate in the EE business plan process via CAEECC. SCE's Annual Budget Advice Letter filed September 1, 2016 declared that emPower program funding had been cut.

III. Cost-Effectiveness¹³ Not Required for REN Business Plan Submission

In response to the comments¹⁴ asking for REN Business Plan Proposals to be evaluated for cost-effectiveness¹⁵ and to work within frameworks for EM&V that are to be determined by the CPUC, 3C-REN has demonstrated the reasonableness of the proposed services given the needs of the Region and the requirements from the CPUC regarding REN Business Plan Proposals. In Decision 16-08-019, the CPUC indicates how it intends to evaluate RENS, "REN programs, and therefore administrative expenses, will only be funded to the extent that they are determined by the CPUC to provide value (or the promise of value) to ratepayers in terms of energy savings

¹³ *Id.*, "The Commission will not set a threshold cost-effectiveness level, either TRC or PAC, for RENS at this time. Rather the dual test for overall portfolio cost effectiveness, taking into consideration passing both the TRC and PAC tests for each service territory and for the entire approved portfolio, including RENS, will continue to govern the CPUC's cost effectiveness for the energy efficiency programs." p. 19

¹⁴ CSE RESPONSE, Intro, p. 2; II, p. 5; ORA PROTEST, A, p. 5-9; C, p. 11; L, p. 24-25; PGE RESPONSE, Intro, p. 1; II, A, p. 2; III, C p. 12; SCE RESPONSE, Intro, p. 2; II, B, p. 6; II, C, p. 6; SCE RESPONSE, II, B, p. 5

¹⁵ D. 12-11-015, 3.1.3 Cost-effectiveness Considerations, "...even if some REN proposals are not cost effective, if the same proposals had been made by utilities, they would have had the opportunity to be approved as part of a larger portfolio. The same should therefore be true for REN proposals, since they will become part of the larger portfolio that the Commission will approve. The REN proposals should not be held to a higher standard than similar utility programs. The difference is that the utilities are not fully in control of the REN proposals and cannot make the cost effectiveness tradeoffs themselves within their own portfolios. Instead, it becomes the responsibility of the Commission to approve a portfolio, including both utility and REN proposals, that is cost effective overall." p. 18

and/or market transformation results for energy efficiency.”¹⁶ Further, the Decision says, “In general, in addition to the D.12-11-015 criteria repeated above, we encourage RENs to be involved in programs where they have special expertise or relationships with customers that other administrators (including utilities and potential statewide administrators) or local government partnerships do not. We also encourage RENs to manage their programs with an eye toward long-term cost-effectiveness, just as we encourage the other program administrators to do.”

The 3C-REN, coordinating with the BayREN and SoCalREN, put forth an optional approach within the Business Plan to evaluate REN activities based on the focus and unique needs in serving HTR audiences, filling gaps or are for areas the utilities cannot or will not address. A substantial part of the proposed 3C-REN activities are categorized as non-resource activities (such as the 3C-REN Energy Coach Service¹⁷ and Code Coach Service¹⁸) and are not quantified by the same Total Resource Cost considerations as the Utility PAs’ resource-based activities. The 3C-REN is committed to “providing value (or the promise of value)” to the CPUC, ratepayers, as well as to its jurisdictions and constituents. Ultimately, 3C-REN will be approved and evaluated according to CPUC guidance and will abide by CPUC requests for additional information related to cost-effectiveness and requirements.¹⁹ 3C-REN is the most efficient and effective way to provide services in our Region.

IV. 3C-REN BP is Fundamentally Different than the emPower Program

In their comments, IOUs make the baseless claim that the 3C-REN BP is simply an expansion of the emPower program. 3C-REN finds this characterization patently incorrect. While the 3C-REN BP builds upon lessons learned²⁰ and valuable existing administrative infrastructure built by emPower, 3C-REN is fundamentally different. It is a new and comprehensive residential

¹⁶ D.16-08-019, p. 11

¹⁷ 3C-REN BP, Tactic 1.1 Establish “Energy Coach” Service As Go To Trusted, One-Stop Energy Solution in The County, p. 46

¹⁸ 3C-REN BP, Tactic 4.1 Establish “Energy Code Coach” To Provide Ongoing Technical Assistance for Building Departments, p. 61

¹⁹ 3C-REN BP, passim; p. 20-23.

²⁰ *Id.*, 2.2 Evolving from Past Cycles and 3C-REN Role, p. 13-15

program with new target markets, services, and strategies as detailed in the 3C-REN BP. The emPower program was limited to providing services to homeowners of single-family detached homes and the promotion of IOU rebate programs, specifically the EUC Home Upgrade Program. The cost of the EUC created a persistent limit to participation and an accessibility barrier (gap) between moderate income program participants and more affluent EUC program participants.²¹ In contrast, the 3C-REN proposal casts a much more inclusive net and will serve all residential customers including both single-family homes and multi-family units, addressing both owners and renters as well as specifically targeting HTR populations.

Additionally, the programs²² outlined in the 3C-REN BP are quite different than those previously offered by the emPower program. 3C-REN proposes to offer services that have never been part of the emPower program including: 1) Utilizing a direct install program to introduce customers to EE and build a base for deeper savings; 2) Development of an incentive program that includes a range of simple upgrade packages that do not duplicate the EUC Home Upgrade Program offerings but rather better meet the needs of the Region; 3) Deployment of the Department of Energy (DOE) Home Energy Score (HEScore) to build awareness and drive deeper energy retrofits; and 4) Provide assistance to Building Departments and Jurisdictions to help comply with future Code updates.

V. LGPs Do Not Provide Residential Services

In the 3C-REN Region, neither SCE, SCG nor PG&E allow LGPs to administer residential programs, and if LGPs were to operate residential services they would need to be completely restructured to meet the need.²³ CPUC Decision, D.12-11-015 states, “The decision provides a definition of RENs, differentiates them from local government partnerships run by utilities, and identifies certain roles and responsibilities for the REN proponents and the utilities.”²⁴ In the proposed Business Plans by SCE, SCG, and PG&E, there is no mention of LGPs in the residential

²¹ *Id.*, Household Characteristics, p. 32

²² *Id.*, passim; 5.3 Strategies and Tactics p. 44-64

²³ 3C-REN BP, 1.1 Tri-County Region Energy Efficiency and California’s Energy Needs, p. 4

²⁴ D.12-11-015 p. 2

chapters of the filed business plans.²⁵ Reference to LGPs is limited to public or commercial sector chapters. The 3C-REN fills the gap in services that are not provided to residents in our Region and offers valuable access to a cohesive Residential Portfolio.²⁶

In their comments,²⁷ NRDC also questioned why 3C-REN's objectives could not be accomplished with an LGP. 3C-REN feels that utilizing an LGP model would be ineffective for several reasons. First, an LGP is principally designed to work locally, not at the regional level – across three counties. Secondly, the Tri-County Region is served by multiple IOUs,²⁸ all offering different programs and different participation requirements for residents and contractors. This has proved problematic in terms of marketing programs, delivering services, and convincing local contractors, who work across multiple IOU territories, to participate in IOU rebate programs.²⁹ These challenges would be the same, if not further complicated, by trying to utilize the LGPs' fragmented resources to implement the regionally focused goals of 3C-REN.³⁰

As a result of multiple IOUs covering three different counties, there are currently four LGPs serving the Region with different organizational structures, approved scopes of work, and IOU funding sources. The complexity of developing consistent programming amongst LGPs with such varied characteristics speaks directly to the need for a regional approach only made possible by RENs. Further, these partnerships do not currently administer any services to residential customers. Additionally, LGPs are still under the purview of the IOU. Based on past experience, the 3C-REN does not have confidence that the IOUs would agree to allow LGPs to make the significant changes needed to allow for the types of services being proposed by 3C-REN, resulting in the continued lack of service and poor EE savings. LGPs would not be the best fit for administering programs and services that are designed to be streamlined via regional

²⁵ Appendix D, PG&E's EE BP 2018 – 2025 Appendix Public, p. 29; SCE BP, p. 200, line 14-16; SCG BP, p. 288

²⁶ *Id.*, Figure 3. Value Proposition Graph; 2.3 Business Plan Phasing, p. 16-18

²⁷ NRDC RESPONSE, Motions, p. 19-20

²⁸ 3C-REN BP, 5.1 Market Analysis, p. 26-40

²⁹ *Id.*, Summary of Important Findings From the Market Analysis, p. 27; Workforce, p. 35-38

³⁰ *Id.*, Purpose of 3C-REN Business Plan, "This Business Plan details the 3C-REN's vision, goals, intervention strategies and tactics to enable the Tri-Counties to establish a robust residential focused program, filling gaps in services and addressing hard-to-reach audiences." p. 2

implementation, leveraging economies of scale. The 3C-REN structure affords greater responsiveness, efficiencies and flexibility in implementing programs as outlined in the Business Plan.

VI. 3C-REN BP Does Not Duplicate Existing or Planned IOU Services

In response to comments that 3C-REN will provide duplicative activities to existing programs, 3C-REN is distinct in program framework from the emPower financing program, LGP programs, and existing programs such as those offered by IOUs. 3C-REN aims to accomplish for the Tri-Counties' residential sector what other programs have been unable or unwilling to provide in our Region.

3C-REN's strategy for customer engagement is specifically designed to drive lasting energy savings and customer participation while capturing stranded savings. Bringing together all points of value for the property owner and providing accessible entry points, paired with consistent and ongoing relationship touch points will result in whole home savings over time and when it is financially inaccessible to the homeowner as a single project.

The IOUs assert in their comments that it is 3C-REN's intent to duplicate the existing IOU Middle Income Direct Install (MIDI) Program, which provides audit and installation services to HTR and moderate income residential customers. 3C-REN disagrees with this assertion and finds that the IOU MIDI program's qualification criteria, strategic approach, and services offered differ greatly from what 3C-REN is proposing. The IOU MIDI program provides no-cost home improvements (e.g., insulation, duct sealing and testing, thermostatic shower valves) to customers who meet an income verification. The 3C-REN intends to pilot a different approach that leverages a simple and targeted set of direct install measures by a professional BPI Energy Coach to encourage additional upgrades that would be paid by the homeowner with some incentives. 3C-REN's strategy is to provide a much smaller level of direct install coupled with behavioral education, including a HEScore, and use that as a lever to encourage deeper savings. Those deeper savings would be achieved by re-engagement with the customer and encouraging them to implement bundled upgrade packages that would be incentivized on a sliding scale based on income level. By requiring some level of co-pay, 3C-REN believes customers will be more likely to conserve energy, and the program will achieve a higher level of cost-effectiveness. Further, this approach will be targeted to the Moderate Income audiences, but also employed for rural customers

and other residential customers in the Region, regardless of income, to provide as deep of service as possible.

IOU comments suggest that 3C-REN's strategy of having a trained and qualified Energy Coach in the field to educate customers on the use and value of energy management tools (EMTs) is duplicative of the IOUs mandate to develop and provide an outreach program and incentive for adoption of EMTs.³¹ It is not. First, it is likely that IOUs will necessarily comply with this requirement using third-party contractors. 3C-REN proposes to meet this requirement by embedding it into the Energy Coach Service and leverage it throughout a holistic program. If and when IOU EMT services are offered in the Tri-County Region, 3C-REN looks forward to coordinating efforts and augmenting them through its Energy Coach Service as a valuable tool for demand side management.

PG&E also suggests that utilizing the DOE's HEScore to drive the customer to take action is duplicative of "Working with real estate industry to create value for energy efficiency during transactions."³² **It is not duplicative.** Utilization of HEScore is intended to encourage customers to implement the measures with the greatest savings, while being simple and cost-effective to administer. It is important to note that HEScore is expected to need calibration to California's temperate climate zones, and 3C-REN looks forward to working with the DOE and Center for Sustainable Energy in this effort.

3C-REN stands by the 3C-REN BP characterization for the Region that it is underserved by IOU workforce, education, and training (WE&T) activities, and that the workforce activities proposed in the 3C-REN BP do not duplicate IOU training efforts in the Region. It is important to note that offering a list of trainings and conducting training events are not the same. 3C-REN also finds that some IOUs' comments for the 3C-REN BP approval regarding available trainings could be misinterpreted. For example, PG&E states that they offer "over 100 courses relevant to the residential sector in the Tri-County Region." 3C-REN is unsure how this number was derived, the content of these trainings, or whether these are the type of in-person, hands on training that are needed in the Tri-County Region. Out of a total of 120 classes on PG&E's current list of Energy

³¹ AB 793

³² PG&E RESPONSE p.6

Education Classes,³³ only two classes are scheduled in the Tri-County region. Historically, LGP and emPower staff have been told that there is insufficient demand for trainings to be held locally or regionally relative to expense, and staff and contractors have been encouraged to travel to metropolitan centers to obtain training. As a result, there have been very few trainings held in the Tri-County Region, and it is costly and time intensive for staff and contractors to travel to metropolitan centers. In addition, the vast majority of trainings that have occurred have been coordinated by local government staff and focused on the commercial sector. For example, a three-day commercial auditing training held in February 2017, partially funded by PG&E, and referenced in their comments, was the first of its kind in the Region and was coordinated by LGP staff. It is also important to note that this specific training had been requested in our region since 2015. 3C-REN is concerned that IOU WE&T offerings may not include enough focus on some of the soft skills required for contractors to successfully integrate building performance into their business. Contractors need a local venue to learn the value of EE home performance and effectively communicate this to customers in the Tri-County Region.

Given the difficulties IOUs have had conducting trainings in the Tri-County Region and the unique challenges faced by contractors and building departments in the Region, 3C-REN is better suited to deliver WE&T activities, increase awareness, and communicate the value of these activities. That said, 3C-REN appreciates the list of courses offered by IOUs and the proposed WE&T activities in their business plans and looks forward to communicating our needs and providing a substantive schedule of training events that avoids duplication.

California's RENs and IOUs have effectively coordinated efforts regarding Codes and Standards, Marketing and Outreach, WE&T, EM&V, and Cross-Cutting initiatives. It is expected that these coordination efforts will expand to ensure that efforts by all PAs will strengthen efficiency and durable energy savings in the state. 3C-REN is currently active in coordination efforts with SoCal REN and BayREN regarding Codes and Standards, as well as statewide efforts to better align cost-effectiveness calculations with California's energy goals and the directives of SB 350.

³³ PG&E Energy Education Classes calendar available online at http://usi.pge.com/?WT.mc_id=Vanity_energyclasses

Additionally, to further clarify utility misunderstandings, 3C-REN addresses SCE inappropriately asking for the description of 3C-REN non-EE funding. SCE misinterpreted non-EE activities when the 3C-REN BP describes the Region's territory, audience, and building stock. Low-cost solar and energy storage market shifts are referenced³⁴ in the 3C-REN BP regarding EE outreach approaches that educate residents on reducing consumption and, thereby, enabling non-EE solutions towards Zero Net Energy (ZNE). Therefore, SCE's comments about the funding for 3C-REN are evidently mistaken.

VII. Addressing HTR Communities is Core to the 3C-REN BP

In response to comments regarding pilot activities in HTR and disadvantaged communities (DACs) markets,³⁵ based upon definitions³⁶ of language, geography, income and housing type, 3C-REN has a primary intention to include these markets that have been underserved by the IOUs in the Tri-County Region.³⁷

In its response letter, PG&E claims that 3C-REN does not meet geography, income, or housing type HTR criteria. This comment depends on a HTR definition that is not applicable to the REN business plan evaluation process. PG&E's cited HTR definition stated in Resolution G-3497,³⁸ focuses narrowly on the approval of 2013 shareholder incentives for IOUs. The reference is in the context of direct install (DI) services and savings attribution, principally as related to small to medium-sized businesses DI programs. The Resolution provides criteria to identify if *a customer* is HTR for the purpose of assigning net-to-gross (NTG) values in the context of calculating shareholder incentives. G-3497, and therefore PG&E's proposed definition, *does not provide* criteria for identifying if *a region* or *a market* is HTR. The definition used to define HTR

³⁴ 3C-REN BP, 1.4 Trends and Issues, Greenhouse Gas Reductions, Climate Change and Resiliency, p. 8; Neighborhood Approaches, p. 9

³⁵ PGE RESPONSE, p. 9; and The Greenlining Institute's Response To Program Administrator Applications For Business Plan Approval (GREENLININGS RESPONSE), p. 5

³⁶ Resolution G-3497, Attachment 3, Ex Ante Savings, Provides specific criteria for assigning NTG values for Direct Install program considerations for hard-to-reach, and that the IOUs erroneously and inappropriately assigned meaning for those HTR values. p. 56-57

³⁷ 3C-REN BP, passim; A Holistic Approach, Looking To The Future, Informed By the Past, p. 1

³⁸ Resolution G-3497, p. 56-57

customers in the context of Resolution G-3497 is not applicable to the REN review process, because it would contradict the CPUC decisions that enabled the SoCAL REN and BayREN (both of which are in the Combined Statistical Areas of the San Francisco Bay Area and the Greater Los Angeles Area).

PG&E also asserts in its comments that a REN is not HTR if a portion of it is in an adjacent Metropolitan Statistical Area. As mentioned above, this definition is not applicable to the REN approval process. The Tri-Counties share HTR commonalities across each county in the Region including agriculturally based economies, climate, rural geography, low population density, and high costs of living. Furthermore, Ventura County³⁹ is largely rural and HTR, and PG&E's assertion against such indicates the utility's lack in understanding of the 3C-REN Region.

In its response letter, PG&E declares that 3C-REN does not address “multi-family and Mobile Home Tenants (rent and lease)” because the 3C-REN program does not serve multi-family renters until Phase II (2020-2022).⁴⁰ **This is incorrect.** In Phase I (2018-2019), Energy Coach and DI services will be offered to all residents in the Tri-County Regions, including renters and multi-family unit occupants. These services will ramp-up to include the Multi-family Property Owner Programs by 2020. Transitioning from tenants to building owners over the first two years of operation is the most prudent approach to addressing the multi-family segment, and is a foundational element of the 3C-REN BP.

NRDC recommends that the current definition of DACs be clarified and that once a decision is made, the CPUC should update its guidance. In addition, 3C-REN supports NRDC's proposal that the issue of defining “hard-to-reach customers” be included within scope of this proceeding. 3C-REN agrees with NRDC that the issue of HTR customers should be addressed in the implementation planning phase to ensure that EE programs are specifically targeted to meet the needs of these residents.

3C-REN proposes a full suite of services specifically designed to meet the needs of residential customers in the Tri-County Region. The 3C-REN BP targets homeowners and renters,

³⁹ 3C-REN BP, passim; p. 30-38

⁴⁰ *Id.*, p. 17

Spanish speaking communities, and rural areas of the Tri-County Region.⁴¹ This is clear indication that 3C-REN will offer services and implement strategies designed to serve HTR communities.

VIII. 3C-REN Approach and IOU Coordination

In their comments,⁴² NRDC requested information regarding 3C-REN's coordination of the business plan with the IOUs. 3C-REN appreciates NRDC's recognition⁴³ of the strong case to be made for better coordination and additional discretion when planning programs for the Tri-County Region. Tri-County staff has tried to engage with IOUs regarding the Region's needs and expressed the intent to submit a REN proposal to and held meetings with IOU representatives. During these meetings with the IOUs, intentions and information regarding the scope of the 3C-REN BP proposal were provided. It is worth noting that during a meeting with SCE staff on September 19th, 2016, SCE suggested the Tri-County Region would be better served under direct guidance from the CPUC rather than from the IOUs, and SCE recommended the formation of a new REN. In compliance with CPUC guidance, 3C-REN has submitted its Business Plan. The 3C-REN participated fully in the CAEECC process, including submittal of the draft business plan for comment and provided a presentation to CAEECC members highlighting the proposed scope of the 3C-REN BP.

IX. Conclusion

For all the foregoing reasons, the County of Ventura, on behalf of the 3C-REN, appreciates the opportunity to provide this Reply to Comments and Responses made to its Motion for the 3C-REN, Tri County Regional Energy Network, for Approval of Its Residential Energy Efficiency Rolling Portfolio Business Plan and Budget Proposal submitted on January 23, 2017, and respectfully urges the CPUC to authorize and adopt the 3C-REN Business Plan.

Dated: March 10, 2017

⁴¹ *Id.*, 1.0 3C-REN Overview, p. 6

⁴² *Id.*, p. 20

⁴³ NRDC RESPONSE, Motions, p. 19-20

Respectfully submitted,

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