

**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)

**FINAL COMMENTS OF THE COUNTY OF VENTURA ON BEHALF OF 3C-REN,  
TRI-COUNTY REGIONAL ENERGY NETWORK**

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

Date: September 25, 2017

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Pursuant to the Rules of the California Public Utilities Commission's (CPUC) Rules of Practice and Procedure and the August 4, 2017 Administrative Law Judge (ALJ) Ruling providing leave for parties to provide final comments in this proceeding,<sup>1</sup> 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 final Comments urging the CPUC to adopt the proposed 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 (3C-REN BP)<sup>2</sup> as filed and discussed throughout this proceeding.<sup>3</sup>

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<sup>1</sup> August 4, 2017 ALJ Ruling Clarifying July 25, 2017 Ruling and Denying, In Part, PG&E's Motion to Amend its Application, p. 2 and 8.

<sup>2</sup> 3C-REN BP, passim.

<sup>3</sup> January 23, 2017: 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; March 10, 2017:

These final comments are intended to both cite and clarify any matters raised and explored in the record of the 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.17.01.014, A.17.01.015, A.17.01.016, and A.17.01.017, and to provide supplemental information to the existing record to support CPUC authorization to: 1) provide for a new Regional Energy Network (REN) - through the 3C-REN BP for the Tri-County Region; 2) allow 3C-REN to provide high value to local residents by meeting the CPUC's criteria for RENs including filling gaps, serving hard-to-reach markets, and providing programs as proposed in the 3C-REN BP where the utilities cannot or will not provide services; and 3) grant the funding requested through the 3C-REN BP.

## **Introduction**

Collectively, 3C-REN represents more than 1.5 million residents living in the Tri-County Region, including three counties and 28 incorporated cities, which would benefit from the creation of a REN. The Tri-County Region is currently not well served by IOU programs and the need to provide services is real. The establishment of 3C-REN is the most reasonable and effective next step for the Tri-Counties, enabling it to leverage existing program experience and collaborations, and address the Region's substantive market needs.

3C-REN's vision is to meet the communities' energy needs with a 50 percent increase in EE in residential building, supplemented with affordable, clean, and sustainable energy sources over

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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; May 15, 2017: Supporting Document Response To Scoping Memo 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; May 22, 2017: Comment On Business Plan Energy Efficiency Metrics By County Of Ventura On Behalf Of The 3C-REN, Tri-County Regional Energy Network; June 12, 2017: Response Of The Ventura County On Behalf Of 3C-REN To The April 14, 2017 Administrative Law Judge's Ruling Seeking Supplemental Budget Information From Program Administrators; June 22, 2017: Response To Scoping Memo Attachment B From The County Of Ventura On Behalf Of The 3C-REN, Tri-County Regional Energy Network; July 14, 2017: Response On Business Plan Energy Efficiency Metrics By County Of Ventura On Behalf Of The 3C-REN, Tri-County Regional Energy Network that were all filed on time with the CPUC Docket Office, served to the proceeding service list, and are all publically available by visiting the County of Ventura website at <http://www.ventura.org/environment/energy-efficiency>.

time. To achieve this vision, the 3C-REN BP focuses on addressing hard-to-reach audiences and filling gaps where utility programs cannot or will not provide services. The 3C-REN BP clearly meets the objectives laid out in D.12-11-015 and D. 16-08-019 as it is regional in nature and will offer unique programming that provides the opportunity for significant energy savings and ratepayer value.

Not all local governments have the resources or desire to engage at the level required to become a REN. However, with 3C-REN, the CPUC has at its fingertips, access to a group of local governments experienced with implementing EE programs and incredibly motivated to help the State meet its goals. As such, 3C-REN is ready to bring to bear the full weight of the resources available to them as local governments to help achieve these important goals.

In summary, these comments support the 3C-REN BP and reinforce that 3C-REN is poised to:

- Provide the services and support of a REN needed in the Tri-County Region.
- Ensure the 3C-REN and its programs meet the criteria for and focus on guidance established by the CPUC, as in Decision D. 12-11-015 and confirmed in D.16-08-019.
- Provide unique intervention strategies, tactics, and energy saving targets tailored to market opportunities that overcome barriers to EE adoption in the Tri-County Region.
- Provide a service delivery model that better meets hard-to-reach residents' needs, including those who are geographically isolated and those not reached due to language barriers.
- Collaborate effectively with all Program Administrators (PAs) across all sectors to avoid duplication and enhance complimentary efforts.
- Move beyond the limits of the emPower Central Coast program to establish a truly regional-oriented, local-serving EE residential program.

## **Tri-County Central Coast Region Energy Efficiency Challenges**

As detailed in the 3C-REN BP and subsequent comments, 3C-REN contends it has clearly demonstrated that it meets the CPUC's intent and purpose of the REN and meets the criteria<sup>4</sup> for REN program approval. IOU comments to the contrary do not support the evidence illustrated in the 3C-REN BP, or the reality of service provision on the ground. 3C-REN's constituents are historically under-served by IOU programs based on the experience of 3C-REN staff, central coast residents, contractors working on the ground, and on the best available information, such as geographical distribution of residential electricity savings, and the 3C-REN's best efforts to extrapolate data from existing studies<sup>5</sup> of IOU programs. This is primarily a result of its geographic isolation and low population density. In addition to its large rural and agricultural profile, the region is also characterized by workforce limitations, a high percentage of single-family renters,<sup>6</sup> and a Spanish speaking population comprising of 24 percent of the total Tri-Counties' population.<sup>7</sup> Utility workforce education and training programs are nearly absent in the Tri-County Region, local contracting companies are typically smaller with limited resources and due to travel time, costs, and lost productivity have difficulty attending workforce trainings offered at IOU energy education centers.<sup>8</sup> Local government partnerships (LGPs) do not actively serve residential customers in the Region, and existing residential programs are encumbered by a split-incentive barrier, inaccessible to a majority of residents, and suffer from low uptake.

These attributes make delivering EE programs in the Region both difficult and in need of new program delivery solutions. The nature of communities in the Tri-County Region carries

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<sup>4</sup> 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.

<sup>5</sup> 3C-REN BP, Energy Usage and Potential Savings, "The 2016 Navigant Potential and Goals study presents information based on utility territory." p. 40; 3C-REN BP, 5.2 Market Barriers, p. 41-43.

<sup>6</sup> In the Tri-County Region, 34 percent of all housing units and 45 percent of single family homes are occupied by renters. 3C-REN BP, Summary of Important Findings from the Market Analysis. p.27.

<sup>7</sup> 3C-REN BP, Moderate Income Residents, p. 7; and Language, p. 31.

<sup>8</sup> County of Ventura and County of Santa Barbara contractors would need to travel up to 200 miles to get to SCE and SoCal Gas training centers in Downey, Irwindale, or Tulare.

multiple challenges and requires a more local-focused, on-the-ground approach towards the implementation of EE activities that can only be addressed by an experienced, coordinated regional, local government-oriented PA such as 3C-REN.

### ***Tri-County Experience***

The counties that make up 3C-REN have been working together for several years to provide LGP programs and residential EE financing and outreach services in support of IOU programs, in particular the Energy Upgrade California Home Upgrade Program (HUP). The Tri-Counties have tried to address barriers to the adoption of EE through the jointly operated emPower program, funded through CPUC ratepayer dollars and administered by the IOUs. However, the program is severely limited in scope and flexibility and repeated requests to make significant program modifications have been denied by the IOUs. While the 3C-REN BP utilizes successful elements of the emPower program, such as the Energy Coach Service, 3C-REN is ***fundamentally different and significantly more robust than the emPower program***. 3C-REN serves different market segments and provides different, not simply expanded offerings. Should the 3C-REN BP be approved, the Counties intend to sunset the emPower program.

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.<sup>9</sup> 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 offered through 3C-REN across Ventura, Santa Barbara and San Luis Obispo Counties, is clearly representative of a regional approach.

### **3C-REN Goals and Anticipated Outcomes**

The 3C-REN BP is guided by CPUC guidance documents, legislation, the California Long-term Energy Efficiency Strategic Plan, and California's Existing Buildings Energy Efficiency

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<sup>9</sup> 3C-REN BP, passim; Purpose of 3C-REN Business Plan, p. 2; 5.0 Market Analysis, p. 23-44.

Action Plan. The 3C-REN BP also seeks to build upon the success and experience of the Bay Area Regional Energy Network (BayREN) and Southern California Regional Energy Network (SoCalREN) and supports their business plan proposals.<sup>10</sup> In light of the ambitious goals set forth from the State (AB 32/SB 32, AB 758, and SB 350) and considering that more than 20 percent of greenhouse gas emissions from buildings originate from residential buildings, PAs must be more creative with program design, engaging customers, and demonstrating the value of EE and deep energy retrofits to homeowners, investment property owners, contractors, and the market as a whole.

3C-REN's goals support the State's goals, in particular SB 350, and are focused on:

1. Establishing programs that provide greater access and an affordable path to long-term, deeper energy saving retrofits;
2. Developing and engaging an active, well-educated, and trained workforce;
3. Utilizing behavioral programs to bolster electrical savings that complement natural gas savings; and
4. Ensuring that building departments have the tools and resources to actualize energy savings projected through energy codes and standards and actualize projected energy savings.

### ***Targeted Services for Hard-to-Reach Customers***

The centerpiece of the 3C-REN's BP is the facilitation of a customer's journey<sup>11</sup> from need to realization, reflecting a holistic approach that integrates home performance, behavioral interventions, and emerging technologies. This approach is informed by a detailed market and gaps assessment<sup>12</sup> of the Tri-County Region and activated by a series of strategies to create a fully integrated residential program that: 1) builds trust and long-term relationships via an Energy Coach service; 2) offers and connects a range of EE upgrade options, including direct install measures

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<sup>10</sup> Bay Area Regional Energy Network Business Plan (BayREN BP), passim, and Southern California Regional Energy Network Business Plan (SoCalREN BP), passim.

<sup>11</sup> 3C-REN BP, Figure1, 3C-REN Customer Journey, p. 3.

<sup>12</sup> 3C-REN BP, 5.0 Residential Market Chapter, p. 25-43.

and bundled measures; and 3) incorporates a variety of financing mechanisms to reduce the upfront costs and barriers to upgrades.<sup>13</sup>

The 3C-REN BP details program elements that will be employed to address the underserved in the Tri-County Region and asserts that implementing these innovative engagement strategies will substantially improve energy savings and participation rates typical to the residential sector.<sup>14</sup> Further, the 3C-REN BP vision, goals, and strategies framework<sup>15</sup> 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.<sup>16</sup>

### **3C-REN Will Meet CPUC Objectives**

#### ***Cost Effectiveness***

In Decision 16-08-019, the CPUC encourages RENs to “manage their programs with an eye toward long-term cost-effectiveness” and 3C-REN is in support of these comments. In line with BayREN and SoCalREN, 3C-REN is supportive of an effective and comprehensive evaluation framework that encourages programs across all sectors to be as cost-effective as possible in the use of ratepayer funds. REN proposals and the proposed 3C-REN activities are categorized as non-resource activities (such as the 3C-REN Energy Coach Service<sup>17</sup> and Code

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<sup>13</sup> March 10, 2017 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, passim.

<sup>14</sup> 3C-REN BP, Table 4, 3C-REN Metrics, p. 24.

<sup>15</sup> 3C-REN BP, Figure 2, 3C-REN Strategic Framework, p. 12.

<sup>16</sup> 3C-REN BP, 5.3 Strategies and Tactics, p.45-64.

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



Coach Service<sup>18</sup>), and are not quantified by the same Total Resource Cost (TRC) 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.<sup>19</sup> It is worth noting that 3C-REN's program design is currently as cost effective as other IOU and REN residential programs,<sup>20</sup> and that TRC forecasts are expected to increase as program participation rates grow.<sup>21</sup>

### ***Addressing Stakeholder Comments***

3C-REN has enjoyed support from many stakeholders and is particularly appreciative of the guidance and support showed by the other RENs. However, 3C-REN would like to clarify some of the comments made by its IOU partners. Specifically, 3C-REN is not an expansion, extension, or duplication of an existing program – but a new organization that will comprehensively address deficiencies in the Region through a range of targeted programs. The 3C-REN includes new program design that will generate meaningful and measurable results for targeted stakeholders with a focus on moderate-income residents. 3C-REN's intention is to develop improved programs that enhance services, cost savings, energy savings, and other benefits to increase participation while continuing to improve overall cost-effectiveness. The 3C-REN BP targets a region with hard-to-reach markets<sup>22</sup> that includes geographical areas outside of the greater

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

<sup>19</sup> 3C-REN BP, passim; p. 20-23.

<sup>20</sup> June 22, 2017: PG&E Comments - Response Of Pacific Gas And Electric Company (U 39 M) To Comments On Attachment A Of The Scoping Memo And Ruling And To Attachment B Questions, “In addition, 3C-REN's response to questions in Attachment A includes a cost-effectiveness analysis of its resource portfolio and overall portfolio (including non-resource programs). These cost effectiveness projections align with the cost effectiveness of PG&E's Residential sector programs.” p. 26.

<sup>21</sup> May 15, 2017: Supporting Document Response To Scoping Memo 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, p. 20, Appendix A – Table 1: 3C-REN Residential Program Elements, and Appendix B – Workbook: 3C-REN TRC and PAC.

<sup>22</sup> CPUC Energy Efficiency Policy Manual, July 2013, passim.

Los Angeles area and various rural areas, and consists of activities to target Spanish language speakers and multifamily housing.

## **Coordination and Collaboration**

RENs and IOUs have already established effective coordination, information sharing, and aligned program offerings to effectively leverage ratepayer dollars and provide savings. The success of these activities was noted in the REN Evaluation, Measurement, and Verification (EM&V) Study conducted by Opinion Dynamics<sup>23</sup> which highlighted the fact that “the RENs and the IOUs have coordinated well.” 3C-REN, as a newly formed REN, plans to follow the example of these PAs to leverage existing successful programming and prevent duplication.

In addition, RENs and IOUs have coordinated efforts regarding Codes and Standards, Marketing and Outreach, Workforce Education and Training (WE&T), EM&V, and Cross-Cutting Initiatives. It is expected that coordination will expand and therefore ensure that efforts by all PAs 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.

Members of each County represented by 3C-REN have extensive experience working collaboratively with IOUs in implementing ratepayer funded programs and initiatives, including residential EE programs, LGP programs, peer-to-peer stakeholder groups, and the Rural and Hard to Reach Working Group. REN, Community Choice Aggregation, and IOU PAs each bring unique skills and approaches to EE programming that can be leveraged for the benefit of all ratepayers to reduce program overlap. Aligning all programming with the specific skillset of each PA will minimize duplication. RENs and CCAs are better suited to offer locally adapted programming and community level engagement that compliments and enhances IOU programming. Aligning and augmenting all of these skillsets is needed to reach the State’s ambitious energy goals. The 3C-REN is the most efficient and effective way to provide services in the Tri-County Region.

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<sup>23</sup> 3C-REN BP, Energy usage and Potential Savings, p. 39.

## **Conclusion**

3C-REN stands by the 3C-REN BP characterizations for the Region, that it is underserved, and that the 3C-REN BP enables the Tri-Counties to be poised to provide the most effective services for the Region. 3C-REN is an essential and needed organization to help both address the deficiencies in the Region and to fill a gap in services required to meet State goals. Working in concert with all stakeholders, 3C-REN will facilitate and navigate changing community needs and deliver a tailored set of services that improves outcomes for all the actors, resulting in higher energy savings. To successfully meet these multifaceted requirements, 3C-REN has the flexibility and ability to design targeted and customized programs to be effectively and regularly adapted to community conditions, scaled across the Region, and be supportive yet independent of IOU directed programs.

Establishment of the 3C-REN will allow for this and for the creation of a sustainable, trusted organization that will act as stewards and EE advocates for all residents of the Region. For all the foregoing reasons, the County of Ventura, on behalf of the 3C-REN, appreciates the opportunity to provide Comment in support of the 3C-REN BP submitted on January 23, 2017, and respectfully urges the CPUC to authorize and adopt the 3C-REN BP.

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Respectfully submitted,

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