



Fact Sheet

Regional Energy Networks (RENs) & Community Choice Aggregators (CCAs) (2013-2014)

The CPUC, in its 2013-2014 Portfolio Guidance Decision, invited local governments to collaborate and submit proposals for a new model for administering EE programs outside the traditional IOU-administered paradigm. LA County and the Bay Area responded with program proposals demonstrating their regions' commitment to growing their successful, but relatively new local energy efficiency programs capabilities.^[1]

Specifically, both the SoCalREN and the BayREN responded in accord with the CPUC directive to propose new EE programs that are regional in focus and 1) avoid duplication with existing IOU programs; 2) introduce new offerings to the market; and 3) leverage LG local market expertise and penetration while building on the knowledge and success of programs introduced under ARRA.

Approved for 2013-2014 funding of \$44m for SoCalREN and \$25m for the BayREN as pilot initiatives, the RENs will have this initial cycle to prove themselves as valuable additions to the State's menu of LG Programs. If continued beyond 2015, the RENs would very likely need to demonstrate cost-effectiveness in line with the State standard of a TRC of 1.0.

Among the program offerings to be delivered by the RENs in 2013-2014:

- Increasing revolving loan capability
- Promoting knowledge transfer and technical assistance with items such as permitting and capability
- Marketing
- Code compliance and green building certification
- Targeting the moderate- to low-income populations and hard to reach populations
- Addressing multi-family buildings
- Bundled residential retrofit incentive programs
- Addressing workforce training issues

^[1] New-found capabilities brought about in part by a large transfer of Federal ARRA funding delivered as an economic stimulus strategy.

BayRen Budget

The BayREN is an unincorporated association of several regional and public entities: Association of Bay Area Governments, City and County of San Francisco, Alameda County Waste Management Authority (StopWaste.org), County of Contra Costa, County of Marin, County of Napa, County of San Mateo, County of Santa Clara, City of Suisun City (on behalf of Solano County) and Sonoma County Regional Climate Protection Authority, or their successor agencies.

BayRen 2013-2014 Approved Budget and Savings

Subprogram	Budget (\$)		
Single Family Energy Upgrade	9,000,000		
Multi-Family	7,293,750		
Codes and Standards	3,349,000		
Financing	6,925,000		
Total	26,567,750		

Subprogram	Electricity Savings (kWh)	Demand Savings (kW)	Natural Gas Savings (Therms)
Single Family Energy Upgrade	2,128,378	3,438	293,803
Multi-Family	1,365,019	1,111	152,850
Codes and Standards	7,627,455	953	190,686
Financing	0	0	0

BayRen Subprogram Descriptions

Single Family Subprogram

The subprogram consists of two offerings, both of which are designed to increase the number of customers performing basic and advanced energy efficiency. The program will be built up on the Advanced Path Program deployed by the BayREN counties during ARRA, and implement a modified Basic Path/Home Upgrade program. The Flex Path (Home Upgrade) subprogram applies tiered incentives, mandatory base-shell measures and Flex Measures to boost the number of multi-measure upgrades. The program lowers logistical costs and overcomes technological and education barriers for participants, and reduces costs for participating contractors through streamlined program design and implementation. Flex Path (Home Upgrade) attempts to broaden the participation of skilled, specialty contractors and deliver an upgrade product to market. Key program elements include the addition of an alternative and multiple upgrade package incentive, enhanced marketing efforts, development of targeted audit incentives, streamlined enrollment and reporting systems, integration of improvement related to the water-energy nexus, and the implementation of Home Upgrade Advisors.

Comprehensive Multifamily Subprogram

The subprogram will conduct targeted outreach to multi-family property owners to promote participation. The property owners will enroll in a technical assistance program designed to lower barriers to multi-measure upgrades by providing technical and financing assistance. Projects with a larger scope will be referred to utility whole building program rebates. The Bundled Measures Incentive Program will serve as a complement to a whole-building utility rebate program and will reduce cost barriers for multi-family property owners who would like to conduct energy efficiency upgrades. The program will also conduct workforce development for specific multi-family building trades.

Codes and Standards Subprogram

The subprogram has three components: enforcement of existing codes, training and sharing best practices for reach codes. The enforcement effort will focus on establishing a baseline for current code compliance, creating metrics for ongoing measurement and identifying mechanisms for improving the current levels of compliance. The program will enhance the enforcement of existing codes through training of local government personnel and building professionals. BayREN plans to work closely with industry associations to deliver the trainings and create a forum for local government staff to share and align their enforcement activities.

Financing Subprogram

The Financing Portfolio will be implemented in coordination with programs proposed by the single-family statewide financing consultant and the multi-family statewide pilot to provide a variety of financing options. The Financing Portfolio has been structured to facilitate the leveraging of financing options, which will increase competitiveness in the lending market and extend more compelling financing mechanisms to consumers. The financing portfolio will streamline loan applications and enrollment processes, offer customers and contractors continuity and support wider and deeper reach for energy efficiency upgrades.

SoCalRen Budget

The SoCalREN proposes for 2013-2014 a \$44 million portfolio of EE projects to be completed largely independently of the IOUs via a regional program administrator in conjunction with local governments defined by SCE's service territory. The budget proposes for 2013-2014 approximately \$35.7m for electricity-related EE measures and \$9m for gas-related EE measures along three primary program lines: Energy Upgrade California (EUC) at \$21.2m; Financing at \$7.1m; and a SoCal Regional Energy Center at \$16.6m.

Summary of Total Projected Program Budget & Savings by Primary Programs

Subprogram	SCE (\$)	SCG (\$)	Total (\$)	kWh	kW	Therms
A: Energy Upgrade	\$14,622,692	\$6,492,411	\$21,155,103	8,599,784	4,038	433,909
B: Financing	\$5,998,750	\$1,059,750	\$7,058,500	16,046,444	1,250	261,665
C: SoCalREC	\$15,086,725	\$1,500,000	\$16,586,725	29,675,000	20,114	400,409
Total	\$35,748,167	\$9,052,161	\$44,800,328	54,321,228	25,403	1,095,983

Breakdown of Total Projected Program Budget & Savings by Subprograms

Program	Electricity	Gas	Total
Flex Path Incentives	\$3,205,962	\$1,408,346	\$4,614,308
Local Marketing and Outreach	\$2,364,121	\$908,623	\$3,272,744
Contractor Outreach and Training	\$709,966	\$304,284	\$1,014,250
Green Building Labeling	\$1,407,000	\$603,000	\$2,010,000
Low-Income Single-Family	\$490,000	\$210,000	\$700,000
Multifamily	\$6,485,643	\$3,058,158	\$9,543,801
EUC Subtotal	\$14,662,692	\$6,492,411	\$21,155,103
Public Building Loan Loss Reserve	\$170,000	\$30,000	\$200,000
Single Family Loan Loss Reserve	\$2,953,750	\$521,250	\$3,475,000
Multifamily Loan Loss Reserve	\$1,275,000	\$225,000	\$1,500,000
Non-residential PACE	\$1,200,000	\$211,500	\$1,411,500
Public Agency Revolving Loan	\$400,000	\$72,000	\$472,000

Financing Subtotal	\$5,998,750	\$1,059,750	\$7,058,500
SoCal Regional Energy Center	\$15,086,725	\$1,500,000	\$16,586,725
SoCalREN TOTAL	\$35,748,167	\$9,052,161	\$44,800,328

One proposed EUC subprogram – Multifamily Loan Loss Reserve (MFLLR) at \$1.5m – is clearly identified by Decision 12-11-015 (D. 12-11-015) as a proposal that should not be approved within this AL, but that should await separate action as part of a future decision. Specifically, D. 12-11-015 states:

This program proposal was submitted by SoCalREN but does not contain sufficient detail at this time for how the program will be structured or how the budget will be divided among credit enhancement, further program development, and program administration. This program is in a hard-to-reach area that we have targeted for further work and asked the statewide financing consultant to identify strategies for this market segment. Therefore, at this time, we will reserve funding for this possible program approach, but defer approval of the program itself until after we have further information from the statewide financing consultant about the pilots that will be recommended. At this point it would be premature to fund REN pilot initiatives without considering the overall financing picture statewide within which they will be operating. Therefore, we defer authorization of the program launch itself. (pp. 31-32)