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**DATE:** December 18, 2019  
**TO:** Energy Council  
**FROM:** Karen Kho, Principal Program Manager  
**SUBJECT:** BayREN Contract for 2020-2022 and Regulatory Updates

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### **SUMMARY**

Since 2013, StopWaste has represented Alameda County jurisdictions in the Bay Area Regional Energy Network (BayREN) regional partnership and has implemented its programs. In order to ensure continuity of BayREN services, the Energy Council needs to authorize the Executive Director to enter into a new contract with ABAG to accept up to \$20,342,976 million over three calendar years.

### **DISCUSSION**

In 2012 the CPUC invited local governments to coordinate regionally and submit proposals to implement energy efficiency programs. This solicitation opened up a direct channel for local governments to design and offer energy programs independently of the Investor Owner Utilities. On December 5, 2019 the California Public Utilities Commission (CPUC) issued a Decision regarding the long-term status of Regional Energy Networks (RENs), removing them from pilot status and recognizing the value of RENs in helping to achieve the state's energy goals. The CPUC's decision clarifies the role of RENs and ensures ongoing support for BayREN's programs. At the December 18 Board meeting staff will provide an update on the significance of this regulatory action.

In 2018 the CPUC approved an annualized budget of \$22,739,000 for BayREN's ten-year Business Plan, which includes six programs: Single-Family, Green Labeling, Multifamily, Commercial, Water Bill Savings and Codes and Standards. BayREN is not restricted from operating in other sectors but must meet specific criteria to offer new programs. These criteria include not duplicating activities of PG&E and Community Choice Aggregators that are funded with energy efficiency ratepayer dollars, serving hard-to-reach sectors, and piloting activities that have the potential to scale. Unlike other Program Administrators, RENs are not held to a specific cost-effectiveness threshold.

The BayREN Coordinating Circle (CC), comprised of ABAG and nine public agencies representing the Bay Area counties, elected Energy Council staff into leadership roles for the multifamily and green labeling programs. The BayREN CC approved the 2020 budget allocations listed in Attachment A on October 17, 2019, and the ABAG Executive Board authorized its Executive Director to negotiate and

enter into a contract with the Energy Council for 2020-2022 BayREN services. The budget for years 2021 and 2022 is assumed to be at the same level as 2020.

The initial budget allocation for 2020-2022 and scope is listed in Attachment A and extends implementation roles from 2019. A brief description of each of the programs and Energy Council accountabilities are listed in Attachment B. For the Energy Council, the largest portion of the budget is \$5.9 million for implementing the regional BayREN multifamily rebate program, which incentivizes 5,000 units annually in the Bay Area. In addition, the Energy Council offers the Department of Energy's Home Energy Score in the Bay Area, provides professional education to real estate professionals, and leads the multifamily financing program. The scope of work also includes local outreach for BayREN's single-family, codes and standards commercial, and water bill savings programs within Alameda County.

The Energy Council Technical Advisory Group (TAG) receives monthly updates on the implementation of BayREN programs, provides input on priorities for regional programs and services, and assists staff in targeting local outreach activities throughout the county.

#### **RECOMMENDATION**

Adopt the attached Resolution authorizing the Executive Director to enter into a three-year contract starting January 1, 2020 with ABAG for Bay Area Regional Energy Network (BayREN) services and other related actions.

Attachment A: Budget Allocation Resolution for 2020-2022

Attachment B: Summary of Energy Council Scope of Work

**ENERGY COUNCIL  
RESOLUTION #EC 2019 –**

**MOVED:  
SECONDED:**

**AT THE MEETING HELD DECEMBER 18, 2019**

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO 2020 CONTRACT FOR BAY  
AREA REGIONAL ENERGY NETWORK (BayREN) SERVICES AND OTHER RELATED ACTIONS**

**WHEREAS**, the Energy Council recognizes that it is in the interest of local, regional, state, and federal agencies to stimulate the economy, create and retain jobs, reduce fossil fuel emissions, and reduce total energy usage and improve energy efficiency; and

**WHEREAS**, the Energy Council was formed to seek funding to develop and implement programs and policies that reduce energy demand, increase energy efficiency, advance the use of clean, efficient and renewable resources, and help create climate resilient communities; and

**WHEREAS**, on December 5, 2019 the California Public Utilities Commission (CPUC) recognized the unique role of Regional Energy Networks in filling gaps in the Investor Owned Utility programs and helping the state to achieve its Long Term Energy Efficiency Strategic Plan; and

**WHEREAS**, in its Decision 17-01-013, the CPUC approved a ten-year Business Plan for the Bay Area Regional Energy Network including an annualized budget of \$22,739,000; and

**WHEREAS**, the Energy Council partnered with the Association of Bay Area Governments (ABAG) and eight other county representatives to implement the Bay Area Regional Energy Network (BayREN); and

**WHEREAS**, with ongoing input from the Energy Council Technical Advisory Group (TAG), the Energy Council represents Alameda County jurisdictions within BayREN; and

**WHEREAS**, the Energy Council has been designated as the lead regional implementer for the multifamily and green labeling programs, and to conduct local outreach for other programs, and

**WHEREAS**, the ABAG Executive Board authorized a scope of work for Energy Council with a budget not to exceed \$20,342,976 for services related to BayREN as described in Attachments A and B;

**NOW THEREFORE, BE IT RESOLVED**, that the Energy Council hereby authorizes the Executive Director to:

1. Enter into a three-year contract with ABAG in order to accept funds in the amount of \$20,342,976 for Project 1347: BayREN as follows
  - a. For FY 2019-20 the budget is amended to include up to \$6,780,992
  - b. For FY 2020-21 the budget will include up to \$6,780,992
  - c. For FY 2021-22 the budget will include up to \$6,780,992
2. Approve any required time extensions, modifications, or amendments thereto.
3. Allocate the necessary resources to implement and carry out the amended scope of work.

**BE IT FURTHER RESOLVED**, that the Executive Director as the Board President’s designee, is hereby authorized to execute on behalf of the Energy Council all contract-related documents, including, but not limited to, applications, payment requests, agreements (including the hiring of temporary staff), and amendments necessary to secure contract funds and to implement the approved contract projects;

**ADOPTED this 18<sup>th</sup> day of December 2019, by the following votes:**

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINED:**

I certify that under the penalty of perjury that the foregoing is a full, true and correct copy of Resolution #EC 2019 –

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ARLISS DUNN  
Clerk of the Board

**Attachment A  
Budget Allocation for 2020-2022**

<b>Subprogram</b>	<b>Budget Category</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Single Family	Administration	14,000	14,000	14,000
	Implementation	0	0	0
	Marketing	215,492	215,492	215,492
	Incentives	0	0	0
	<b>Total:</b>	<b>229,492</b>	<b>229,492</b>	<b>229,492</b>
Green Labeling	Administration	1,000	1,000	1,000
	Implementation	540,000	540,000	540,000
	Marketing	20,000	20,000	20,000
	Incentives	0	0	0
	<b>Total:</b>	<b>561,000</b>	<b>561,000</b>	<b>561,000</b>
Multifamily	Administration	12,000	12,000	12,000
	Implementation	1,885,000	1,885,000	1,885,000
	Marketing	187,000	187,000	187,000
	Incentives	3,825,000	3,825,000	3,825,000
	<b>Total:</b>	<b>5,909,000</b>	<b>5,909,000</b>	<b>5,909,000</b>
Water Bill Savings	Administration	1,500	1,500	1,500
	Implementation	5,000	5,000	5,000
	Marketing	0	0	0
	<b>Total:</b>	<b>6,500</b>	<b>6,500</b>	<b>6,500</b>
Commercial	Administration	5,000	5,000	5,000
	Implementation	0	0	0
	Marketing	9,000	9,000	9,000
	<b>Total:</b>	<b>14,000</b>	<b>14,000</b>	<b>14,000</b>
Codes & Standards	Administration	2,500	2,500	2,500
	Implementation	58,500	58,500	58,500
	Marketing	0	0	0
	<b>Total:</b>	<b>61,000</b>	<b>61,000</b>	<b>61,000</b>
<b>Contract Total</b>		<b>\$6,780,992</b>	<b>\$6,780,992</b>	<b>\$6,780,992</b>

## **Attachment B**

### **Summary of Energy Council Scope of Work**

#### **Single Family – Local Outreach**

The Single Family program targets moderate income households and offers flexible incentives to homeowners for conducting upgrades over time. It continues to offer the Home Upgrade Advisor services and incorporates the Community Youth Energy Services (CYES) green house calls.

Energy Council will conduct local outreach in Alameda County for the Single-family program, including the following activities:

- Serve as a liaison for local contractors and facilitate their participation
- Organize homeowner workshops and other outreach events
- Refer property owners to the regional Home Upgrade Advisor service
- Conduct direct mail campaigns
- Establish partnerships with community based organizations and East Bay Community Energy
- Coordinate with Rising Sun on underserved communities within the County
- Coordinate with other energy programs operating in Alameda County

#### **Green Labeling – Regional Lead and Local Outreach**

The Green Labeling program enables market recognition of the value of a green home during real estate transactions. It offers Department of Energy's Home Energy Score program, assessment incentives, and real estate sector education.

Energy Council will lead the regional Green Labeling program, and conduct the following activities:

- Promote and screen Home Energy Score incentives
- Recruit and mentor Home Energy Score assessors
- Provide quality assurance in compliance with Department of Energy requirements
- Provide continuing education opportunities for realtors, appraisers and lenders to increase their ability to understand, market and evaluate energy efficient homes
- Coordinate with local governments for promotional activities
- Maintain and develop relationships with local real estate stakeholders

#### **Multifamily – Regional Lead and Local Outreach**

The Multifamily program offers cash rebates and no-cost energy consulting for multifamily properties that undertake energy and water upgrades. The program assists in planning energy savings improvements designed to save 15% or more of a building's energy and water usage and provides \$750 per unit in rebates to help pay for the upgrade.

Energy Council will lead the Regional BayREN Multifamily program, including the Capital Advance Financing Pilot, and conduct the following activities:

- Ensure that total unit goals and energy savings metrics are met or exceeded
- Oversee technical consultants and partners responsible for implementation
- Verify and approve eligible scopes of work and process rebates for property owners
- Review program performance and develop program enhancements or modifications
- Monitor regulatory activities that impact program and represent Program in relevant stakeholder groups, committees and advisory groups
- Process property owner rebates totaling \$3,750,000
- Coordinate with other multifamily programs in the region

- Coordinate reporting and Evaluation, Measurement & Verification (EM&V) activities
- Convene BayREN members to participate in the multifamily committee
- Conduct regional marketing activities and coordinate local outreach activities

### **Water Bill Savings - Local Outreach**

The BayREN Water Bill Savings Program (WBSP) is a unique on-bill program that allows municipal water utility customers to pay for efficiency improvements through a monthly charge attached to their meter with no up-front costs and the assurance that their utility bill savings will exceed the program charge. The City of Hayward and East Bay Municipal Utility District (EBMUD) have participated in the program.

Energy Council will conduct local outreach for the PAYS financing pilot, including the following:

- Serve as a local contact for WBSP water utilities in the County for questions about BayREN
- Provide support to the regional lead and promote the program to local stakeholders

### **Commercial - Local Outreach**

The Commercial program will be conducting a pay-for-performance pilot program. Energy Council will conduct local outreach for the program, including the following activities:

- Obtain market targeting data from East Bay Community Energy and promote program
- Coordinate and partner with local jurisdictions, East Bay Energy Watch and other local programs

### **Codes and Standards –Local Outreach and Energy Efficiency and Electrification Pilot**

The Codes and Standards program promotes an integrated, measurement-driven management process for enhancing energy code compliance. Its goals include increasing compliance rates with the Energy Code and Green Building standards, developing trainings for Bay Area building professionals, and promoting “reach codes” for local jurisdictions.

Energy Council will conduct local outreach for the Codes and Standards program, including the following activities:

- Conduct outreach to building departments and promote participation in BayREN activities
- Assist in prioritization and development of new BayREN trainings based on local needs
- Support Alameda County jurisdiction in adopting a reach code or energy policy
- Provide input on content of regional forums and promote participation to local governments
- Host and organize one regional Codes and Standards forum
- Serve as liaison to East Bay ICC chapter
- Lead a pilot project on the integration of energy efficiency and electrification initiatives

### **Administration**

Energy Council will perform administrative tasks to support the overall implementation of BayREN and its programs, including the following activities:

- Participating in the Coordinating Circle, which is the decision-making body for BayREN.
- Representing Alameda County jurisdictions and their interests within BayREN
- Communicating with Alameda County stakeholders about BayREN programs and activities
- Coordinating with East Bay Clean Energy, other Alameda County programs and initiatives
- Preparing and submitting monthly invoices in a timely manner