



**DATE:** February 22, 2023

**TO:** Energy Council

**FROM:** Karen Kho, Principal Program Manager  
Emily Alvarez, Program Manager

**SUBJECT:** BayREN Contract Amendment

**SUMMARY**

Staff is requesting Energy Council approval to enter into a contract amendment with the Association of Bay Area Governments (ABAG) for a true-up 2022 and 2023 budget.

**DISCUSSION**

On December 18, 2019, the Energy Council approved a resolution authorizing the Executive Director to enter into a 3-year contract for calendar years 2020-2022 of up to \$20,342,976 for BayREN services. On June 26, 2022, the Energy Council approved amendment #6 that extended the contract through 2023, allocated a budget for that calendar year, and modified the 2022 budget. Proposed contract amendment #7 will reconcile the 2022 and 2023 annual budgets with the most recent BayREN program activities and plans. A summary of prior contract history is listed in the table below:

<b>Contracts</b>	<b>Date</b>	<b>Description</b>
Initial Contract	January 1, 2020	Initial budget of up to \$6,780,992 for each calendar year.
Amendment #1	September 17, 2020	Increase Green Labeling budget. Net increase of \$100,000 to 2020 budget.
Amendment #2	November 19, 2020	Annual budget true-up for 2020. Net decrease of \$305,500 to 2021 budget in Multifamily technical assistance.
Amendment #3	July 1, 2021	Increase budget to support Heat Pump Water Heater program, Green Labeling incentives and BayREN regulatory. Net increase of \$79,500 to 2021 budget.
Amendment #4	October 1, 2021	Transfer \$200,000 from Multifamily incentives to Green Labeling incentives. No net change to 2021 budget.
Amendment #5	February 22, 2022	Annual budget true up for 2021. Net increase of \$54,600 to 2022 budget for continuation of HPWH program and regulatory support.

Amendment #6	June 26, 2022	Extended contract through 2023 and net increase of \$370,000 to 2022 budget for Green Labeling incentives and Multifamily technical assistance. Allocated \$6,875,592 budget across all programs for the 2023 calendar year.
Amendment #7	Proposed	Annual budget true up, which removes rollover funding from 2022 and adds it to 2023. Increase in 2023 Green Labeling budget. Net decrease of \$1,094,817 in overall contract, due to transfer of some Multifamily incentive underspend to ABAG.

For the first time, the California Public Utilities Commission allowed BayREN to roll over unspent funds from one calendar year to the next. Thus, the 2022 Final Budget reflects the reduction of unspent funds in each program. Of this underspend, \$1.4 million of Multifamily incentives was transferred back to ABAG to be used for Single-Family and Green Labeling program incentives. The remaining unspent funds in the Multifamily, Green Labeling, Commercial, and Codes & Standards programs were added to the 2023 Initial Budget. The amended 2023 Budget also increases the Green Labeling budget in order to keep up with growing demand for the program. Overall, these budget shifts resulted in a net decrease in the multi-year contract budget with ABAG of \$1,094,817. These changes are reflected in Attachment A.

Energy Council is the regional lead for the Multifamily and Green Labeling programs and provides local outreach for the other programs. The 2023 scope of work described in Attachment B remains the same as in 2022, except for the removal of a Heat Pump Water Heater Technical Advisor role in the Codes & Standards program.

**RECOMMENDATION**

Adopt the attached Resolution authorizing the Executive Director to enter into a contract amendment for Bay Area Regional Energy Network (BayREN) and other related actions.

- Attachment A: Budget Allocation for 2022-2023
- Attachment B: Summary of Energy Council Scope of Work

**ENERGY COUNCIL  
RESOLUTION #EC 2023 – 03**

**MOVED:  
SECONDED:**

**AT THE MEETING HELD FEBRUARY 22, 2023**

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO AMEND THE 2020-2023 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**, on January 3, 2022, the CPUC approved BayREN's Biennial Budget Advice Letter for 2022 and 2023; and

**WHEREAS**, on June 22, 2022, the Energy Council authorized the Executive Director to enter into a contract extension with ABAG for the 2023 BayREN scope of work; and

**WHEREAS**, ABAG intends to issue a contract amendment to Energy Council for adjustments to the 2022 and 2023 budget and scope of work 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 all necessary contracts and agreements with ABAG and make any necessary changes to the FY 22/23 budget for Project 1347: BayREN.
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 22nd day of February 2023, 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 2023 – 03

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ARLISS DUNN  
Clerk of the Board

**Attachment A**  
**Budget Allocation for 2022-2023**

*Changes in italics.*

<b>Subprogram</b>	<b>Budget Category</b>	<b>2022 as of June</b>	<b>2022 Final</b>	<b>2023 Initial</b>	<b>2023 Amended</b>
Single Family	Administration	14,000	14,000	14,000	14,000
	Implementation	35,000	35,000	35,000	35,000
	Marketing	215,492	<i>180,345</i>	215,492	215,492
	Incentives	0	0	0	0
	Total:	264,992	<i>229,345</i>	264,492	264,492
Green Labeling	Administration	1,000	1,000	1,000	1,000
	Implementation	585,000	<i>826,000</i>	605,000	<i>955,000</i>
	Marketing	40,000	<i>31,920</i>	40,000	<i>48,080</i>
	Incentives	250,000	<i>227,650</i>	0	<i>822,350</i>
	Total:	876,000	<i>1,087,570</i>	646,000	<i>1,826,430</i>
Multifamily	Administration	24,000	24,000	44,000	44,000
	Implementation	2,005,000	<i>1,603,967</i>	1,885,000	<i>1,845,033</i>
	Marketing	187,000	<i>93,929</i>	187,000	<i>180,071</i>
	Incentives	3,750,000	<i>316,600</i>	3,750,000	<i>5,190,730</i>
	Total:	5,966,000	<i>2,038,496</i>	5,866,000	<i>7,259,834</i>
Water Bill Savings	Administration	1,500	1,500	1,500	1,500
	Implementation	5,000	5,000	5,000	5,000
	Marketing	0	0	0	0
	Total:	6,500	6,500	6,500	6,500
Commercial	Administration	5,000	5,000	5,000	5,000
	Implementation	0	0	0	0
	Marketing	9,900	<i>3,229</i>	9,900	<i>16,571</i>
	Total:	14,900	<i>8,229</i>	14,900	<i>21,571</i>
Codes & Standards	Administration	2,500	2,500	2,500	2,500
	Implementation	75,200	<i>86,611</i>	75,200	66,789
	Marketing	0	0	0	0
	Total:	77,700	<i>89,111</i>	77,700	<i>69,289</i>
	<b>Contract Total</b>	<b>\$7,205,592</b>	<b><i>\$3,458,251</i></b>	<b>\$6,875,592</b>	<b><i>\$9,448,116</i></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
- Provide continued administration of the regional Heat Pump Water Heater Program

#### **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 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 Upgrade Saves - Local Outreach**

The BayREN Water Upgrade Saves Program (WUS) 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 WUS financing pilot, including the following:

- Serve as a local contact for WUS 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 targets small to medium size commercial businesses. 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 and other programs offered locally

### **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 tools for evaluating energy efficiency and electrification policies

### **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