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**DATE:** September 27, 2023

**TO:** Energy Council

**FROM:** Emily Alvarez, Program Manager

**SUBJECT:** BayREN Contract for 2024-2027 and Business Plan Update

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## **SUMMARY**

Since 2013, StopWaste has represented Alameda County jurisdictions in the Bay Area Regional Energy Network (BayREN) partnership, serving as the lead agency for implementing two of BayREN's programs and also supporting outreach for all BayREN programs locally. The current California Public Utilities Commission (CPUC) Business Plan approving BayREN's programs and associated budget concludes at the end of 2023. A new Business Plan covering program years 2024-2031, and establishing an initial budget to cover years 2024-2027, was approved by the CPUC on June 29, 2023 (Decision 23-06-055). To continue providing BayREN programs in Alameda County, staff requests that the Energy Council authorize the Executive Director to enter into a new contract with the Association of Bay Area Governments (ABAG) to accept up to \$38,410,603 over four calendar years.

## **BACKGROUND**

In 2012 the CPUC invited local governments to coordinate regionally to form "Regional Energy Networks" and submit proposals to implement energy efficiency programs. This solicitation opened a direct channel for local governments to design and offer energy programs independently of the Investor Owned Utilities. On December 5, 2019, the 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.

BayREN's current 10-year Business Plan included six programs: Single-Family, Green Labeling, Multifamily, Business, Water Upgrades \$ave, and Codes & Standards. BayREN programs must meet specific criteria, including serving hard-to-reach sectors and piloting activities that have the potential to scale while not duplicating activities of PG&E and Community Choice Aggregators that are funded with energy efficiency ratepayer dollars. Unlike other Program Administrators (PAs), RENs are not held to a specific cost-effectiveness threshold.

All PAs of CPUC energy efficiency ratepayer funds were required to file new 8-year Business Plans (divided into two 4-year budget cycles) in 2022. The Business Plans of all PAs were approved by CPUC Decision 23-06-055 on June 29, 2023. BayREN's Business Plan budget for the first 4-year cycle covering

calendar years 2024-2027 was approved up to \$157,085,114 to continue the six current programs, as well as launch four new programs: two new public sector programs, a commercial sector program focused on low-Global Warming Potential refrigerants, and a Workforce, Education & Training (WE&T) program.

## **DISCUSSION**

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. Energy Council staff is also responsible for the local implementation, marketing, and outreach for the other eight BayREN programs. The BayREN CC approved the 2024-2027 budget allocations listed in Attachment A on September 15, 2023, and the ABAG Executive Board authorized its Executive Director (ED) to negotiate and enter into a contract with Energy Council for 2024-2027 BayREN services.

The BayREN Business Plan approved up to \$157,085,114 in budget for calendar years 2024-2027, of which \$38,410,603 would be subcontracted to Alameda County. Also new in the Business Plan is the introduction of a rolling portfolio budget. Previously, unspent funds at the end of the calendar year could only be used if requested by a specific process requiring approval or be rendered inaccessible. To provide flexibility, any unspent funds in a specific calendar year from 2024-2027 will be rolled over into the next year's budget. This is the reason for entering into a four-year contract with ABAG. However, to prevent the accumulation of unspent funds or to allocate more funding, as needed, there will be a true-up after the first two contract years.

Staff is recommending that in addition to authorizing the ED to enter into the contract, that the ED also be given the authority to approve budget amendments up to 2% (approximately \$768,000) of the contract total where the scope of work remains unchanged. This accommodates for potential fund shifts between ABAG and StopWaste to address fluctuations in demand among different BayREN incentive programs and is more proportional to the 4-year budget total than the current \$100,000 ED signing authority limit. The 2-year true up contract and any amendments that alter the scope of work would still be brought to the Energy Council for approval.

A brief description of each of the programs and Energy Council's accountabilities is listed in Attachment B. The largest portion of the budget is \$30,823,044 for the BayREN Multifamily program, which includes technical assistance and rebates for property owners throughout the entire 9-county region. BayREN's Green Labeling program, led by Energy Council staff, offers the Department of Energy's Home Energy Score in the Bay Area and provides professional education to real estate professionals. Under the new Business Plan, the CPUC approved Home Energy Score to become the first non-Investor-Owned Utility (IOU) program to run statewide. Home Energy Score California is expected to launch in 2026 and, like all statewide programs, will transition its implementation to a third party. This is a successful example of Energy Council piloting an innovative idea, beginning with the City of Berkeley's 2015 Building Emissions Savings Ordinance (BESO) that requires a Home Energy Score at the time of listing of a single-family home, then scaling to a voluntary regional program in the Bay Area, and eventually demonstrating the tool's viability and demand statewide.

The Energy Council Technical Advisory Group (TAG), made up of member agency staff, receives quarterly 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 four-year contract with ABAG, starting January 1, 2024, for BayREN services and other related actions and to approve budget amendments up to 2% (approximately \$768,000) of the contract total where the scope of work remains unchanged.

Attachment A: Budget Allocation for 2024-2027

Attachment B: Summary of Energy Council Scope of Work

**ENERGY COUNCIL  
RESOLUTION #EC 2023 –06**

**MOVED:  
SECONDED:**

**AT THE MEETING HELD SEPTEMBER 27, 2023**

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A 2024-2027 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 achieves 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 (BayREN) including an annualized budget of \$22,739,000 that concludes at the end of calendar year 2023; and

**WHEREAS**, in its Decision 23-06-055, the CPUC approved an eight-year Business Plan for BayREN including a four-year rolling portfolio budget of \$157,085,114 covering calendar years 2024-2027; and

**WHEREAS**, the Energy Council partners with the Association of Bay Area Governments (ABAG) and eight other county representatives to implement 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 \$38,410,603 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 all necessary agreements with ABAG in order to accept funds for the BayREN program in the amount of \$38,410,603 and make any necessary conforming changes to the Energy Council's FY 2023/24 budget for Project 1347: BayREN.
2. Approve any required time extensions, modifications, or amendments to budget allocations between subprograms and budget categories in the BayREN agreements that would not

increase the contracted amount by more than 2% where there is no change in the type of work to be performed.

3. Allocate the necessary resources to implement and carry out the 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 27<sup>th</sup> day of September 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 – 06

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TIMOTHY BURROUGHS  
Executive Director

**Attachment A**  
**Budget Allocation for 2024-2027**

<b>Subprogram</b>	<b>Budget Category</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Residential Sector</b>					
Single Family	Administration	1,420	1,459	1,499	1,538
	Implementation	73,982	75,001	76,021	77,040
	Marketing	153,666	157,676	161,686	165,696
	Total:	229,068	234,136	239,206	244,274
Green Labeling	Administration	120	123	127	131
	Implementation	698,250	719,048	740,469	766,502
	Marketing	96,483	89,786	91,280	93,259
	Incentives	600,000	650,000	650,000	650,000
	Total:	1,394,853	1,458,957	1,481,876	1,509,892
Multifamily	Administration	2,639	2,718	2,797	2,877
	Implementation	2,325,000	2,338,050	2,351,492	2,365,336
	Marketing	350,000	355,250	360,658	366,227
	Incentives	5,000,000	5,000,000	5,000,000	5,000,000
	Total:	7,677,639	7,696,018	7,714,947	7,734,440
<b>Commercial Sector</b>					
Business	Administration	422	435	448	460
	Implementation	0	0	0	0
	Marketing	12,000	12,360	12,720	13,080
	Total:	12,422	12,795	13,168	13,540
Refrigerant Management	Administration	0	0	0	0
	Implementation	0	0	0	0
	Marketing	10,000	10,300	10,600	10,900
	Total:	10,000	10,300	10,600	10,900
<b>Public Sector</b>					
Integrated Energy Services	Administration	211	218	134	138
	Implementation	1,176	1,212	749	769
	Marketing	6,666	6,865	4,240	4,360
	Total:	8,053	8,295	5,123	5,267
Targeted Decarbonization Services	Administration	211	218	201	207
	Implementation	1,372	1,413	1,309	1,347
	Marketing	7,777	8,010	7,419	7,628
	Total:	9,360	9,641	8,929	9,182
<b>Cross-Cutting</b>					
Water Upgrades \$ave	Administration	106	109	112	115
	Implementation	5,000	5,000	5,000	5,000
	Marketing	0	0	0	0
	Total:	5,106	5,109	5,112	5,115
	Administration	211	218	224	230

<b>Subprogram</b>	<b>Budget Category</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Codes & Standards	Implementation	57,747	61,124	62,759	66,450
	Marketing	0	0	0	0
	<b>Total:</b>	<b>57,958</b>	<b>61,342</b>	<b>62,983</b>	<b>66,680</b>
Climate Careers	Administration	53	54	56	58
	Implementation	0	0	0	0
	Marketing	40,061	41,263	42,465	43,666
	<b>Total:</b>	<b>40,114</b>	<b>41,317</b>	<b>42,521</b>	<b>43,724</b>
Portfolio Administration	<b>Total:</b>	<b>48,527</b>	<b>49,958</b>	<b>50,378</b>	<b>51,781</b>
	<b>Contract Total:</b>	<b>\$9,493,099</b>	<b>\$9,587,867</b>	<b>\$9,634,843</b>	<b>\$9,694,794</b>

## **Attachment B**

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

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

The Single Family program currently targets moderate income households and offers flexible incentives to homeowners for conducting upgrades over time. It continues to offer the Home Upgrade Advisor services. The Single-Family program is currently being redesigned to have a greater focus on serving equity communities. A new program design is expected to launch in the second half of 2024.

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 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 the Department of Energy's Home Energy Score, assessment incentives, and real estate sector education. The Home Energy Score portion of the Green Labeling program will become a statewide program, implemented by a third-party beginning in 2026. Real estate engagement will continue under a Bay Area-specific program.

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
- Build relationships and coordinate with the US Department of Energy, California Energy Commission, and other entities pursuing home labeling
- Convene BayREN members to participate in the Green Labeling committee
- Coordinate launch of statewide Home Energy Score California program in 2026

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

The Multifamily program offers 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 10% or more of a building's energy usage and provides \$500-\$6,000+/unit. Increased incentives are available to project scopes that include electrification measures and properties that fall into geographic zones disproportionately affected by heat, air quality, and/or housing burden.

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
- 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

### **Business - Local Outreach**

The Business program is a pay-for-performance program. Contractors install energy efficiency measures in small, medium, and hard-to-reach businesses and are paid based on the actual energy savings as measures at the business' utility meter.

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

- Promote program among member agencies and local businesses eligible for the program
- Conduct outreach to potential contractors to participate in the program
- Coordinate with other local programs serving the Commercial sector, including those from East Bay Community Energy

### **Refrigerant Management - Local Outreach**

The Refrigerant Management program is a new commercial sector program approved in the 2024-2031 Business Plan. The program's main focus is to serve and provide rebates for small-medium businesses in the food service sector to replace inefficient appliances that have high global warming potential (GWP) refrigerants with low or zero GWP options.

It is anticipated that Energy Council will conduct local outreach for the program similar to the outreach conducted under the Business program, including the following activities:

- Promote program among member agencies and local businesses eligible for the program
- Conduct outreach to potential contractors to participate in the program
- Coordinate with other local programs serving the Commercial sector, including those from East Bay Community Energy and those from StopWaste that target food service businesses

### **Integrated Energy Services - Local Outreach**

The Integrated Energy Services program is a new public sector program approved in the 2024-2031 Business Plan. The program will provide an energy concierge service to assist local government staff with identifying the best technical assistance, financing, and incentive options for public facilities projects. It will also provide technical and engineering assistance to develop roadmaps for improving public facilities to meet energy goals, as well as energy assessments for designated and potential Community Resilience Centers, and technical assistance for energy improvements.

It is anticipated that Energy Council will conduct local outreach for the program, which may include the following activities:

- Promote program among member agencies
- Coordinate and partner with local jurisdictions and other local programs, including public-facing programs run by East Bay Community Energy

### **Targeted Decarbonization Services - Local Outreach**

The Targeted Decarbonization Services program is a new public sector program approved in the 2024-2031 Business Plan. The program will provide technical and financial support for selected public facilities projects looking to decarbonize. Anticipated program offerings include a showcase of projects, education, and exploration of funding opportunities.

It is anticipated that Energy Council will conduct local outreach for the program, which may include the following activities:

- Promote program among member agencies
- Coordinate and partner with local jurisdictions and other local programs, including public-facing programs run by East Bay Community Energy

### **Water Upgrades \$ave - Local Outreach**

The Water Upgrades \$ave program 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.

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

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

### **Codes & Standards – Local Outreach**

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

### **Climate Careers – Local Outreach**

The Climate Careers program is a new workforce, education & training sector program approved in the 2024-2031 Business Plan. This program will incorporate the Green House Calls, previously an activity under the Single Family program, that offers free, personalized, and brand new equipment like LED light bulbs and high-efficiency showerheads to homeowners and renters. The Climate Careers program will also offer a path to full-time employment in the green economy to low-income and disadvantaged youth through training and job opportunities.

It is anticipated that Energy Council will conduct local outreach for the program, which may include the following activities:

- Conduct outreach to community colleges to partner on job training opportunities

- Outreach to high school youth who may be eligible to participate in the program, including coordination with the StopWaste Schools team
- Build connections with union and contractors who may be able to provide employment opportunities to program participants
- Promote program and coordinate outreach with member agencies, including advertising the Green House Calls to residents

### **Administration**

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

- Managing the county's BayREN contract, budget and relationships with elected and appointed officials
- 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
- Participating in BayREN-wide committees, retreats, and other activities