Attachment B

LGSEC Statewide Local Government Partnerships Business Plan Proposal

Statewide Local Government Program Business Plan

January 20, 2017

Local Government Commission

Local Government Sustainable Energy Coalition

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Executive Summary

This proposed Business Plan was prepared by the Local Government Commission's[1] (LGC) Local Government Sustainable Energy Coalition[2] (LGSEC). The LGSEC emphasizes the significant contribution that Local Government Programs[3] (Local Government Partnerships, RENs, CCAs) have made to reaching California's energy savings and related greenhouse gas (GHG) reductions goals. The Business Plan assumes that the LGC will become the Program Administrator for LGPs upon Commission approval.[4]

This Business Plan requests approval of the proposed 2017 budget request of $2.3 M to cover:

1) Development of an Implementation Plan,

2) Establishing key relationships, scope and performance needs of a statewide energy atlas[5] and complementary Local Government Partnership (LGP) program metrics and reporting tool,

3) Engaging in California Public Utilities Commission (CPUC) regulatory processes and establishing core administrative infrastructure in anticipation of expansion in subsequent years.

Approval for this funding will enable LGC to:

- Clarify Existing Budgets. A review of existing filings reveals that investor-owned utility (IOU) costs associated with LGP administration are not fully reflected or consistently described in the IOU's LGP budgets. For example; in its 2017 Budget Advice Letter, one IOU lumped its allocation of funds across administration, implementation, and Marketing, Education &Outreach (ME&O) activities.

[1] The Local Government Commission (LGC) is a 35-year-old non-profit organization supporting local government leadership in land use, energy, and water sustainability.
[2] The Local Government Sustainable Energy Coalition (LGSEC) is a program of the Local Government Commission representing local government members to the California Public Utilities Commission, and other state agencies on energy and climate-related issues.
[3] Local Government Programs include those of individual cities or counties, Regional Energy Networks (RENs), Community Choice Aggregations (CCAs), Councils of Governments (COGs) and Joint Powers Authorities comprised of multiple jurisdictions, as well as programs run on behalf of local governments by non-profit organizations or collaboratives.
[4] See D.16-09-018, Conclusion of Law 40 page 102 "Utilities should not be the only program administrators eligible to take on a led administrator role for statewide programs." See also, Local Government Sustainable Energy Coalition Comments in Response to May 24, 2016 Administrative Law Judge Ruling Seeking Input on Approaches to Statewide and Third Party Programs, filed June 17, 2016 (R.13-11-005), pp. 11-14.
[5] Modeled after the UCLA Energy Atlas for Los Angeles County (www.energyatlas.ucla.edu). State legislation and regulatory action provide an exception for receipt and management of disaggregated data by academic and research institutions. The Energy Atlas is envisioned to be a database and user-interface providing statewide energy data, maps, building information, and analytical and reporting tools that promote strategic design and implementation of EE Programs.

- Clarify LGP Roles, Responsibilities and Budgets: Create clear enumeration of LGPs activities and IOU Third-Party vendors, which is fundamental to assessing performance levels and impacts.
- Analyze Budget Elements by Allocation: Administration, ME&O, Non-Incentive Direct Implementation, and Direct Implementation Incentives; and how costs are defined and applied across these elements.
- Analyze LGP Supplemental/Support Programs. Across the four IOUs, roughly 22-23% of the gross combined budgets have been allocated to support/supplemental programs (e.g., LGEAR, Strategic Energy Resources, Community Energy Partnership, LGP Regional Resources Placeholder, Local Government New Partnerships Program, and Local Government Strategic Planning Pilot Program). Assessing the impact of these funds and programs will support LGP expertise in developing future budgets and projecting performance metrics.

This initial investment will result in cost savings and efficiencies in later years. 2018 is anticipated as the program 'launch' year (Year 1). The LGC will be requesting incremental funding for each phase of Statewide Administration implementation.

This Business Plan proposal responds to the Commission's opportunity to propose a statewide strategy for the new Local Government Program. This Statewide Local Government Program Business Plan[6] presents a strategy to fully support Local Government participation in the Energy Efficiency Portfolio, realize greater energy savings, leverage funding for local governments, and to advance State and local government energy and climate goals. The proposal follows the Commission's direction for greater consolidation and efficiency in energy efficiency (EE) administration across EE programs, and envisions an administrative program that:

- Is delivered through a statewide program area, rather than by each individual Investor-Owned Utility (IOU) ;
- Revises the role of IOUs away from program design and administration toward "need assessment", technical support, and portfolio administration;
- Transitions EE programs toward a predominance of Third Party Implementers.

The following table describes performance barriers that have been raised by Local Governments and some of their negative consequences.

Table 1.0 Performance Barriers and their Consequences

Performance Barrier	Consequence
Inconsistently framed, administered and measured	At a Statewide level, LGP strategic objectives are inconsistent, un-coordinated, and LGP programs often

[6] Throughout this document, the Statewide LGP Business Plan will also be referred to as the Business Plan.

	function in isolation from one another.
IOUs rather than LGPs lead in development of programs, implementation systems and measurement methodologies	Lack of predictability in mission, contracting, goals, and programming for local governments
Contracting schedules and terms vary, inter-IOU and intra-IOU.	Delays in contract initiation limit LGP performance and create staffing, workflow and market uncertainty.
Budgets can vary year-to-year. Many are experiencing significant reductions. Some LGPs experience contracts and budgets that vary arbitrarily from year to year	Discontinuity in program budgets, staffing and contracting leads to market and consumer uncertainty
Failure to link LGPs with cross-functional programs	LGPs often operate in isolation, and are not integrated with cross-functional programs such as financing. This compartmentalization suppresses program performance.
Limited Growth and Development	LGP capacity and performance is impacted by the lack of meaningful growth and development activities.
Inconsistent data access	Undermines LGP ability to design, target, assess or refine programs. Additionally, data access constraints negatively impact local government climate action planning and greenhouse gas emissions inventory programs.
Inadequate resourcing of the Statewide Energy Efficiency Collaborative (SEEC), a key asset for best-practice sharing.	The SEEC program could be more effective at sharing and proliferating best practices, policy and technical knowledge.
Local Governments in rural, remote or economically disadvantaged communities lack staff or other resources to take advantage of cost-effective EE opportunities	Communities where EE benefits may be the greatest (for EE cost-effectiveness, economic and environmental benefits) have the greatest difficulty accessing resources.
Multi-IOU programs are not resulting in better coordination and improved outcomes	Burdensome bureaucracy, conflicting objectives, varying investment and absence of any process for contract modifications has limited effectiveness

This Business Plan addresses performance barriers in the current administrative framework for LGPs through unified statewide administration. The beneficial outcomes envisioned are:

- A common framework for all LPGs

- A single point of LGP engagement for the CPUC
- Optimization of ratepayer funds
- Maintenance of IOUs customer-facing and core programs
- The continued use and investment in IOU customer and energy data tools
- Leveraging Local Government community engagement resources to drive projects to IOU core programs.

This proposal envisions a phased transition from existing contracts; which are both 'resource' and 'non-resource' programs, to all non-resource programs which drive LGP-influenced projects to IOU core programs where resource attribution will be quantified. This approach will:

- Minimize disruption of current and ongoing LGP programs
- Provide a clear pathway for LGP contract transitions over time
- Reduce administrative costs through consolidation
- Utilize the strengths of LGPs and IOUs to their fullest
- Support consistency in energy savings measurement and quantification

Additionally, this Business Plan recognizes the rapidly emerging State and local government policy landscape associated with carbon or greenhouse gas (GHG) emissions reduction goals (GHG reductions) and climate change adaptation, and that the policy and program goals of energy efficiency are closely linked with GHG reduction goals. In addition to promoting process consistency, enhanced transparency, and greater administrative efficiency, this Business Plan aims to make the tools needed by local governments for climate action as readily accessible as energy efficiency program tools.

The following table summarizes the Business Plan Objectives and associated Actions.

Table 2 - Summary of Objectives and Actions

Element	Objective	Action(s)
Administration		
	Streamlining and Optimization	• Transition LGPs from a mixture of "resource" and "non-resource" programs to all "non-resource" • Standardization of LGP agreements • Web-based tools and assets library, including standardized contracts • Greater transparency and engagement[7]

[7] For example, Requests for Proposals, Requests for Offers/Bids, and Requests for Statements of Qualification will be posted in the "Proposal Evaluation and Proposal Management Application" website. Agreements will be standardized to comply with State and local requirements, and contract bids and management will be the responsibility of the Program Administrator.

		• Creation of vendor/consultant/ contractor procurement libraries from fully competitive process[8] • Expand resources, modules, training, forums, and cohorts under SEEC • Establish library of ME&O materials that can be customized per LGP and common audiences (elected officials, institutions, internal departments, public)
Technical		
	Enhanced Application and Value of Energy Use Data	• Standardize format and delivery of existing IOU-sourced data • Create university-managed statewide energy atlas and data access system • Develop program performance data and information measurement, and reporting tool(s). • Incorporate, where available, PACE-originated data • Coordinate specialized, voluntary technical training, e.g., building audits
Programmatic		
	Increase Support to Existing Programs	• Profile regional program characteristics and types[9] • Self-assessments by LGPs and creation of 5-year plans to sustain, modify, or change existing programs or program elements • Case studies development, voluntary training options and skills development in program design and implementation • Mechanisms for cross-jurisdictional collaboration, pilot projects, etc.
	Support and Facilitate New/ Future Program	• Encourage innovation through pilot opportunities

[8] Unlike private sector procurement, this approach can meet requirements for leveraging other funds (including government-funded grant and other programs, as well as foundational/non-profit funding); for timely capture of funding opportunities and simplification of project management where funds are multi-sourced and/or leveraged.

[9] This action will "profile" LGPs, e.g., by geography, climate zone, development type (rural, urban, mixed), predominant building types, key energy usage types (residential, agricultural, manufacturing, commercial), key program types and elements. There are multiple purposes and applications of this effort, including: a) identifying common elements among all LGPs, characteristics and elements that drive program design and success; b) coordination and collaboration among LGPs that share customized elements; (c) supporting a more fair and accurate basis for program assessment, and d) to innovation.

	Implementation	• Develop capacity-building and resources applicable to under-served communities, rural areas, and hard-to-serve sectors. • Scale successful energy efficiency programs or program elements statewide, and make them available in all IOU service territories • Expand local governments' energy sector and climate action leadership to support the State's climate policies and goals • Integrate local government GHG reduction programs/projects and their metrics with energy efficiency activities • Optimize flexibility of LGPs to respond to changes and maturation of the CPUC energy efficiency portfolio • Expand on the State Energy Efficiency Collaborative (SEEC) to foster a comprehensive, strategic, and performance-enhancing resource library of tools, and skills-enhancement systems to drive improvements in capacity and performance by LGPs • Leverage non-rate payer funds
Coordination/Collaboration		
	Greater LGP participation in statewide collaboration, coordination	• Form committee to facilitate LGP coordination • Opportunity for Special Committees (defined purpose and term) • Program Administrator will serve as Lead Facilitator[10] • Website will publish committee meeting materials, regulatory filings and other materials to ensure transparency and facilitate engagement
Fiscal/Financing		
	Integrate Existing Assets	• Retain IOU incentive-payment systems

[10] The Statewide Program Administrator will have powers consistent with its duties to the CPUC and the State Legislature to ensure compliance with regulatory and legislative mandates and guidelines, including fiscal, financial, and contractual performance.

		• Retain IOU financing options such as On-Bill Financing • Support expansion of On-Bill Repayment • Review the above for potential improvements and innovations • Explore opportunities for local financing tools
	Expand Financing Options	• LGC to serve as central aggregator of grant and alternative funds, e.g., federal grants, foundation and non-profit funding, and other non-rate payer funds. • Work with CPUC to expand Energy Efficiency Financing offerings • Facilitate collaboration with sources of financing/funding, e.g., Property Assessed Clean Energy (PACE) and CCA • Work with the Energy Division to develop / confirm Third Party Implementer criteria and funding options/applications

1. OVERVIEW

a) Proposed Budget

This Business Plan proposal integrates all four Investor-Owned Utility (IOU) Local Government Program (LGP) budgets under one Statewide Program Area Administration, as a program run by the LGC, a well-established non-profit organization (See Appendix A).

To avoid disruption and delay in the transition to a Rolling Energy Efficiency Portfolio, this Business Plan assumes preservation of existing contracts and budgets and transition to new contracts as existing contracts expire. Budgeting funds will, by necessity, be held and accounted for as a collection of sub-accounts that may not be commingled.[11] Proposed budgets to not include costs for Evaluation Measurement & Verification (EM&V).

[11] Ratepayer funding of energy efficiency programs are assessed, levied and collected on a geographically-specific and market-specific basis unique to each service territory and jurisdiction. Therefore, the funds collected in each sub-account (each LGP) may only be accessed and used by that LGP.

Table 3, below, describes the IOU's LGP budgets, as published in the IOUs' 2016 Energy Efficiency programs 2016 Advice Letters[12] and a proposed starting year budget for LGC in 2017 to support a transition to becoming the statewide Program Administrator, funded proportionally based on each IOU's contribution to LGP funding.

Table 3 - Statewide Administration Budget

Budget Element	IOU LGP Budget Amounts[13]	2017	2018 – 2019 Years 1 - 2	2020 – 2023 Years 2 - 4	2024 – 2027 Years 5 - 8
Pacific Gas & Electric LGP Budget	$35,285,899[14]	$1.173M	$3.18M	$2.5M	$2.12M
San Diego Gas & Electric LGP Budget	$8,807,702	$.3M	$.8M	$.6M	$.5M
Southern California Edison LGP Budget	$20,340,000	$.667M	$1.8M	$1.4M	$1.2M
Southern California Gas LGP Budget	$4,846,000	$.16M	$.44M	$.34M	$.3M
IOU Total	**$69,279,601**				
	Admin budget as a percentage of IOU Total		**9%**	**7%**	**6%**
LGC Proposal		**$2.3 M**	**$6.24M**	**$4.85M**	**$4.16M**

[12] PG&E: Advice 3753-G/4901-E (U 39 M) 9/1/2016. SCE: Advice 3465-E (U 338-E) 9/1/2016. SDG&E: Advice 2951-E/2512-G (U 902-M) 9/1/2016. SoCalGas: Advice 5023-A (Updated) (U 904-G) 11/8/2016.

[13] These budget numbers are drawn from published IOU program documents. In 2017 the LGC will work with the Commission and the IOUs to confirm and clarify these budget numbers.

[14] There is an additional ~ $40K for Direct Install programs in the PG&E budget, but that is not included in this proposals budget basis.

b) Projected Savings and Performance Metrics

For the purposes of this Statewide Business Plan proposal, we concur with the projected savings and performance metrics as described in each of the IOU's 2016 Advice Letters.

This Business Plan proposes to transition all existing "Resource" LGPs to "non-Resource" programs, which drive projects to IOU "Core Programs" where resource attribution will be quantified. As such, projected savings and performance metrics will only be applicable to "Resource" programs, and most of these would transition to "Non-Resource" by the end of 2018. As the proposed Statewide LGP administration would also support IOU core program improvements, we are projecting a 3% per year energy savings - both kWh and therms.

As the Statewide Business Plan implements a unified data collection and reporting tool, there will be refinements to the projected savings and performance metrics.

There are significant potential efficiencies possible through streamlining four administrative systems into one, taking advantage of select existing well-established IOU data and customer resource management (CRM) tools which can be applied systemically and maintaining effective IOU/LGP relationships which take advantage of the strengths of each.

c) Cost Effectiveness

Energy efficiency programs are vital to the state's goals for climate change mitigation and adaptation. Both resource and non-resource programs are integral to the success of long-term energy efficiency programs. The Statewide LGP Business Plan proposes to measure LGPs per metrics applicable to non-resource programs. Cost effectiveness will be measured for resource programs until their existing contract terms expire. Thereafter, LGPs will drive projects to IOU core programs where resource attribution will be quantified.

The goal of this proposal is to increase efficiency by consolidating administration, creating tools for energy data and program performance reporting to facilitate improved program design and execution and by leveraging non-ratepayer funds to augment local government programs, and thus improve cost effectiveness.

For the purposes of this Business Plan proposal, we concur with the cost effectiveness measures described in each of the IOU's 2016 Advice Letters.

As the Business Plan implements a unified data collection and reporting tool, there will be refinements to LGP performance.

d) Narrative Description of Changes from Existing Portfolio:

(1) Budget Changes

The Statewide LGP Business Plan proposal envisions retaining all existing, individual program budgets and contract terms as they are, for the duration of their contract terms, and renewal terms when appropriate. Beyond those dates, individual budgets may vary per local program designs and available resources. Overall funding may increase to the extent that non-ratepayer funds can be leveraged, and as administrative efficiencies are realized.

(2) Program/Intervention Strategy Changes and Justifications for Budget Changes and Program/Intervention Strategy Changes

The strategy of this Statewide Program Administration is:

- Transition all LGP to non-resource programs
- Drive projects in all sectors to IOU Core programs
- Reduce administrative redundancies
- Invest in tools and resources useful to all LGPs: databases, model contracts and model or group procurement strategies, innovative University partnerships for data access and modeling.
- Maintain local LGP local priorities and customization
- Leverage non-ratepayer funds to supplement LGP programs
- Reach more disadvantaged and hard-to-reach communities
- Align GHG reduction measurement of energy efficiency programs with the State's climate mitigation goals to explicitly account for these benefits.

The justification for budget changes are:

- LGP budgets should be maintained as they are to honor existing program contracts and established staffing obligations
- A request for LGC would be necessary to respond effectively to a Commission request for an Implementation Plan, establishing essential administrative

infrastructure and engaging as necessary with the commission on regulatory issues.

e) Description of how the proposed portfolio meets portfolio guidance

The Energy Efficiency Portfolio Business Plan Guidance Decision recognized the value of statewide administration for government entity energy efficiency where the Commission remodeled public institutional partnerships into a statewide construct under a lead program administrator.[15] A number of studies previously funded and assessed by the Commission influenced this decision:

> "Entities with distributed leadership had difficulties planning and executing projects, while entities with a centralized leadership, such as a University of California system, were highlighted for superior achievements and energy efficiency."[16]

As part of the Order Instituting Rulemaking for the Rolling Portfolio, the LGSEC submitted a proposal to create a Local Government Program Area for administration under a statewide framework. [17]

In response, the CPUC signaled interest in an expanded proposal that mapped and defined the potential for greater performance and efficiency by LGPs under a statewide administration model. CPUC Decision (D.) 16-08-019 asked that the Local Government Sustainable Energy Coalition (LGSEC, a program of the Local Government Commission) present the proposal as a formal Business Plan and stated:

> "Local Government Programs may be, but should not be required to be, handled in a statewide manner. We will consider LGSEC's proposal in the context of the business plans, if brought forward through the CAEECC process. Regardless of the LGSEC proposal, all business plans should also include strategies for improving the consistency of LGP administration statewide."
>
> (D.16-08-019, Conclusion of Law 53 at page 104)

The LGSEC presented the draft Business Plan to the members of the CAEECC for input and to seek consensus, if possible. While some members of the CAEECC expressed their understanding of the potential value in the Statewide Administration proposal, others

[15] D.16-08-019 at page 63

[16] SCE Summary Report: Process Evaluation of the 2006-2008 Local Government and Institutional Partnership Program Final Report, PA Consulting, 2009. See also, Program Assessments Study: Statewide Institutional Energy Efficiency Partnership Programs, Navigant Consulting, 2013.

[17] Local Government Sustainable Energy Coalition Comments in Response to May 24, 2016 Administrative Law Judge Ruling Seeking Input on Approaches to Statewide and Third Party Programs, filed June 17, 2016 (R.13-11-005)

were concerned that their needs or priorities would not be reflected in the proposed structure. Consensus was not reached among the CAEECC members. The LGSEC collected all comments submitted through the CAEECC, as well as through its own stakeholder outreach process. LGSEC conducted multiple webinars, created a comment portal on its website and engaged with stakeholders that included LGSEC members, other non-member local governments, the CPUC's Energy Division and Division of Ratepayer Advocates staff, representatives from the four Investor-owned Utilities, Energy Efficiency consultants, non-profit service providers and other for-profit industry representatives.

The LGSEC received more than 200 specific comments or questions from stakeholders through the CAEECC and its own process. These inputs fell into several broad categories:

- Requests for greater clarity or additional information
- Requests for continued funding, a guarantee for a minimum level of funding, or other assurances of financial continuity
- Concern that statewide administration meant that all local programs would be the same, and would lose their local design priorities
- Observations that not all LGPs experience all the obstacles documented in this proposed Business Plan
- Requests for clarification regarding program 'governance' and associated organizational structure(s)

This document reflects many stakeholder comments, concerns and suggestions. Some issues are more appropriately explored in a detailed Implementation Plan. A table of compiled comments and responses to comments is available on the LGSEC website.

D.16-08-019 directed the maintenance of current agreements, successful programs and the provision of a plan for non-disruptive transition[18]. This Business Plan responds to that guidance.

[18] D.16-08-019,Ordering Paragraph 14 at page 112 and discussion at page 68.

2. SECTOR CHAPTERS

This proposal represents the collected, current LGP programs, which include examples of most, if not all, of the sectors in the IOU portfolios. Because the strategic approach offered in this Business Plan is not sector-specific, LGPs will be addressed herein as one 'sector'. It is the intent of this Business Plan to ensure that LGPs may implement programs which include public and private sectors as is most relevant to local government and community circumstances and priorities.

The first LGP program was between SCE, SoCalGas, and the Cities of Irvine and Santa Monica and began about 1997. Another early LGP was established in 2001 under an agreement between Pacific Gas and Electric (PG&E) and the City/County of San Francisco, pursuant to the 1999 CPUC Energy Efficiency Portfolio Decision[19]. In 2001, the four IOUs[20] were also directed by the CPUC to increase the number and scope of LGPs to advance the State's energy efficiency goals at the local level.[21] As a result, during 2003-2005, the CPUC expanded funding of local government energy efficiency efforts across the State's four IOUs.

The seminal role of local governments in advancing the State's energy and climate action goals was more fully articulated in the CPUC's September 2008 and January 2011 Updated California Long Term Energy Efficiency Strategic Plan (Strategic Plan)[22]. Specifically, the Strategic Plan recognized local government authority to:

- Ensure Title 24 and reach code compliance
- Adopt reach codes and green requirements
- Support high-savings projects that exceed code through favorable fee structures, fast-track permitting, and other innovative incentive mechanisms
- Lead their communities with innovative energy efficiency programs
- Lead by example and demonstrate for other Program Area agencies and actors
- Enact transformational ordinances, such as point-of-sale protocols
- Ensure that local government energy efficiency expertise becomes widespread
- Innovate permitting and zoning codes to create a menu of incentives and mandates

[19] D.99-08-021 (Ordering Paragraph 11)
[20] Pacific Gas & Electric (PG&E), Southern California Edison (SCE), Southern California Gas (SoCalGas), and San Diego Gas & Electric (SDG&E).
[21] D.01-01-060, pp. 31-32.
[22] California Long Term Energy Efficiency Strategic Plan: Achieving maximum energy savings in California in 2009 and beyond. September, 2008. Updated 2014.

Consequently, over the past 15 years, the presence of LGPs in the Energy Efficiency Portfolio has expanded, and is presently represented by 67 existing LGPs, and eight initiate LGPs proposed for launch and funding in 2017 (see Appendix B).

a) Sector-Specific Intervention Strategies:

i) Overarching Goals, Strategies and Approaches

The Statewide LGP administration envisions that LGPs will be designed and targeted to different sectors pursuant to their local circumstances and priorities, and will not limited to public sector facilities or projects. Because there is no baseline for a consolidated statewide LGP administration, the forming year of 2017, and the launch year 2018 will be when baselines and common metrics are established. The following table illustrates example problems or barriers, the proposed intervention strategies, effects and potential metrics.

Table 4 - Intervention Strategies, Metrics, Impacts

Problem Statement	Intervention Strategies	Desired Market Effects	Proposed Market Effect Metrics	Estimated Impact N-M-L/Term[23]	Eight Year Vision
LGP roles in driving state's EE objectives and goals are not fully or consistently defined or utilized	LGP Statewide Administration	Resource challenges (financing, technical and data) are accurately identified and resolved			LGPs lead collaborations and stakeholders to implement cross-program initiatives
	Expand LGP funding and financing options		Economic impact metrics	M-8% match L-15% match	LGPs leverage non-ratepayer funds
	Transparent, common metrics for evaluation and reporting of LGP programs	Optimization of LG and LGP performance and cost-efficiency	Diversification of savings and outcomes[24] Spillage[25] Training/outreach	M-kWh-10% L-kWh-15% M-GHG-10% L-GHG-15%	Increase LGP output in kWh, GHG saved Integration of Distributed Energy Resources: Rates of projects going beyond Energy Efficiency

[23] Anticipated impacts will land in the mid- and long-term phasing (years 4-8), and the percentages are projected share of the consolidated LGP budget that is matched by non-ratepayer funding.

[24] Specifically, GHG reductions; therms, kW, and kWh savings; funding and resources leveraged from other sources; savings realized from cross-cutting programs (Residential, Non-Residential, Codes and Standards, Commercial, and Disadvantaged Communities.

[25] i.e. The amplification of program uptake that is the consequence of actions or influence of a partner or element in the Program. We share Southern California Edison's recommendation to develop a methodology and metrics-set for quantification/qualification of spillage.

			metrics		to include energy management systems, energy generation, and energy storage. Transportation Electrification: The number of municipal, commercial/industrial, residential electric vehicle charging stations as well as vehicle-to-grid and grid-to-vehicle capabilities. GHG reductions
	8-year, multi-phase SW administration and implementation plan				State climate objectives tracked and achieved: SB350, SB 32 and AB 197, SB 375, AB 758, AB 802, ZNE
Problem Statement	**Intervention Strategies**	**Desired Market Effects**	**Proposed Market Effect Metrics**	**Estimated Impact**	**Eight Year Vision**
Rural and Hard-to-reach communities are under-served due to higher costs, more diverse circumstances and lack of institutional capacity	Quantification of co-benefits.	A significant (what that means is to be determined) number of rural and hard-to-reach customers, and communities, have access to and implement robust energy efficiency measures.	Increased program(s) utilization rates	M-10% incr. L-20% incr.	Rural and Hard-to-reach communities are well-served by a diverse set of providers, and locally-relevant incentives and market-driven energy efficiency offerings
	Quantification of local economic benefits.		Local economic benefits (jobs created, costs avoided, etc.) Dollar value of local/regional and statewide economic benefit created by the LGP Statewide Business Plan	M-50% LGPs[26] L-100% LGPs	

[26] Defined as % of LGPs whose performance will be converted into a uniform menu of equivalencies and co-benefit quantification, e.g., jobs created and/or sustained, cost savings, etc.

			Number of jobs created. Commercial property values.		
	Capacity-building in local government staff		Increasing ability for jurisdictions, particularly small, to engage in energy efficiency; streamline and create efficiencies in processes, engagement and other energy efficiency activities; and training		
	Differentiated and greater financial support for higher cost regions.				
Problem Statement	**Intervention Strategies**	**Desired Market Effects**	**Proposed Market Effect Metrics**	**Estimated Impact**	**Eight Year Vision**
LGPs have limited scopes	Expand LGP roles in long term EE Strategic Plan goals	LGs leverage CPUC funding with other capital sources	Expanded Building Spectrum Participation [27]	Increased number of pilots and programs, across all market sectors[28]	LGPs lead in innovative, cross-cutting, multi-sector programs[29]
		LGs increase EE opportunities for all building types	Increased energy savings across building and program sectors.	M-kWh-10% L-kWh-15%	Programs serving all other customers and demographics, with consideration for distinctive economic factors, including; urban density, urban heat-island effects, climate zones or geography, and other local program-driven priorities and metrics.
	Build LGP and				

[27] E.g., public buildings, private buildings, cross cutting, other preferred resources utilized

[28] LGP have the option to develop meaningful programs, projects and pilots to address a more diverse and comprehensive menu of market sectors, e.g., multifamily, agricultural, emerging technologies, codes and standards, public agencies.

[29] E.g., GHG reduction, clean energy programs, Distributed Energy Resources, and future grid management programs.

	IOU partnership roles into SW Administration[30]				
Problem Statement	**Intervention Strategies**	**Desired Market Effects**	**Proposed Market Effect Metrics**	**Estimated Impact**	**Eight Year Vision**
LGP financing and business solutions have not been developed and applied	Streamline procurement strategies used by LGs	Joint procurement under SW Admin SW use of standardized contracts	Decreased procurement and contracting timelines		LGs leverage internal and third party financing options, and offer streamlined access to a full menu of low-cost, easy access financing and procurement options
	Poll LGs for joint procurement opportunities	Preemptive qualification of qualified vendors and contractors	Streamlined admin costs of procurement and contracting		
	Develop standard terms, conditions, metrics, and methodologies for procurement and contracting	Procurement standards that reflect State and local diversity and values[31]			For communities able to take advantage of combined procurements, there is a measurable improvement in efficiency (shortened time to enter contract, reduced staff time, etc.)
	Build financing options and third party partnerships	Diverse, accessible funding options	Increased number of funding options that serve residential, non-residential, commercial and other EE programs		Self-Sustaining Program Pathways Identified[32]
Problem Statement	**Intervention Strategies**	**Desired Market Effects**	**Proposed Market Effect Metrics**	**Estimated Impact**	**Eight Year Vision**
LGs are under-utilized for developing and implementing new energy policy and	LGP SW Admin includes an active role for LGs in program and policy development	Energy policy keeps pace with LG innovation, such as PACE and CCA	Increased LG participation	L – 25% increase in LGP participation; 100% increase in	LGs have an established role in crafting State energy policy, reach codes, enforcement and compliance actions

[30] Enhanced LGP-IOU Partnership that incorporates existing resources (financing and incentives, core program elements, IOU tools and resources that service LGPs, tracking of energy savings in LGP projects and programs, use of IOU controlled data, etc.).
[31] This proposal rejects the concept that equity-based standards such as Disadvantaged or Minority Businesses are impediments to procurement but, rather, that they advance corresponding State standards and more accurately reflect local and regional socio-demographic characteristics and the diverse profile of individual and commercial ratepayers.
[32] Sampled traits and indicators for self-sustaining programs: self-hired resources, investment of direct and leveraged funding, internal organization developed/grown, program growth indicated.

legislation				LGP engagement	
	Support regulatory compliance representation for LGPs	Energy policy anticipates cross-sector and cross-cutting programs	Other Programs Participation benefits increased: DERs, IDERs, IDSM; LCR RFOs, DRPs, Distribution level, Transmission level		Systems established to identify and track LGP priorities; and to ensure LGP representation in actions and proceedings
	Pooled multi-agency funding programs that support GHG reduction		Increased Number of integrated GHG programs		Creation of an integrated sector and funding mechanism for multi-sector GHG reductions programs and projects
Problem Statement	**Intervention Strategies**	**Desired Market Effects**	**Proposed Market Effect Metrics**	**Estimated Impact**	**Eight Year Vision**
Inconsistent management, assessment & reporting of LGPs across and within IOU service territories	Establish common management, metrics, measuring and reporting systems	LGPs and partner Programs demonstrate sector diversity, market penetration, address multiple State objectives, and feature consistency, reliability, resource parity, and transparency[33]	Aggregated processes and systems LGP SW Admin economies of scale quantified Transparency: performance metrics clear, calculations understood, clear goals, short/mid/long term goals	N-5% increase[34] M-10% increase L-15% increase	LGs, public agencies, and gov't programs are centrally and consistently administered under an LGP SW Admin Program, that promotes performance, cost-effectiveness, and matrixed management of cross-supporting programs and goals
	Create parity in access to resources and data		Use and utility of data resources enhanced		A database and user-interface providing statewide energy data, maps, building information, and analytical and reporting tools that promote strategic design and implementation of EE

[33] Elements, indicators and outcomes of Programs may include administration of state, federal funding and other resources, regulatory reporting, fiduciary reporting, results and effectiveness reporting, prioritization of state and regional objectives, CPUC oversight and coordination, evaluation of programs, statewide, regional expansion of programs, data management, high level IOU coordination, satisfaction of all regulatory requirements, overall program administration, provision of needed statewide resources.

[34] Performance (e.g., kWh, Therms, GHG and monetary savings) improvement over baselines that will be research and defined in Year 1. Presently, the information necessary to establish baselines is not readily accessible. Commission approval of this Proposal will enable that research.

					Programs
	Close resource gaps for rural and under-served territories		Saturation into underserved areas	M-10% incr. L-20% incr.[35]	
Problem Statement	**Intervention Strategies**	**Desired Market Effects**	**Proposed Market Effect Metrics**	**Estimated Impact**	**Eight Year Vision**
LGs have qualified, but under-resourced staff and under-resourced programs vs. the scope and scale of their goals	Expand and scale local innovative programs Increase development and utilization of Regional Energy Networks	A growing number of public agencies complete EE and clean energy projects, and expand share of upgraded facilities and assets	Energy savings achieved as a % of EE potential; % of enrolled agencies within territory; % of enrolled agencies serving disadvantaged communities; % of eligible agencies completing EE projects within territory	M-10% incr. L-20% incr.[36]	All LGs and public agencies are leading by example, can design and implement clean energy, EE and other strategies
	Development of non-ratepayer resources			M-8% match L-15% match	
	LGs focus on non-resource program strengths and drive projects to core IOU energy programs			N-4% increase[37] M-10% increase L-13% increase	
Problem Statement	**Intervention Strategies**	**Desired Market Effects**	**Proposed Market Effect Metrics**	**Estimated Impact**	**Eight Year Vision**
	Compile library of ME&O assets, messaging, case studies, presentation materials, and Implementation Plan resources[38]	A growing number of LGs are engaging and educating their constituents about clean energy	% of LGs actively engaging their communities on clean energy programs		LGs actively lead and engage their communities to reduce energy use and GHG emissions (cross-sector)

[35] Over baselines that can be researched and identified upon approval by the Commission of this Proposal.
[36] Over baselines that can be researched and identified upon approval by the Commission of this Proposal.
[37] It is anticipated that this impact of this action will informed in part by development of a Commission-approved definition for "spillage".
[38] Envisioned to include comprehensive education and action plan development on integrated demand side management, zero-net-energy, and distributed energy resources.

Inconsistent capacities for assessing and communicating energy efficiency benefits, and mobilizing the community in energy action and initiatives		programs efficiency and strategies			
	Develop statewide Energy Atlas[39] Development of regional, public agency technical resource programs		ME&O metrics, e.g., market impressions		LGPs expand public awareness and participation in EE through accessible and diversified messaging, identification of co-benefits, easy access to conversions and equivalencies, and demonstrable tools.
			% of LGs actively engaging their disadvantaged communities	M-10% incr. L-20% increase	
			Increased % of energy customers in community who participate in IOU core programs	N-4% increase M-9% increase L-12% increase	
Problem Statement	**Intervention Strategies**	**Desired Market Effects**	**Proposed Market Effect Metrics**	**Estimated Impact**	**Eight Year Vision**
Limited and/or inconsistent resources to develop and adopt reach codes; and to increase compliance and enforcement of existing codes	Code development informed by energy use and building data (Energy Atlas)	There is widespread activity by LGs to develop and adopt model codes and reach codes. The SW Admin facilitates sharing of best practices and success cases to actively promote the diffusion of innovation	Number of LGs adopting reach codes/standards Permitting rates and compliance and/or permitted projects that exceed Title 24, Part 6	N-5% increase M-12% increase L-20% increase	LGs develop and adopt model codes and reach codes and actively encourage clean energy actions within their communities
	Develop shared regional, code compliance and enforcement		% of LGs participating in shared, regional resource	N-10% M-20% L-35%	Complementary revenue streams (e.g. from CCAs) may supplement LGs code dev and enforcement programs

[39] A database and user-interface providing statewide energy data, maps, building information, and analytical and reporting tools that promote strategic design and implementation of EE Programs, envisioned to be modeled in part after the UCLA-housed "Los Angeles County Energy Atlas"

	resources.		programs		
	Develop stream-lined energy project permitting guidelines and manuals (regionals and statewide) Adoption of model energy codes, standards and policies		Measured performance in code enforcement improvements, code compliance improvements	N-5% M-10% L-18%	

ii) Near-, Mid- and Long-Term Strategic Initiatives

The following table summarizes near, mid and long-term strategic initiatives in the context of the proposed Statewide Administration.

Table 5 - Statewide Program Implementation Phases

2017 - Development Year (Immediate)		
Establishing	**Implementing**	**Evaluating**
Regulatory Engagement		Regulatory intervention priorities.
Administrative Infrastructure:	Create dedicated organization structure.	Best / most efficient options meeting the needs of LGPs.
Performance requirements for data tools, data resource needs, reporting needs and parameters.	Definition of scope(s) for data tools	Costs, resources and service providers.
Create an inventory of current and potential future LGPs. Coordination with IOUs and existing LGPs.	Clarification of roles and responsibilities among and between LGPs, Regional Energy Networks (RENs), Community Choice Aggregators (CCAs), and other LG programs (e.g., EmPower, JPAs) to foster	Information sharing, communications and other tools to enhance coordination and communication.

	coordination and cooperation[40]. Establishing LGP participation 'phases' or enrolment stages and new LGP processes and criteria.	
Transform SEEC to foster greater coordination, collaboration, knowledge-sharing, etc.		Benefits to LGs and improvements in LG programs and performance.
Develop consistent, streamlined LGP contracts. Prepare for smooth transition of prior contracts.	Propose Pro forma agreement for CPUC approval.	Speed and efficiency of contracting processes
Identify successes with statewide scalable potential as replacement programs or to reach under or unserved LGs.	Scalable, successful programs	
Develop cross-program energy sector integration, e.g., leveraging of energy efficiency with IDSM and DG/DER initiatives. Integrate climate change actions and goals.		
2018 Launch Year (Year 1): (Near-term) Building Operational Systems and Relationships		
Establishing	**Implementing**	**Evaluating**
Design processes and procedures to operationalize statewide administrative systems	Statewide Program administration	LGP Supplemental and Support Programs
Coordination with IOUs and existing LGPs.	Continuity in existing / on-going contracts, budgets and relationships through the rolling portfolio cycle Operational agreements with IOUs	

[40] This is not to suggest that those other programs (e.g., RENs or CCAs) would be rolled under the Statewide Local Government Program. This will be informed by CPUC consideration and further decision.

	Operational agreements with administration and implementation resources	
Develop consistent, streamlined LGP contracts. Transition prior contracts as their prior terms expire.	Establish procurement and solicitation processes	
Update current EM&V and cost effectiveness calculators to align them with State policies to support increasingly aggressive climate change and disadvantaged communities' engagement goals.[41]		Identify successes with statewide scalable potential as replacement programs or to reach under or unserved LGs.
Develop 'emerging technologies' coordination with IOUs	Collaborative relationships	How to support or enhance IOU Emerging technology programs and utilization of emerging technologies in LG pilot projects.
Develop cross-program energy sector integration, e.g., leveraging of energy efficiency with IDSM and DG/DER initiatives. Integrate climate change actions and goals. Integrate Water/Energy nexus quantification, identify coordination opportunities and reporting objectives.	Expand model LGP programs and program components. Transform SEEC to foster greater coordination, collaboration, knowledge-sharing, etc.	Cross-program coordination successes and barriers. Barriers or needs for LG climate action planning. Barriers or needs for integration of water/energy nexus in programs and reporting.
Implementation of initial phase(s) of Statewide Energy Atlas and program performance data and reporting tool.	Data resources and responsible data sharing	Refinements to performance requirements for data tools, data resource needs, reporting needs and parameters.

[41] SB 535 (de León, Chapter 830, Statutes of 2012) requires that 25 percent of all non-utility cap and trade revenues be used to benefit disadvantaged communities (DAC), and 10 percent to be spent within the most disadvantaged.

2019 – 2020 (Years 2-3): (Mid-term) Functional Optimization and Funding/Financing Expansion		
Establishing	**Implementing**	**Evaluating**
Continue to transition prior contracts.	Consistent and streamlined LGP contracts and contracting procedures.	
Develop and refine model LGP programs and program components Expanded financing models, partnerships, non-ratepayer resources	Expand public-private partnerships, e.g., PACE Leverage ratepayer funds with other non-ratepayer resources	Assess program incentive levels and explore alternative, non-cash incentives
Establish preferred resources programs (pre-qualification for streamlined procurement)		
Establish Grants Resource collection or clearing house		
Expand local government capacity-building.		
Work with Energy Division, to develop updated evaluation and measurement of LGP Programs		Policy engagement to support integration of additional environmental metrics[42] Integrate CPUC directives, e.g., Potential and Goals Study
Expand and enhance Energy Atlas and program performance reporting functions, as well as data-gathering and data-sharing frameworks		
Enhance and support the SEEC program's Statewide LGP Program Resource		

[42] Consistent with and integrating standards and guidelines being developed under other CPUC proceedings, such as DER/DG and IDER.

Library		

2021 – 2023 (Years 4 - 6): (Long-term) Program Scaling, Strategic Development of Integrated Energy/GHG Programs		
Establishing	**Implementing**	**Evaluating**
Streamlined LGP program design and implementation	Develop marketing, education and outreach on successful financing models	Report on best practices, energy savings and GHG reductions, and "best-in-class" studies
Continue refining and expanding the Energy Atlas and program performance reporting functions		Report on Statewide and individual LGP EE performance, including additional proposed metrics.
	Identify, fund and implement pilots focused on financial/financing mechanisms	
	Align successful funding and financing models with reduction of ratepayer incentives	Effectiveness and accessibility of non-ratepayer resources Assess Potentials and Goals objectives, and participate in updated Potentials and Goals Study
Expand local government capacity-building.	Expand SEEC and other resources such as a Statewide LGP Program Resource Library	

Years 2025 - 2026: (Years 7 -8): (Long-term) Maturation of Program, Expansion of Successful Pilots, Planning		
Establishing	**Implementing**	**Evaluating**
Pilot low/no-incentive programs	Align with current CPUC objectives	Evaluate prior year's objectives, milestones and outcomes
Expand successful pilots	Participate in updated Potentials and Goals Study	Evaluate effectiveness of preferred resources programs
		Evaluate effectiveness of various types of programs (3rd party, resource, non-resource)

We envision that the IOUs will continue providing the same technical support they currently provide LGPs (and their other program implementers); the only change will be they won't be providing Administrative services.

iii) How the Sector Approach(es) Advance the Goals, Strategies and Objectives of the Strategic Plan and other Commission Policy Guidance

State Goals, Strategies and Objectives

More specific to the above Table 5, the LGP Statewide Business Plan strategy differs from the existing LGP Program and rigorously cross-supports the State's energy policies, legislation and goals including:

- ***AB 758 Existing Buildings Energy Efficiency Action Plan*** **(Action Plan)** lays out a 10-year roadmap to mobilize market forces and transform California's existing building stock into high performing and energy-efficient buildings. The Action Plan envisions the public sector playing a critical leadership role in creating a new statewide commercial benchmarking and disclosure program, encourages local government innovation, and calls on local governments to shape better energy codes for existing buildings. The LG Statewide BP opens LGP Program penetration into building inventories that account for up to 95% of a jurisdiction's greenhouse gas emissions and typically 75%-85% of a jurisdiction's total energy use.

- ***California's Long-Term Energy Efficiency Strategic Plan*** **(Strategic Plan) of 2008**, discusses the pivotal role of California's 500+ local governments in furthering energy efficiency and leading communities to ZNE[43]. The Strategic Plan envisions that by 2020 local governments will be leaders in employing energy efficiency to reduce energy demand and GHG emissions both in their own facilities and throughout their communities. The Strategic Plan update (January 2011) sets a 50% goal for all local governments to have a full suite of energy/climate action/sustainability plans being implemented and tracked by 2015, increasing to 100% by 2020[44]. These substantive directives from the State's over-arching strategic energy plan clearly point to the higher efficiency and value of integrated planning, programming and implementation.

- ***SB 350 Clean Energy and Pollution Reduction Act*** mandates a 50% renewable energy content in the state's overall electricity mix and a doubling of energy efficiency goals for existing buildings by 2030. The law directs the CPUC to review and update its policies to achieve the annual targets, as well as revise the Renewable Portfolio Standard program necessary to ensure compliance with the State's recently updated 2030 targets. As noted above, California's energy market is experiencing a rapid and pervasive trend toward local government energy procurement (community choice aggregation, or CCA) and renewable energy proliferation (e.g., PACE programs). As legislatively acknowledged Program Administrators, it is reasonable to assume that CCA Authorities will soon merge procurement, renewable energy market penetration, and energy efficiency into merged business and implementation plans, and will coordinate and collaborate with LGPs and Regional Energy Networks to map out strategic and tactical frameworks for advanced renewable and efficiency performance.

- ***SB 375 Sustainable Communities and Climate Protection Act*** requires local governments to set regional emissions' reduction targets from passenger vehicles. The Metropolitan Planning Organization (MPO) for each region must then develop a "Sustainable Communities Strategy" (SCS) that integrates transportation, land-use and housing policies to plan for achievement of the emissions target for their region. Local Governments have taken a leadership role statewide in sustainability planning and implementation, in parallel coordination with climate adaptation, emergency response, and long-term resilience protocols. The energy sector is a keystone of each of these community planning initiatives.

[43] California Energy Efficiency Strategic Plan New Residential ZNE Action Plan 2015-2020 (June 2015), pp. 22-23. http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/Utilities_and_Industries/Energy/Energy_Programs/Demand_Side_Management/EE_and_Energy_Savings_Assist/ZNERESACTIONPLAN_FINAL_060815.pdf

[44] California Energy Efficiency Strategic Plan: 2011 Update. Chapter 12, Local Governments, pg. 85 et seq.

- ***AB 802*** mandates use of metered data for measurement of impacts from energy efficiency program interventions, which establishes a vital pathway for robust market valuations of building energy performance based on actual impacts. This represents a data bank that local governments use to exercise unique jurisdiction and authority (e.g., labeling ordinances), and to publicly translate and share the impact of deferred maintenance on business operations, operations budgets, building performance, building values, and tenant/customer impacts. In addition, Program Administrators can now receive credit for energy savings from, and provide incentives and support for, energy efficiency projects that help public sector entities meet current energy code requirements. Where, previously, the Energy Efficiency Portfolio inherently segregated the public and private sector markets, the Statewide Performance-Based Model now offers the opportunity for a comprehensive approach to code development, permitting, tracking, and enforcement.

- ***SB 32 and AB 197*** were recently approved by the legislature and signed by the Governor. They increase the state's carbon emissions reduction target to 40% below 1990 levels by 2030. The California Air Resources Board will be responsible for implementing the bill, which will include GHG emission reduction standards. Local governments define how they will comply with this standard in their Climate Action Plans, which comprise many elements including energy efficiency actions, and which can leverage many of the strategies proposed in this business plan to better serve their communities.

- ***ZNE Legislation*****.** Recently adopted legislation, in addition to newly emerging legislative and policy initiatives, will rapidly accelerate the ZNE transformation in California over the ten-year planning horizon of this Business Plan. The state defines a ZNE building as one that "produces as much energy as it consumes over the course of a year, when accounted for at the energy general source." California's current ZNE goals include:
  - All new residential construction to be ZNE beginning in 2020 (Strategic Plan)[45]
  - All new commercial construction to be ZNE beginning in 2030 (Strategic Plan)[46]
  - Up to 50% of existing buildings retrofitted must achieve ZNE by 2030 (Strategic Plan)[47]
  - Any proposed new construction or major renovation of State buildings larger than 10,000 square feet must use clean, on-site power generation

[45] The 2011 update to the Energy Efficiency Strategic Plan, adopted in D. 10-09-047.
[46] Ibid
[47] Ibid

such as solar photovoltaic, solar thermal and wind power generation, and use clean back-up power supplies (Executive Order B.18.12)[48]

- The Energy Division's Summary of Program Ideas for Strategic Plan updates seeks to "develop and participate in regional efforts to reduce energy use and encourage ZNE buildings in local government operations and in the community. Regional efforts allow for shared resources and expertise, economies of scale for energy efficiency services and products, and coordination and alignment of goals" (Goal 4, Strategy 4.4)

All the above-described ZNE goals are more readily facilitated and advanced by LG Programs empowered by consolidated administration which fosters collaboration, shared resources and knowledge, and responsible access to data, while strategically deploying their local building and development regulatory authority.

b) Statewide Coordination: Which Strategies are Coordinated and How Strategies are Coordinated Among PAs and/or with other Demand-Side Options, Addressing:

i) Investor Owned Utility (IOU), Regional Energy Network (REN), and Community Choice Aggregation (CCA) Programs

Under a single, unified administration of local government programs, coordination with other local government programs, namely RENs and CCAs, offers potential collaborations and opportunities for each to address specific local or regional market segments, complementing each other by filling gaps, while avoiding overlaps. Successful LGP, CCA or REN programming can be used as model programs for existing or emerging LGPs. CCAs can implement both LGP-type programs, or their own, locally-funded EE programs.

As Program Administrator, the LGC would continue to actively communicate and collaborate with the CCAs and RENs to prevent coordination problems and overlap during the various transition phases.

IOUs have robust customer contact management (CRM), data management, other data tools and support services that may be appropriately continued indefinitely. Additionally, there are exemplary IOU staff supporting current LGPs. The Business Plan envisions continued work and coordination with the IOUs using and investing in these important resources and assets.

[48] Governor's Executive Order B.18.12 of April 25, 2012, regarding application of Green Building standards and actions to State owned buildings and their operations.

ii) Statewide Programs

The IOU's statewide programs, both resource (residential, commercial, industrial, agricultural, codes & standards and financing) and non-resource (emerging technologies, workforce education & training, marketing, education & outreach and integrated demand-side management) have spill-over and likely overlap in some ways with LGP programs. The proposed first year of the Statewide LGP administration includes creating an inventory to identify opportunities for the most effective collaboration and coordination and optimize IOU and LGP resources.

iii) Coordination with Other State and Local Government Activities

The goal of this Business Plan is that the establishment of a Statewide Program Administrator will significantly improve coordination with other State and Local Government activities.

c) Cross-Sector Coordination: Cross-Cutting Activities in Customer Sector(s) Strategies, including: Emerging Technologies, Codes & Standards, Workforce Education & Training, Marketing, Education and Outreach and Financing.

These important cross-sector, cross-cutting activities are undertaken by RENs, CCAs, LGPs and IOUs. A single statewide LGP administrator can facilitate coordination and collaboration between IOUs and local governments, particularly with regards to Codes & Standards and Workforce Education & Training, as local governments have significant contributions to these issue areas. The Year 1 inventory of existing programs will also identify the opportunities for collaboration and areas where there may be gaps or overlap will be identified. Priority areas will be identified that address barriers or where untapped opportunity may exist.

i) Emerging Technologies: This Business Plan envisions IOUs retaining their leading role in Emerging Technologies, However, Local Governments may provide unique opportunities to demonstrate emerging technologies through unique pilot project opportunities.

ii) Codes and Standards: This Business Plan recognizes the valuable technical role the IOUs play in supporting development of Codes and Standards. Because Local Governments are the point of implementation for most codes and standards, a Statewide Administrator able to coordinate among local governments across all IOU jurisdictions will be able to accelerate and expand IOU Codes and Standards work.

iii) WE&T: The Statewide Program Administrator envisions serving as a facilitator or convener between the IOU's existing robust WE&T programs, and statewide community college, university, trades and business associations and other stakeholders. A Statewide Program Administrator could collect and provide information regarding WE&T needs and locally appropriate channels to support IOU WE&T program success on both the supply (available, skilled contractors) and the demand (EE projects) sides.

iv) Program-Specific Marketing and Outreach Efforts (including budgets): These will be developed in the Implementation Plan and establishing year (2017) after the Program Administrator, the IOUs and other stakeholders have identified optimal roles and responsibilities in the context of statewide LGP administration.

d) Pilots and Innovation

i) Unique and Innovative Aspects of the Program

This administration of all LGPs under a single, unified administrator is itself an important innovation. Unification of administrative functions will improve consistency and efficiency in program metrics, data and reporting. A single point of administration will: stabilize budgeting, coordinate program approval and funding with local government budget approval and transaction timing, improve contracting and provide opportunity for standardized pro-forma contracts, contract processes and schedules. Through a single administrator, information related to program performance, local government capacity-building, and other process-improving tools and resources is more easily shared.

The following are examples of some innovative LGP programs and pilots which could potentially be scaled beyond their current implementation:

Supporting robust technical resources:

- SoCalREN's Public Agency Technical Support program aggregates technical resources for use by all public agencies as opposed to LGP dollars used to fund hiring for every city/county
- BayREN's Codes and Standards Program provides aggregated Code Enforcement and Compliance resources for use by multiple jurisdictions
- EmPower Tri-County aggregator of residential EE upgrade resources for a three-County region, utilizing local outreach to stakeholders
- BayREN's Commercial Building Profiling Tool, which maps all commercial buildings within a jurisdiction, and collects data on a) design and construction, b) operational data such as occupancy rates, leases, rents,

debt-to-equity ratios, etc., and c) fiscal and structural data such upgrade and maintenance/operations history. The Tool allows for a single data-point assessment or a clustering data-set assessment that profiles buildings with the objective of targeting a set of buildings as primary candidates for a program, and allows strategic targeting of ME&O funds to increase program performance and optimization

Supporting access to financing (for public agency projects):

- SoCalREN provides a Public Agency lease financing program accessible to regional public agencies for all energy projects which is ideal for stand-alone financing and leveraging On-Bill Financing
- SoCalREN provides a Revolving Loan Fund accessible to all eligible regional public agencies which acts as bridge-financing for On-Bill financing; OBF provides funding AFTER completion of projects, the lack of bridge funding to start projects is a hindrance to LGs.
- The Program Administrator could provide a grant resource clearing house to assist LGs to connect to other funding sources, like the CEC's Low Interest Government Loan program, and other potential non-ratepayer funding sources.

Program Design and Drivers Innovation

- The City of San Diego engaged in pilots for Adaptive Control Outdoor lighting testing and evaluation. The first pilot tested the adaptive control system as a replacement to the typical photo cell on outdoor LED lighting fixtures. The city tested pedestrian and roadway lighting and the lighting output associated with various dimming applications. The City also tested the adaptive control system "meter" and verified its accuracy as an approved meter with the IOU. This is the first of its kind.

  Then the City has initiated a first of its kind meter rate in the most recent rate design with the CPUC for metering Streetlighting. This will allow for additional saving through tuning and dimming the light to specific applications and save energy and hopefully cost in the future.

  The next pilot tested the outdoor lighting fixtures with adaptive controls and then added sensor technology to test the system for parking enforcement. The system observed parking where there currently were no meters along a right-of-way and provided real-time parking space availability and traffic movements for vehicles, people and bicycles. The system can enhance and support the City's CAP implementation plan. This project will be deploying in the first quarter of 2017.

- Santa Clara County's Public Health and Building Integrity Value Proposition Pilot (funded through the CEC), which combined before after professional laboratory indoor air quality (IAQ) testing for 5 common airborne pollutants that jeopardize occupant health and long-term building integrity and value (including airborne fungal spores and mold) with advanced energy efficiency upgrades. The pilot results mapped consistent, significant post-upgrade improvements in air quality indicators, and pointed to structural co-benefits of energy upgrades, such as removal of and deterrence to mold generation, comparable sales competitiveness, and extended life cycle of indoor home materials.
- Santa Clara County Audit Incentives-Driven Advanced Upgrade Program, that pre-allocated from the relevant program incentive up to $500 to offset the cost of Advanced Whole Home Audits. This was at first a marketing and program uptake strategy, yielding a 43-47% conversion rate. The project also provided for sharing of household structural and other data between the County and participating contractors, designed to drive cyclical updates to homeowners on relevant programs and greater available and timely home energy upgrades.

Supporting local program continuity and contracting

- Model contracts after the longer-duration contracts such as those employed in SDG&E territory. Create a uniform 'pro-forma' contract and standardized contracting schedules and processes

Supporting data consistency and access to data:

- Utilize the CPUC's Data Access rules allowing research institutions access to IOU comprehensive, disaggregated consumption data – as SoCalREN and UCLA have done in creating the Los Angeles County Energy Atlas – and expand on this to create a statewide energy atlas.

e) EM&V Considerations: Evaluation Needs to be Built into the Program Design, and Necessary Method Development, including:

i) Data Collection Strategies Ensuring Ease of Reporting and Near-Term Feedback

The Business Plan envisions including collaborating with all LGPs to identify efficient and effective data collection strategies in the development year (2017) and first program year (2018), with the goal of integrating this information into the Energy Atlas and associated performance evaluation and reporting tools. The goals of this early collaboration would be to identify:

- Ubiquitous data collection and reporting needs
- Standardization of data parameters (units, timeframes, sources, etc.)
- Streamlining, automation and innovative data collection systems to improve efficiency and effectiveness
- Design for a unified statewide database, with a web-based interface and dash-board functions to facilitate reporting and transparency
- Unique or specialized local program and pilot program data collection and reporting needs
- Gaps in or barriers to program data collection and solutions to those gaps or barriers

The dash-board functions envisioned for this system would be designed to provide near-term feedback to programs, the statewide administrator, ratepayers and the Commission.

ii) Internal Performance Analysis During Deployment

An additional benefit of the data base with dash-board functions noted above is its utility for complementary internal performance analysis. In addition to the metrics collected and reported, internal performance metrics for the Statewide Administrator will include:

- Cost of Administration as a percentage of EE budget
- Improved efficiencies in data collection and reporting as a % of LGP staff time
- Number of LGPs utilizing collected program support documents, data, capacity-building, and other resources and their satisfaction with those
- LGP utilization of non-ratepayer funds and finance/financial mechanisms to augment ratepayer funds as a percentage increase from a baseline

3. PORTFOLIO BUDGET and SAVINGS

The savings noted in each of the IOU Advice Letters are referenced above. LGC projects improved savings in the second year and beyond because of:

- Driving more project to IOU core programs
- Supporting more diverse and more robust outreach, particularly to under-served or hard-to-serve communities or sectors
- Improved access to energy data resulting in more tailored, targeted local programs, better and sooner program performance feedback enabling program adjustments,
- Streamlined administration and ease of contracting, and
- More effective knowledge and information sharing.

LGC intends these cost savings to more than offset the budget requests intended to cover costs for 2017's development year for the energy atlas, establishing administrative infrastructure and implementation plan costs.

Appendix A: Local Government Commission Current and Past Program Administration Examples

The Local Government Commission (LGC) has worked closely with the State of California since its inception as a state commission in 1979. Now a nationally recognized nonprofit, LGC has a history of supporting local governments for over 35 years, covering a wide range of subject areas including energy, water, climate change mitigation and adaptation and community design.

The Local Government Commission has well-established relationships and familiarity with key state agencies, including: the California Public Utilities Commission, the California Energy Commission, the Air Resources Board, the Department of Water Resources, the Strategic Growth Council, members of the Governor's administration and the legislature, and other public, non-profit and private institutions with a bearing on local government energy efficiency and climate action programs.

Current Statewide Energy Projects

Local Government Sustainable Energy Coalition (LGSEC) (2007 - Present): Realizing the power of statewide collaboration, information sharing, and the time and expense of individual regulatory efforts, local government representatives formed the LGSEC in 2007 to speak with a coordinated local government voice in regulatory proceedings. LGSEC functions as a Coalition of the LGC.

The LGSEC has helped local governments secure tens of millions of dollars annually in funding for local governments for energy efficiency programs. Based upon the performance of local governments under the American Reinvestment and Recovery Act (ARRA, or the Federal Stimulus), in 2011 the LGSEC promoted the impact of local governments working as regional alliances capable of innovative and effective design, administration, and implementation of energy efficiency programs. After a year's work with the California Public Utilities Commission (CPUC), stakeholders, and local governments across the State, the CPUC authorized two Regional Energy Networks, or RENs (the Southern California REN and the BayREN). The RENs launched in 2013, and have since implemented nearly $100M in energy efficiency, government facility, codes and standards, and energy efficiency financing programs.

LGC's extensive experience with energy and climate change issues played an influential role in the success of LGSEC's accomplishments. Aside from the CCA feasibility studies and quarterly networking meetings that led to the formation of the LGSEC, the efforts of the LGC to create regional energy offices in Humboldt and Ventura counties in 2001 laid a foundation for the Southern California REN and the BayREN.

Additionally, LGSEC and LGC helped establish a 20-year timeframe for net energy metering systems; and influenced key policy documents, including the Energy Action Plan, the Long Term Energy Efficiency Strategic Plan, and the update to the AB 32 Scoping Plan.

Statewide Energy Efficiency Collaborative (SEEC) (2010 - Present): LGC is a founding member of SEEC, which was established through CPUC decision 09-09-047 (See pg. 255 and 260 for reference to SEEC) to provide support to cities and counties to help them reduce greenhouse gas emissions and save energy. SEEC is an alliance between three statewide non-profit organizations (Local Government Commission, ICLEI - Local Governments for Sustainability, USA and the Institute for Local Government) and California's four Investor-Owned Utilities. It builds upon the unique resources, expertise and local agency relationships of each partner. The LGC evaluated the SEEC program and found that fifty percent (50%) of local governments using SEEC completed an energy or climate action plan compared to seventeen percent (17%) not using SEEC.

staff who participated in workshops had over three times the success rate in getting an ATP grant those who did not attend.

Statewide Energy Efficiency Best Practices Coordinator (2010 - Present): The September 2009 CPUC Decision on 2010-12 Energy Efficiency Public Goods Charge Programs (http://docs.cpuc.ca.gov/PUBLISHED/FINAL_DECISION/107829.htm, Pg. 250) also included a new position to promote exemplary policies and practices, and track progress on government facility energy use, retrofits, and California Long-term Energy Efficiency Strategic Plan implementation. The Coordinator also writes a quarterly newsletter on local government energy issues, CURRENTS, and has an email listserv where events, funding opportunities, peer-to-peer requests, job postings and other items of interest to local governments are shared.

EPIC Grant in Fresno (2016 - 2018): The California Energy Commission recently awarded the LGC and its project partners $1.5 million to create an integrated clean-energy market in the Fresno community through the Electric Program Investment Charge program. The two-year project will identify high-leverage energy efficiency, clean transportation and renewable-energy opportunities; matching projects with funding mechanisms; and tracking resource savings to spur further investment in clean-energy projects such as solar panels, water and energy-friendly landscaping, and electric-vehicle charging stations.

Past Energy Projects

Energy Upgrade California (2010 - 2012): The Local Government Commission oversaw the $33 million dollar, ARRA-funded, Statewide Energy Upgrade program from 2010 - 2012 on behalf of the California Energy Commission (CEC). The Local Government Commission partnered with federal, state and local government agencies, utilities, businesses, nonprofit organizations and educational institutions to deliver the Energy Upgrade California Program. The LGC served as the prime contractor over a team comprised of Ecology Action, Renewable Funding, MIG Corporation, County of Sonoma and City of Los Angeles, and all their sub-contractors. Major program elements included; program administration; project implementation and sustainability planning; development of an integrated web portal; stakeholder engagement; tracking, reporting and quality assurance; and support of new innovative financing pilots.

Establishment of Community/Regional Energy Authorities (1984 - 2004): In 1984, the LGC helped enact state legislation authorizing the creation of local Community Energy Authorities. Almost two decades later, the LGC received public goods funding from the CPUC to implement the bill's provisions in two jurisdictions; Humboldt and Ventura Counties.

Cool Roofs Project with CEC (2001 - 2003): LGC ran the $14.5 million Cool Savings with Cool Roofs rebate program on behalf of the California Energy Commission. The highly successful program awarded rebates for the installation of over 61 million square feet of cool roofing on air-conditioned and refrigerated buildings in California.

Implementing Community Choice Aggregation (2003 - 2008): With funding from the California Energy Commission, the LGC assisted twelve local governments in their exploration of the feasibility of Community Choice Aggregation – Marin County went on to form the first CCA in California.

Current Water Projects

Water Strong Communities Training Program (2015 - 2016): The LGC is under contract with the State Employment Training Panel RESPOND (Rapid Employment Strategies Pilot on Natural Disasters) program to implement a comprehensive training program for local government and private sector employees, designed to help local communities and businesses better respond to the current drought and be more resilient to future droughts and other water-related stressors. To date, LGC has trained 109 local leaders in sustainable water strategies, from 41 municipalities and 13 non-governmental organizations.
Link to learn more: https://www.lgc.org/water-training/

Water-Energy Community Action Network — San Joaquin Valley (2016 - 2017): WE CAN - SJV is a $2.5 million program designed to reduce outdoor water use by assisting homeowners in disadvantaged communities to overcome the burden of high up-front costs of replacing water-thirsty lawns with drought-tolerant landscapes. WE CAN – SJV serves the cities of Fresno, Clovis, and Reedley. Learn more: https://www.lgc.org/we-can-sjv/

Current Statewide Climate Change Projects

CivicSpark (2014 - Present): CivicSpark is a Governor's Initiative AmeriCorps program dedicated to building capacity for local governments to address climate change and water management needs. In partnership with the Governor's Office of Planning and Research, LGC runs the CivicSpark program, providing statewide program infrastructure and overall fellow and local government support, coordinating training, and ensuring performance goals are met. Each year, CivicSpark recruits 68 fellows - 48 Climate Action Fellows and 20 Water Action Fellows - who contribute over 65,000 hours to help California communities respond to climate change and water management needs. http://civicspark.lgc.org/

ARCCA (2013 - Present): The Alliance of Regional Collaboratives for Climate Adaptation is a program of the LGC comprised of collaboratives from across California (including Sierra Nevada, Sacramento, the Bay Area, the Los Angeles region and San Diego) who are coordinating and supporting climate adaptation efforts in their regions. Through ARCCA, member collaboratives come together to amplify their individual efforts and have a stronger voice in state and federal regulatory and funding decisions. The Governor's Office of Planning and Research is an ex-officio member of ARCCA and works closely with Coalition members to provide opportunities to weigh in on state decisions and solidify state and local partnerships to increase resiliency initiatives. http://www.arccacalifornia.org/

Current Statewide Community Design Projects

Active Transportation Program Grant Assistance (2015 - 2016): LGC led a team on behalf of Caltrans in 2015 to help disadvantaged communities develop effective projects and programs for funding through the Active Transportation Program (ATP). The team also supported Caltrans and the California Transportation Commission (CTC) with the review of the nearly 500 applications that were submitted under disadvantaged community status. Our evaluation in 2016 found that local government staff who participated in one of our workshops had over three times the success rate in getting an ATP grant than those who did not attend.

Affordable Housing Sustainable Communities (AHSC) Grant Assistance (2016 - Present): LGC is helping disadvantaged communities to develop successful Affordable Housing Sustainable Communities (AHSC) grant applications for transit-oriented development, affordable housing and sustainable transportation projects that reduce greenhouse gas emissions.

Caltrans Planning Grant Assistance: The LGC has been helping local jurisdictions apply for Environmental Justice, Community-Based Planning and Sustainable Transportation Planning Grants for over 15 years and has helped over 60 communities implement grants.

Appendix B: List of 2017 Local Government Programs

New 2017 LGPs noted in green font

PACIFIC GAS AND ELECTRIC	Local Government Partnerships
• Association of Monterey Bay Area Governments (AMBAG)	
• East Bay Energy Watch	• Sierra Nevada
• Fresno	• Sonoma County
• Kern County	• Silicon Valley Energy Watch
• Madera County	• San Francisco City/County
• Marin County	• North Valley
• Mendocino/Lake County	• Sutter Buttes
• Napa County	• Yolo County
• Redwood Coast	• Solano County
• San Luis Obispo County	• Northern San Joaquin Valley
• San Mateo County	• Valley Innovative Energy Watch
• Santa Barbara County	

SOUTHERN CALIFORNIA EDISON	Energy Leadership Partnerships / ELP
• ELP Program	• Orange County Cities
• City of Beaumont	• San Gabriel Valley
• City of Long Beach	• San Joaquin Valley
• City of Redlands	• South Bay
• City of Santa Ana	• South Santa Barbara County
• City of Simi Valley	• Ventura County
• Gateway Cities	• Western Riverside
• Community ELP	• High Desert Regional
• Eastern Sierra	• West Side
• ELP Strategic Support	• Local Government Strategic Planning Pilot
• Desert Cities	• North Orange County Cities
• Kern County	• SANBAG

SOUTHERN CALIFORNIA EDISON	Government Core Energy Efficiency Partnerships
• County of Los Angeles	
• County of Riverside	
• County of San Bernardino	

SAN DIEGO GAS & ELECTRIC	Local Government Partnerships
• City of Chula Vista	• SANDAG Partnership
• City of San Diego	• SEEC Partnership

• County of San Diego • Port of San Diego	● Emerging Cities Partnership

SOUTHERN CALIFORNIA GAS	Local Government Partnerships
• Los Angeles County	● Local Government Energy Efficiency Partnerships
• Kern County	● New Partnership Program
• Riverside County	● Local Government Regional Resources Placeholder
• San Bernardino County	● Gateway Cities
• Santa Barbara County	● San Gabriel Valley COG
• South Bay Cities	● City of Santa Ana
• San Luis Obispo County	● West Side Cities
• San Joaquin Valley	● City of Simi Valley
• Orange County	● City of Redlands Pilots
• SEEC	● City of Beaumont
• Community Energy Partnerships	● Western Riverside Energy Partnership
• Desert Cities	● LGP - NOCC
• Ventura County	● LGP - SANDAG