

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Concerning Energy
Efficiency Rolling Portfolios, Policies, Programs,
Evaluation, and Related Issues.

Rulemaking 13-11-005
(Filed November 14, 2013)

**COMMENTS OF
THE LOCAL GOVERNMENT SUSTAINABLE ENERGY
COALITION
IN RESPONSE TO THE MAY 24, 2016 ADMINISTRATIVE
LAW JUDGE RULING SEEKING INPUT ON APPROACHES FOR
STATEWIDE AND THIRD-PARTY PROGRAMS.**

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FOR Local Government Sustainable Energy
Coalition

June 17, 2016

I. Introduction

In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”) and in response to the Administrative Law Judge’s Ruling Seeking Input on Approaches for Statewide and Third-Party Programs dated May 24, 2016 (“ALJ Ruling”), the Local Government Sustainable Energy Coalition¹ (“LGSEC”) respectfully submits these comments to propose an alternative Program Area for statewide administration, that is, an additional Local Government Program Area (LGPA). Under this alternative, existing Local Government Partnerships would continue to be honored as currently authorized, the American Recovery and Reinvestment Act (ARRA) continuation and other ratepayer-funded programs would continue as would other local government implementation of energy efficiency programs. All would transition to a new statewide administrative platform. In addition, LGSEC requests that the Local Government Commission (LGC) be specifically designated and authorized to file a proposed Business Plan for Commission consideration detailing a statewide LGPA administration structure that would be overseen by the LGC. LGC would act as the single lead program implementer under contract to a single lead IOU program administrator, as the ALJ Ruling sets forth in its definition of “Statewide.” ALJ Ruling at page 3. Other questions posed by the ALJ Ruling are not addressed herein.

The intent of this proposal is to align the Commission’s goals for energy efficiency programs designed for system needs with local and regional government energy efficiency initiatives to create a bridge between the disparate current local government program offerings

¹ The LGSEC is a statewide membership organization of 37 cities, counties, associations and councils of government, special districts, and non-profit organizations that support government entities. Each of these organizations may have different views on elements of these comments, which were approved by the LGSEC’s Board. A list of our members can be found at www.lgsec.org. From its inception in 2007, LGSEC has partnered with the LGC which served as LGSEC’s fiscal sponsor and administrative partner. LGSEC is a Coalition of the LGC as of January 2016.

by IOUs and a more consistent and coordinated portfolio of comprehensive and integrated community-based energy efficiency programs that can meet statewide energy and greenhouse gas (GHG) goals.

LGSEC members are committed to collaborative success, innovation, and accountability in attaining State goals, advancing economic and environmental justice throughout the energy sector, and in transforming energy to a low-or zero-emissions resource. LGSEC supports the implementation of the Rolling Portfolio structure and actively participates with two members on the California Energy Efficiency Coordinating Committee (CAEECC). LGSEC appreciates the opportunity to discuss statewide administration and agrees with the ALJ Ruling that statewide program administration must be reconsidered in this proceeding given the context of the new targets set for Energy Efficiency Programs, in general, and for the LGSEC membership's local government energy efficiency activities, in particular.

In general, SB350 expanded the scope and breadth of energy efficiency activities statewide by doubling the energy efficiency savings goals from electricity and natural gas end uses by 2030². Local Governments are more pro-active in meeting renewable energy goals, developing climate action and sustainability programs and integrating energy, water, land use and emergency resiliency efforts in their respective communities than at any other time in California's history. In this proceeding, LGSEC responds to the SB350 goals for local governments in particular, where new Public Utilities Code Section 399.4(2) (c) mandates that the Commission ensure that local and regional interests are incorporated into energy efficiency investment evaluations and that local governments are encouraged to participate in program implementation. This new context calls for new approaches to the coordination of IOU energy

² See Pub. Res. Code §25310 (c) and Pub. Util. Code §399.4d), subparts 1-4.

efficiency program portfolios with integrated local government-initiated energy strategies and other state agency initiated and funded programs.

LGSEC urges the Commission to adopt our statewide Local Government Program Proposal that adds the LGPA, proposes that the statewide LGPA be assigned a single IOU “Program Administrator” designated solely to deliver funding and contract with a Statewide LGPA implementer to design, oversee and implement the LGPA statewide. LGSEC proposes that the Local Government Commission (LGC) be the contract LGPA Implementer to the single IOU. LGC is uniquely qualified and able to serve in this capacity as described more fully below. In so doing, the Commission will enable the best of current practice to become the baseline for local program performance in jurisdictions throughout California.³

In furtherance of this proposal, LGSEC requests authorization for LGC to file a Business Plan on the same timetable and subject to the same guidance as the business plans for IOU’s and other Program Administrators. LGC will engage with all interested local governments (not only LGSEC members) and the IOUs to develop the Business Plan. The Local Government Business Plan will be developed with extensive engagement from local governments throughout the state, not just those active in the LGSEC. The process for local government engagement will enable LGC to learn about the needs and/or unique characteristics of various jurisdictions and regions, with particular outreach directed to less active local governments and regions to understand how to best serve them and to better address their needs. Results of the engagement process will be reflected in the Local Government Business Plan and discussed in the CAEECC process, specifically in the Public Sector Subcommittee, along with other PA Business Plans. LGC’s

³ For example, Local Governments are instrumental in fulfilling the mandate of Pub. Util. Code §399.4 d) to achieve deeper energy efficiency savings, market transformation, deliver pay for performance incentive programs when appropriate, implement operational, behavioral and retro commissioning activities for both public facilities and local commercial and residential buildings and to make sure incentives are paid for measured results.

proposed Business Plan will provide the Commission with sufficient detail with which to substantiate the authorization of LGC's new statewide administration role.

LGC will then submit a proposed LGPA administration strategy reflecting the work of interested stakeholders. This will allow time to develop a complete plan with input from the participant local governments and IOU partners that is not available in the comment period for this proceeding. The Business Plan will be designed to provide the Commission with sufficient detail to consider and authorize LGC to do the following: 1) administer existing Local Government Partnerships, 2) design a new set of program baselines, 3) identify best practices and implementation support criteria tailored to local governments; 4) administer funding to local government program participants as well as solicit proposals for new opportunities; 5) coordinate with the IOUs, the Commission and other state agencies; 6) conduct EM&V studies; 7) facilitate and manage funding, reimbursement and program implementation issues; and 8) define funding criteria, reporting requirements and oversight obligations for participating local governments. LGC's proposed Business Plan will support Commission authorization to begin LGC's new statewide administration role starting in 2017. It is crucial to emphasize that this proposal is not intended to disrupt existing Local Government Partnership arrangements. The new LG Program would honor, administer and preserve existing arrangements for at least the duration of their existing contract terms.

II. Question 28: If you have alternative proposals for statewide and third-party aspects of the energy efficiency program portfolios, please describe them in detail.

A Statewide Local Government Program Area Implementer would bring current and future best practices to all of California.

The IOU energy efficiency program portfolios have traditionally been crafted with an

eye to least cost activities related to each individual service territory's resource and procurement plans. Today, local governments are transforming energy resource development and procurement at the community level at an unprecedented rate, for example, by initiating a wide-range of climate action and sustainable community programs, of which energy efficiency is an integral part. From formation of Community Choice Aggregations (CCAs) and Regional Energy Networks (RENs) to local, innovative financing products, public resource investments in energy project development, including energy efficiency Local Government Partnerships (LGPs), local governments are meeting energy needs through a broader set of interwoven policies: energy and water use, transportation electrification, energy and land use, climate action plans, drought response, community emergency response and resiliency, zero-net energy (ZNE) building standards, retro commissioning and other energy awareness and use innovations.

However, local governments can span multiple electric, gas and other utility service areas and, therefore, can be hampered by utility-specific program design and administration. Local governments can integrate policy and programmatic goals in a way that IOU program structure is not well equipped to accomplish. Other IOU program limitations hamper local government efforts to reach across various policy goals and serve entire constituencies. There is a long, documented record of achievements by local government partnerships and the importance of local governments as a delivery channel for the utilities. In acting as direct implementers, trusted community and contractor partners, and multi-channel communicators with residents and businesses, local governments have developed expertise and implementation relationships that are not replicable at the same level and cost-effectiveness within single IOU program design. However, because they are not statewide program implementers in the manner proposed in the ALJ Ruling, local governments are more vulnerable to unpredictability in the contract process

with the IOUs and have no clear direction forward should the IOU decide to shift or cut program budgets. Further, too often ratepayer support for local government energy efficiency efforts are restricted to municipal retrofits, diminishing local government's larger ability to accelerate energy efficiency across sectors within a community given its special authorities, trusted brand and extensive local relationships. The visions and missions of IOUs and local governments are fundamentally different, but can become more complementary under the LGSEC proposal for independent statewide administration of Local Government Programs.

LGSEC collectively represents approximately two-thirds of California's population and energy consumers through its local government and affiliated members. LGSEC's mission is focused particularly on meeting energy savings goals as an integral part of, rather than in isolation from, other community climate action and sustainability programs. LGSEC's statewide Local Government Program administration proposal is intended to better align the Commission's aggressive new program delivery goals with local governments' transformative energy initiatives to produce deeper energy use reductions.

LGSEC's proposal to create a statewide local government program is intended to bridge these two parallel investment and implementation activities with the following primary objectives: 1) recognize the significant degree to which the IOU's rely on current, highly successful Local Government Partnerships to deliver energy savings; 2) propose the Local Government Commission (LGC) as uniquely qualified and positioned to take on statewide Local Government Program administration; and 3) build upon the best practices of the most successful Local Government Partnerships and local government initiatives to create a set of baselines for statewide program design and performance. The existing disparity among energy efficiency activities across local communities statewide presents an ongoing challenge for LGSEC's

members.⁴ LGC's statewide role can target elimination of unnecessary differences between localities and potentially remedy uneven program development in smaller jurisdictions or those with fewer resources, as well as addressing the administrative and reimbursement delays and other implementation challenges experienced today.

Status of Current Local Government Programs.

The Commission's Fact Sheet "Government Partnership Energy Efficiency Programs (2013-2014)" provides a good overview of current circumstances and is attached hereto for reference as Appendix A. The Fact Sheet highlights the crucial role Local Government and Institutional Partnerships play in delivering energy efficiency programs and producing energy use reductions:

- 1) Combined, Government Partnership programs account for over 10 percent of the State's \$1 billion annual EE Budget.*
- 2) There are three broad objectives to LGPs: 1) Retrofit government buildings; 2) promote (and in some cases directly implement) energy efficiency programs in the community and 3) support the Energy Efficiency Strategic Plan,*
- 3) The four IOUs jointly partner with three statewide non-profits, including the Local Government Commission (LGC) to support a not-for-profit virtual resource center, the Statewide Energy Efficiency Collaborative (SEEC). SEEC supports cities and counties to enhance their capability to reduce their carbon footprint while reducing their energy consumption.*

However, a review of the list of participants also shows that not all local governments are part of the Local Government Partnership programs. Some local governments have programs that are not part of LGPs and therefore are not receiving funding support, rebates or incentives under the IOU programs. There is wide diversity by IOU in funding levels for LGPs. Likewise, LGP

⁴ See Appendix A, CPUC's "Fact Sheet "Government Partnership Energy Efficiency Programs (2013-2014)", Table 2, at page 5-7 showing the wide differences in current funding awards between local participating jurisdictions.

savings goals by IOU vary dramatically. As stated above, LGPs only have three broad objectives so that the objectives targeted by statewide administration we outline here are not encompassed. The three broad objectives also do not support most local governments' or regional integrated demand-side management, clean energy or economic objectives. The IOU-specific LGP offerings show the lack of current statewide reach for current IOU-sponsored programs. PG&E and SCE LGPs are resource programs while SoCal Gas and SDG&E's LGPs are non-resource. Providing both opportunities across utility service territories would provide benefits statewide. These are just a few of the limitations faced by local governments seeking to participate in programs that are successful in one service-territory but not offered locally.

Local Government Program Area Objectives.

LGSEC supports the Commission's commitment to streamlining programs that may be best administered in a statewide manner across IOU territories. Of some concern however, is how local government programs would be affected, given that local governments implement programs that span across many, if not all, of the 12 Program Areas under consideration here. LGSEC emphasizes that the role of local governments is both critical and, in some cases, very different than private sector third-party programs, and therefore, should be administered differently. LGSEC recommends a separate Program Area for statewide administration of local government programs and finds the objectives cited by the ALJ Ruling for the identified IOU Program Areas equally applicable to Local Government energy efficiency programs. Therefore, LGSEC urges the Commission to add a Local Government Program Area to the already identified list. The ALJ Ruling's stated objectives for creating statewide Program Areas would be met by creating the LGPA. In particular, local government programs and subprograms could align with statewide administration by being "[a] program that is designed to be delivered

uniformly through the four large Investor-owned Utility service territories by a single lead program implementer under contract to a single lead program administrator.” ALJ Ruling at page 3. The ALJ Ruling observes that “[s]tatewide efforts ...are also mainly designed to achieve market transformation and/or aimed at delivering new construction and cross-cutting (cross-sector) programs.” ALJ Ruling at page 3. A statewide LGPA would be similarly positioned to capture new statewide quality program measures and design while introducing those activities within local government integrated energy policies – green building objectives, land use planning and transportation electrification efforts, for example.

Similarly, the ALJ Ruling goes on to note that “[s]tatewide programs ideally would be designed to have long-term strategies and could also pursue market transformation over a period of at least five to ten years, to allow for continuity in program delivery and planned evolutions during the life of the program, including data needs to track progress.” ALJ Ruling at page 4. The Commission’s objectives here speak directly to the advantages offered with a targeted statewide LGPA. Currently, there is little ability to contribute to or capture market transformation impacts from one locality to another. An LGPA working with the other statewide PAs across program areas would foster the development of larger-scale, regional programs. While the statewide IOU Program Areas can provide one level of improved scale and market transformation by unifying activities across all IOU service territories, a statewide LGPA can administer these benefits and augment them by integrating innovations with local integrated demand-side management and energy resource plans at the local government level. Likewise, innovations allowed through LGPA approved programs can potentially scale up, regionally or statewide after demonstration within a well-positioned local government jurisdiction.

A statewide LGPA would enhance the ability of local governments, across the state, to

deliver GHG reductions under current CPUC-regulated activities, while leveraging participation and funding from other state agency programs where possible. Local Governments can bring CPUC-administered activities together with funding from sister agencies: California Air Resources Board (CARB,) California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA, Caltrans, the Governor’s Office of Planning and Research (OPR), Strategic Growth Council (SGC), Housing and Community Development (HCD), California Infrastructure Bank (iBank) and the California Energy Commission (CEC,) that IOU-sponsored programs do not include. Programs restricted to the requirements of one state agency-sponsored design can be integrated at the local level in ways that are not possible at the state level by the agencies themselves. However, an LGPA can bring successfully leveraged local government programs that integrate complementary funding sources up to statewide implementation, something that occurs rarely if it all, today.

Finally, a statewide LGPA can increase efficient delivery of energy efficiency programs and measures by taking best practices statewide and potentially eliminate duplication within IOU programs, support local governments to participate in energy programs, gather statewide measurement data and allow for real energy savings to be captured and measured, without meeting IOU resource cost-effectiveness tests in all cases. A statewide LGPA can provide a useful pilot platform to develop new metrics to capture actual energy and GHG reduction results.

The Commission should authorize LGC to file a business plan for detailing implementation of statewide Local Government Program administration because it is uniquely qualified to serve this role.

LGSEC proposes that LGC be the statewide LGPA implementer on contract to the assigned, single IOU Program Administrator.⁵ Under this proposal, the IOU Program

⁵ The LGSEC requested LGC Board to consider this proposal. LGC’s Board of Directors voted to support this proposal on June 9, 2016.

Administrator would be a funding agent and LGC would perform program funding administration, program design, implementation, EM&V and related accounting, oversight and reporting. LGC's primary overall objective would be to take best practices and apply them statewide, be they from existing LGPs or new programs, with a special focus on those that are not presently participating or have had difficulty participating in current IOU energy efficiency programs.

Background: 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 spanning over 35 years and covering a wide range of subject areas including energy, water, climate change mitigation and adaptation, community design and resiliency. LGC has run statewide technical assistance programs in each of these subject areas allowing the organization to support local governments in cross cutting initiatives that leverage broad expertise, diversify funding sources, and deliver higher impact results.

Current Statewide Energy Projects include:

Statewide Energy Efficiency Collaborative (SEEC) (2010 – present): LGC is a founding member of SEEC, which was established through CPUC Decision 09-09-047 (see pages 255 and 260) 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 (LGC, ICLEI – Local Governments for Sustainability, USA and the Institute for Local Government) and California's four IOUs. It builds upon the unique resources, expertise and local agency relationship of each partner. Since its beginning in 2010, SEEC has offered hundreds of in-person and webinar trainings and released guidebooks, tools, templates and case

studies tailored to the needs of local government partnerships and California local governments at large.

SEEC provides the following at no cost:

- a. Education and tools for climate action planning and reducing energy use
(LGC is lead in education portion)
- b. Opportunities for peer-to-peer networking (LGC is lead)
 - i. Statewide Energy Efficiency Forum
 - ii. Webinars and in person workshops
- c. Technical assistance and recognition for local agencies that reduce GHG emissions, save energy and adopt policies and programs that support sustainability

Statewide Energy Efficiency Best Practices Coordinator (2010 – present): The September 2009 CPUC Decision on 2010-12 Energy Efficiency Public Goods Charge Programs 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.

EPIC Grant – Fresno California (2016-2018): The California Energy Commission recently awarded the LGC and its project partners \$1.5 million to create an integrated clean-energy market, including high-leverage energy efficiency, clean transportation and renewable-energy opportunities, in the Fresno community through the Electric Program Investment Charge Program, including high-leverage energy efficiency, clean transportation, and renewable-energy opportunities.

Local Government Challenge Program: LGC is one of the “Leads/Partners” to develop a

“Local Government Challenge Program” with technical assistance and support through a competitive grant process. This program is part of California’s Existing Buildings Energy Efficiency Action Plan.

Past program activities include:

Energy Upgrade California (2010-2012): LGC oversaw the Statewide Energy Upgrade program from 2010-2012 on behalf of the California Energy Commission. The LGC partnered with federal, state and local government agencies, utilities, business, nonprofit organizations and educational institutions to deliver the Energy Upgrade California Program to reduce barriers to adoption of energy efficiency, water efficiency and renewable energy generation system upgrade installations through California. LGC served as prime contractor over a team comprised of Ecology Action, Renewable Funding, MIG Corporation, County of Sonoma and City of Los Angeles.

Establishment of Community/Regional Energy Authorities (1984 – 2004): In 1984, the LGC helped enact state legislation authorizing the creation of local Community Energy Authorities. The legislation provides local governments with the structure to plan, develop, fund and coordinate energy efficiency and renewable energy programs, and energy programs for low-income residents and small businesses. Almost two decades later, the LGC received public goods funding from the CPUC to implement the bill’s provisions in two jurisdictions. This movement laid the foundation for the “Regional Energy Networks” in the Bay Area and Southern California.

LGC also runs water and water/energy conservation projects, climate change action activities and sustainable community design projects, including transportation and housing components.

III. Conclusion

For all the foregoing reasons, LGSEC respectfully requests that the Commission create a single, statewide Local Government Program Area (LGPA), assign a single investor-owned utility Program Administrator as the funding and contract administrator. LGSEC urges the Commission to designate LGC as the single LGPA program implementer under contract to a single IOU program administrator. Further, LGSEC requests the Commission to authorize LGC to file a Business Plan to provide a LGPA Implementation proposal for the new LGPA under contract with the IOU PA. Additionally, LGSEC requests that the Commission specifically authorize the continuation of current Local Government Partnerships and locally run ARRA continuation programs for the term of their current authorization with the potential for continuation beyond current termination dates as appropriate.

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Respectfully submitted,



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APPENDIX A



Fact Sheet

Government Partnership Energy Efficiency Programs (2013-2014)

Government Partnerships are energy efficiency (EE) programs that generally fall into two categories: 1) those with local governments or their regional or implementing organizations, and 2) those with State agencies or “Institutional” partners. Combined, Government Partnership programs account for over 10 percent of the State’s \$1 billion annual EE budget. Several policy documents guide the State’s EE priorities, programming, and spending activities including the California Long Term Energy Efficiency Strategic Plan, which serves as a roadmap to attaining all cost-effective energy efficiency across all sectors in California through year 2020.

Table 1. 2013-2014 Government Partnerships Program Budgets and Savings by Utility

Program By Utility	PG&E	SCE	SDG&E	SoCalGas	Total
Budget					
Local Government Partnership Programs	\$104,968,601	\$29,059,191	\$13,367,613	\$6,811,828	\$154,207,233
Institutional Partnership Programs	\$39,704,908	\$21,180,810	\$4,209,867	\$2,713,605	\$62,416,156
Total Budget by Utility	\$144,673,509	\$50,240,001	\$17,577,480	\$9,525,433	\$216,623,389
Savings Goals					
Electric (kWh)	218,183,039	85,708,921	40,609,859	N/A	344,501,819
Local Govt.	164,571,350	40,297,816	9,487,726	N/A	214,356,892
Institutional	53,611,689	45,411,105	31,122,133	N/A	130,144,927
Electric (kW)	31,212	16,182	4,388	N/A	51,782
Local Govt.	20,307	6,956	2,148	N/A	29,411
Institutional	10,905	9,226	2,240	N/A	22,371
Natural Gas (Gross Therms)	3,648,325	N/A	2,126,660	4,252,129	10,027,115
Local Govt.	200,100	N/A	565,455	1,112,150	1,877,705
Institutional	3,448,225	N/A	1,561,205	3,139,979	8,149,410

1. The Sempra utilities SDG&E and SoCal Gas do not claim savings within the government partnerships portfolio. Rather as “non-resource programs,” these IOUs claim the savings within their “core” programs. Therefore, the budget figure cited in Tables 1 and 2 do not include incentive funding. LGPs refer projects to these IOUs’ Core Programs which fund incentives and rebates.

2. As described below, SCE at present includes the counties of Riverside, San Bernardino, and Los Angeles within their Institutional Partnerships portfolio but expects to have these LG partners fully integrated into the Local Government Partnerships sector by January 2016. Therefore, SCE’s budget and savings estimates for these counties are here included within the Institutional Partnerships.



Program Descriptions 2013-2014 Funding Cycle

Government Partnerships are programs implemented through collaborations between investor-owned utilities (IOUs) and local governments, regional governments, or State agencies. In the 2013-2014 funding cycle, 54 active local government EE partnerships (LGPs) deliver energy savings across 62 counties and 362 cities.

Four Institutional partnerships span the four IOUs and serve State of California agencies including its university systems, its community colleges, and its correctional facilities. In addition, San Diego Gas and Electric (SDG&E) maintains one local water district partnership and one private university partnership.

The four IOUs jointly partner with three statewide non-profits – ICLEI (Local Governments for Sustainability), Local Government Commission (LGC), and Institute for Local Government (ILG) – to support a not-for-profit virtual resource center, the Statewide Energy Efficiency Collaborative (SEEC). SEEC supports cities and counties to enhance their capability to reduce their carbon footprint while reducing their energy consumption. Among the many SEEC offerings are training and tools, technical assistance, interlocal knowledge transfer, and a recognition program for exemplary local government actors.

Local Government Partnerships: There are three broad objectives to LGPs: 1) Retrofit of local government buildings; 2) Promote utility core programs; and 3) Support qualified energy efficiency activities included in the EE Strategic Plan.

1. **Retrofit local government facilities:** The basis of any LGP is to fully capture energy efficiency potential within municipal and other public agency buildings and facilities. Examples of common local public-sector EE improvements include indoor lighting, building insulation and HVAC system improvements, outdoor lighting including streetlights, boiler replacements, and upgrades of variable-frequency drives and water pumps.
2. **Promote (and, in some cases, directly implement) energy efficiency programs in the community:** Local Government partners, in coordination with their partner IOUs, serve as a single point of contact for an array of programs available in their communities to advance the State's EE, climate change, and Zero Net Energy goals. These programs typically involve public workshops, advertisements in print, radio, and online media, and direct mail or online public agency outlets such as newsletters and local government websites.
3. **Support the Energy Efficiency Strategic Plan:** These activities enable local governments to set long-range energy goals for their communities and chart a course to achieve them. Activities draw from an approved menu of ratepayer-funded initiatives including energy- or climate-action plans, benchmarking of public or community buildings, advancing EE reach codes for buildings, and trainings to increase awareness of and support for to building code compliance and greenhouse gas reduction efforts.

In addition, each IOU has additional local government program offerings detailed below under their utility headers.



PG&E-Specific LGP Offerings

PG&E Non-Residential Direct Install: Most PG&E Partnerships allow for qualified non-residential customers to receive services that include comprehensive audits, financing assistance, technical expertise, and access to select contractors qualified to oversee lighting, refrigeration, and HVAC energy efficiency upgrade projects. The program focuses on hard-to-reach customers such as non-profits and small- to medium-sized businesses, depending on the local opportunity.

PG&E's Moderate Income Direct Install: Fifteen of PG&E's 23 Local Government Partnerships participate in this residential program that builds on an effective audit and installation program targeting low-income populations to expand the reach to cover moderate-income homeowners and tenants. No-cost installation offerings include comprehensive lighting, low-flow showerheads, and sink faucet aerators.

Local Government Energy Action Resource (LGEAR) Program: PG&E established the LGEAR program in 2006 to support the development of new partnership pilot programs during a given funding cycle. In 2013-2014, PG&E continued to utilize LGEAR to develop new partnerships and engage new strategic partners, with an emphasis on supporting under-served, rural communities in the Central Valley.

PG&E's Innovator Pilot Program: In the 2010-2012 funding cycle, PG&E initiated the Innovator Pilot program to allow communities that are leaders in energy and GHG reduction activities to test creative approaches to energy efficiency. PG&E awarded funds to fifteen local government agencies and non-profits. Although no new Innovator Pilot solicitations will be initiated during the 2013-2014 cycle, PG&E will provide continued funding for Innovator Pilots initiated in 2010-2012 but not completed by the end of 2012. Funding for innovative initiatives was also incorporated into individual Partnerships to provide local governments a more integrated and comprehensive approach to implementing energy efficiency programs.

SCE-Specific LGP Offerings

Energy Leader Model: SCE organizes its Local Government Partnership portfolio according to criteria that recognize past performance and growing capabilities that include EE savings achieved, demand response reserves committed, and strategic plan initiatives undertaken. Local governments advance along the Energy Leader tiers, eventually progressing from Valued status to Platinum level, enabling graduating local governments to earn ever larger incentive payments per kWh saved.

Local Government Strategic Plan Pilot: Allocates funds to local governments for activities specified in the Strategic Plan. These include: 1) Adopting or implementing codes, ordinances, standards, guidelines or programs to encourage or require building performance that exceed state requirements; 2) Improving building energy code compliance through education, training, and enforcement practices; 3) Developing programs to track municipal energy usage or adopting an Energy or Climate Action Plan for municipal operations; 4) Adopting a plan to reduce community GHG emissions with a focus on energy efficiency; and, 5) Energy efficiency capacity building in collaboration with the Statewide Local Government Energy Efficiency Best Practices Coordinator, statewide local government associations, and regional local government agencies.



SCE's Recording of Certain LGPs within Institutional Partnerships Category

SCE has in two prior funding cycles counted the counties of San Bernardino, Riverside, and Los Angeles within its Institutional partners category. By January 1, 2016, these partners will be integrated into the SCE LGP portfolio. SCE is in discussions with these county partners to ensure a seamless transition. It remains to be decided whether these new additions to SCE's LGP portfolio would be placed outside of the Energy Leader Model or granted exempted status as legacy partners. The counties are presented within this document as Institutional partners to align with SCE's approved application budget.

SDG&E-Specific LGP Offerings

SDG&E supports five local government partnerships, two with cities—San Diego and Chula Vista—one with the County of San Diego, another with the Port of San Diego, and a fifth partnership with SANDAG (San Diego Association of Governments), the regional planning body for the single-county San Diego region. Besides offering regional planning and inter-local coordination, the SANDAG partnership extends EE offerings to 16 additional cities within San Diego County that are not served by full partnerships.

A small portion of SDG&E's service territory extends outside of San Diego County. For these communities in the south Orange County area as well as the 16 non-partnership cities within San Diego County, SDG&E has established the Emerging Cities program. Emerging Cities provides approximately \$760,000 in funding in 2013-2014 for underserved non-partnership local governments to undertake entry-level strategic plan initiatives in support of the State's EE goals via a competitive RFA (request for abstracts) process.

SoCal Gas-Specific LGP Offerings

SoCal Gas is undertaking an ambitious expansion of its local government partnership offerings in 2013-2014 to more closely align with SCE's LGP portfolio so as to allow the two utilities to jointly forge more capable and well-funded partnerships that can better pursue multi-measure projects that meet the CPUC's directive to capture deep energy efficiency opportunities. New LG partnerships authorized by the CPUC to begin EE services in 2013-2014 include San Gabriel Valley Council of Governments (serving 29 member cities), Western Riverside Council of Governments (serving 13 member cities), "Gateway Cities" (serving Southgate, Downey, and Norwalk), Culver City (aka "Westside Cities"), and four new single-city partnerships serving Beaumont, Santa Ana, Simi Valley, and Redlands. In addition to these eight new partnerships, SoCal Gas is exploring a limited number of additional new partnership opportunities with highly-qualified cities serviced within its territory in an ongoing dialogue with SoCal communities and SCE.



Table 2. 2013-2014 Government Partnership Programs Budgets by Partnership

PG&E Partnerships	Compliance Budget
California Community Colleges.....	\$ 4,459,603
University of California/California State University.....	\$ 24,545,809
State of California.....	\$ 4,542,695
Department of Corrections and Rehabilitation.....	\$ 6,156,802
Institutional Partnerships Total	\$ 39,704,908
Association of Monterey Bay Area Governments (AMBAG).....	\$ 7,100,314
East Bay.....	\$ 19,236,893
Fresno County.....	\$ 7,659,510
Kern County.....	\$ 6,348,378
Madera County.....	\$ 870,948
Marin County.....	\$ 2,809,041
Mendocino County.....	\$ 620,179
Napa County.....	\$ 1,032,308
Redwood Coast.....	\$ 3,033,944
San Luis Obispo County.....	\$ 1,821,077
San Mateo County.....	\$ 3,454,960
Santa Barbara County.....	\$ 2,357,613
Sierra Nevada.....	\$ 4,636,018
Sonoma County.....	\$ 3,376,064
Silicon Valley.....	\$ 8,116,153
San Francisco.....	\$ 16,219,911
Local Government Energy Action Resources (LGEAR).....	\$ 10,854,360
Strategic Energy Resources / Innovator Pilots.....	\$ 5,420,929
Local Government Partnerships Total	\$ 104,968,601
Government Partnerships Total	\$ 144,673,509



SCE Partnerships	Compliance Budget
California Community Colleges.....	\$ 5,891,083
University of California/California State University.....	\$ 7,314,771
State of California.....	\$ 1,865,179
Department of Corrections and Rehabilitation.....	\$ 1,953,886
County of Los Angeles.....	\$ 2,157,985
County of Riverside.....	\$ 1,013,954
County of San Bernardino.....	\$ 983,953
Institutional Partnerships Total	\$ 21,180,810
Energy Leader Partnership Program.....	\$ 1,246,707
City of Beaumont	\$ 188,982
City of Long Beach.....	\$ 544,043
City of Redlands.....	\$ 547,819
City of Santa Ana.....	\$ 632,199
City of Simi Valley.....	\$ 163,970
Gateway Cities.....	\$ 1,145,487
Community Cities.....	\$ 3,187,506
Eastern Sierra.....	\$ 335,038
Strategic Support Statewide Energy Efficiency Collaborative (SEEC).....	\$ 957,085
Desert Cities.....	\$ 878,747
Kern County.....	\$ 468,659
Orange County Cities.....	\$ 2,195,768
San Gabriel Valley.....	\$ 1,188,936
San Joaquin Valley.....	\$ 2,234,312
South Bay.....	\$ 1,901,476
South Santa Barbara County.....	\$ 810,580
Ventura County.....	\$ 1,324,706
Western Riverside.....	\$ 863,163
City of Adelanto.....	\$ 309,963
West Side Cities.....	\$ 405,647
Strategic Planning Pilot Program.....	\$ 7,528,395
Local Government Partnerships Total	\$ 29,059,191
Government Partnerships Total.....	\$ 50,240,001



SDG&E Partnerships	Compliance Budget
California Community Colleges.....	\$ 710,454
University of California/California State University.....	\$ 1,404,152
State of California.....	\$ 351,862
Department of Corrections and Rehabilitation.....	\$ 293,377
University of San Diego.....	\$ 527,376
San Diego County Water Authority.....	\$ 922,645
Institutional Partnerships Total	\$ 4,209,867
City of Chula Vista.....	\$ 3,564,404
City of San Diego.....	\$ 2,978,647
County of San Diego.....	\$ 2,458,250
Port of San Diego.....	\$ 1,730,215
San Diego Association of Governments (SANDAG).....	\$ 1,531,845
Statewide Energy Efficiency Collaborative (SEEC).....	\$ 345,038
Emerging Cities.....	\$ 759,213
Local Government Partnerships Total	\$ 13,367,613
Government Partnerships Total.....	\$ 17,577,480

SoCal Gas Partnerships	Compliance Budget
California Community Colleges.....	\$ 703,435
University of California/California State University.....	\$ 946,060
State of California.....	\$ 545,717
Department of Corrections and Rehabilitation.....	\$ 518,394
Institutional Partnerships Total	\$ 2,713,605
Los Angeles County.....	\$ 433,946
Kern County.....	\$ 208,464
Riverside County.....	\$ 294,117
San Bernardino County.....	\$ 289,717
Santa Barbara County.....	\$ 229,294
South Bay Cities.....	\$ 307,932
San Luis Obispo County.....	\$ 214,563
San Joaquin Valley.....	\$ 194,289
Orange County Cities.....	\$ 271,938
Statewide Energy Efficiency Collaborative (SEEC).....	\$ 295,394
Community Cities.....	\$ 252,647
Desert Cities.....	\$ 50,600
Ventura County.....	\$ 336,161
Gateway Cities.....	\$ 326,123
San Gabriel Valley COG.....	\$ 480,505
City of Santa Ana.....	\$ 143,792
West Side Cities.....	\$ 98,133
City of Simi Valley.....	\$ 98,508
City of Redlands.....	\$ 120,067
City of Beaumont.....	\$ 102,645
Western Riverside.....	\$ 391,255
Local Govt EE Pilots Program.....	\$ 430,000
New Local Govt Partnerships Placeholder.....	\$ 596,871
Local Govt Regional Resource Placeholder.....	\$ 644,867
Local Government Partnerships Total	\$ 6,811,828
Government Partnerships Total.....	\$ 9,525,433