

Local Government Commission  
Local Government Statewide  
Energy Efficiency Program Administrator Business Plan

Concept Note

Background:

The CPUC has indicated that they want the status quo to change:

- Within 3 yrs 60%, eventually 100% 3rd party Administration
- Has opened the door to a non-IOU Administrator
- Current IOU funding of EE programs is unstable (SoCalEdison significantly de-funding some programs)
- Local Government Programs (LGPs) and IOUs have had some challenges: IOUs do not coordinate their programs or approaches, resulting in inconsistency across the state, similarly contract terms and lengths vary, and the lack of inclusion in program design, lack of transparency, and financial hurdles like the need to provide up-front money.
- LGPs with successful programs don't want theirs to end
- LGPs with great IOU representatives or liaisons want to retain those positive relationships
- The State, and local governments, have established a variety of energy, climate and economic goals and policy objectives. Unfortunately, the current framework creates fractured and siloed programs that prevent organizations from effectively and efficiently meeting goals.

The Vision:

At the highest level, the LGC believes that local governments must be able to access the range of energy and climate-related funding pools more effectively. And, state agencies and IOUs with energy and climate-related funding have an interest in seeing those funds managed and allocated efficiently and to the best effect. A statewide administrator for LGPs is one step toward a much larger, integrated climate and energy funding framework.

At the LGP level, the vision for a statewide administrator includes the following concepts:

- The Statewide program would be implemented in phases. In the first phase (years 0-3):
  - A REN (as a current eligible Program Administrator) submits the Draft Business Plan on behalf of the LGC
  - Existing LGPs retain their funding and contracts 'as is' for their contracted duration
  - An IOU would continue to manage all of the 'back office' tasks
  - The program would be guided by an oversight or advisory group made up of geographically and operationally balanced representation from the RENs, LGPs, at least one IOU, and other key stakeholders.

In the second phase (years 4-6):

- Transition to LGC as Program Administrator

The third phase (years 7-10) is still to be determined and will be informed by input from LGPs and other key stakeholders

#### Desired Outcomes:

- To keep and replicate successful EE programs across the state.
- To bring more resources and funding to local governments to achieve broader energy and climate goals.
- In light of certain disruption and change coming from the CPUC and the IOUs, ensure the best possible outcomes for local governments, overall.
- To facilitate local program design innovation, while using administrative tools, metrics and measures of success that are consistent statewide.
- To create a platform that optimizes performance of ratepayer funds, promotes the CPUC's vision for the EE portfolio and supports local government leadership and innovation.