



## **LGSEC ALERT: REGIONAL NETWORKS AND LOCAL GOVERNMENT PARTNERSHIPS May 10, 2012**

Today the California Public Utilities Commission (“CPUC”) approved guidance for the 2013-2014 energy efficiency transition period. The decision (number not yet available) is nearly 500 pages, and addresses a range of issues. This Action Alert provides a very high-level look at the Regional Energy Networks and partnership programs with the utilities.

### **Local Government Regional Pilots Are Authorized for the Transition Period**

The Decision requests proposals for local government regional pilots (what the LGSEC has referred to as “Regional Energy Networks”). Local government regions are directed to submit on July 2 Program Implementation Plans (“PIPs”), which will be reviewed by the CPUC staff. Parties will have an opportunity to provide comments on the PIPs. The Decision directs interested local government regions to use the same PIP that will be used for the utility programs.<sup>1</sup> Each PIP should make clear how the regional network will:

- ◆ Leverage additional state and federal resources so that energy efficiency programs are offered at lower costs to ratepayers;
- ◆ Address the water/energy nexus;
- ◆ Develop and deploy new and existing technologies;
- ◆ Address workforce training issues; and
- ◆ Address hard-to-reach customer segments such as low to moderate residential households and small to medium sized businesses.

Each PIP should include:

- ◆ An organizational chart that identifies the local governments that are part of the proposed regional pilot;
- ◆ A narrative description for each of their roles; and
- ◆ Plans to coordinate.

The CPUC will be looking for regional pilots that:

- ◆ Include a broad geographical area;
- ◆ Encompass a variety of demographic characteristics; and
- ◆ Provide depth and breadth of coverage related to energy efficiency program goals and objectives.

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<sup>1</sup> It appears the CPUC staff will issue the PIP template within 30 days.

### **Partnership Programs with the Utilities Will Continue**

The utilities are directed to include in their 2013-2014 transition period portfolios “successful” local government programs/partnerships. The applications and PIPs the utilities submit July 2 should propose criteria that will be used to identify successful local government program/partnerships. The utilities are directed to confer with LGSEC and with any other interested local governments to get input on success criteria for local government partnerships.

For *continuing* local government programs or partnership, metrics might include:

- ◆ Energy savings;
- ◆ Market transformation indicators; and
- ◆ Strategic Plan objectives

For *expanded* local government programs or partnerships, the focus should be on programs that can provide deep retrofits. The utilities must submit a separate set of criteria for these programs or partnerships, and again must confer with LGSEC and interested local governments.

To the extent that the utilities do not accept criteria suggested by the local governments and LGSEC, the utilities must outline the rejected criteria in their applications and provide their rationale for rejecting them. In addition, the utilities must include in their July 2 applications the PIPs for all local government programs and partnerships they seek to continue, including a detailed explanation for how each program will meet their suggested success criteria.

### **Other Issues**

The Decision addresses other topics of interest to LGSEC, including energy efficiency financing programs, continuing work begun under Energy Upgrade California, energy usage data, and other topics. We will provide an update on those items after we have had a chance to fully review the Decision.