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**3C-REN
STRATEGIC BUSINESS PLAN 2024-2031
TESTIMONY**

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1 **CHAPTER 1. EXECUTIVE SUMMARY (A. TELLEZ AND A. WATKINS)**

2 **I. OVERVIEW**

3 The Tri-County Regional Energy Network (3C-REN) is a partnership between the Counties
4 of San Luis Obispo, Santa Barbara and Ventura (the Tri-County Region or Tri-Counties)
5 established to deliver energy-saving programs and industry trainings that help reduce energy use,
6 strengthen local job markets, and support efforts to achieve climate goals. The Tri-Counties have
7 worked together since July 2014 to provide energy efficiency (EE) financing and outreach
8 services, and in 2018 were approved to form a Regional Energy Network (REN) dedicated to
9 serving hard-to-reach (HTR) customers.

10 There are more than 1.5 million residents and nearly 42,000 businesses in the Tri-County
11 Region, which includes three counties, 25 incorporated cities, and 103 special districts, all of which
12 will benefit from services outlined in this Strategic Business Plan and Program Portfolio Plan
13 application filing (Application). The Tri-County Region is characterized by its isolation from the
14 large metropolitan centers of the Bay Area and Los
15 Angeles, and is comprised of rural and agricultural
16 areas, coastal communities, and small cities and
17 towns. This strategic business plan lays out a vision,
18 goals, and strategies for 3C-REN to continue and
19 expand its services to these communities, in particular
20 participants who are hard-to-reach and not well served
21 by existing utility programs.



Figure 1: 3C-REN Service Area

22 To achieve California’s ambitious midcentury
23 climate and energy efficiency goals, new programs and more spirited energy efficiency activity

1 are needed.¹ A broad energy efficiency portfolio statewide that is inclusive, rather than exclusive,
2 and welcoming of new ideas to better serve all communities is merited.

3 As representatives of local government, RENs are mission-driven to serve their
4 constituents in pursuit of the greater good. Accordingly, 3C-REN proposes to expand its portfolio
5 for 2024-2031 to serve more people, businesses, and jurisdictions, with new and complementary
6 programs informed by meaningful engagement with stakeholders. With the equity and market
7 support segment programs included in this application 3C-REN can contribute to the state’s goals
8 while increasing outreach and clean energy investments in environmental and social justice (ESJ),
9 HTR, disadvantaged communities (DACs), and underserved communities.^{2,3} 3C-REN will also
10 continue to build its strong network of partnerships and collaborations with other program
11 administrators to ensure the most beneficial outcomes for customers.

12

13 **II. BUILDING A RESILIENT ENERGY ECOSYSTEM**

14 As described in more detail later in this strategic business plan, under California Public
15 Utilities Commission (CPUC or Commission) guidance RENs are limited to undertaking: (1)
16 activities that investor-owned utility (IOU) or community choice aggregator (CCA) program

¹ 2019 California Energy Efficiency Action Plan at 5. “Redesigning and introducing new programs into the market may contribute the savings needed to reach the 2030 goal” for doubling energy efficiency savings in the state.

² *Assessment of Energy Efficiency Potential and Goals and Modification of Portfolio Approval and Oversight Process*, D.21-05-031, Ordering Paragraph (OP) 2, at 81.

³ Environmental & Social Justice Action Plan, Version 2.0, California Public Utilities Commission, dated October 26, 2021, at 1. Available at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/draft-cpuc-esj-2010262021c.pdf>.

1 administrators cannot or do not intend to undertake; (2) pilot activities where there is no current
2 utility or CCA program offering, and where there is potential for scalability to a broader geographic
3 reach, if successful; and/or (3) activities serving hard-to-reach markets, whether or not there is
4 another utility or CCA program that may overlap.⁴

5 Within this framework, the centerpiece of 3C-REN’s application is to serve HTR
6 constituencies and fill utility program gaps. 3C-REN's vision is to build a resilient energy
7 ecosystem that helps Federal, State, and local climate goals through the delivery of integrated
8 energy saving and decarbonization programs that nurture a sustainable local economy and reduce
9 social disparities.

10 3C-REN will achieve this vision by pursuing three core principles:

- 11 ● Provide equitable opportunities for hard-to-reach, disadvantaged, and underserved
12 communities to receive the many benefits offered by more energy efficient and
13 resilient homes and businesses.
- 14 ● Be a trusted local resource and communication channel for energy efficiency and
15 decarbonization efforts that address the climate crisis and build regional resilience.
- 16 ● Enhance regional economic vitality by growing the market for energy projects and
17 developing a local workforce with the expertise and resources to implement
18 upgrades.

19 In order to meet its vision to build a resilient energy ecosystem, 3C-REN proposes to
20 implement seven programs:

⁴ D.19-12-021 at 32. Where there is overlap of programs, the Commission has advised a REN to “target[] the hardest-to-reach customers for activities that overlap or are significantly similar to [the IOU’s].” D.18-05-041 at 100.

1 ***Agriculture Technical Assistance.*** A new market support program to address unmet needs
2 in the agricultural sector through partnership-building and customized technical assistance. The
3 program will fill a gap by providing specialized support for indoor agriculture/cannabis and water-
4 energy nexus measures, with focused outreach to the many smaller producers and socially
5 disadvantaged agricultural customers in the Tri-County Region.

6 ***Commercial Marketplace.*** A new equity program focusing on DACs and HTR customers
7 that offers commercial sector programs for small- and medium-sized businesses located in a leased
8 or rented facility. 3C-REN will collaborate with already-established business programs; use a
9 multilingual approach to outreach and education; and work with 3C-REN's successful Building
10 Performance Training program to deploy trained local contractors. With the addition of this
11 program 3C-REN can expand its services to be inclusive of the full scope of customers identified
12 in current HTR criteria—both residential and commercial.⁵

13 ***Energy Code Connect.*** A continuation of an existing codes and standards cross-cutting
14 program that fills a gap by providing technical assistance delivered by Energy Code Coaches,
15 regional forum events, and locally-focused training courses. The program has established the Tri-
16 County Region as a leader in California Energy Code and Green Building Standards compliance,
17 enforcement, and comprehension.

18 ***Building Performance Training.*** A continuation of an existing workforce education and
19 training (WE&T) market support cross cutting program that fills a gap by acting as an educational
20 and resource hub, providing the latest building science practices and energy efficiency trainings.
21 By offering WE&T programs locally, 3C-REN is making clean energy jobs and training accessible

⁵ HTR criteria were established in Resolution G-3497 and updated in D.18-05-041.

1 to disadvantaged workers and building local connections within the residential and commercial
2 design, construction, and related industries.

3 ***Energy Assurance Services.*** The new commercial and public market support cross cutting
4 program will identify energy savings opportunities and offer technical support, including audits
5 and benchmarking, to achieve comprehensive load management, energy savings and resilience
6 objectives, modeled after Santa Barbara County’s Energy Assurance Services program. The
7 program will further support public agencies and special districts to pursue energy upgrades by
8 offering educational and networking opportunities to agency staff and specialized services to
9 support planning for, funding, and contracting the work. This program will focus on HTR
10 commercial customers and smaller public sector jurisdictions. While the public sector is not part
11 of the current HTR criteria, these jurisdictions serve HTR customers. 3C-REN has included a
12 policy recommendation that the HTR definition be expanded to include public sector.

13 ***Single Family Home Energy Savings.*** An existing residential equity program focused on
14 HTR single-family households that fills a gap in energy efficiency services in the region and
15 delivers measurable energy savings. Savings will be claimed using a population Normalized
16 Metered Energy Consumption (NMEC) Measurement and Verification (M&V) platform. The
17 program implementer will deliver energy upgrades utilizing a network of energy efficiency
18 installers (aggregators) who will be paid incentives based on metered savings achieved.
19 Performance based incentives will encourage aggregators to maximize both customer savings and
20 grid benefits.

21 ***Multifamily Home Energy Savings.*** An existing residential equity program that will
22 continue to deliver energy savings to HTR multifamily properties, filling a gap in energy efficiency
23 services in the region. The program requires three or more upgrades in the project scope, a

1 percentage of which must directly benefit tenants, that achieve a minimum greenhouse gas (GHG)
2 emissions savings per apartment. The program includes no-cost site assessments, technical
3 assistance, and rebates paid directly to property owners/managers. The incentive structure also
4 includes enhanced incentives for underserved properties and adders for high performance
5 measures, such as heat pumps.

1 **CHAPTER 2. 3C-REN'S VISION FOR ENERGY EFFICIENCY IN**
2 **CALIFORNIA: 2024-2031 (A. TELLEZ AND N. BARBA)**

3 **I. PORTFOLIO STRATEGIC FRAMEWORK**

4 This section outlines the strategic framework for the 3C-REN portfolio, as guided by 3C-
5 REN's long-term vision and informed by three principles that are activated by three strategies.
6 Specific tactics and proposed programs are detailed in Exhibit 02: 2024-2027 Portfolio Plan. It is
7 anticipated that while the tactics and programs may change over the next eight years, this strategic
8 framework will provide a consistent focus, and help to hone and measure activities effectively.

9 3C-REN's vision is congruent with the State's goals and seeks to create conditions in which
10 the Tri-County Region's energy and resiliency needs are met through an increase in energy
11 efficiency and decarbonization for residential, commercial, public and agricultural customers,
12 supplemented with affordable, clean, and sustainable energy sources over time. This aligns with
13 3C-REN's Strategic Plan as an organization, as well as with the broad principles driving its
14 portfolio strategies, as shown in Table 1.

15 3C-REN will achieve its vision through: (1) connecting customers with 3C-REN programs
16 as well as CCA and other program administrators' (PAs) offerings to deliver holistic, equitable
17 outcomes; (2) provision of compelling, portfolio-wide marketing, education, and communications
18 that catalyze demand for energy efficiency services and building decarbonization; and (3) delivery
19 of comprehensive services to provide the local workforce with the knowledge and skills needed to
20 participate in the advanced energy economy.

21 The table below shows 3C-REN's Strategic Framework for its proposed portfolio for
22 program years 2024 through 2031.

1 **Table 1: 3C-REN Portfolio Strategic Framework for Business Plan 2024-2031**

PRINCIPLES		
Provide equitable opportunities for hard-to-reach, disadvantaged and underserved communities to receive the many benefits offered by more energy efficient and resilient homes and buildings.	Be a trusted local resource and communication channel for energy efficiency and decarbonization to address the climate crisis and build regional resilience.	Enhance regional economic vitality by growing the market for energy projects and developing a local workforce with the expertise and resources needed to implement those upgrades.
Alignment		
<i>3C-REN Strategic Plan Vision; Portfolio Strategies</i>		
STRATEGIES		
Connect customers with 3C-REN programs as well as CCAs’ and other PAs’ offerings to deliver holistic, equitable outcomes.	Establish compelling, portfolio-wide marketing and education that catalyzes demand for energy efficiency services and building decarbonization.	Offer comprehensive services to provide the local workforce with the knowledge and skills needed to participate in the advanced energy economy.
Alignment		
<i>Equity segment strategies; Sector strategies and tactics</i>	<i>Market Support segment strategies; Sector strategies and tactics</i>	<i>C&S segment strategies; Cross-cutting WE&T strategies and tactics; all-sector coordination</i>
DESIRED OUTCOMES		
Participation in tailored and existing local energy efficiency programs for hard-to-reach and other audiences in the Tri-County Region.	Implementation of projects that result in measurable energy savings, accelerate achievement of State and local climate goals, and result in economic development benefits.	A well-trained, supported, and sustainable local workforce with the technical skills and knowledge to offer services in compliance with building codes and State goals.
Alignment		
<i>Portfolio metrics; market support and equity segment metrics and outcomes; sector goals and objectives</i>		

2

3 In this application 3C-REN seeks to continue building and expanding upon its existing

4 programs, assets, services and systems, as well as develop new initiatives. The strategic business

5 plan details 3C-REN’s vision, goals, intervention strategies and tactics that will enable it to

6 continue to nurture robust residential, workforce, education and training, and codes and standards

7 programs and expand to serve new sectors, such as agricultural, commercial, and public, while

8 filling service gaps, particularly for hard-to-reach populations.

1 The 3C-REN strategic business plan is based on CPUC guidance documents, relevant
2 legislation, the California Long-term Energy Efficiency Strategic Plan (CAEESP), California
3 Energy Efficiency Action Plan (EE Action Plan), Integrated Energy Policy Report (IEPR),
4 Environmental and Social Justice Action Plan (ESJ Action Plan), as well as recent directives
5 contained in CPUC D.21-05-031. This strategic business plan will result in meaningful outcomes
6 that include expanded access to energy efficiency programs for HTR audiences, a well-trained and
7 sustainable local workforce, economic development, and contributions to achieving State and local
8 climate goals.

9 Through 3C-REN, the Tri-Counties are able to leverage program experience and
10 partnerships to bolster the region’s energy-related market. With a customer-centric focus and
11 building on program design elements that have proven to be successful, 3C-REN is a vital
12 organization essential to addressing the Region’s gap in delivery of energy services required to
13 meet State goals. Working in concert with other PAs, CCAs and local jurisdictions, 3C-REN will
14 continue to facilitate and navigate changing community and workforce needs and deliver a tailored
15 set of services, resulting in higher energy savings. 3C-REN looks forward to expanding services
16 to more residents, businesses, and local jurisdictions through this new strategic business plan.

17 For the new strategic business plan cycle, 3C-REN has modified its framework to reflect
18 additional approaches tailored to the region’s particular needs and characteristics. The proposed
19 portfolio utilizes best practices from existing program offerings and expands to new sectors and
20 program areas to enhance and deepen service provision in the region.

1 **II. PRINCIPLE: PROVIDE EQUITABLE OPPORTUNITIES FOR HARD-TO-**
2 **REACH, DISADVANTAGED, AND UNDERSERVED COMMUNITIES TO**
3 **RECEIVE THE MANY BENEFITS OFFERED BY MORE ENERGY EFFICIENT**
4 **AND RESILIENT HOMES AND BUSINESSES**

5 **A. 3C-REN Will Continue Its Focus on Equity**

6 In accordance with the recent CPUC direction in D.21-05-031, 3C-REN has segmented its
7 portfolio and will offer equity segment programs focusing on hard-to-reach, Environmental and
8 Social Justice (ESJ) communities, DACs, and underserved customers in residential single family,
9 multifamily, and commercial markets. This approach aligns with 3C-REN’s commitment as local
10 government representatives to increase diversity, equity, inclusion, and justice in all aspects of its
11 work, and advances 3C-REN’s mission to deliver energy efficiency services to HTR and other
12 vulnerable and under-resourced communities.

13 The proposed portfolio builds on 3C-REN’s tested approaches to serving hard-to-reach,
14 ESJ communities, DACs and underserved customers. One example of 3C-REN’s successful
15 engagement with these customer groups is its energy efficiency upgrade of local farmworker
16 housing. In October 2020, 3C-REN’s residential Home Energy Savings (HES) program joined
17 People’s Self-Help Housing (PSHH) and the Association for Energy Affordability (AEA) in a
18 large-scale collaboration that leveraged Energy Savings Assistance (ESA), Low Income
19 Weatherization Program (LIWP), and 3C-REN's Home Energy Savings program. In addition to
20 LED lighting, attic insulation, smart power strips and thermostats, HES installed 197 heat pump
21 water heaters (HPWHs), making this project responsible for the vast majority of heat pump installs
22 in the Tri-County Region to date. The conversion from gas storage water heaters to HPWHs will
23 result in significant greenhouse gas emissions reductions. To offset the increase in electricity use,
24 solar PV was also installed through the LIWP program as a means to lower utility bills for
25 residents.

1 This project is an excellent example of 3C-REN’s ability to coordinate with other programs
2 and funding sources to deliver savings from installation of high-performance measures while
3 increasing resiliency and creating improved outcomes for a vulnerable population in its region—
4 farmworkers.

5 **B. 3C-REN Will Expand Services to New Sectors and Customers to Fill Gaps in**
6 **the Energy Efficiency Market**

7 Since its first business plan, 3C-REN has prioritized stakeholder engagement as a means
8 to inform program design to serve local needs. 3C-REN staff dedicated significant time in the first
9 half of 2019 to engage local stakeholder networks to understand their priorities and challenges,
10 including Building and Safety Departments from all 28 jurisdictions across the Tri-County Region,
11 private sector building industry, California Energy Commission (CEC) staff and the three investor-
12 owned utilities (IOUs) who serve the region.

13 3C-REN gathers ongoing input from stakeholders and program participants during
14 program implementation to provide a feedback loop that supports reporting of program metrics
15 and ensures continuous improvement. 3C-REN also conducted meaningful stakeholder
16 engagement before and during the preparation of its 2024-2027 Portfolio Plan, with identified
17 needs and barriers directly informing this Application.

18 Based on learnings from its stakeholder engagement processes, 3C-REN proposes an
19 expanded portfolio that serves new commercial, public, and agricultural sectors in addition to
20 existing residential, workforce, and C&S programs. As representatives of local governments, 3C-
21 REN can help connect the dots between benefits and opportunities that are available at different
22 scales (e.g., individual buildings, neighborhoods, local government jurisdictions, and region-
23 wide). With its expanded portfolio 3C-REN will be able to encourage adoption of transformative
24 solutions for energy efficiency, resiliency, and decarbonization across the region.

1 In its new portfolio 3C-REN has focused on forward-thinking, holistic solutions to support
2 customers' needs while contributing to achieving local, regional, and state goals for energy
3 efficiency, grid reliability, decarbonization, and climate resiliency. Program offerings such as
4 single family residential NMEC, commercial NMEC, and cross-cutting commercial and public
5 facilities, will enable 3C-REN to deploy innovative approaches to animate new and established
6 market actors, program designs, and savings forecasting methods.

7 **C. 3C-REN Will Continue to Focus on Efficient and Nimble Delivery of Energy**
8 **Efficiency Offerings**

9 Since being approval as a REN, 3C-REN has focused on serving hard-to-reach sectors
10 efficiently and effectively. 3C-REN's proposed programs continue these efforts. During the
11 current program period, 3C-REN developed process documents to guide procurement of training
12 providers, event planning logistics, outreach and communications, event implementation, post-
13 event follow-up, and reporting. These documents, along with the 3C-REN business and program
14 implementation plans created structure for staff to implement programs and will be relied on as
15 part of the proposed portfolio.

16 3C-REN has demonstrated its ability to nimbly adapt to change. For example, with the
17 onset of the COVID-19 pandemic, 3C-REN in-person trainings and outreach quickly pivoted
18 online. This required closed coordination with 3C-REN instructors, particularly to transition to
19 tailored online delivery of course materials. The migration to digital presentations became
20 seamless as instructors gained comfort with the platforms. By mid-April, the Building
21 Performance Training (BPT) program was setup for online training via Zoom. Most planned
22 courses were delivered in 2020, keeping local building industry professionals in the Tri-County
23 Region engaged.

1 Similarly, 3C-REN’s Home Energy Savings (HES) residential direct install program
2 quickly pivoted to providing virtual home assessments and self-install packages to provide
3 participants with immediate energy savings, an ability to continue to engage and educate the
4 public, and raise awareness of HES program resources. The self-install packages included LED
5 lights, a smart power strip, and educational material, ultimately delivered to 178 participants.
6 Despite program delays and obstacles presented by COVID-19, the program completed 284 direct
7 install projects.

8 **III. PRINCIPLE: BE A TRUSTED LOCAL RESOURCE AND COMMUNICATION**
9 **CHANNEL FOR ENERGY EFFICIENCY AND DECARBONIZATION TO**
10 **ADDRESS THE CLIMATE CRISIS AND BUILD REGIONAL RESILIENCE**

11 3C-REN created a Market Needs Assessment report to inform workforce, education, and
12 training (WE&T) and codes and standards (C&S) program development. These two distinct
13 programs are designed for building professionals, including those engaged in private-sector
14 commercial and residential buildings, local government staff, and other building industry
15 stakeholders that influence energy efficiency measure uptake. The report captured feedback from
16 local stakeholders and aided in program development.

17 To meet Tri-County Region needs, 3C-REN will maintain and grow its C&S activities to
18 address gaps in Energy Code and CalGreen Building Standards implementation and support local
19 jurisdictions with reach code development. 3C-REN proposes to continue its existing Energy Code
20 Connect program. In 2020 alone, this program offered 16 trainings and five forums for a total of
21 21 events, with more than 500 attendees. In 2021, the number of events increased to 28 with in
22 excess of 600 participants. 3C-REN’s Energy Code Coach service launched January 2, 2020, in
23 conjunction with the 2019 Energy Code cycle.

24 3C-REN will also continue its successful Building Performance Training (BPT) WE&T
25 program, which achieved 200 percent growth between 2019 to 2021 in both the number of events

1 held (from 18 to 54) and number attendees (from more than 350 to greater than 1,100). This
2 program’s success is largely due to effective collaboration with more than 35 unique partners,
3 including contracted trainers that engage attendees with their expertise, and industry associations
4 and nonprofits that promote 3C-REN events to their networks. Partnerships with high schools and
5 community colleges have brought younger audiences into the program, which is being designed
6 to ladder students from the classroom to the professional realm.

7 In 2024 and beyond 3C-REN will strengthen existing partnerships and forge new ones.
8 Partners will include but not be limited to other PAs such as IOUs, CCAs, community-based
9 organizations, local and regional government agencies, not-for-profit entities, educational
10 providers, and advocacy organizations.

11 3C-REN’s work with the PSHH farmworker housing upgrade project illustrates the
12 importance of partnerships to uncover ways to improve program delivery and expand benefits to
13 customers. Collaborating with partners to deliver layered and packaged solutions and ensure the
14 best possible outcomes for customers are important parts of 3C-REN’s strategies for its market
15 support segment programs as well as its entire portfolio, in alignment with its strategic framework.

16 **IV. PRINCIPLE: ENHANCE REGIONAL ECONOMIC VITALITY BY GROWING**
17 **THE MARKET FOR ENERGY PROJECTS AND DEVELOPING A LOCAL**
18 **WORKFORCE WITH THE EXPERTISE AND RESOURCES TO IMPLEMENT**
19 **THOSE UPGRADES.**

20 3C-REN has identified strategies for its market support segment that correlate with
21 CAEECC Market Support Metrics Working Group guidance, focused on increasing demand for
22 energy efficiency products and services, supporting the region’s workforce on the supply side of
23 energy efficiency transactions, and building diverse partnerships. 3C-REN’s market support
24 segment offerings will continue to advance workforce education and training through the existing
25 BPT program. 3C-REN will incorporate new programs to broaden services to other customers,

1 including agriculture, and a cross-cutting offering for commercial and public facilities. In
2 particular, 3C-REN envisions developing local energy efficiency, decarbonization, and resiliency
3 education centers to support current, incoming, and transitional building professionals with
4 comprehensive technical educational offerings and regional forums.

5 In fall 2020, 3C-REN engaged local, regional, and other relevant entities that serve
6 disadvantaged contractors and workers to identify the target audience and pinpoint training needs
7 to build an inclusive workforce that will bring energy efficiency and resilience to the Tri-County
8 Region. Key stakeholders who understand the gaps between underserved and more resourced
9 workers were interviewed about the skills and knowledge needed to be competitive. Through its
10 WE&T program, 3C-REN will position the Tri-County region to achieve its energy and climate
11 goals by establishing a thriving local workforce that possesses the knowledge and skills to design,
12 build, retrofit and sell high performance buildings.

13 3C-REN will continue to assess and leverage opportunities to achieve longer term
14 Workforce Education & Training program goals related to serving English as a Second Language
15 workers, offering apprenticeship-style learning opportunities, and establishing career pathways in
16 partnership with educational institutions.

17

1 **CHAPTER 3. DESCRIPTION OF SERVICE TERRITORY (A. TELLEZ AND M.**
2 **MARCHANT)**

3 **I. SERVICE TERRITORY OVERVIEW**

4 3C-REN's territory is composed of the Counties of San Luis Obispo, Santa Barbara, and
5 Ventura and 25 incorporated cities, with more than 1.5 million residents and approximately
6 521,502 households.⁶ The region’s service area is geographically isolated and diverse, with
7 varying microclimates and pockets of urban jurisdictions surrounded by rural agricultural
8 communities and a large Spanish speaking population. The nature of these communities prompts
9 multiple challenges that require a locally-focused, on-the-ground approach to implementation of
10 energy and water efficiency activities that can best be pursued by an experienced, coordinated
11 regional PA like 3C-REN.

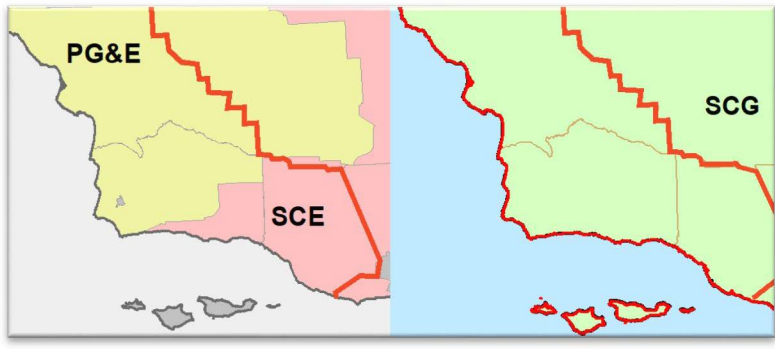
12 The Tri-County Region is unique in that it is located at the end of two electricity service
13 areas, served by three different IOUs, three different Community Choice Energy providers and is
14 far from hubs of energy-related workforce training, customer engagement and marketing activities.
15 As a result, local public agencies, businesses and residents are not always aware of available
16 energy programs and the benefits associated with making energy or water efficiency
17 improvements, or alternatively, are overwhelmed by the options. Local contracting companies are
18 typically smaller with limited resources and experience with building performance. Building
19 professionals have difficulty attending workforce trainings offered by the IOUs due to the location
20 (typically Downey, Irwindale, or Fresno) and the time and expense required to attend.

⁶ 2019 American Community Survey 1-Year Estimates. Accessed January 2022 at <https://www.census.gov/programs-surveys/acs.html>

1 The Tri-County Region is topographically diverse, with mountains, rich agricultural
2 valleys, distinct urban nodes, coastal areas and inland rural lands with vibrant communities and
3 villages. San Luis Obispo County, served by Pacific Gas and Electric (PG&E) and Southern
4 California Gas (SCG), has 50 miles of coastline and uniquely rural communities. Santa Barbara
5 County, served by PG&E, Southern California Edison (SCE) and SCG, has 110 miles of coastline,
6 approximately 39 percent of its area is located within the Los Padres National Forest and has
7 coastal and inland agricultural communities. Ventura County, served by SCE and SCG, has 42
8 miles of coastline, with 47 percent of its total area within the Los Padres National Forest and has
9 both coastal and inland agricultural communities. Each county houses the termination point of a
10 major utility service territory.

11 While the Tri-County
12 Region has three IOUs
13 serving its territory, the
14 population is undeserved by
15 IOU energy efficiency
16 programs. A combination of

Figure 6. IOU Overlapping Service Areas



17 workforce limitations, geographic isolation and low density make the area less attractive to IOUs.
18 The number of IOUs serving the area has not resulted in a higher service level, instead resulting
19 in increased confusion due to different programs, requirements and providers. The limited
20 population means that contractors must work across counties to be profitable, while multiple
21 program administrators with different requirements make it difficult to achieve efficiencies of
22 scale.

1 However, the need to serve the population is real. The Tri-County Region represents
2 roughly four percent of the State’s population and through ratepayer fees contributes to funds the
3 IOUs collect to provide energy efficiency services. Utility workforce education and training
4 programs are nearly absent, programs catering to residential and commercial sectors have low
5 uptake, and agricultural and public sector customers find it difficult to access the limited IOU
6 program options be available to them. Local government partnerships (LGPs) funding directed to
7 the Tri-County Region has declined precipitously since 3C-REN submitted its first business plan—
8 from nearly \$3 million in 2017 to roughly \$375,000 in the IOUs 2023 budget filings, a more than
9 87 percent decline in LGP energy efficiency funding previously directed to the region.⁷

10 In light of the State’s ambitious goals, as embodied in a host of legislation(e.g., Assembly
11 Bill 32/Senate Bill 32, AB 758, and SB 350), PAs must be more creative with program design,
12 customer engagement, and demonstrating the value of energy efficiency and deep energy retrofits
13 to a wider range of market sectors, including agricultural customers, business owners, commercial
14 investment property owners, single-family homeowners, renters in detached homes and
15 apartments, multifamily property owners and managers, public sector facility operators, local
16 governments, building professionals, code officials and building department staff, and the market
17 as a whole.

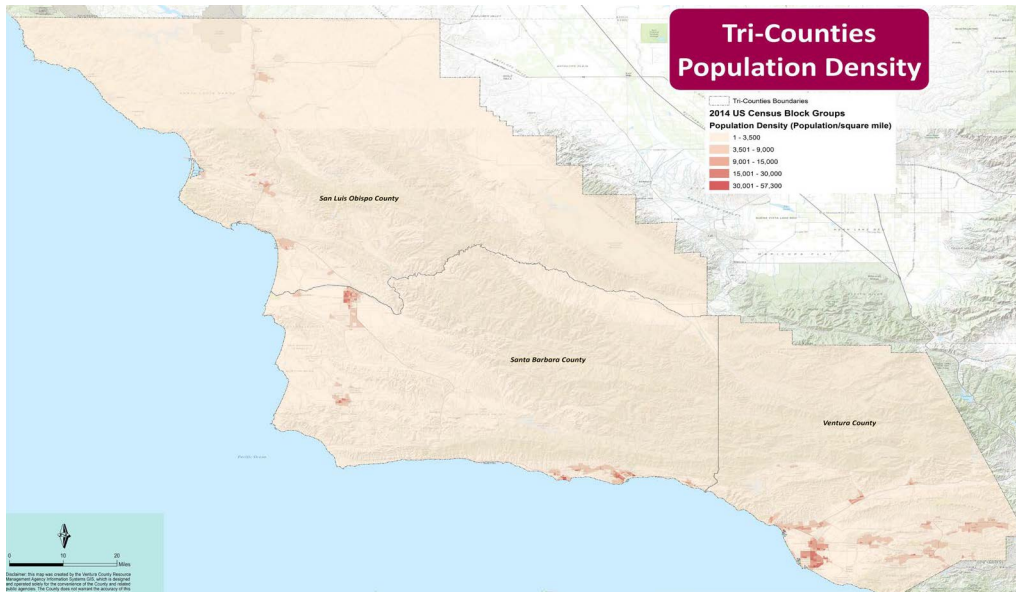
18 The Tri-County Region faces a number of barriers that are similar to the rest of the State:
19 the high cost of whole building retrofits; lack of awareness and education regarding value and
20 benefits of energy efficiency and decarbonization; mixed marketing messages from higher cost

⁷ SCE, PG&E, and SoCalGas budget filings from 2017 and 2023, accessed February 2022 at <https://cedars.sound-data.com/>

1 solutions such as window and solar providers; in addition to the unique circumstances of location,
2 socioeconomics, and a less than fully engaged workforce.

3 **II. TRI-COUNTY AREA DEFINITION AND CHARACTERISTICS**

4 As previously discussed, 3C-REN service area includes the County of San Luis Obispo,
5 County of Santa Barbara, and County of Ventura. There are ten incorporated cities in the County
6 of Ventura, 32 special districts, and a Naval Base, which is composed of three operating facilities
7 – Point Mugu, Port Hueneme, and San Nicolas Island. Major utility providers include SCE and
8 SCG, and the County uses its CCA, Clean Power Alliance, to source electricity. The County of
9 Santa Barbara has eight incorporated cities, 35 special districts, the Vandenberg Air Force Base,
10 and the University of California Santa Barbara (UCSB). Major utility providers include PG&E,
11 SCE, and SCG. The Central Coast Community Energy (CCCE) CCA serves the County, though
12 the Santa Barbara Clean Energy serves the City of Santa Barbara. There are seven incorporated
13 cities in the County of San Luis Obispo along with 36 special districts and California Polytechnic
14 State University (CalPoly). The major utility providers are PG&E and SCG; CCCE serves multiple
15 cities in the County.



1

2 **Figure 2: Tri-County Population Density**

3 Common across all three counties are pockets of urban jurisdictions surrounded by rural
 4 agricultural communities - an average of eight percent being rural in the three counties.⁸ The
 5 service area is especially hard to reach in Santa Barbara and San Luis Obispo counties, where rural
 6 communities are widely spread. The nature of these communities carries multiple challenges,
 7 including dispersed populations and a workforce with limited capacity and expertise to conduct
 8 energy efficiency upgrades. The urban areas, particularly in County of Ventura, face their own
 9 challenges, including more multifamily structures and contractors from the greater Los Angeles
 10 Region providing conflicting messaging to residents regarding programs and savings options. For
 11 example, Los Angeles Region contractors regularly advise residents on building and code
 12 measures that are not pertinent to County of Ventura or its cities.

⁸ US Census Bureau, American Community Survey, 2011-2015.

1 3C-REN's service area is
2 geographically diverse with broadly
3 varying microclimates. The Tri-County
4 Region has coastal weather typical of
5 Mediterranean climates, coastal and
6 inland mountain ranges, and inland areas
7 with desert-like climate conditions and a
8 total of five different climate zones (See
9 Figure 3). The inland areas of County of
10 San Luis Obispo are comprised of rural
11 lands, much of which is active agriculture,

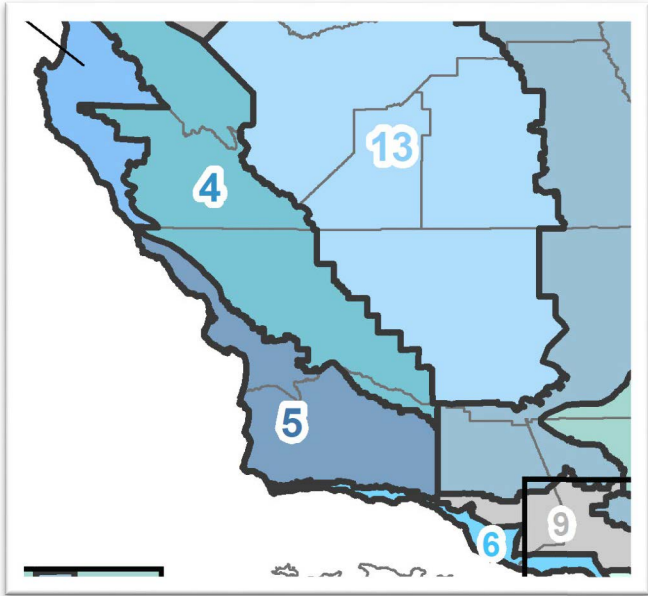


Figure 3: Tri-County Climate Zones

Source: CEC

12 including an abundance of vineyards. The majority of the population is located near the coast in
13 Climate Zone 5. All three counties are topographically diverse, with mountains, rich agricultural
14 valleys, and distinct urban areas, all within close proximity of the Pacific Ocean.

15 **A. Energy Usage and Potential Savings**

16 3C-REN has limited access to energy usage data in sufficient detail to analyze and
17 determine where there is the highest opportunity for savings. The 2021 Navigant Potential and
18 Goals study presents information based on utility rather than by REN territory or county, rendering
19 the data not particularly useful for 3C-REN's purposes. Given the multiple IOUs operating in the
20 Tri-Counties it is difficult to parse out pockets of information from the study.

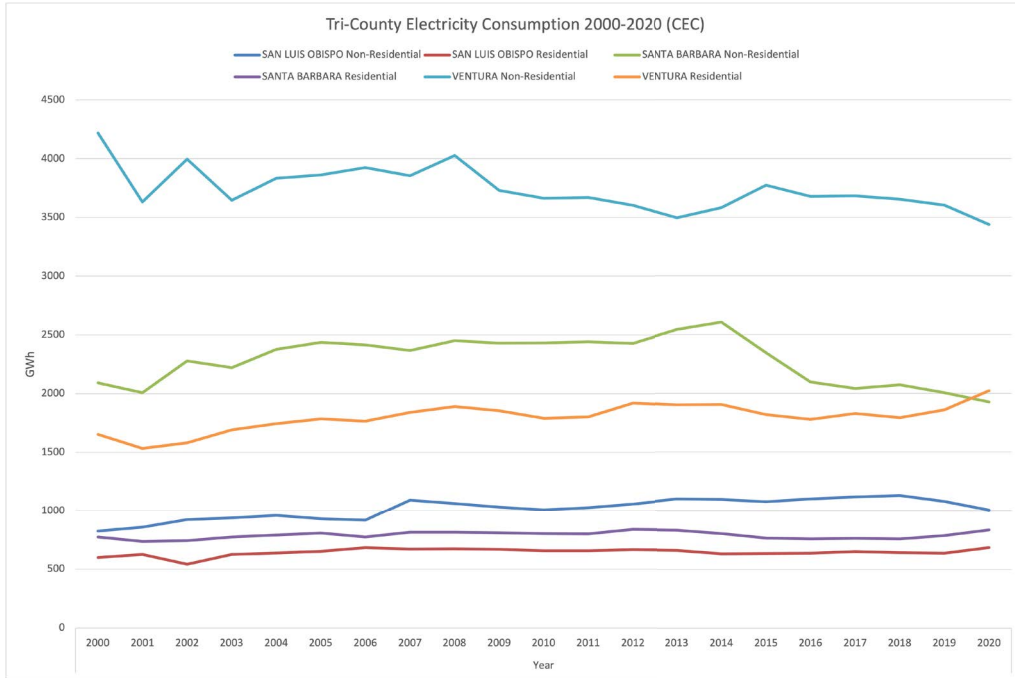
1 Data from the most recent CEC Consumption database⁹ indicates that residential electricity
2 usage in the three counties has remained relatively flat since 2000. Gas usage has vacillated
3 somewhat with a decline in 2013, a peak in 2019, followed by reductions in 2020. This indicates
4 an opportunity to work within the counties to better serve and encourage deeper savings. When
5 comparing residential electricity consumption for customers in the entire SCE and PG&E
6 territories, the Tri-Counties represent five percent of total energy usage, with four percent of
7 California’s total population.¹⁰

8 Ultimately, 3C-REN will require access to more comprehensive and detailed energy usage
9 data to appropriately target potential customers and estimate savings. 3C-REN will work with the
10 CPUC and IOUs towards an agreeable solution to enable data access.

11

⁹ CEC, California Energy Consumption Database, accessed January 27, 2022 at <http://www.ecdms.energy.ca.gov/>

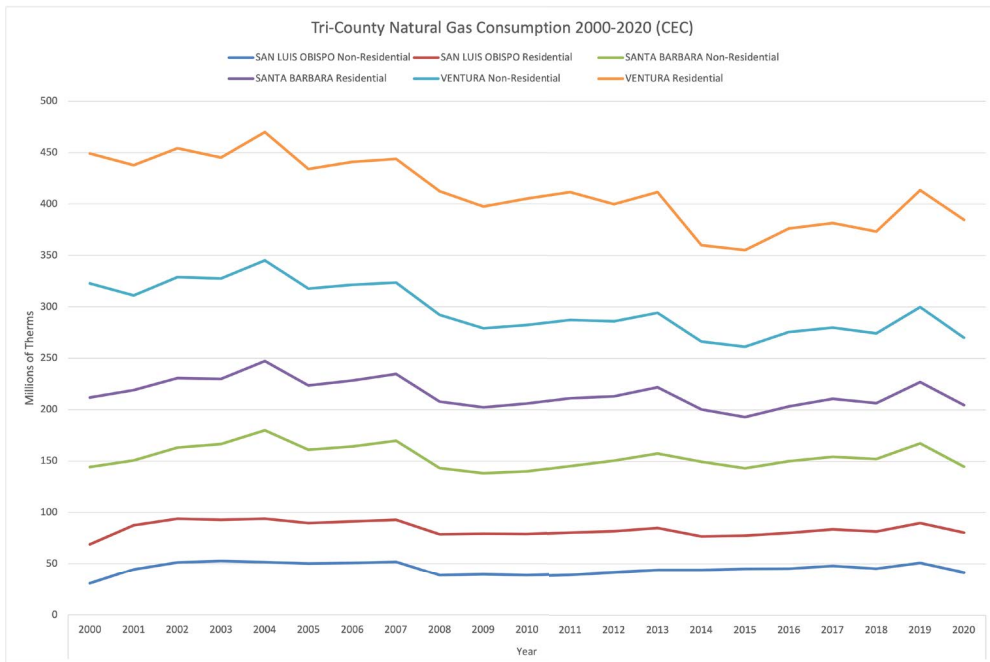
¹⁰ Ibid.



1

2 **Figure 44: Tri-County Electricity Consumption, 2000-2020**

3 *Source: CEC*



4

5 **Figure 55: Tri-County Natural Gas Consumption, 2000-2020**

6 *Source: CEC*

1 **III. ENERGY EFFICIENCY CHALLENGES AND OPPORTUNITIES**

2 **A. Geographic Relative Isolation**

3 As indicated previously, geography is a major consideration for 3C-REN. While it is a
4 barrier that needs to be directly and consistently addressed, it is also an opportunity to provide
5 services to a relatively untapped region and deploy programs that build a robust energy market.
6 The Tri-County Region’s isolation from major metropolitan areas, its large areas of rural and
7 agricultural lands, limited options for access, and smaller population and workforce are issues that
8 make it a less desirable place for IOU investment in part due to the more modest possibilities for
9 savings relative to the challenge of obtaining them. 3C-REN has strengthened the network of
10 professionals through its C&S and WE&T programs, nurturing a more dynamic and higher-
11 capacity market. Moving forward, 3C-REN will expand this network and create more service
12 options, as demonstrated in the new offerings proposed in this application.

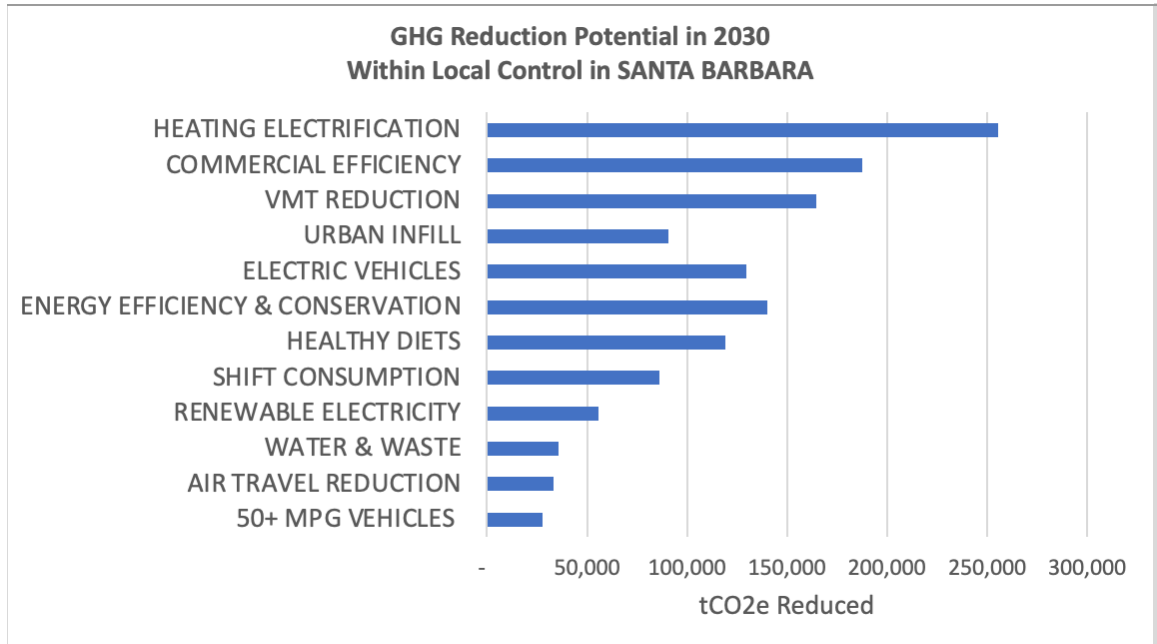
13 **B. Local Impacts of Climate Change**

14 The Tri-County Region has been hit hard by climate-related disasters, including the
15 Thomas Fire and 1/9 Debris Flow event which resulted in the loss of life and extensive property
16 damage.

17 The Tri-Counties face a range of climate related challenges including: sea level rise
18 threatening the region’s extensive coastal areas; water scarcity risks to the population as a whole
19 and agricultural lands; extreme and longer-lasting heat besetting farms and inhabitants; wildfire as
20 a threat to the population and agriculture, along with poor or dangerous air quality from smoke;
21 and the associated need for improved resiliency by employing renewables and energy storage
22 solutions.

23 From a climate change mitigation perspective there are limited opportunities for alternative
24 transportation to reduce GHG emissions; an inefficient building stock that needs to be upgraded

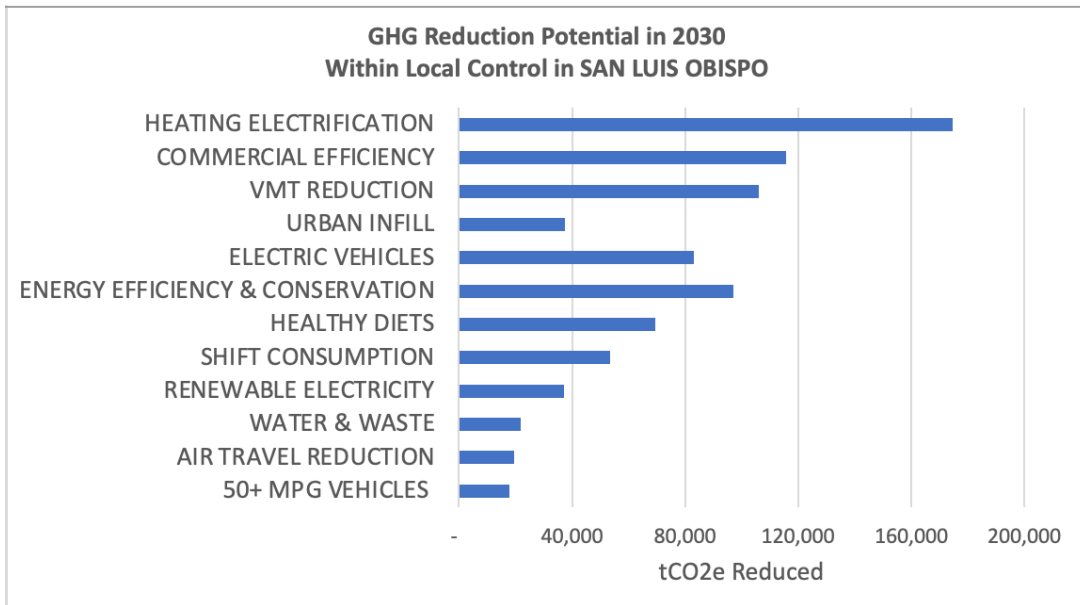
1 to reduce energy use and increase water conservation; and an agricultural industry that has not had
2 the assistance or resources to embrace climate-friendly practices related to water and energy
3 efficiency. As illustrated by the three charts below, electrification and energy efficiency
4 (commercial and residential) are the two largest areas over which local governments have control
5 and where they can address emissions reduction – in line with the programs proposed in this plan.



6

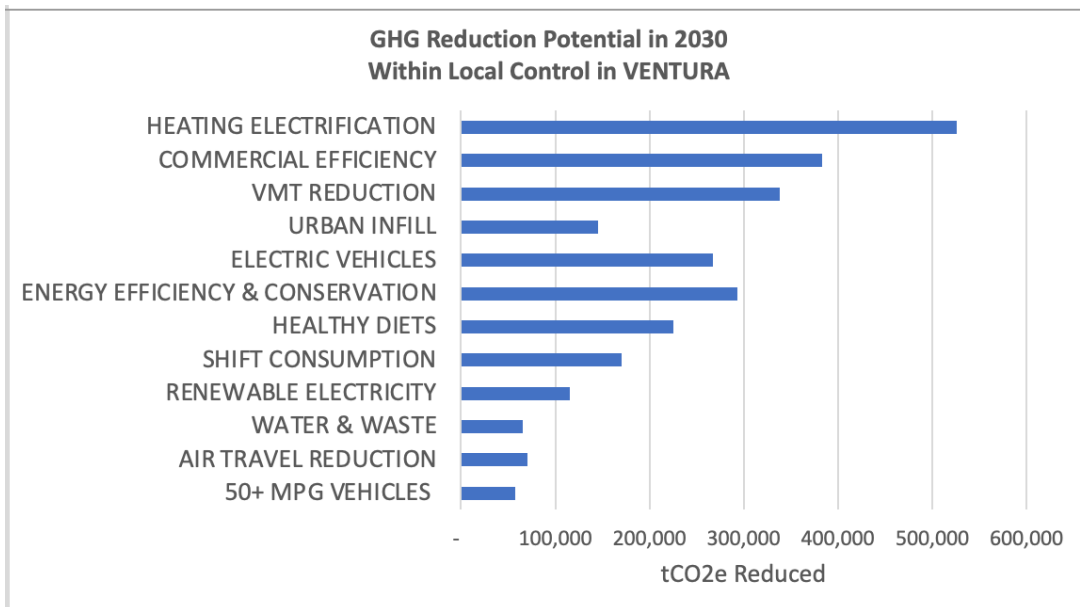
7 **Figure 66: Santa Barbara GHG Reduction Potential in 2030**

8



1

2 **Figure 77: San Luis Obispo GHG Reduction Potential in 2030**



3

4 **Figure 88: Ventura GHG Reduction Potential in 2030**

5 *Source: Jones, C., Wheeler, S., & Kammen, D. (2018). Carbon Footprint Planning: Quantifying*
 6 *Local and State Mitigation Opportunities for 700 California Cities. Urban Planning, 3(2), 35-51.*
 7 *doi:http://dx.doi.org/10.17645/up.v3i2.1218*

1 **C. Climate and Energy Resilience**

2 The Tri-County region will have to contend with increasing impacts of climate change, as
3 discussed above, and will need to ensure that its energy systems can function in changing
4 temperatures and extreme weather. While much of the Tri-County region experiences temperate
5 weather, the number of days above 90 degrees per year could jump from three to 20 by 2050 and
6 range from 41 to 89 by the end of the century (CalAdapt), triggering demand for air conditioning
7 systems in a region where buildings do not usually have such equipment. While cooling homes
8 will increase energy load, using highly efficient electric heat pumps for cooling, as opposed to
9 traditional air conditioning, will result in energy and potentially cost savings if applied properly.
10 To address these evolving needs will in turn require trained local building professionals, who are
11 familiar with state-of-the-art technologies and practices.

12 **D. Electrification and Decarbonization**

13 The California Air Resources Board (CARB) indicates that the residential and commercial
14 building sectors are responsible for approximately 25 percent of statewide emissions, including
15 fossil fuel consumption and demand, and refrigerants.¹¹ As the State moves towards a 100 percent
16 renewable energy system and carbon neutrality by 2045, all-electric buildings with zero carbon
17 emissions will be a key part of this transition. While constructing new all-electric buildings results
18 in savings compared to new mixed-fuel buildings, retrofitting and electrifying the existing building
19 stock is an extremely costly process. In multifamily and commercial buildings, “split incentives”,
20 in which property owners own heating and cooling systems but do not pay for energy costs, is an

¹¹ CARB, Building Decarbonization, accessed January 27, 2022 at <https://ww2.arb.ca.gov/our-work/programs/building-decarbonization>

1 additional hurdle. 3C-REN will closely consider these challenges in designing and implementing
2 its programs.

3 **IV. KEY CUSTOMER SEGMENTS**

4 **A. Agriculture**

5 The value of agricultural crops in the Tri-County Region is in the multi billions of dollars
6 with a substantial percentage of land, particularly in San Luis Obispo and Santa Barbara, devoted
7 to farming., Nearly two million acres are dedicated to agriculture with 6,000 farms across the
8 region, 65 percent of which are 49 acres or less in size, 90 percent family operated, with 15 percent
9 of the land irrigated.¹² Smaller farms are typically less resourced and need greater assistance to
10 transition to new technologies and navigate programs.

11 Further, the Central Coast as a whole is a major cannabis growing area with more than
12 1,000 cannabis growing licenses (including Monterey and Santa Cruz).¹³ This combination of
13 factors provides an opportunity for 3C-REN to offer technical assistance and resources to
14 underserved growers, address the water-energy nexus, and help manage energy use at expanding
15 cannabis operations.

16 **B. Tri-County Population Characterization**

17 Two key characteristics of 3C-REN’s population are that it is considered “hard-to-count”
18 and is rural.

¹² USDA National Agricultural Statistics Service, County Profiles, 2017.

¹³ Golden State, Why Cannabis Production in Central California is Primed for a Windfall, May 11, 2018. Accessed at <https://goldenstate.is/why-cannabis-production-in-central-california-is-primed-for-a-windfall>

1 **1. Hard to Count**

2 In the 2020 Census, populations that are “hard-to-count (HTC)” were characterized and
 3 quantified to help understand the socioeconomic factors that may make it difficult to produce
 4 accurate counts. These data can help 3C-REN identify key factors that indicate the number of
 5 people who are hard to serve and have equity needs.

6 Several items are notable: 68 percent of the population are impacted by one or more of the
 7 factors associated with HTC; 56 percent of the population rent rather than own their home; 31
 8 percent do not have access to internet; 26 percent have income below 150% of the federal poverty
 9 level; and more than 20 percent of those 25 or older have not graduated from high school.

10 Below is a highlight of key population data that describes the Tri-County area.

11 **Table 2: 2020 Census Hard-to-Count Populations in the Tri-County Region**

Factor	Santa Barbara County		San Luis Obispo County		Ventura County		Total	Percentage
Total Population	444,829		282,165		847,263		1,129,428	
Population in above median HTC tracts	224,736	51%	128,533	46%	415,861	49%	769,130	68%
Renter Occupied	213,073	47.9%	108,351	38.4%	311,793	36.8%	633,217	56%
Overcrowded	16,904	3.8%	3,104	1.1%	16,945	2.0%	36,953	3%
Without Internet	108,983	24.5%	76,467	27.1%	170,300	20.1%	355,750	31%
With limited English speaking ability	36,031	8.1%	7,336	2.6%	51,683	6.1%	95,050	8%
Receiving public assistance	9,341	2.1%	5,079	1.8%	15,251	1.8%	29,671	3%
With income below 150% poverty level	101,421	22.8%	52,483	18.6%	140,646	16.6%	294,549	26%
Over 16 and unemployed	25,800	5.8%	11,287	4.0%	43,210	5.1%	80,297	7%
Non-high school graduates	84,962	19.1%	24,548	8.7%	127,089	15.0%	236,600	21%

12 Source: US 2020 Census Hard-to-Count Index by Census Tract.

1 **2. Rural**

2 Approximately 90,000 people live in rural areas in the Tri-Counties as of 2010.¹⁴ Twenty
3 eight percent are native Spanish language speakers a hard-to-reach demographic as well as one
4 that is typically underserved. Rural populations tend to have a higher percentage of English as a
5 second language, are in lower income brackets and live inland with hotter summers and colder
6 winters.

7 Within those populations, 3C-REN programs will focus on agricultural businesses, small
8 to medium enterprises, single- and multifamily homeowners and renters, large multifamily
9 property owners, and commercial and public facilities. 3C-REN programs will also support
10 workforce education and training and codes and standards for rural and HTR communities.

11 **C. Moderate Income Residents**

12 SB 350 and the CEC Low-Income Market Barriers to Energy Efficiency study¹⁵ highlight
13 the need to better address access to and availability of energy efficiency for low- and moderate-
14 income communities – a central audience for equity programs. While low-income energy
15 efficiency needs are fairly well described, studied and funded through the Energy Savings
16 Assistance (ESA) program, moderate income residents’ needs are often overlooked or included as
17 part of low-income or mainstream efforts. This is partially because this population is so difficult
18 to segment efficiently. Moderate income households have much more varied demographic
19 characteristics and may include homeowners, renters, Spanish speaking, rural and urban residents.

¹⁴ US Census, America Community Survey 2011-2015.

¹⁵ Scavo, Korosec, Guerrero, et al, 2016. “Low-Income Barriers Study, Part A: Overcoming Barriers to Energy Efficiency and Renewables for Low-income customers and Small Business Contracting Opportunities in Disadvantaged Communities.” CEC. Publication Number: CEC-300-2016-009-SD2.

1 As indicated by the HTC data, there is a large percentage of people living in the Tri-County area
2 that are difficult to reach and require extraordinary efforts to engage.

3 **D. Challenges of Small Business and Residential Energy Efficiency Delivery**

4 The residential and small commercial sectors, which are responsible for occupying a
5 majority of the building stock, present similar challenges. Both are served by smaller contractors
6 who may not follow permitting requirements and employment regulations due to capacity issues;
7 both require substantial engagement and effort to explain, support, and ensure that customers
8 understand the benefits of energy efficiency upgrades; and individual project savings may be
9 limited. In addition, a large number of buildings are not owner occupied, creating a “split
10 incentive” barrier to larger scale improvements.

11 Establishing clear and measurable value for energy efficiency work in the commercial,
12 (particular for small and HTR businesses) and residential sectors is essential to achieve the state’s
13 goal of doubling energy efficiency in existing buildings by 2030, as outlined in SB 350. For both
14 electricity and natural gas efficiency most savings are expected to come from the residential and
15 commercial sectors.¹⁶ Even so, the State is expected to fall short of its 2030 goal by approximately
16 44 percent, according to the 2019 California Energy Efficiency Action Plan.

17 Working with these smaller accounts at scale is difficult and lends itself to a REN’s unique
18 ability to engage and activate community partners. With its existing single family and multifamily
19 residential programs and its newly proposed commercial NMEC program, 3C-REN will be

¹⁶ Kenney, Michael, Heather Bird, and Heriberto Rosales. 2019. 2019 California Energy Efficiency Action Plan. California Energy Commission. Publication Number: CEC-400-2019-010-SF. Page 66-67

1 positioned to contribute meaningful savings toward the States goals while prioritizing equity-
2 focused strategies and outcomes in these difficult-to-serve sectors.

3 **V. LOCAL WORKFORCE OPPORTUNITIES**

4 **A. High Performance Buildings and Skills Gap in Workforce**

5 As the State decarbonizes, zero net energy (ZNE) residential codes and growing stocks of
6 high performing buildings will exacerbate gaps in workforce skills.¹⁷ Increasingly complex
7 building design, construction, and operation will need to be matched with technical training and
8 engagement geared towards a wide spectrum of building professionals to make sure that advanced
9 measures, technologies and approaches are installed correctly and achieve anticipated savings.
10 Improved “soft skills” to communicate effectively to job crews, customers and building
11 departments will be needed. Generous incentives from RENs, IOUs and programs like TECH for
12 new heat pump technologies will provide little value or impact if there is not a properly trained
13 workforce that can deliver quality projects. To feed the future the gap in apprenticeship-style
14 learning opportunities needs to be addressed, with clear career pathways to “High Roads” energy
15 efficiency.¹⁸

¹⁷ National Governor’s Association, “America Works: Education & Training for Tomorrow’s Jobs,” NGA Chairs Initiative, 2013-2014.

¹⁸ California Workforce Development Board, “Putting California on the High Road: A Jobs and Climate Action Plan for 2030,” June 2020. Accessed at <https://laborcenter.berkeley.edu/wp-content/uploads/2020/09/Putting-California-on-the-High-Road.pdf>

1 Given its roles and responsibilities in the communities being served, 3C-REN can make
2 connections between opportunities available at different scales (e.g., individual buildings and
3 neighborhoods). With its expanded portfolio serving stakeholders in residential, commercial, and
4 public sector markets, 3C-REN will be able to realize transformative solutions for energy
5 efficiency, resiliency, and decarbonization across the Tri-County Region.

6 **III. NEW STRATEGIES FOR SPURRING INNOVATION**

7 For its 2024-2027 portfolio, 3C-REN proposes two primary strategies for spurring
8 innovation: an access program that offers a non-prescriptive, pay-for-performance model to enable
9 new actors to enter the energy efficiency market with minimal friction, leading to increased
10 innovation and competition and high value projects for end customers; and a load management
11 program that holistically evaluates a facility’s energy efficiency and related needs to create layered
12 solutions to improve resiliency, with a special focus on critical facilities and community-serving
13 buildings.

14 By positioning buildings to support the grid with dynamic load reduction, these innovative
15 program models can unlock other opportunities, such as local energy storage options that can make
16 buildings more energy resilient and the integration of controls to optimize energy use.

17 **IV. LOW GLOBAL WARMING POTENTIAL (LOW-GWP) REFRIGERANT**
18 **STRATEGY**

19 The technological and regulatory landscape related to low global warming potential (low-
20 GWP) refrigerants is evolving. 3C-REN is well-positioned to implement programmatic and
21 educational strategies that support a better understanding of the safety, technology challenges and
22 opportunities related to alternative low GWP refrigerants. In this realm 3C-REN activities could
23 include training installers on safe work practices, educating home and property owners about

1 refrigerant options, and incentivizing specific equipment that utilizes low GWP refrigerants once
2 the technology is proven safe and effective.

3 3C-REN will monitor the evolution of regulatory, safety, and efficiency standards for low-
4 GWP refrigerants and incorporate the latest guidance into its cross-cutting workforce education
5 and training and codes and standards programs.

6 **V. PORTFOLIO MANAGEMENT STRATEGIES**

7 **A. Segmentation Strategy**

8 Segmentation of 3C-REN's portfolio was informed by Tri-County's needs in alignment
9 with broader portfolio objectives and CPUC guidance. D.21-05-031 directed program
10 administrators to segment their portfolios into three segments defined as follows:

11 **Resource Acquisition:** Programs with a primary purpose of, and a short-term
12 ability to, deliver cost-effective avoided cost benefits to the electricity and natural
13 gas systems. Short-term is defined as during the approved budget period for the
14 portfolio, which will be discussed further later in this decision. This segment should
15 make up the bulk of savings to achieve TSB goals.

16 **Market Support:** Programs with a primary objective of supporting the long-term
17 success of the energy efficiency market by educating customers, training
18 contractors, building partnerships, or moving beneficial technologies towards
19 greater cost-effectiveness.

20 **Equity:** Programs with a primary purpose of providing energy efficiency to hard-
21 to-reach or underserved customers and disadvantaged communities in advancement
22 of the Commission's Environmental and Social Justice (ESJ) Action Plan;
23 Improving access to energy efficiency for ESJ communities, as defined in the ESJ
24 Action Plan, may provide corollary benefits such as increased comfort and safety,
25 improved indoor air quality, and more affordable utility bills, consistent with Goals
26 1, 2, and 5 in the ESJ Action Plan.¹³

27 D.21-05-031 further noted that codes and standards (C&S) programs are distinct from these
28 categories.

29 Importantly, as noted by the Commission,

30 [t]he budget amount devoted to the market support and equity programs will be
31 limited to 30% of the total budgets, except in the case of the regional energy

1 network program administrators, who will not be subject to these limits because of
2 the different nature of their portfolios.¹⁴

3 Specifically,

4 [t]he RENs are exempted from this requirement because of the nature of their
5 portfolios, which is already different from the other program administrators. RENs,
6 by their nature and primary purposes, are more likely to have a greater share of their
7 portfolio devoted to market support and/or equity programs. Therefore, those
8 portions of their budgets will not be subjected to an up-front limitation.¹⁵

9 3C-REN's program segmentation is shown in Table 3.

10 **Table 3: 3C-REN Program Segmentation**

Sector	Program Name	New or Existing	Program ID	Segment
Agriculture	Agriculture Technical Assistance	New	TCR-Ag-001	Market Support
Commercial	Commercial Marketplace	New	TCR-Com-001	Equity
Cross-Cutting	Energy Code Connect	Existing	TCR-CS-001	Codes & Standards
Cross-Cutting	Energy Assurance Services	New	TCR-CC-001	Market Support
Cross-Cutting	Building Performance Training	Existing	TCR-WET-001	Market Support
Residential	Single Family Home Energy Savings	Existing	TCR-Res-003	Equity
Residential	Multifamily Home Energy Savings	Existing	TCR-Res-002	Equity

11
12 **B. Sector Strategy**

13 For program years 2024 and beyond, 3C-REN proposes to continue to serve its existing
14 residential and cross-cutting sectors, offer services to new sectors, including agriculture and
15 commercial, and expand in the cross-cutting sector with a new program for commercial and public
16 facilities. These approaches are well-suited to 3C-REN's strengths, and directly informed by
17 stakeholder input that indicated significant needs in these areas.

18 This expanded portfolio will enable 3C-REN to build on its extensive network of
19 relationships to provide more comprehensive services to customers across sectors and

1 jurisdictions. Strategies proposed for each sector are presented below. For sector goals, objectives,
2 and detailed discussion of strategies and tactics for program offerings, please see Exhibit 02.

3 **1. Agricultural**

4 Under the Agriculture Technical Assistance program 3C-REN will offer regionally-
5 focused, personalized and customizable assistance and assessments to agricultural customers.

6 **2. Commercial**

7 3C-REN proposes the following strategies under the proposed new Commercial
8 Marketplace program.

- 9 • Leverage partnerships with local Green Business Programs (GBPs) to establish
10 referral mechanisms and increase GBP energy service offerings.
- 11 • Prompt commercial customers to participate in suitable 3C-REN offerings by
12 collaborating with GBPs and other organizations that serve businesses/commercial
13 properties, leveraging relationships with contractors through the BPT program, and
14 leveraging 3C-REN’s cross-cutting Energy Assurance Services program.
- 15 • Offer incentive payments for energy improvements through population NMEC
16 program targeting HTR business customers.

17 **3. Cross-Cutting**

18 3C-REN’s cross-cutting sector includes three distinct sub-sectors and their respective
19 program offerings, as described below and in the sections that follow:

20 **Table 4: 3C-REN Cross-cutting Subsectors and Programs**

Subsector	Program
Codes & Standards (C&S)	Energy Code Connect (ECC)
Workforce Education & Training (WE&T)	Building Performance Training (BPT)
Commercial & Public Facilities	Energy Assurance Services (EAS)

1
2
3
4
5
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a. Cross-Cutting Codes & Standards

3C-REN proposes the following strategies be implemented through 3C-REN’s existing Energy Code Connect program.

- Provide flexible and nimble support to building departments and the private sector to advance codes and standards comprehension.
- Provide technical assistance to support codes and standards compliance and enforcement.
- Provide technical assistance to jurisdictional staff to develop and adopt reach codes and future standards updates.

b. Cross-Cutting Workforce Education & Training

3C-REN proposes the following strategies for its cross-cutting workforce education and training sub-sector, to be implemented through the existing Building Performance Training program.

- Develop a robust and comprehensive worker-driven approach to engaging entry-level to high-performing building professionals, with a focus on those serving hard-to-reach and disadvantaged communities.
- Facilitate and deliver education and training designed specifically for tri-county building professionals and the regional construction market.
- Expand partnerships with local and community organizations to ensure trainings and resources are accessible.

1 **c. Cross-Cutting Commercial & Public Facilities**

2 3C-REN proposes the following cross-cutting commercial and public facilities sub-sector
3 strategies to be implemented through a new Energy Assurance Services program.

- 4 • Provide comprehensive technical assistance for commercial and public sector
5 energy efficiency and resiliency projects.
- 6 • Build on position as a trusted resource to create awareness, leverage existing
7 partnerships with local jurisdictions and businesses, and encourage energy
8 leadership for commercial and public sector customers.

9
10 **4. Residential**

11 3C-REN proposes the following strategies for the residential sector, to be implemented
12 through the Single Family and Multifamily Home Energy Savings programs.

- 13 • Increase energy efficiency (EE) opportunities for HTR residential customers
14 through regionally focused and designed programs that incentivize the achievement
15 of energy savings.
- 16 • Offer enhanced incentives for projects that implement high-performance measures.
- 17 • Educate residents about the value of energy efficiency and high-performance
18 measures.
- 19 • Increase local workforce opportunities by creating regional demand for EE
20 upgrades and retrofits.
- 21 • Connect residents with well-trained local contractors for energy efficiency and
22 high-performance projects.

1 **C. Strategy Driving Distribution of Budget Among Sectors and Segments**

2 3C-REN’s strategies driving its preliminary distribution of budget among market sectors
3 are informed by the needs of the tri-county region and are aligned with its broader portfolio
4 objectives as well as CPUC guidance. 3C-REN’s Strategic Business Plan and 2024-2027 Portfolio
5 Plan are guided by a strategic framework for the Tri-Counties’ portfolio with three overarching
6 principles, strategies, and desired outcomes.

7 Budget distribution among sectors is principally based on forecasted demand for existing
8 programs considering previous years actual participation and spend, anticipated program delivery
9 pulses and associated uptake by participants. For new proposed programs budget forecasting was
10 based on stakeholder feedback on the need for those programs, as reconciled with available
11 information on the capacity of relevant suppliers to provide the services to available recipients
12 within the time frame and location of the program needs. Forecast of incentive budgets for existing
13 programs were completed in coordination with competitively solicited implementers. Forecast of
14 incentive and program budgets for new proposed was informed by a review of similar operated
15 programs through a benchmarking analysis of data available through CEDARS¹⁹ for programs
16 serving similar target customers.

17 **D. Outsourcing**

18 3C-REN does not offer third-party programs according to the CPUC definition. However,
19 3C-REN may engage consultants to support program development and implementation, with
20 solicitations issued as needed. Additional information on 3C-REN’s solicitation strategy, approach

¹⁹ <https://cedars.sound-data.com/programs/list/>. The California Energy Data and Reporting System (CEDARS) is the CPUC’s data platform of energy efficiency program data reported to the Commission by program administrators.

1 to risk management, incorporation of input on solicitation practices, supplier diversity, and
2 stakeholder engagement on the solicitation process is provided in Exhibit 02.

3 **E. Portfolio Coordination**

4 In developing the suite of programs proposed in this application, 3C-REN has extensively
5 coordinated with its IOU and CCA peers, in particular to avoid programmatic overlap. As set forth
6 in D.18-05-041, “RENs’ activities may only overlap with utility PAs’ activities when those
7 activities are targeted at hard-to-reach customers.”²⁸

8 The Decision continues:

9 To the extent that REN activities may overlap with utility programs, it is reasonable
10 with respect to prudent investment of limited ratepayer funds to limit such overlap
11 to programs that target customers with the least likelihood of program information
12 and access.²⁹

13 In particular, the Commission requires each PA to develop a joint cooperation memo:

14 Specifically, we will require the PAs (RENs, IOUs and CCA) to develop a joint
15 cooperation memo to demonstrate how they will avoid or minimize duplication for
16 programs that address a common sector (e.g., residential or commercial) but pursue
17 different activities, pilots that are intended to test new or different delivery models
18 for scalability, and/or programs that otherwise exhibit a high likelihood of overlap
19 or duplication and are not targeted at hard-to-reach customers. For such programs,
20 each PA must explicitly identify and discuss how its activities are complementary
21 and not duplicative of other PAs’ planned activities.³⁰

22 D.18-05-041 required joint cooperation memos (JCM) between IOUs and RENs to
23 include:

24 RENs must include a summary of the programs they intend to run; if **the IOU(s)**
25 **who shares territory with a REN offers a similar program**, the IOU(s) must also
26 provide the same summary of their program. The summary for each PA’s program
27 must include eligible measures, budgets, and target audiences. The RENs and IOUs
28 must describe how they will offer their corresponding portfolios and avoid
29 duplication.

30 RENs must also include a discussion section for each program, summarizing how
31 the program meets at least one of the criteria outlined in D.12-11-015, i.e., aimed
32 at hard-to-reach customers (which can overlap with an IOU offering); programs

1 that IOUs do not offer; and pilots not offered by IOUs but with the possibility of
2 scaling.³¹

3 In this context, 3C-REN has established approaches to coordinate with other program
4 administrators, as outlined in its joint cooperation memorandum. Following approval of 3C-REN's
5 first business plan, it submitted its first JCM on August 1, 2018 for the 2019 program year with
6 SoCalGas, PG&E, and SCE—the utilities with which 3C-REN shares territory. Each year since
7 2018, 3C-REN has engaged in a collaborative process with those three IOUs to compile and review
8 JCM language, conducting meetings and working sessions to identify potential areas of overlap
9 and establish coordination protocols. In alignment with D.18-05-041, 3C-REN's JCM includes a
10 summary of programs and eligible measures, budgets, and target offerings, as well as a discussion
11 of how 3C-REN's program offerings meet D.12-11-015 criteria.

12 The JCM also addresses how 3C-REN and the IOUs will coordinate to reduce market
13 confusion and avoid duplication. As described in its most recent JCM for program year 2022, the
14 IOUs and 3C-REN work to create transparency through regular communication, efficiency
15 through a collaborative approach to shared resources, and mutual support to encourage successful
16 programs across the service area. Coordination practices and processes established between 3C-
17 REN and the IOUs include and are not necessarily limited to the following examples:²⁰

- 18 • Communication via email or through regular meetings, with a clear chain of
19 communication and identified contacts for each program.
- 20 • Development of a protocol to verify customer eligibility to prevent “double
21 dipping.”

²⁰ 3C-REN, SoCalGas, SCE, and PG&E 2022 Joint Cooperation Memorandum

- 1 • Shared information about scheduled trainings; 3C-REN leverages existing IOU
2 curriculum and training wherever feasible, through communication and regular
3 coordination with IOU partners.
- 4 • Development of a protocol for customer handoff in cases where there is a referral
5 opportunity for another PA’s resources. This protocol minimizes the number of
6 customer touchpoints to ensure that they experience a seamless service offering
7 between 3C-REN and the IOUs.

8 The JCM also addresses coordination with statewide programs, with similar protocols and
9 practices where appropriate.

10 3C-REN held coordinating and strategy meetings with IOU’s PG&E, SCE and SCG and
11 with REN’s regarding 2024 portfolios to identify potential areas for coordination and ideal delivery
12 of complementary programs. 3C-REN participates in Energy Division-led Peer Coordination
13 Groups (PCGs) which enable collaborative discussions across PAs throughout the state. 3C-REN
14 is meeting with other PAs and CCAs to socialize new program concepts and will continue this
15 coordination once new programs are approved and throughout each program’s life.

16 In alignment with recommendations from the Market Support Metrics Working Group
17 (MSMWG) Final Report 3C-REN will continue to engage in “ongoing and significant
18 collaboration” with other demand-side program administrators and stakeholders, including
19 coordinating plans with building decarbonization programs and market transformation initiatives.
20 3C-REN has established an efficient and effective working relationship with the IOUs in its
21 territory over the past four years. It will build on established coordination practices in the years to
22 come, expanding to include new programs and sectors for the 2024-2027 portfolio.

23

1 **F. Evaluation, Measurement and Verification (EM&V)**

2 For program years 2024 and beyond, 3C-REN will continue to work with the CPUC to
3 give input on CPUC EM&V Roadmap development and will participate in CPUC EM&V studies
4 and working groups. 3C-REN will supplement this work through its own EM&V budget to conduct
5 evaluation studies and activities, as aligned with other CPUC and IOU activities to ensure the
6 greatest benefits are achieved from any new studies.

7 3C-REN-led EM&V efforts will further characterize the Tri-County Region’s
8 small/medium-sized business market, to support customer segmentation of this hard-to-reach
9 market. To optimize program outcomes, 3C-REN also proposes to study participation rates among
10 public sector customers in the region and examine equity challenges and barriers faced by smaller
11 producers and socially disadvantaged agricultural customers.

12 **VI. ALIGNMENT WITH LEGISLATIVE AND CPUC REQUIREMENTS AND**
13 **RELEVANT ACTION PLANS**

14 **A. Alignment with REN Criteria**

15 This strategic business plan has been carefully crafted in a accordance with CPUC
16 guidance, including as embodied in D.21-05-031. 3C-REN has examined CPUC directives and is
17 confident that it fully meets regulatory requirements to effectively supplement IOU programs, with
18 a plan that identifies and responds to existing gaps and focuses on the hard-to-reach. Regional
19 Energy Networks (RENs) serve as program administrators of energy efficiency programs. RENs
20 do not implement IOU programs; instead, RENs develop and offer their own energy efficiency
21 programs.

22 RENs began as a regional pilot concept in D. 12-05-015, which invited local governments
23 to submit Program Implementation Plans (PIPs) for the 2013-2014 program years.² In D.12-11-
24 015, the Commission approved the first two RENs for the 2013-2014 program years: BayREN and

1 Southern California Regional Energy Network (SoCalREN).³ This Decision made clear that RENs
2 are program administrators, not third-party programs or local government partnerships of IOUs.⁴
3 D.12-11-015 authorized development of RENs as a pilot program administrator model to fill
4 market gaps, with the following responsibilities:

- 5 • Leverage and package State and Federal resources so that energy efficiency
6 programs are offered at lower costs to ratepayers,
- 7 • Address the water/energy nexus,
- 8 • Develop and deploy new technologies,
- 9 • Address workforce training issues, and
- 10 • Address hard-to-reach customer segments, such as low-to moderate-residential
11 households and small- to medium-sized businesses.²¹

12 D.14-10-046 continued funding BayREN and SoCalREN as pilots for program year 2015.⁵
13 When the Commission provided guidance for initial energy efficiency rolling portfolio business
14 filings in D.16-08-019 it maintained the status of RENs as pilots.⁶ D.18-05-041 continued the
15 approach of allowing RENs to be program administrators and adopted business plans for years
16 2018-2025 for three RENs: BayREN, SoCalREN, and 3C-REN.⁷

17 In D.19-12-021, the Commission provided additional guidance regarding the treatment of
18 RENs as program administrators, solidifying RENs' role. The Commission stated,
19 RENs have now been in existence since late 2012. As such, they are a reality within
20 the landscape of the Commission's energy efficiency policy. Thus, we see no
21 further purpose served by applying the label of 'pilot' to them.⁸

²¹ CPUC Decision 12-05-015, May 18, 2012, page 150.

1 This decision also imposed additional requirements on new RENs,⁹ which, as an existing REN,
2 are not applicable to 3C-REN.

3 A key that difference between RENs’ role as program administrators compared to IOUs or
4 CCAs is that RENs are constrained in the programs they can offer, a limitation that has been
5 applied since the model was first authorized in 2012.¹⁰ In D.19-12-021, the Commission updated
6 and clarified the limited role of RENs and the criteria that it the Commission would use to evaluate
7 whether to approve new or renewed REN business plans:

8 [RENs must show] new or unique value to the Commission’s energy, climate,
9 and/or equity goals, specifically:

- 10 • Activities that utilities or CCA program administrators cannot or do not intend
11 to undertake.
- 12 • Pilot activities where there is no current utility or CCA program offering, and
13 where there is potential for scalability to a broader geographic reach, if
14 successful.
- 15 • Activities serving hard-to-reach markets, whether or not there is another
16 utility or CCA program that may overlap.¹¹

17 Though limited, this role is not unimportant. The Commission has consistently
18 acknowledged RENs’ importance within the energy efficiency landscape. In D.19-12-021 the
19 Commission,

20 agree[d]... that the importance of RENs may increase as budgets and roles for LGPs
21 are shrinking within the utility portfolios for multiple reasons... The particular areas
22 of unique capacities local governments may bring in the delivery of energy
23 efficiency include, but may not be limited to, public sector buildings, issues
24 surrounding building code compliance, and treating or delivering energy efficiency
25 services to hard-to-reach customers.¹²

26 In this Application, 3C-REN sets forth seven programs within Commission- prescribed
27 areas. Specifically:

28 **Agriculture Technical Assistance:** Growers indicate that they do not have the capacity to
29 identify energy or water saving projects and navigate incentive programs. 3C-REN’s proposed
30 new agricultural sector program takes a relationship-based approach that relies on partnership-

1 building and customized technical assistance to identify and implement projects and assist
2 customers access incentives. Technical assistance will include, but not be limited to,
3 benchmarking, energy assessments, referrals to complementary programs, and project
4 management assistance to shepherd customers through participation processes. The program will
5 provide specialized support for indoor agriculture/cannabis and water-energy nexus measures.
6 This program is also designed to meet the needs of underserved customer segments, with focused
7 outreach to smaller producers and socially disadvantaged ratepayers. 3C-REN's agriculture
8 program will fill a gap in IOU agricultural programs, address the lack of water-energy nexus
9 offerings in the agricultural sector, and deploy the need for locally-focused technical assistance to
10 improve project implementation.

11 **Commercial Marketplace:** 3C-REN's proposed new Commercial Marketplace program
12 will fill gaps in energy efficiency program offerings and serving hard-to-reach customer segments.
13 The Tri-County Region lacks delivery of IOU commercial sector programs; specifically, those
14 utilized by small- and medium-sized businesses located in leased or rented facilities. 3C-REN's
15 commercial program will provide technical assistance and incentives to help businesses implement
16 energy saving measures, with a special focus on DAC and HTR customers. 3C-REN will
17 collaborate with already established programs; use a multilingual approach to outreach and
18 education; and leverage the WET program to utilize local trained contractors. These efforts will
19 yield energy savings, enhanced customer service, community support and awareness of energy
20 efficiency resources, and key partnership development with local organizations. With the addition
21 of this program 3C-REN can expand its services to be inclusive of the full scope of customers
22 identified in HTR criteria—both residential and commercial.

1 **Energy Code Connect:** This Codes and Standards program will bolster Tri-County's
2 leadership in California Energy Code and Green Building Standards compliance and enforcement.
3 It is designed to help building departments and professionals comply and adjust to codes and
4 standards updates, through regional forums and provision of resources and trainings. The program
5 will further support the region by coordinating with jurisdictions to develop and adopt reach codes,
6 engaging with consultants and building professionals to advance these efforts. The program fills a
7 gap by delivering program services that the utilities do not offer.

8 **Building Performance Training:** 3C-REN's Workforce Education & Training Program
9 fills a gap by acting as a regional training and resource hub on the latest building science practices
10 and energy technologies. The region is far removed from IOU energy centers. The program
11 supports disadvantaged workers with technical and soft skill trainings, and highperformance
12 buildings certification. The program focuses on targets current building professionals and those
13 seeking new career and mentorship opportunities in residential and commercial design,
14 construction, and related industries. 3C-REN partners with local and community-based
15 organizations to ensure training and resources are accessible and meet the needs of building and
16 construction workers.

17 **Energy Assurance Services:** There are no IOU public sector offerings in the region.
18 Modeled after the County of Santa Barbara's Energy Assurance Services program, this commercial
19 and public cross cutting initiative will identify energy savings opportunities and provide
20 implementation support to facilities across both sectors. The program will offer technical support,
21 including audits and benchmarking, to achieve comprehensive load management, energy savings
22 and resilience objectives. The program will offer public agencies and special districts that are

1 pursuing energy upgrades educational and networking opportunities and specialized services to
2 support project planning, funding, and contracting.

3 Although the public sector is not currently included in HTR criteria, 3C-REN believes this
4 is an oversight and will prioritize smaller jurisdictions, those that serve HTR communities, and
5 special districts that have limited resources to implement energy efficiency projects. Since the
6 program will also serve HTR commercial customers, 3C-REN will coordinate with PAs to evaluate
7 potential overlaps and refer customers to appropriate incentive programs.

8 **Single Family Home Energy Savings:** The Residential Single-Family program will
9 deliver measurable energy savings to HTR single-family households, determined using a
10 population Normalized Metered Energy Consumption (NMEC) Measurement and Verification
11 (M&V) platform. The program implementer will deliver energy upgrades utilizing a network of
12 energy efficiency installers (aggregators), paid incentives based on the metered savings achieved.
13 Performance incentives will encourage aggregators to maximize customer savings and grid
14 benefits. This program fills a gap in residential energy efficiency services in the region and serves
15 HTR single family residential customers. It is the first NMEC program to target the residential
16 sector.

17 **Multifamily Home Energy Savings:** The Residential Multifamily program will deliver
18 energy savings to HTR multifamily properties. The program requires three or more upgrades in a
19 project scope, a percentage of which must directly benefit tenants, that achieve a minimum GHG
20 savings per apartment. It includes no-cost site assessments, technical assistance, and incentives
21 paid directly to property owners/managers. The structure includes enhanced incentives for
22 underserved properties and adders for high performance measures, such as heat pumps. This

1 program serves HTR multifamily residential customers and fills a gap in program services for
2 multifamily customers in the Tri-County region.

3 **B. Alignment with Action Plans**

4 3C-REN's strategic business plan has been informed by relevant State legislation,
5 regulation, and policies, as summarized below.

6 **California Energy Efficiency Strategic Plan (CAEESP) and the Big Bold Goals** – The
7 2011 CAEESP presented a roadmap to maximize energy savings across major market sectors and
8 outlined ambitious goals for the future. The CAEESP established energy efficiency as the highest
9 priority resource for meeting California’s energy needs. A primary 3C-REN strategy that has
10 endured from its first business plan to the current application is a focus on connecting customers
11 with 3C-REN programs as well as CCA and other PA offerings to deliver holistic, equitable energy
12 and resiliency outcomes. 3C-REN’s proposed portfolio includes new and expanded programs to
13 encourage greater energy efficiency penetration, as well as innovative approaches to layer
14 decarbonization and resiliency solutions, in alignment with the CAEESP as well as more recent
15 goals and action plans.

16 **2019 California Energy Efficiency Action Plan** – The CEC’s 2019 EE Action Plan
17 outlines the State’s energy vision and goals for doubling energy efficiency savings, reducing
18 market barriers, and building decarbonization. 3C-REN’s portfolio supports EE Action Plan goals
19 and aligns with its recommendations by proposing residential and commercial programs²² to
20 deliver savings as well as complementary programs to increase participation in other PAs’

²² Kenney, Michael, Heather Bird, and Heriberto Rosales. 2019. 2019 California Energy Efficiency Action Plan. California Energy Commission. Publication Number: CEC-400-2019-010-SF. Page 66-67. For both electricity and natural gas efficiency targets, most savings are expected to come from the residential and commercial sectors.

1 programs; through equity and market support segment offerings that are directly informed and
2 designed to mitigate barriers communicated by regional stakeholders; and by supporting building
3 decarbonization measures on both the demand side, through customer education and outreach
4 about high performance measures, as well as the supply side, through WE&T offerings to grow
5 local expertise and resources to implement those upgrades.

6 **C. Alignment with State Legislation/Goals**

7 **AB32/SB32 – California Global Warming Solutions Act of 2006** – AB32/SB32 are the
8 State’s leading legislation that direct substantial reductions in carbon emissions. The latest
9 extension of the Act, SB 32, mandates GHG gas emission reductions to 40 percent below the 1990
10 levels by 2030. This bill is central to 3C-REN’s engagement and interest in achieving deep energy
11 savings and associated GHG reductions in the built environment. Each of the counties in 3C-REN
12 has or is working to develop climate action plans, as do many cities. Key to reaching climate goals
13 is reducing emissions associated with buildings, a central focus of 3C-REN’s portfolio.

14 **SB 350 Clean Energy and Pollution Reduction Act of 2015** – The primary aspects of
15 this law relevant to 3C-REN is its mandate to increase energy efficiency by 50 percent in existing
16 buildings by 2030, its focus on helping disadvantaged communities²³ access energy efficiency and
17 solar resources, and its call for workforce development, all of which are well reflected in this
18 application.

19 **SB 1414** – SB1414 requires increased code compliance and confirmation of appropriate
20 installation permits for Heating, Ventilation, and Air Conditioning (HVAC) and heat pumps
21 systems. 3C-REN has incorporated these requirements into its programs and will continue its work

²³ Disadvantaged Communities as defined in California Health and Safety Code Section 39711, <http://law.onecle.com/california/health/39711.html>.

1 with building departments to establish and maintain successful approaches to implement these
2 standards across the Region.

3 **D. Environmental and Social Justice Action Plan**

4 With the Environmental and Social Justice Action Plan (ESJ Action Plan), the CPUC has
5 created a framework for integrating ESJ principles into its work.²⁴ Under D.21-05-031 equity is to
6 be advanced through provision of energy efficiency services to HTR, underserved, and DAC
7 customers.

8 3C-REN’s proposed portfolio aligns with the ESJ Action Plan by providing three equity
9 segment programs that will offer rebates to “[i]ncrease investment in clean energy resources to
10 benefit ESJ communities, especially to improve local air quality and public health.”²⁵ 3C-REN
11 will also provide cross-cutting market support through its WE&T program to increase access to
12 high road career paths and economic opportunity for these communities, in alignment with 3C-
13 REN’s strategic framework and ESJ Plan Revised Goal 7.²⁶

14 In its local government role, 3C-REN is mission-driven to serve communities in the region
15 with transparency and accountability. Throughout its portfolio 3C-REN will continue to

²⁴ Environmental & Social Justice Action Plan, Version 2.0, California Public Utilities Commission, dated October 26, 2021, at 1. Available at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/draft-cpuc-esj-2010262021c.pdf>.

²⁵ Environmental & Social Justice Action Plan, Version 2.0, California Public Utilities Commission, dated October 26, 2021, at 1. Available at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/draft-cpuc-esj-2010262021c.pdf>.

²⁶ Ibid, p. 5.

1 demonstrate its commitment²⁷ to pursuing environmental justice for its constituents and
2 combatting structural and institutional racism to increase equity and meaningful participation in
3 energy efficiency and decarbonization.

4 **E. Greenhouse Gas Reduction**

5 The 2019 EE Action Plan highlights the need for further building decarbonization to meet
6 the state’s ambitious climate goals, a directive echoed by the 2021 Integrated Energy Policy Report
7 (IEPR).^{28,29} Two key components of building decarbonization—high levels of energy efficiency
8 and demand flexibility—are incorporated into 3C-REN’s strategic framework and in strategies and
9 tactics across its portfolio.

10 3C-REN’s portfolio is designed to increase energy efficiency activity through new
11 programs centered on reaching additional customers and market sectors with savings
12 opportunities, as well as new and complementary programs that provide technical assistance to
13 increase participation in other PAs’ programs. 3C-REN is focused on establishing compelling,
14 portfolio-wide marketing and education that drive demand for energy efficiency and building
15 decarbonization, in addition to cross-cutting efforts to provide the local workforce with the
16 knowledge and skills needed to install high-performing energy efficiency and building

²⁷ For more on 3C-REN’s diversity initiatives, please see the section on Supplier Diversity in Exhibit 02.

²⁸ Kenney, Michael, Heather Bird, and Heriberto Rosales. 2019. 2019 California Energy Efficiency Action Plan. California Energy Commission. Publication Number: CEC-400-2019-010-SF. Page 6. For both electricity and natural gas efficiency targets, most savings are expected to come from the residential and commercial sectors.

²⁹ Kenney, Michael, Jacob Wahlgren, Kristina Duloglo, Tiffany Mateo, Danuta Drozdowicz, and Stephanie Bailey. 2022. Final 2021 Integrated Energy Policy Report, Volume I: Building Decarbonization. California Energy Commission. Publication Number: CEC-100-2021-001-V1. Page 1.

1 decarbonization measures. 3C-REN’s proposed portfolio includes innovative programs designed
2 to encourage demand flexibility, including its Single-Family Home Energy Savings, Commercial
3 Marketplace, and Energy Assurance Services programs, the latter of which offers on
4 comprehensive load management.

5 **F. Reliability & Integrated Resources Planning**

6 Spirited action and innovation is needed to address increasing climate change impacts.
7 Coordination across portfolios and proceedings is required to minimize power outages and achieve
8 energy efficiency and climate goals. 3C-REN’s portfolio supports addresses these needs through
9 new programs that take holistic approaches to serving customers and encouraging demand
10 flexibility and comprehensive load management.

11 Reliability is a concern for 3C-REN stakeholders, especially agriculture customers who
12 rely on refrigerated warehouses, food processing equipment and electric irrigation pumps and
13 public sector jurisdictions that operate critical facilities. These stakeholders’ input informed 3C-
14 REN’s proposed Agriculture Technical Assistance and Energy Assurance Services programs.
15 Through these and other programs, 3C-REN can provide assistance and referrals to demand
16 response (DR) and distributed energy resources (DERs) opportunities.

17 These strategies align with 3C-REN’s policy recommendations regarding the need for
18 flexibility in use of funds to holistically address energy efficiency, DR, and DERs. reliability and
19 integrated resources planning through models that encourage innovative projects and demand
20 flexibility.

1 **CHAPTER 5. ANNUAL PORTFOLIO BUDGETS (A. TELLEZ AND N. BARBA)**

2 The Commission outlined the criteria to determine the overall reasonableness of REN
3 budgets in D.19-12-021,

4 RENs’ budgets should be proportional to the incumbent IOU budgets, in the same
5 territory, for the number of customers served by non-statewide and non-regional
6 programs, while taking into account plans to serve hard-to-reach customers.²⁴

7 As directed, 3C-REN has evaluated each program proposed for proportionality, accounting for
8 plans to serve hard-to-reach customers. 3C-REN's budget is just and reasonable and should be
9 adopted.

1 5

2 **Table 6: 3C-REN Portfolio Overview & Budget**

3C-REN Program	Market Sector	REN Activity			Existing or New	Portfolio Plan Budget (\$) ** 2024-2027	Strategic Plan Budget (\$) ** 2024-2031
		Gap Filling	Pilot	HTR *			
MARKET SUPPORT							
Agriculture Technical Assistance	Agriculture	X			New	3,035,434	6,538,938
Building Performance Training	Cross-Cutting	X			Existing	9,439,825	21,340,806
Energy Assurance Services	Cross-Cutting	X		X	New	1,778,906	3,939,661
EQUITY							
Commercial Marketplace	Commercial	X		X	New	10,015,293	21,379,645
Single Family Home Energy Savings	Residential	X		X	Existing	19,772,391	41,931,865
Multifamily Home Energy Savings	Residential	X		X	Existing	16,651,320	37,274,745
CODES AND STANDARDS							
Energy Code Connect	Cross-Cutting	X			Existing	7,819,621	16,747,290
EM&V							
					3C-REN EM&V	785,042	1,709,043
					CPUC EM&V	2,069,657	4,505,662
TOTAL							
7 Programs	4 Market Sectors	X		X	4 Existing 3 New	71,367,489	155,367,654
<p>*In addition to HTR and DAC, 3C-REN’s portfolio prioritizes other vulnerable communities including but not limited to rural, hard-to-count, underserved, ESJ communities, disadvantaged workers, socially disadvantaged farmers, and the public sector entities serving these customers. While they may not meet the CPUC definition of HTR, which has been acknowledged as potentially being “overly narrow” (CPUC D.18-05-041 at 48), these customers are often underrepresented in traditional energy efficiency programs. Prioritizing these communities aligns with 3C-REN’s strategic framework and its commitment as an organization to diversity, equity, inclusion and justice (DEIJ); and it supports the CPUC’s recent guidance in D.21-05-031 regarding equity and market support programs. In this application 3C-REN has proposed a policy recommendation to expand the HTR definition to include public sector.</p> <p>**Program budgets without evaluation, measurement and verification (EM&V) costs, which are shown in Table 11.</p>							

1 **Table 8: Annual Budget Request, 2024-2027**

Budget	2024	2025	2026	2027	Portfolio Plan Budget 2024-2027	Strategic Plan Budget 2024-2031
PROGRAM BUDGETS						
Agriculture Technical Assistance	714,806	744,819	772,707	803,102	3,035,434	6,538,938
Building Performance Training	2,087,734	2,217,373	2,406,678	2,728,040	9,439,825	21,340,806
Energy Assurance Services	394,162	394,528	494,910	495,306	1,778,906	3,939,661
Commercial Marketplace	2,401,251	2,464,141	2,544,871	2,605,030	10,015,293	21,379,645
Single Family Home Energy Savings	4,704,816	4,962,011	5,025,989	5,079,575	19,772,391	41,931,865
Multifamily Home Energy Savings	3,747,708	3,972,483	4,203,660	4,727,469	16,651,320	37,274,745
Energy Code Connect	1,861,967	1,905,918	2,005,263	2,046,473	7,819,621	16,747,290
Subtotal	15,912,444	16,661,273	17,454,078	18,484,995	68,512,790	149,152,950
EVALUATION, MEASUREMENT AND VERIFICATION (EM&V)						
3C-REN	182,330	190,910	199,995	211,807	785,042	1,709,042
CPUC	480,688	503,309	527,259	558,401	2,069,657	4,505,662
Subtotal	663,018	694,220	727,253	770,208	2,854,699	6,214,704
TOTAL BUDGET (INCLUDING EM&V)						
Total	16,575,462	17,355,493	18,181,331	19,255,203	71,367,489	155,367,654

2

1 I. SAVINGS

1 **Table 9: Forecasted Energy Savings (2024-2027)**

Sector	Net kWh	Net kW	Net Therm	First Year Net Elec CO2e	First Year Net Gas CO2e
2024					
Agricultural	-	-	-	-	-
Commercial	5,071,027.00	761.00	8,250.00	1,075.67	48.26
Cross-Cutting	-	-	-	-	-
Residential	2,512,200.00	431.00	148,631.00	499.47	1,049.65
Portfolio	7,583,227.00	1,192.00	156,881.00	1,575.13	1,097.91
2025					
Agricultural	-	-	-	-	-
Commercial	5,151,054.00	775.00	7,751.00	866.99	45.34
Cross-Cutting	-	-	-	-	-
Residential	2,542,494.00	445.00	151,279.00	457.91	1,065.14
Portfolio	7,693,548.00	1,220.00	159,030.00	1,324.90	1,110.48
2026					
Agricultural	-	-	-	-	-
Commercial	7,819,505.00	1,181.00	7,826.00	1,603.63	45.78
Cross-Cutting	-	-	-	-	-
Residential	2,763,283.00	466.00	162,693.00	568.26	1,151.93
Portfolio	10,582,788.00	1,646.00	170,520.00	2,171.89	1,197.71
2027					
Agricultural	-	-	-	-	-
Commercial	8,008,177.00	1,209.00	8,015.00	1,579.73	46.89
Cross-Cutting	-	-	-	-	-
Residential	3,128,272.00	493.00	180,698.00	633.05	1,292.54
Portfolio	11,136,449.00	1,702.00	188,714.00	2,212.79	1,339.42

1 **Table 10: Forecasted Energy Savings (2028-2031)**

Sector	Net kWh	Net kW	Net Therm	First Year Net Elec CO2e	First Year Net Gas CO2e
2028					
Agricultural	-	-	-	-	-
Commercial	7,470,330.15	1,162.32	(4,574.96)	1,687.23	(26.76)
Cross-Cutting	-	-	-	-	-
Residential	3,235,644.05	508.85	186,849.60	696.05	1,336.73
Portfolio	10,705,974.19	1,671.18	182,274.64	2,383.28	1,309.97
2029					
Agricultural	-	-	-	-	-
Commercial	7,731,859.61	1,203.02	(4,735.12)	1,762.93	(27.70)
Cross-Cutting	-	-	-	-	-
Residential	3,346,215.48	525.88	193,249.76	733.03	1,382.47
Portfolio	11,078,075.09	1,728.90	188,514.64	2,495.95	1,354.77
2030					
Agricultural	-	-	-	-	-
Commercial	8,002,475.13	1,245.12	(4,900.85)	1,515.50	(28.67)
Cross-Cutting	-	-	-	-	-
Residential	3,462,398.71	543.86	199,931.83	682.21	1,430.37
Portfolio	11,464,873.83	1,788.98	195,030.98	2,197.71	1,401.70
2031					
Agricultural	-	-	-	-	-
Commercial	8,282,559.92	1,288.70	(5,072.38)	1,642.58	(29.67)
Cross-Cutting	-	-	-	-	-
Residential	3,582,131.03	562.23	206,802.55	730.16	1,479.69
Portfolio	11,864,690.95	1,850.93	201,730.17	2,372.74	1,450.02

2

1 **II. COST EFFECTIVENESS**

2 The Commission has not imposed the same minimum cost-effectiveness threshold on
3 RENs as it has on IOU and CCA program administrators, as reflected in D.18-05-041:

4 [W]e do not find it reasonable to impose a minimum cost-effectiveness threshold
5 for REN proposals. As we have maintained in the past, the more limited scope of
6 activities we authorize RENs to undertake, which results in a much lower ability to
7 diversify their portfolios (relative to the IOUs), argues against holding them to a
8 particular cost-effectiveness standard.¹⁶

9 The Commission reiterated this position in D.19-12-021:

10 We approved the existing REN portfolios recently, in D.18-05-041, and at that time
11 reaffirmed that we do not wish to set a specific cost-effectiveness threshold for
12 RENs. This is both because the size of the REN portfolios is smaller, and because
13 the RENs are inherently designed to take on filling gaps in the other larger
14 portfolios or serving the needs of hard-to-reach customer segments/markets that
15 will be naturally less cost-effective to serve. None of this reasoning has changed,
16 and therefore, we continue to decline to set a cost-effectiveness threshold for new
17 or existing RENs now.¹⁷

18 This approach was further re-affirmed in D.21-05-031 with regards to resource acquisition
19 programs,

20 requir[ing] that all program administrators with energy efficiency resource
21 acquisition programs, excluding RENs whose portfolios have different rules, to
22 show that the resource acquisition segment of their portfolio, with all resource
23 acquisition programs' costs and benefits combined together, is cost-effective on an
24 *ex ante* basis, with a TRC ratio of at least 1.0 or greater.¹⁸

25 With regard to market support and equity programs, the Commission stated that

26 all program administrators, including the RENs, should focus on developing
27 metrics and criteria for evaluating progress of those market support and equity
28 programs, in the absence of strict cost-effectiveness limitations.¹⁹

29 Instead of evaluating RENs on a minimum cost effectiveness threshold, the Commission
30 has historically examined each REN's programs' ability to provide value (or the promise of value),
31 meet designated targets, and track, and hopefully improve upon, cost-effectiveness over time.²⁰

32 The Commission has further

1 encourage[d] RENs to manage their programs with an eye toward long-term cost-
 2 effectiveness, just as we encourage the other program administrators to do.²¹

3 Furthermore, REN administrative costs have had a “soft cap” of 10 percent and are also
 4 subject to a “soft cap” of 6 percent for administrative and outreach costs.²² D.21-05-031
 5 maintained the same administration cost and marketing and outreach cost rules.²³

6 3C-REN’s forecasted portfolio Total Resource Cost (TRC) and Portfolio Administrator
 7 Cost (PAC) are detailed in the table below.

8 **Table 11:** Forecasted TRC and PAC (2024-2027)

	PY 2024		PY 2025		PY 2026		PY 2027	
Sector	Forecast TRC	Forecast PAC	Forecast TRC	Forecast PAC	Forecast TRC	Forecast PAC	Forecast TRC	Forecast PAC
Agricultural	-	-	-	-	-	-	-	-
Commercial	0.66	1.50	0.69	1.56	0.74	2.35	0.79	2.50
Cross-Cutting	-	-	-	-	-	-	-	-
Residential	0.40	0.51	0.41	0.51	0.45	0.56	0.48	0.62
Portfolio	0.41	0.56	0.42	0.57	0.48	0.72	0.50	0.76

9
 10 **Table 12:** Forecasted TRC and PAC (2028-2031)

	PY 2028		PY 2029		PY 2030		PY 2031	
Sector	Forecast TRC	Forecast PAC	Forecast TRC	Forecast PAC	Forecast TRC	Forecast PAC	Forecast TRC	Forecast PAC
Agricultural	-	-	-	-	-	-	-	-
Commercial	0.71	2.27	0.75	2.37	0.78	2.46	0.81	0.58
Cross-Cutting	-	-	-	-	-	-	-	-
Residential	0.51	0.65	0.53	0.68	0.55	0.71	0.58	0.74
Portfolio	0.48	0.71	0.50	0.74	0.52	0.77	0.54	0.80

11
 12 **III. TOTAL SYSTEM BENEFIT FORECASTS**

13 In D.21-05-031, CPUC introduced a new metric—Total System Benefit (TSB)—that is
 14 fuel agnostic and ties goals to the avoided cost value of energy savings. Beginning in program year
 15 2022 EE program administrators are to report TSB and with beginning in program year 2024 the
 16 TSB will replace energy and peak demand savings goals as a single goals metric, although portfolio

1 outcomes will continue to be reported in terms of energy and peak demand savings.³⁰ The decision
2 goes on to say that,

3 The review criteria for RENs will remain unchanged, since they do not
4 independently have a cost-effectiveness threshold. However, the RENs shall still
5 include the new information requirements of this decision, including segmenting of
6 their portfolios and an estimate of the TSB metric.³¹

7 Accordingly, 3C-REN provides the following TSB estimates for its application.

8 **Table 13: Forecasted TSB (2024-2027)**

Sector	PY 2024	PY 2025	PY 2026	PY 2027
Agricultural	-	-	-	-
Commercial	\$3,531,115	\$3,755,490	\$5,862,535	\$6,359,405
Cross-Cutting	-	-	-	-
Residential	\$4,196,258	\$4,483,050	\$5,098,949	\$5,985,021
Portfolio	\$7,727,373	\$8,238,540	\$10,961,484	\$12,344,426

9

10 **Table 14: Forecasted TSB (2028-2031)**

Sector	PY 2028	PY 2029	PY 2030	PY 2031
Agricultural	-	-	-	-
Commercial	\$5,978,426	\$6,464,956	\$6,954,783	\$7,542,335
Cross-Cutting	-	-	-	-
Residential	\$6,480,362	\$7,000,013	\$7,556,840	\$8,174,616
Portfolio	\$12,458,788	\$13,464,969	\$14,511,623	\$15,716,951

11

³⁰ D.21-05-031 Ordering Paragraph 1 at 80.

³¹ D.21-05-031 at 52.

1 **IV. FISCAL MANAGEMENT**

2 The Commission relies on IOUs “as fiscal managers to disperse funds to RENS.”²⁵

3 Specifically,

4 [w]ith respect to RENS, the Commission acts ‘as a regulatory body, overseeing
5 utility expenditures of ratepayer funds.’ We ‘rely on the utilities as fiscal managers
6 to disperse funds to RENS and conduct general management and monitoring
7 activities in compliance with Commission directives. Thus, the RENS will, by
8 necessity, have a contractual relationship with a utility or, in some cases, several
9 utilities.’²⁶

10 3C-REN has a strong working relationship with SoCalGas in its role as fiscal manager. 3C-
11 REN asks the Commission to continue to authorize SoCalGas to act as its fiscal manager,
12 consistent with Commission precedent, and to continue to allow flexibility in the fiscal agent role,
13 consistent with D.19-12-021.²⁷

14 **V. BUDGET**

15 3C-REN requests that the commission approve its eight-year Strategic Business Plan
16 budget request for 2024-2031 of \$155,367,654 for the eight-year business plan period, 2024-2031.

17

1 **CHAPTER 6. RECOMMENDATIONS FOR NEW OR MODIFIED ENERGY**
2 **EFFICIENCY POLICY (A. TELLEZ AND N. BARBA)**

3 To successfully meet the goals outlined in this strategic business plan, 3C-REN must have
4 the flexibility and ability to design and deliver targeted and customized programs that can be
5 effectively and regularly adapted to community conditions, scaled across the region, and be
6 supportive yet independent of utility directed programs.

7 **I. IMPROVED DATA ACCESS**

8 Transparent access to needed data is essential for PAs to achieve the State’s ambitious
9 climate and energy efficiency goals, and ensure that programs effectively serve HTR and other
10 vulnerable communities to advance equity outcomes. The Commission should clearly indicate its
11 expectation that secure access to customer-authorized billing data should be streamlined by the
12 investor-owned utilities as part of their coordination with non-IOU PAs.

13 To most effectively implement programs such as the market access NMEC program model
14 data access is essential. Both program and non-program participant data provided from IOUs are
15 essential to calculate savings, identify HTR customers, determine eligibility, and create
16 comparison groups. Required data includes customer site and meter information as well as energy
17 usage data for participant and non-participants within overlapping 3C-REN and utility service
18 areas. Data for 13 months before program launch for all utility customers in 3C-REN territory will
19 be used to set a baseline and identify eligible customers. Monthly data transfers for all customers
20 will serve to quantify savings for participants and to maintain a comparison group of non-
21 participant data to account for exogenous effects.

1 **II. FLEXIBILITY IN USE OF FUNDS TO HOLISTICALLY ADDRESS ENERGY**
2 **EFFICIENCY, DEMAND RESPONSE, AND DISTRIBUTED ENERGY**
3 **RESOURCES**

4 3C-REN’s proposed cross-cutting sector offering for commercial and public facilities is an
5 innovative program model that will deliver comprehensive load management to shape customer
6 experiences. The Energy Assurance Services program reflects provision of a holistic and forward-
7 focused assessment of customer needs and technical assistance to achieve goals related to energy
8 efficiency resiliency, sustainability, and complementary interventions, such as preparing
9 participants to implement DERs as a reliability measure addressing power shutoffs.

10 Ratepayer funds are appropriately intended to save money by reducing energy use,
11 therefore decreasing the need for grid facilities, almost exclusively through energy efficiency.
12 Distributed energy resources, storage systems, and load-shifting technologies also have the
13 potential to save ratepayer money by reducing distribution system impacts. Commission
14 consideration should be given to allowing ratepayer funds to be invested in these programs
15 elements as well.

16 3C-REN seeks flexibility to leverage EE funds to provide integrated energy services and
17 technical assistance to the pipeline of underserved multifamily (MF) properties located in the
18 Counties of San Luis Obispo, Santa Barbara, and Ventura. Similar to other residential building
19 types, MF properties benefit from inclusion of incentives for distributed energy resources and
20 energy storage measures, as well as enhanced incentives for building envelope interventions, heat
21 recovery ventilation systems, and smart appliances, as a means to reduce electricity consumption,
22 especially within peak 4 p.m. to 9 p.m. periods. Exemption from CPUC custom review process
23 will expedite comprehensive energy efficiency upgrades at MF properties.

24 3C-REN readily acknowledges that tenant metered PV and energy storage – virtual or net
25 energy metering – faces substantial implementation challenges which the Commission did not

1 want to tackle under tight timeframes of summer reliability goals. In D.21-06-005 the Commission
2 discussed the difficulties of leveraging Self-Generation Incentive Program (SGIP) incentives for
3 Solar on Multifamily Affordable Housing (SOMAH)/VNEM projects and found application of the
4 VNEM tariff to SGIP MF buildings to be confusing.³²³³

5 As detailed in the joint 3C-REN and BayREN comments submitted on November 18, 2021,
6 3C-REN proposes to focus exclusively on providing technical assistance to NEM PV systems
7 paired with behind-the-meter (BTM) storage on common area MF meters, which is generally no
8 more complicated than siting similar assets at single family residences or commercial sites. There
9 are significant opportunities and owner enthusiasm for projects of this nature. MF properties
10 regularly request support for these types of systems; historically 3C-REN has had to tell owners
11 that there are no available programs.

12 3C-REN aims to bring the MF residential segment the following benefits³⁴:

- 13 • Resiliency for tenants. Solar would enable critical common area loads to be
14 powered during outages, with shared spaces a place of refuge for tenants to have

³² D.21-06-005 at 78.

³³ Additionally, SOMAH only applies to deed-restricted affordable housing and requires VNEM photovoltaics. The SOMAH report identifies interconnection challenges to integrating VNEM with storage and indicates a need for alternative applications of NEM PV and storage in MF housing. SOMAH Phase II Report, October 13, 2021, at 88.

³⁴ Proposal adoption could also prepare MF buildings for potentially reduced credit value of solar under NEM 3.0. A NEM PV + BTM storage would give MF owners the ability to self-consume during the day instead of exporting, since many peak loads are non-shiftable (e.g., 24-hour and evening lighting, elevators, ventilation systems, pumps that send water to fixtures, common laundry facilities). Funding this program would create a good opportunity for market intervention and lessons learned that can be applied to future initiatives, including as part of Resource Adequacy.

1 cooling and heating, charge critical devices, access the internet, and utilize medical
2 equipment.

- 3 • Reduce peak electricity usage. Solar and storage allows for any electricity
4 consumption on the common area meter to reduce peak electricity usage from 4 to
5 9 p.m. for both existing electricity and future electrified loads, aligning with
6 California’s Roadmap to Clean Energy³⁵.
- 7 • Align with Environmental and Social Justice Action Plan’s Goal 1. Importantly,
8 funding 3C-REN/BayREN’s proposal for solar and storage in MF would address
9 Goal 1 of the Environmental and Social Justice Action Plan, which sets the
10 objective to “Consistently integrate equity and access considerations throughout
11 CPUC regulatory activities.” Under-resourced families disproportionately occupy
12 multifamily buildings. The Commission should capitalize on the opportunity
13 provided by Governor Newsom’s July 30, 2021, Emergency Proclamation to fund
14 solar + storage in the MF segment which is underserved and comprises a sizable
15 proportion of Environmental Justice and Social Justice (ESJ) communities.
- 16 • Align with REN program approval criteria. Program adoption would also meet two
17 of the three revised criteria set by the Commission in D.19-12-021 for approving
18 new or renewed REN business plans:
 - 19 ○ “Pilot activities where there is no current utility or CCA program offering,
20 and where there is potential for scalability to a broader geographic reach, if
21 successful.”

³⁵ California’s Electricity System of the Future, July 2021, at 16. <https://www.gov.ca.gov/wp-content/uploads/2021/07/Electricity-System-of-the-Future-7.30.21.pdf>

- “Activities serving hard-to-reach markets, whether or not there is another utility or CCA program that may overlap.

III. EXPANSION OF THE HTR DEFINITION TO INCLUDE THE PUBLIC SECTOR

The Commission should include public sector customers as “hard-to-reach” if they meet the geographic criteria approved in Resolution G-3497 and updated in D.18-05-041, and are classified as a local government, special district, K-12 school, community college, or tribal lands. This modification to the HTR definition strikes the appropriate balance of simplicity and impact while being mindful of the results of the Underserved Working Group. Adding the public sector to the hard-to-reach definition will encourage resource acquisition program implementers to focus on HTR public sector customers because of increased cost-effectiveness adjustments. This addition will also allow equity sector programs to better serve public sector customers that meet these criteria.

The Tri-County Region includes many smaller local government jurisdictions and special districts with significant upgrade needs for their aging infrastructure. They often lack the capacity to pursue energy efficiency program opportunities as their time and resources are spent on serving their communities, which often consist of HTR residents and businesses. 3C-REN has established relationships with these jurisdictions and proposes to invest in market support for this sector through its Energy Assurance Services program for commercial and public facilities.