To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: February 7, 2023



Subject: Amended Bay Area Regional Energy Network Funding and Implementation Agreement between Association of Bay Area Governments and County

<u>RECOMMENDATION(S):</u>

APPROVE and AUTHORIZE the Conservation and Development Director, or designee, to execute an amended subcontract agreement, effective December 31, 2022, with the Association of Bay Area Governments, to extend the term through December 31, 2023 and increase the payment limit from the California Public Utilities Commission to the County by \$284,570 to a new payment limit of \$1,146,680 to support marketing, education, and outreach for energy efficiency programs.

FISCAL IMPACT:

There will be no impact to the General Fund. The CPUC funding allocated is expected to cover all costs incurred to support the Bay Area Regional Energy Network (BayREN) program. No County matching funds are required.

BACKGROUND:

In July 2012, the County entered into a Memorandum of Understanding (MOU) establishing the Bay Area Regional Energy Network (BayREN), a collaborative partnership among the nine Bay Area counties (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo,

APPROVE RECOMMENDATION OF CNTY ADMINISTRATOR	 OTHER RECOMMENDATION OF BOARD COMMITTEE
Action of Board On: 02/07/2023 APPROVED AS RECOMMENDED OTHER Clerks Notes: VOTE OF SUPERVISORS	
 AYE: John Gioia, District I Supervisor Candace Andersen, District II Supervisor Diane Burgis, District III Supervisor Ken Carlson, District IV Supervisor Federal D. Glover, District V Supervisor 	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown. ATTESTED: February 7, 2023 Monica Nino, County Administrator and Clerk of the Board of Supervisors
Contact: Demian Hardman-Saldana, (925) 655-2816	By: Laura Cassell, Deputy

Santa Clara, Solano, and Sonoma Counties) and led by the Association of Bay Area Governments (ABAG), for the purpose of facilitating the implementation of energy efficiency programs throughout the Bay Area. On May 5, 2015, a Restated and Revised MOU was approved by the County to better define the roles and responsibilities of ABAG and the counties participating in BayREN.

In late 2012, the CPUC approved BayREN as a pilot program (effective January 1, 2013) to implement Energy Efficiency (EE) Programs for the purpose of filling gaps in EE Program activities not being offered by the Investor-Owned Utilities (IOUs, such as Pacific Gas and Electric) or Community Choice Aggregators (CCAs, such as MCE).

Since 2013, all BayREN counties have been receiving CPUC funding each calendar year to provide marketing, education and outreach for various EE Programs offered through BayREN. On June 5, 2018, the CPUC issued a decision (D. 18-05-41) that, among other things, approved the BayREN business plan with a BayREN budget increase of approximately \$5.8 Million and allocated a similar amount of funding each year thereafter through calendar year 2025. To reduce the uncertainty about whether Regional Energy Networks (RENs) should continue as a

BACKGROUND: (CONT'D)

concept, the CPUC also issued a decision (D.19-12-021) on December 12, 2019, that removed the "pilot" designation for all RENs across the State and established a process for creating new RENs.

The business plan allows BayREN to design and implement EE Programs for residential and commercial buildings, as well as activities related to energy code compliance. The residential and commercial programs offer free technical services and financial incentives (rebates) if owners/contractors make specific energy efficiency improvements to existing single-family, multi-family or commercial buildings. Also included is a green labeling program that provides incentives to homeowners and participating contractors to offer a home energy score to interested single-family homeowners. The Building Codes and Standards subprogram provides, among other things, resources and trainings to support local government officials with building energy code compliance and enforcement. Continued implementation and expansion of these energy efficiency programs are consistent with the County's Climate Action Plan adopted in 2015.

To continue to receive CPUC funds to support BayREN EE Programs throughout Contra Costa County, a subcontract agreement between ABAG and Contra Costa County was executed on August 28, 2020, for a period of January 1, 2020 through December 31, 2022 for an amount not to exceed \$862,110.

The proposed amended subcontract agreement between ABAG and Contra Costa County will allow the County to continue to implement BayREN subprograms throughout Contra Costa County. The amount specified in the agreement would increase the total contract amount by \$284,570 from \$862,110 to \$1,146,680 and extend the term an additional year for a period of January 1, 2020, through December 31, 2023. These funds are to cover County costs associated with promoting the program for both incorporated and unincorporated areas of the County. Technical services and rebates offered by BayREN for these activities are directly administered by ABAG and are funded separately under the overall BayREN budget approved by the CPUC.

Under the subcontract amendment, the County must indemnify the other counties and ABAG for claims alleging intellectual property infringement related to materials the County prepares under the Agreement. The County also must indemnify ABAG, the CPUC, and PG&E from any third-party claims or liabilities that arise from the County's performance of its obligations under the subcontract.

CONSEQUENCE OF NEGATIVE ACTION:

The County would not receive funding for calendar year 2023 to participate in BayREN activities or provide the associated energy efficiency program services to County residents and property owners. The County would also not have funding to support the energy efficiency activities specified in the County's Climate Action Plan.