

Southern California Regional Energy Network

Pilot Project Executive Summary

July 2012

What is the SoCalREN?

The Southern California Regional Energy Network (SoCalREN) is a local government regional energy network (REN) pilot project serving public agencies and their constituents in the Southern California Edison (SCE) and Southern California Gas Company (SCG) service territories.

Why is it needed?

Submitted in response to ALJ Ruling June 20, 2012 -D.12-05-015, Guidance Decision encouraging local governments to submit PIPs and budgets for REN pilots for the 2013-2014 EE transition period.

Achieves greater energy savings by driving the development and implementation of regional and local energy sustainability programs that complement and supplement existing IOU local government partnerships (LGP).

Fills a significant gap for cities that need help with comprehensive technical assistance, financing and expertise to bring shelf-ready projects to fruition.

Provides an effective platform for local government energy programs that benefit from regional consistency and scale.

What will the pilot do?

Accesses untapped markets by harnessing the collective power of local government action. Provides a one-stop shop for local governments to implement large scale, cross-sector, and fuel neutral energy management strategies.

Develops local government expertise and energy management capabilities for sustained long term success.

Delivers three pilot subprograms: **\$63.7 million total**

Energy Upgrade California: \$30.8 million

Builds on pilot programs launched through ARRA funds

Expands to entire SCE/SCG territory

Leverages ratepayer funds with outside grant funds

Services:

Marketing and outreach

Green building rating and real estate training

Flex Path

Contractor training and outreach

Multifamily retrofits

Smart Tech Path behavior change pilot

Community Development/Public Housing upgrades

Financing for Energy Projects: \$15.2 million

Develops and launches regional public agency-led financing for energy projects
Builds on programs started with ARRA funds

Loan programs:

- Regional public building LLR
- Residential LLR
- Multifamily LLR
- Public agency revolving loan fund
- Non-residential PACE LLR

Southern California Regional Energy Center: \$17.7 million

Builds on Flight 5.6 funded project

Offers comprehensive technical support to local governments to achieve deeper and more cost effective energy management practices

Services:

- Aggregated regional procurement and contracting
- Integrated comprehensive retrofits
- Building energy/resource database - EEMIS software
- Regional benchmarking and EM&V
- Supporting local climate action and energy plan implementation
- Creation of a water/energy nexus energy pilot with water utilities
- Developing regional energy project tracking and permitting system
- Developing regional training

When will the pilot be implemented?

January 2013 - December 2014, Energy Efficiency Transition Period

Who will lead the pilot?

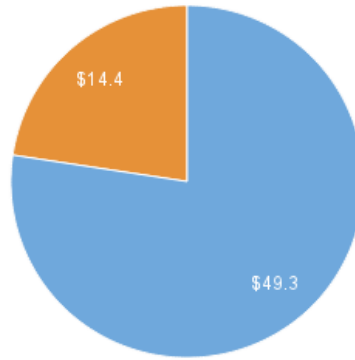
Los Angeles County, acting as fiscal agent and contractor, will lead a governance committee of representatives from the cities and counties served by the SoCalREN.

Who will be served?

Cities, counties and other selected public agencies in the SCE/SCG service territories. SoCalREN will reach nearly half of the cities in California within all or portions of the following counties: Los Angeles, Orange, Ventura, Santa Barbara, Riverside, San Bernardino, Kern, Tulare, Inyo, Mono (and very small portions of King and Fresno).

What is the proposed budget?

SCE	\$49.3 million
SCG	\$14.4 million
Total	\$63.7 million



Sourced from unspent, reallocated or other non-LGP funds currently under administration by SCE/SCG and/or additional funds allocated to IOUs by the CPUC.

What are the projected outcomes?

Subprogram	SCE (kWh)	SCE (kW)	SCG (therms)
Energy Upgrade	16,753,056	8,508	1,165,855
Financing	TBD	TBD	TBD
SoCalREC	34,437,142	6,705	709,000
Total	51,190,198	15,213	1,874,855

In addition:

5,000 single-family homes will undergo multi-measure energy upgrades.

8,000 multi-family units will undergo multi-measure energy upgrades.

Significant numbers of building professionals, real estate professionals, and local government building department staff will be trained.

800 low income residential unit upgrades will be completed.

51.2 million kWh and 1.9 million therms will be saved through municipal facility, single family and multi-family retrofits.

What is its projected cost effectiveness?

Subprogram	TRC	PAC
Energy Upgrade		
Flex Path Electric	1.05	2.22
Flex Path Gas	1.24	1.71
Multi-Family Electric	0.97	2.49
Multi-Family Gas	1.80	2.50
Financing	TBD	TBD
SoCalREC		
Electric	1.02	1.77
Gas	1.04	2.34

How does the pilot compare to the IOU programs?

See attached charts for comparison to IOU programs.

What are the benefits of the pilot?

In addition to achieving cost effective, greater and deeper energy savings that complement the work of IOU LGPs, the pilot:

- Has a greater reach than IOU programs alone
- Delivers projects incorporating efficiency, distributed generation and demand response results
- Includes water efficiency measures that reduce energy use
- Targets hard to reach market segments (low to moderate income residential and small business)
- Leverages outside funding resources
- Utilizes emerging technologies
- Implements innovative workforce training and development initiatives

Southern California Regional Energy Network Proposal

Comparison to IOU Programs

Overview

REN Scope	IOU Scope	
Energy Upgrade California		
<p>Continue and expand successful ARRA pilots to SCE/SCG territory wide:</p> <ul style="list-style-type: none"> ➤ ARRA-supported marketing education, and outreach programs ➤ Flex Path (Modified Basic Package) ➤ Multi-Family Upgrades ➤ Contractor Training and Support ➤ Low Income Multi-Family and Residential Integration ➤ Smart Tech Path (Residential Behavioral Pilot) 	<p>SCE/SCG proposes scaled back, modified EUC program:</p> <ul style="list-style-type: none"> ➤ Use Statewide ME&O (Social Media Pilot) ➤ AB 1103 benchmarking support for commercial buildings ➤ Streamlined Advanced Package, develop modified Basic ➤ Multi-Family EUC Pilot 	<p>Comments</p> <ul style="list-style-type: none"> ➤ ARRA Pilots run in LA through June 2013. ➤ REN proposes to run highly successful Flex Path throughout SCE/SCG territory while new EUC packages are designed. ➤ Most programs are complementary. Need IOU/REN coordination on Flex Path, Multi-Family.
Financing		
<p>Expand successful ARRA financing programs to SCE/SCG territory wide:</p> <ul style="list-style-type: none"> ➤ Regional, aggregated public building project financing program ➤ Residential, private financing for EUC packages ➤ Multi-family, private financing for EUC pilot program ➤ Multiple jurisdictions PACE administration, outreach, and debt service reserve ➤ Public building revolving loan fund (RLF) 	<p>SCE/SCG proposes scaled back, modified EUC program:</p> <ul style="list-style-type: none"> ➤ SCE/SCG financing includes OBF for non-residential and local government only ➤ SCE/SCG have proposed continuation of ARRA financing programs through 2012; per CPUC instructions 	<p>Comments</p> <ul style="list-style-type: none"> ➤ REN financing programs initiated by LA County will be expanded to all jurisdictions in SCE/SCG territory. Includes private and public sector projects. ➤ Financing programs complement IOUs OBF. Opportunity for IOUs to begin promoting existing financing. ➤ Several PACE jurisdictions exist in SCE territory (LA, Riverside, Santa Barbara Counties, City of Palm Desert). Opportunity for IOUs to support and coordinate messaging.
SoCal Regional Energy Center (SoCalREC)		
<p>Expand successful regional, strategic planning and ARRA pilot to SCE/SCG territory wide:</p> <ul style="list-style-type: none"> ➤ Aggregated public agency, project procurement services ➤ Integrated, deep retrofits support using LA County's EEMIS and centralized technical support services ➤ Region-Wide Climate Action Plan support ➤ Water utilities energy program pilot program (water/energy nexus) ➤ Regional permit office energy training and project tracking tool 	<p>IOU Local Government Partnerships provide:</p> <ul style="list-style-type: none"> ➤ Preliminary technical support for project identification, costs, benefits, incentives ➤ Support for promoting core IOU programs ➤ Climate Action Plan support for energy baselines and planning ➤ Advocacy for codes, standards and ordinances 	<p>Comments</p> <p>Complements LG Partnerships with services intended to implement more public agency projects:</p> <ul style="list-style-type: none"> ➤ Investment-grade technical support ➤ Procurement and contracting services ➤ Private financing and bundled financing opportunities ➤ Regionally shared energy management information system tool (EEMIS) ➤ Provides services for local governments not covered in Partnerships; will pilot technical support for public agencies (water utilities, special districts, school districts, transit agencies, etc.).

Southern California Regional Energy Network

Organization Chart

