



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** Community Services  
**Department No.:** 057  
**For Agenda Of:** November 28, 2023  
**Placement:** Departmental  
**Estimated Time:** 30 Minutes  
**Continued Item:** N/A  
**If Yes, date from:**  
**Vote Required:** 4/5

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**TO:** Board of Supervisors  
**FROM:** Department George Chapjian, Community Services Director  
Director(s) (805) 568-2467

Contact Info: Ashley Watkins, Division Chief  
(805) 568-3514

**SUBJECT:** First Amendment to the 2019-2025 Tri-County Regional Energy Network (3C-REN)  
Memorandum of Agreement and Arup Agreement.

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**County Counsel Concurrence**

As to form: Yes

**Risk**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Receive and file updates on 3C-REN activities;
- b) Approve and authorize the Chair of the Board to execute the First Amendment to the 2019-2025 Tri-County Regional Energy Network (3C-REN) Memorandum of Agreement Between Ventura County, Santa Barbara County and San Luis Obispo County, extending the agreement until Dec 31, 2027 (Attachment 1);
- c) Approve and authorize the Chair of the Board to execute an Agreement with Arup US Inc. for consulting services related to 3C-REN's Energy Assurance Services program for a two-year contract (Jan 1, 2024-Dec 31, 2025) in the amount not to exceed \$820,000. (Attachment 3);
- d) Authorize the Community Services Director, or designee, to extend the term of the Agreement between the County and Arup US Inc. for up to 1 year, no later than December 31, 2026; and
- e) Determine that the recommended actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), as the actions are the creation of government funding mechanisms or other government

fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment

**Summary Text:**

This item is on the agenda to provide an update on 3C-REN activities and to request Board approval of the First Amendment to the 2019-2025 Tri-County Regional Energy Network (3C-REN) Memorandum of Agreement Between Ventura County, Santa Barbara County and San Luis Obispo County (hereafter called “MOA”) (Attachment 1). This MOA will extend the initial agreement until December 31, 2027, allowing the County of Ventura to pass through California Public Utilities Commission (PUC) funding to the Counties of Santa Barbara and San Luis Obispo to deliver a range of energy efficiency and electrification programs that reduce energy use, strengthen local job markets, and support efforts to achieve climate goals. Approval of the MOA will result in \$6,213,169 in funding for the County of Santa Barbara.

This item is also on the agenda to execute an agreement between the County of Santa Barbara and Arup US Inc. (Arup) in the amount of \$820,000 to expand the existing Energy Assurance Services (EAS) program with 3C-REN funding.

Staff recommends Board approval of this item to meet the 2030 Climate Action Plan (CAP) goals, and expand the EAS program which assists public and commercial facilities in planning for energy resilience.

**Background:**

***3C-REN History***

On October 18, 2016, the Board directed staff to pursue participation in a Regional Energy Network (REN) to obtain funding from the California Public Utilities Commission (PUC) to develop and implement energy efficiency programs. The PUC officially approved formation of the Tri-County Regional Energy Network (3C-REN) and its business plan requesting \$50 million to administer programs on October 4, 2018. The goal of 3C-REN is to deliver energy-saving programs and industry trainings that help reduce energy use, strengthen local job markets, and support efforts to achieve climate goals.

Since its inception, 3C-REN has designed and launched four energy efficiency programs: 1) Single-Family Home Energy Savings Program, 2) Multifamily Home Energy Savings Program, 3) Building Performance Training Program and 4) Energy Code Connect Program. Based on the success of these programs, 3C-REN submitted a new business plan in 2021 requesting \$155M to continue existing programs and launch new programs for 2024-2031. This business plan was approved in 2023, authorizing 3C-REN to add three additional programs: 1) Energy Assurance Services, 2) Commercial Marketplace, 3) Agricultural Technical Assistance.

***3C-REN Structure***

Ventura County is the administrative lead for 3C-REN and is responsible for coordinating regulatory activities including communication with the PUC, compliance with reporting requirements and fiscal administration such as providing incentives, invoicing and execution of fiscal agreements with most subcontractors. Santa Barbara and San Luis Obispo County support those activities as needed and develop and implement energy efficiency programming approved by the PUC. Southern California Gas Company, on behalf of Pacific Gas & Electric and Southern California Edison, are the pass-through fiscal agent for PUC funds. The IOUs contract directly with Ventura County (Attachment 2) for that purpose. However, 3C-REN reports directly to the PUC, and 3C-REN activities are outside the purview of the IOUs.

### ***3C-REN Current Programs***

#### *Single-Family Home Energy Savings (SFHES)*

The SFHES Program serves to bring down the cost of energy efficiency and electrification upgrades for single family homeowners. The program pays incentives for any energy upgrades that have associated metered energy savings. Incentives are highest for “hard to reach” single-family households, which include households on discounted utility rates, mobile homes, and households that don’t speak English as their primary language. The program has served 188 homes to date; projects ranging from heat pumps to efficient pool pumps have leveraged incentives. There are 18 contractors actively participating in the program.

#### *Multifamily Home Energy Savings (MFHES)*

The MFHES Program delivers energy savings to multifamily properties. The program includes no-cost site assessments, technical assistance, and rebates paid directly to property owners or property managers. The structure includes enhanced incentives for underserved properties and adders for high performance measures, such as heat pumps. The program has completed work on five properties to date, serving 173 living units with energy upgrades. An additional 19 properties are in the project pipeline.

#### *Building Performance Training (BPT) Program*

The BPT Program provides program specific training for local building professionals to help ensure quality work, greater energy savings, and compliance with codes and standards. The BPT Program is designed with an emphasis on residential building retrofits but also serves to educate builders on code requirements and provide some commercially focused training. In 2022, the program hosted a total of 51 training events with 1,091 total attendees

#### *Energy Code Connect (ECC) Program*

The ECC Program offers local governments and local building professionals access to the resources needed for enforcing and complying with the California Building Energy Efficiency Code (Title 24), including best practice guides, checklists, policy support, targeted training, and on-site support. It also offers on-call expert assistance through a “Code Coach” service. The Code Coach service has assisted on 101 cases in 2023.

### ***3C-REN Future Programs***

#### *Commercial Marketplace (2024 Launch)*

The Commercial Marketplace program will serve local businesses with discounted energy upgrades. Structured similarly to the Single-Family Home Energy Savings program, the Commercial Marketplace will pay incentives for any project that saves energy, with the highest incentives paid for project on “hard to reach” businesses. In this case, businesses in Disadvantaged Communities (DACs) and small- and medium-sized businesses who are located in a leased or rented facility will be eligible for the increased incentives. This program will work in partnership with regional Green Business Programs.

#### *Agriculture Technical Assistance (2024 or 2025 Launch)*

The Agriculture Technical Assistance program will address unmet needs in the agricultural sector through partnership-building and customized technical assistance. The program will provide specialized support for indoor agriculture/cannabis and water-energy nexus measures, and focused outreach to the many smaller producers and socially disadvantaged agricultural customers in the Tri-County Region.

#### *Energy Assurance Services (2024 Launch)*

The new Energy Assurance Services program will be modeled after the County of Santa Barbara’s Energy Assurance Assessment Services program. Since March of 2021, the County has held a contract with Arup US Inc. (Arup) to implement the Energy Assurance Services program through the Sustainability Division with funding from the California Energy Commission. Arup was selected through a competitive procurement process in 2021 for the County’s first iteration of the program. The contract for consideration to conduct 3C-REN work was not

based on a competitive procurement because Arup was instrumental in program design with County staff; maintaining the same contractor for program growth will allow for program efficiencies and ease of expansion.

The program facilitates increased resilience of critical facilities in Santa Barbara County by providing public and private sector critical facilities with energy benchmarking, audits, and technical assistance required to install clean energy resources, electrify operations, and conduct other energy improvements. The program has served 16 facilities including three facilities that are working toward establishing their sites as community resilience hubs.

These audits have also been key in the development of an Energy Assurance Plan that will assist the County with planning for and responding to events that result in a decrease or total outage of energy needed to sustain critical functions and essential services. Sustainability staff is drafting the Energy Assurance Plan, with anticipated completion in January, 2023.

**Performance Measure:**

Numbers of: projects, energy (kWh and therms) saved, contractors enrolled, units (apartments) served, trainings held, event/training attendees, code coach cases, facilities audited, facilities benchmarked

**Contract Renewals and Performance Outcomes:**

Recommended Actions include a request for Arup contract extension for up to one year.

**Fiscal and Facilities Impacts:**

Budgeted: No

Approval of the MOA will generate \$6,213,169 in funding for County of Santa Barbara that will be used to support Sustainability Division staffing and to develop and implement programs that will help meet the energy related goals in the County’s CAP in 2024-2027.

Approval of the contract with Arup will provide \$820,000 in funding to expand the Energy Assurance program.

**Fiscal Analysis:**

Member Counties	2024	2025	2026	2027
<b>Santa Barbara</b>				
Labor	\$867,180	\$910,564	\$956,058	\$1,003,867
Implementation	\$561,500	\$565,000	\$673,000	\$676,000
<b>Total REN SB Expenses</b>	<b>\$1,428,680</b>	<b>\$1,475,564</b>	<b>\$1,629,058</b>	<b>\$1,679,867</b>

**Key Contract Risks:**

Low: The County has worked with Ventura County for over 5 years on the development and implementation of 3C-REN programs. The funding associated with the MOA is rate payer funding distributed by SoCalGas, as overseen by the California Public Utilities Commission making a default on payment unlikely. Additionally, the County has held a contract with Arup since March of 2021 and has seen high quality work from the company in implementing a very similar scope of work. Arup is an international firm with staff redundancies to mitigate risk.

**Staffing Impacts:**

3C-REN funding will help retain existing staff that are currently funded by 3C-REN and provide additional funding for two additional FTE.

**Special Instructions:**

Please send a copy of the signed Amendment and the minute order to Ashley Watkins.

**Attachments:**

Attachment 1: 3C-REN MOA Amendment  
Attachment 2: 2019-2025 IOU-3C-REN Agreement  
Attachment 3: Agreement with Arup US Inc.

**Authored by:**

April Price, Energy Portfolio Manager  
Ashley Watkins, Division Chief