



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: February 14, 2017
Placement: Administrative
Estimated Tme:
Continued Item: Yes
If Yes, date from: October 18, 2016
Vote Required: 4/5 Vote

TO: Board of Supervisors
FROM: Department George Chapjian, Community Services Director
Director(s) (805) 568-2467
Contact Info: Ashley Watkins, Program Services Supervisor
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SUBJECT: Funding for Participation in Regional Energy Network

County Counsel Concurrence

As to form: Yes

Other Concurrence: As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A. Authorize contribution of up to \$18,000.00 to Ventura County to pay for a portion of services rendered by an expert consultant to assist with development of a Regional Energy Network (REN) proposal to seek funding from the California Public Utilities Commission (PUC) for energy efficiency programs;
- B. Approve Budget Revision Request #0004854 in the amount of \$18,000.00 reappropriating FY16/17 Salary Savings for the purpose of contributing funds to Ventura County for a contract for services with an expert independent contractor to assist with development of the REN proposal (Attachment 1) (4/5 vote required); and
- C. 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, and direct staff to file a Notice of Exemption (NOE) (Attachment 2).

Summary Text:

The Board of Supervisors last received a report on the possibility of a REN proposal on October 18, 2016. At that time the Board authorized staff to pursue an opportunity to participate in a REN and allow Ventura County to submit a joint Tri-County proposal that included Santa Barbara and San Luis Obispo Counties. Initially, Ventura County did not anticipate the need for cost-share from Santa Barbara or San Luis Obispo assuming the application could be completed by the Tri-County staff. However, after receiving feedback from the California Public Utilities Commission (PUC) staff on the initial draft proposal, Ventura County thought it was best to engage an expert consultant to assist with the application to strengthen the proposal that was submitted. Ventura County is now asking Santa Barbara and San Luis Obispo Counties to consider contributing funds to pay for the consultant's services. Costs for the services rendered by the independent consultant will be split equally amongst Ventura, San Luis Obispo and Santa Barbara Counties.

This item is on the agenda in order to request the Board to authorize contribution of up to \$18,000.00 to Ventura County to pay for services rendered by the consultant to assist with development of the REN proposal and to approve a Budget Revision Request to allocate up to \$18,000 from CSD salary savings towards offsetting a third of the costs incurred by Ventura County. Ventura County will submit an invoice to Santa Barbara County with copies of the expert consultant's invoices to ensure costs are being split equally before payment is made.

Background:

The California Public Utilities Commission (PUC) made available an opportunity for local governments to submit proposals to receive rate-payer funding through a construct known as a Regional Energy Network (REN), whereby local governments are considered "Program Administrators" for certain types of energy efficiency programs. Existing RENs in Los Angeles and the Bay Area have received tens of millions of dollars in rate-payer funding to deliver energy efficiency programs for their region and have the benefit of having control over program design and budget decisions. Rate-payer funding is considered the largest and most accessible form of external funding to support energy efficiency programs necessary to meet the County's Energy and Climate Action Plan goals.

Given that only one REN may operate within any particular regional boundary, participating in a REN has lasting impacts on how rate-payer funding is allocated to Santa Barbara County for energy efficiency programs. Santa Barbara County currently receives rate-payer dollars for the emPower Central Coast (emPower) energy efficiency program through a separate construct currently administered by the Investor Owned Utilities (Edison, PG & E and So. Cal. Gas) and which currently makes \$1.35 million available to the Tri-County region to support emPower financing and other energy efficiency services that the County provides. Given uncertainty related to continuation of these funds, Santa Barbara County is participating in a joint REN proposal with Ventura and San Luis Obispo County in an effort to continue to provide our region with energy efficiency services and programs.

The joint Tri-County proposal was submitted to the CPUC on January 26, 2017. The CPUC expects to make a decision regarding REN proposals in late spring/early summer. If the Tri-County proposal is selected, the next step would be to develop an Implementation Plan. Ventura County is planning to propose that costs associated with development of the Implementation Plan be included in the budget

allocated by the CPUC upon approval of the REN proposal.

Fiscal and Facilities Impacts:

Budgeted: No

CSD proposes to utilize Department salary savings to pay for a portion of the consultant's services. Not pursuing a REN would likely have a negative impact on the availability of energy efficiency services and programs currently provided by the County's emPower program since utility funding provided for emPower has a high probability of being eliminated after December 2017.

Risk Analysis:

As stated in the fiscal impacts section, funding for the emPower program may run out after December 2017. The formation of a REN could provide funding for continuation of the services provided by the emPower program.

Fiscal Analysis:

Upon approval of Budget Revision Request #0004854, \$18,000.00 in FY16/17 Salary Savings will be re-appropriated to contribute funds to Ventura County for its contract for services with an independent contractor. Overall appropriations remain unchanged, no additional funding is required.

Staffing Impacts:

The formation of a REN would provide funding to help retain existing staff should emPower funding be decreased or be eliminated.

Attachments:

Attachment 1: Budget Revision Request

Attachment 2: CEQA Notice of Exemption (NOE)

Authored by:

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