

# 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 Submitted on: (COB Stamp)

**Department Name:** Community Services

**Department No.:** 057

Agenda Date: July 1, 2025

**Placement:** Departmental Agenda

Estimated Time: 30 min
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

**TO:** Board of Supervisors

**FROM:** Department Director(s): Jesús Armas, Community Services Director

Contact: Lori La Riva, Energy Program Manager

SUBJECT: Tri-County Regional Energy Network (3C-REN) 2024 Impact Report

### **County Counsel Concurrence**

**Auditor-Controller Concurrence** 

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As to form: N/A As to form: N/A

Other Concurrence:
As to form: N/A

#### **Recommended Actions:**

That the Board of Supervisors:

- a) Receive and file the Tri-County Regional Energy Network (3C-REN) 2024 Annual Report (Attachment A); and
- b) Determine that the above 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)(5), as the actions are organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

#### **Summary Text:**

3C-REN is a partnership between the Counties of San Luis Obispo, Santa Barbara and Ventura established to deliver energy-saving programs and industry trainings that help reduce energy use, strengthen local job markets, and support efforts to achieve climate goals. As with other Regional Energy Networks, 3C-REN uses funding from the California Public Utilities Commission, effectively bringing ratepayer dollars back to the community.

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For households, 3C-REN offers energy saving opportunities, with an emphasis on "hard-to-reach" and underserved communities.

For industry, 3C-REN offers capacity-building services including workforce training and technical code support. Serving both public and private sector professionals, 3C-REN responds to the needs of the local building industry.

In 2024, 3C-REN offered (or launched) the following programs:

- **Home Energy Savings** programs for single-family and multifamily properties to receive incentives for energy-saving upgrades, with higher incentives for "hard-to-reach" customers.
- **Energy Code Connect** program for building officials and contractors to navigate the State's Energy Code and build more energy efficient buildings.
- **Building Performance Training** program for industry professionals seeking to enhance their knowledge and skills to design and deliver energy efficient buildings and retrofits.
- **Energy Assurance Services** (2024 launch) for critical facilities to receive tailored energy audits to meet the needs of their facility and the community during emergencies or power outages.
- **Agriculture Energy Solutions** (2024 launch) for farmers with high energy consumption to receive free technical assistance to support energy efficiency improvements.
- **Commercial Marketplace** (2024 launch) for local businesses to receive incentives for energy-saving upgrades, with higher incentives paid for projects at "hard-to-reach" businesses.

This Board Letter offers highlights from 3C-REN's 2024 Annual Impact Report.

#### **Discussion:**

3C-REN launched shortly before the COVID-19 pandemic in 2019 and entered its 6th year in 2024, emerging from its early development phase and the pandemic's aftermath to achieve strong growth. Presented here is 3C-REN's 2024 Annual Report. 3C-REN supports the County's 2030 Climate Action Plan by offering programs that reduce fossil fuel consumption from building energy use. Detailed information regarding available programs and customer incentives is available at www.3C-REN.org.

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

Home Energy Savings (HES)

The Single-Family HES 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 measurable (metered) energy savings. Incentives are highest for "hard-to-reach" single-family households, which include households on discounted utility rates, mobile and manufactured homes, households that don't speak English as their primary language, and households with a member of a California Native American Tribe.

There are over 50 contractors actively participating in the program, more than double from 2023. In 2024, the program served 516 homes across the tri-county region, a 62% increase from last year, with projects ranging from heat pump water heaters to energy efficient pool pumps. In Santa Barbara County, 24 single-family projects were completed reducing natural gas use by 7,403 therms and carbon emissions by 18 tons of CO2e. ( $CO_2e$ , or Carbon Dioxide Equivalent, is a unit of measurement used to compare the impact of greenhouse gases (GHGs) on the environment. This unit of measurement is reflected in the County's GHG inventory and Climate Action Plan.)

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The Multifamily HES Program offers 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. In 2024 the program completed 13 projects across the tri-county region, serving 1,319 dwelling units with energy upgrades—a fivefold increase in units served from the previous year. There were 32 projects in the pipeline at the end of 2024.

In Santa Barbara County, projects at 4 multifamily properties with a cumulative 331 units reduced natural gas use by 21,880 therms and carbon emissions by 73 tons of CO2e.

#### Building Performance Training (BPT)

BPT is a workforce development program for current and prospective building professionals in the construction trades, design, real estate, and beyond. It offers technical and soft skill training and certifications focused on energy efficiency, high performance building, and electrification. It is a key resource for industry professionals on the Central Coast looking to upskill through convenient classes and by obtaining certifications. In 2024, the program hosted a total of 115 training events with 2,091 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, on-site support, and targeted training—hosting 25 energy code events in 2024. It also offers on-call expert assistance through a "Code Coach" service.

In 2024 the service fielded 142 inquiries, serving 64 organizations and 39% of tri-county jurisdictions, with 100% of jurisdictions receiving at least one marketing touch.

#### Commercial Energy Savings (CES) (Dec. 2024 Launch)

The CES program has just begun to serve local businesses with discounted energy upgrades. The CES program will pay incentives for any project that saves energy, with the highest incentives paid for projects on "hard-to-reach" businesses. In this case, businesses in Disadvantaged Communities (DACs) and small- and medium-sized businesses are located in a leased or rented facility. This program works in partnership with regional Green Business Programs.

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

The EAS program offers tailored energy audits for critical facilities within the tri-county region. Critical facilities provide essential services to the community during emergencies or power outages and may include locations like community centers, libraries or churches. These facilities may perform a variety of critical services including acting as evacuation shelters, heating, cooling, or clean-air centers, food and supply distribution sites, or providing medical care. Energy audits conducted by the program are customized to meet the specific needs of each facility, with a focus on resiliency, energy efficiency, and comprehensive load management. 3C-REN leveraged the groundwork laid by the County of Santa Barbara's Energy Assurance program to grow interest in energy audits for critical facilities across the entire tri-county region.

## Agriculture Energy Solutions (late 2024 Launch)

The AES program offers specialized support to agricultural operators with high energy consumption, such as those in controlled environment agriculture (CEA), by identifying opportunities for energy efficiency improvements and supporting their implementation. It offers free technical assistance in the form of utility bill analysis, facility assessment, and benchmarking, and largely targets small- to

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medium-sized farms in rural, socially disadvantaged, and "hard-to-reach" areas. Where available, farmers will also be provided with connections to complementary incentive programs that can help cover the costs of implementing the energy projects identified through these offerings.

#### **Background:**

3C-REN is a collaboration between the three counties of San Luis Obispo, Santa Barbara and Ventura, established to deliver energy-saving programs and industry trainings that help reduce energy use, strengthen local job markets, and support efforts to achieve climate goals. A Regional Energy Network (REN) structure allows local governments to bring ratepayer dollars back to the community to design and implement energy efficiency programs that will best meet the needs of the local regions, and they are intended to fill gaps where investor-owned utilities (IOUs) cannot or will not serve customers. All three counties receive funding for staff to develop and implement energy-saving programs that span the tri-county region.

#### **3C-REN History**

On October 18, 2016, the Board of Supervisors approved pursuing participation in an REN to obtain funding from the California Public Utilities Commission (CPUC) to develop and implement energy efficiency programs. On October 4, 2018, the CPUC officially approved the formation of the 3C-REN and its business plan requesting \$50 million to administer programs. In 2021, based on the success of the initial programs, 3C-REN submitted a new business plan to the CPUC requesting \$155 million to continue existing programs and launch three new programs for 2024-2031. This new business plan was approved in 2023.

The CPUC's decisions to approve and expand 3C-REN resulted in increased flexibility, innovation, and autonomy in administering energy efficiency programs that reflect regional needs. A REN receives IOU ratepayer funding from the CPUC to design and implement its own programs that will best meet the needs of the local region. RENs are intended to fill gaps where IOUs cannot or will not serve customers; and therefore, focus on serving "hard-to-reach" customers, including rural communities, customers with English as a second language, renters, multifamily properties, low- and middle-income households, and members of California Native American Tribes. 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.

#### **3C-REN Structure**

Ventura County is the administrative lead for 3C-REN and is responsible for coordinating regulatory activities including communication with the CPUC, 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 CPUC. Southern California Gas Company, on behalf of Pacific Gas & Electric and Southern California Edison, are the pass-through fiscal agent for CPUC funds. The IOUs contract directly with Ventura County for that purpose. However, 3C-REN reports directly to the CPUC, and 3C-REN activities are outside the purview of the IOUs.

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#### **Performance Measure:**

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

#### **Contract Renewals:**

N/A

# **Fiscal and Facilities Impacts:**

The primary funding source for this program is revenue received from the CPUC via County of Ventura. The revenue and expenses associated with 3C-REN activities are already budgeted. There is no anticipated impact on the General Fund.

#### **Fiscal Analysis:**

Funding Source	FY [25/26]	FY [ <i>26/27</i> ]	FY [27/28]	Total
General Fund				
State	\$1,370,000	\$1,411,100	\$1,453,433	\$4,234,533
Federal				
Fees				
[Other Source]				
Total	\$1,370,000	\$1,411,100	\$1,453,433	\$4,234,533

The County receives funding from County of Ventura for all staff time, supplies and expenses associated with 3C-REN. All 3C-REN budgets and expenses are reviewed, authorized and approved by the CPUC.

#### **Staffing Impacts:**

N/A

#### **Special Instructions:**

N/A

#### **Attachments:**

Attachment A - 3C-REN 2024 Annual Report

#### **Contact Information:**

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