

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Concerning
Energy Efficiency Rolling Portfolios, Policies,
Programs, Evaluation, and Related Issues.

Rulemaking 13-11-005
(Filed November 14, 2013)

**MOTION OF SAN DIEGO COMMUNITY POWER ON BEHALF OF THE SAN DIEGO
REGIONAL ENERGY NETWORK FOR APPROVAL OF ENERGY EFFICIENCY
PORTFOLIO APPLICATION**

Jacob Schlesinger
Keyes & Fox LLP
1580 Lincoln St., Suite 1105
Denver, CO 80203
Telephone: (720) 639-2190
E-mail: jschlesinger@keyesfox.com

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Counsel for San Diego Community Power

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Pursuant to Rule 11.1 of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure, and in accordance with the requirements and process set forth in Decision (“D.”) 19-12-021, D.12-11-015, and related Decisions, San Diego Community Power (“SDCP”), on behalf of the San Diego Regional Energy Network (“SDREN”), hereby submits the following Motion For Approval of Energy Efficiency Portfolio Application (“Motion”). SDCP respectfully requests Commission approval of the SDREN 2024-2031 Strategic Business Plan (“Business Plan”), SDREN 2024-2027 Portfolio Plan, Budget, and supporting documents (together, the “Portfolio Application”). As set forth below, the Portfolio Application satisfies the procedural and substantive requirements for the formation of a new Regional Energy Network (“REN”) and is both reasonable and consistent with the Commission’s policy goals. As such, SDCP requests that the Commission approve the Portfolio Application in its entirety and authorize SDREN to begin offering its Portfolio of Energy Efficiency (“EE”) programs within its proposed service area in 2024, at the requested funding levels.

SDCP is submitting this Motion in accordance with the process set forth in Ordering Paragraph (“OP”) 2 of D.19-12-021. OP 2 sets forth the Commission’s process for submitting new REN proposals stating, in relevant part: “a proposal for a new regional energy network... may be

brought to the Commission at any time via a motion in the open energy efficiency rulemaking.”¹ However, SDCP has aligned its Portfolio Application with the requirements and timing of the Commission’s established rolling portfolio process, most recently updated in D.21-05-031.² This includes:

- Submitting the SDREN Motion and Portfolio Application to align with the same cadence of funding as the existing Portfolio Administrators’ (“PA”) Portfolios;
- Providing a Business Plan, Portfolio Plan, and tables developed using the Energy Division’s templates adopted in accordance with D.21-05-031; and
- Complying with program segmentation and other substantive program requirements adopted in D.21-05-031.

Included as Attachment A to this Motion, SDCP is providing the following SDREN Portfolio Application documents:

- Exhibit 1: SDREN’s 2024-2031 Strategic Business Plan
- Exhibit 2: SDREN’s 2024-2027 Portfolio Plan
- Exhibit 3: Appendices
 - Appendix A. Acronyms, Abbreviations, and Definitions
 - Appendix B. County of San Diego Letter of Support
 - Appendix C. Stakeholder Feedback
 - Appendix D. Letters of Support
 - Appendix E. CAEECC Presentation and Summary Report
 - Appendix F. CPUC Checklist

¹ D.19-12-021, Ordering Paragraph (“OP”) 2 (December 5, 2019).

² D.21-05-031, OP 5 (May 20, 2021).

- Appendix G. Letter of Commitment to Cooperate
- Appendix H. SDREN and SDG&E Comparison Matrix
- Exhibit 4: SDREN’s Responses, Pursuant to Energy Division Template
 - SDREN’s Energy Efficiency 2024-2031 Application Tables, Pursuant To Energy Division Template
 - SDREN’s Energy Efficiency 2024-2027 Supplemental Budget Narrative Information, Pursuant To Energy Division Template
- SDREN 2024-2031 Energy Efficiency Application Excel Sheets

I. THE PORTFOLIO APPLICATION MEETS THE REQUIREMENTS SET FORTH IN D.19-12-021.

SDCP respectfully requests that the Commission authorize SDREN to provide EE service as a new REN. In Ordering Paragraph 2 of D.19-12-021, the Commission set forth the required elements that must be included in a motion to form a new REN. The motion must:³

1. Provide a description of the REN’s new and unique value to contribute to California’s energy, climate, and/or equity goals.
2. Provide a detailed description of the new REN’s proposed governance structure and demonstrate that the REN represents more than one government entity.

In addition, the motion must provide the following documentation:

1. A business plan proposal that has been presented to at least one meeting of the California Energy Efficiency Coordinating Committee (“CAEECC”).
2. A “letter of commitment to cooperate” from each existing PA with whom the new REN’s proposed activities will overlap.

³ D.19-12-021 at OP 2.

3. A written summary of feedback received from the CAEECC meeting and any other stakeholder input, along with the response or changes that were made as a result of the input.
4. A proposed set of energy savings targets.
5. A proposed set of goals and metrics.
6. An estimate of benefits and costs according to the Total Resource Cost and Program Administrator Cost tests.

Together, this Motion and the SDREN Portfolio Application satisfy each of these requirements.

A. SDREN Will Provide New and Unique Contributions to California’s Energy, Climate, And Equity Goals.

As discussed in detail in SDREN’s 2024-2031 Business Plan,⁴ SDREN will provide a new and unique contribution to current efforts to achieve California’s energy, climate, and equity goals. SDREN will focus on the principles of environmental equity, collaboration, and community-driven strategies to spur innovation. The uniqueness and value of SDREN is the guiding strategy to focus on the local community as a driving force in meeting State goals. Notwithstanding any legal or administrative barriers, community-based organizations will be compensated and engage in capacity building to maximize non-energy benefits for equity customers. Community-driven program planning with in-language support defines the approach to supporting the County of San Diego’s Regional Decarbonization Framework. SDREN’s collaborative approach to leveraging a wide range of stakeholders and goals offers a unique value not yet realized in the San Diego region. With the evolution of the EE portfolio segmentation, advancement of the Environmental and Social Justice (“ESJ”) Action Plan 2.0, and advent of Integrated Demand Side Management

⁴ Exhibit 1, SDREN 2024-2031 Business Plan, pp. 5-9, 36-42.

(“IDSM”) programs, SDREN program offerings are tailored to meet Commission guidance on low global warming potential refrigerants, leverage multiple value streams for IDSM programming, and address the localized workforce needs to meet and surpass codes, standards, and statewide policy while delivering new value to the local region served. At the same time, in the pursuit of decarbonization, SDREN has identified equity concerns in the workforce market that disproportionately affect minority groups, and both residential and non-residential customers including the public sector, schools, and tribes.⁵ SDREN will offer a portfolio of EE programs that address these challenges, achieving five key outcomes:

Portfolio Outcome 1: Reduce energy burden and improve energy affordability. As customers move from methane gas to electric appliances, they should not see increased costs.

Portfolio Outcome 2: Improve health and reduce energy consumption across the region. When done effectively, building electrification leads to both health benefits and a reduction of energy use.

Portfolio Outcome 3: Improve access and increase program participation by reducing program complexity and helping program participants understand how best to manage their own energy consumption. Education is at the foundation of an equitable transition and ease of access to all resources.

Portfolio Outcome 4: Maximize benefits to customers by leveraging additional funding, such as Inflation Reduction Act (IRA) funds, to deliver IDSM strategies. Coordination of these resources will maximize benefits to the customer.

Portfolio Outcome 5: Create access to career pathways in clean energy, supporting a trained clean energy regional workforce with high-quality jobs.

By pursuing and achieving these outcomes, SDREN will provide a new and unique contribution to current efforts to achieve California’s energy, climate, and equity goals.

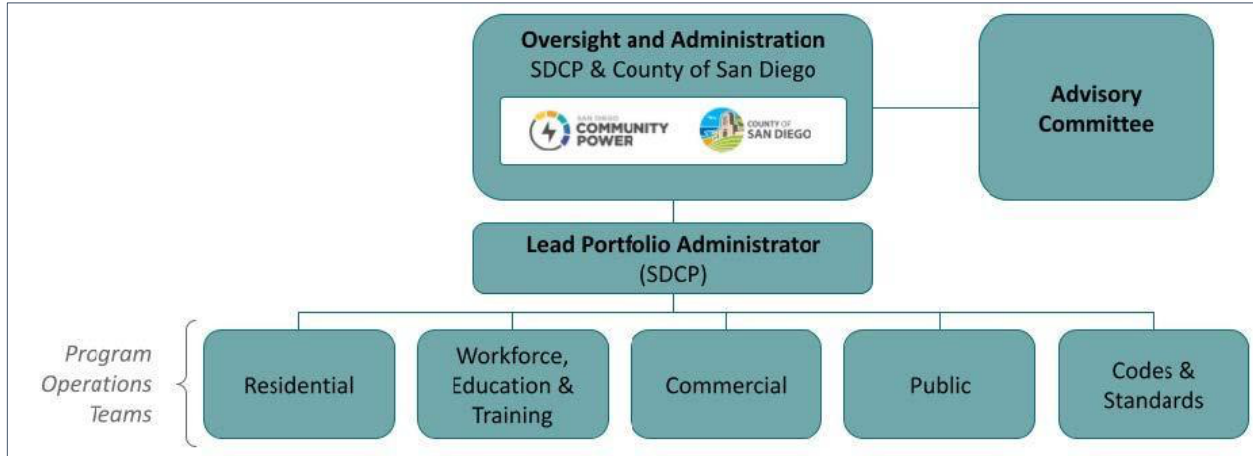
⁵ Exhibit 2, SDREN 2024-2027 Portfolio Plan, pp. 84, 91, 95.

B. SDREN's Governance Structure Complies with the Requirement Set Forth in D.19-12-021.

San Diego County covers approximately 4,210 square miles, including 70 miles of coastline, bordered on the south by Mexico. San Diego County is the second most populous of California's 58 counties and the fifth largest county in the United States, with a population of 3.3 million. The region is highly diverse in its geography and biology, situated in the rolling hills and mesas that rise from the Pacific shore to join with the Laguna Mountains to the east. The Kumeyaay, referred to as Diegueno by the Spanish, were the original inhabitants of San Diego County. The San Diego region is built on Kumeyaay and Luiseno land, with the unincorporated area of San Diego County being home to 18 Tribal communities represented by 17 federally recognized Tribal Governments, more than any other county in the United States. San Diego Bay is one of the country's finest natural harbors, hosting tremendous biodiversity. The region covers a large area of vastly different terrain, from miles of ocean and bay shoreline, densely forested hills, and fertile valleys to mountains, canyons, and deserts. This is reflected in the region's diverse range of climate zones: the coastal climate zone 7, inland climate zone 10, mountain climate zone 14, and desert climate zone 15.

As required by D.19-12-021, SDREN is being formed by more than one local government agency. The governance structure will be led by San Diego Community Power (a Joint Powers Authority) and the County of San Diego (a California county). SDREN leverages the region's capacity and experience to create a strong and collaborative structure. The region has a strong history of collaboration and engagement in EE programs. A key focus of this structure is an advisory committee which reflects the demographic diversity of the region. The following chart depicts the SDREN governance model.

Figure 1. SDREN Governance Model



The SDREN governance structure is described in detail in SDREN’s Business Plan.⁶ The Oversight and Administration team of SDCP and the County of San Diego will provide portfolio-level vision and strategy, enact program changes during the portfolio cycle, and oversee future Business Plan development. Important decisions will be made using a consensus process. The goal is to reach a consensus for any significant portfolio-wide issues. However, if a consensus is not achieved in a timely fashion, a mediator will be used to make a final decision as a last resort. SDCP and the County of San Diego will proactively identify potential non-consensus issues early and work with impacted parties constructively.

C. The SDREN Portfolio Application Has Been Presented to CAEECC and Received Broad Stakeholder Feedback.

A summary of SDREN’s Portfolio Application was presented at a full CAEECC Meeting held on November 29, 2023. A copy of the SDREN CAEECC presentation is included as Appendix E in Exhibit 3 to the Portfolio Application. A written summary of feedback received from the CAEECC meeting is also provided in Exhibit 3, Appendix E to the Portfolio Application. General

⁶ Exhibit 1 at 10-14.

questions covered the role of the Community Advisory Committee and governance structure. SDREN outlined its diligence in the market characterization and the guiding principle of catalyzing collaboration. The distinction between SDCP and SDREN was also clarified in that SDREN is not a division of SDCP, and SDREN has a county-wide footprint, which is larger than SDCP. In addition to presenting at CAEECC, the SDREN Partners conducted significant outreach to communities in the SDREN area, receiving broad support for the SDREN proposal. Questions were addressed regarding the level of engagement that occurred to form the Portfolio Application, and responses were detailed. General feedback from CAEECC was positive and supportive of SDREN submitting a successful Portfolio Application.

Outside of CAEECC, and in alignment with SDREN’s guiding principles, comprehensive engagement with key stakeholders was conducted during the preparation of the Business Plan. Key stakeholders included regional and community organizations as well as energy efficiency stakeholders across the state.⁷ A majority of feedback was overwhelmingly positive with support for the formation of an SDREN, along with the proposed structure, values, strategies, and programs. A total of 44 letters of support for SDREN are provided as Exhibit 3, Appendix D to the Portfolio Application, and a summary of stakeholder feedback, along with the response or changes that were made as a result of the input, is included in Exhibit 3, Appendix C.

D. The Portfolio Application Includes All Information Required by D.19-12-021.

The SDREN Portfolio Application provides all additional information (not discussed above) required by D.19-12-021. The location of this information is provided in the following table:

⁷ See Exhibit 1 at 17-20.

Table 1: SDREN Index of Information Required by D.19-12-021

Required Information/Documents	Location(s)
A “letter of commitment to cooperate” from each existing program administrator with whom the new REN’s proposed activities will overlap.	Letter of Commitment with SDG&E is included in Exhibit 3, Appendix G
A proposed set of energy savings targets.	Energy savings targets discussed in Exhibit 2, Projected Sector-Level and Portfolio-Level Cost Effectiveness, pp. 20-21 All metrics and savings goals are detailed in Exhibit 4, SDREN’S Energy Efficiency 2024-2031 Application Tables, Pursuant To Energy Division Template
A proposed set of goals and metrics.	Goals and metrics are discussed in Exhibit 2, Key Metrics and Outcomes Unique Value metrics and targets are detailed in Exhibit 4, SDREN’S Energy Efficiency 2024-2031 Application Tables, Pursuant to Energy Division Template
An estimate of benefits and costs according to the Total Resource Cost and Program Administrator Cost tests.	Forecasted TRC and PACs are included in Exhibit 2, Projected Sector-Level and Portfolio-Level Cost Effectiveness, p. 20 They are also detailed in Exhibit 4, SDREN’S Energy Efficiency 2024-2031 Application Tables, Pursuant To Energy Division Template

II. THE COMMISSION SHOULD APPROVE THE PORTFOLIO APPLICATION.

A. SDREN's Proposed Portfolio Is Reasonable and Meets the Requirements of D.12-11-015.

Decision 12-11-015 requires that to be approved by the Commission, a REN's proposed activities must fall under at least one of the following criteria:⁸

1. *Activities that utilities cannot or do not intend to undertake.* The rationale for this should be obvious – if a REN can deliver a service to the market that the utilities cannot, it should be considered.
2. *Pilot activities where there is no current utility program offering, and where there is potential for scalability to a broader geographic reach, if successful.* In this case, the concept would be to test program delivery that is different or unique, for potential to be scaled up to a statewide approach delivered either by RENs and/or by utilities in the future.
3. *Pilot activities in hard-to-reach markets, whether or not there is a current utility program that may overlap.* These activities may or may not be intended to be scalable to a larger area. The rationale is that hard-to-reach markets (including multi-family and low- to moderate-income residential, as well as small commercial) need all the help they can get to achieve successful energy efficiency savings. A piloted approach may work well in a particular geographic region because of its specific characteristics, or it may be appropriate for a wider delivery by RENs and/or utilities elsewhere.

All of SDREN's proposed activities meet at least one of these criteria. SDREN's Portfolio proposes one Resource Acquisition program, five Equity programs, three Market Support programs, and one Codes and Standards program. Several of these programs will contribute to SDREN's total system benefit ("TSB") forecasts by offering measures and services not covered by other PA programs. Most, if not all, of SDREN programs will also drive participation in SDG&E programs through referrals. This will, in turn, contribute to the region's TSB goals.

⁸ D.12-11-015 at 17; D.19-12-021 at 4-5.

SDREN will offer the following five equity programs:

- *Residential Equity Program (single-family)* – will create a home energy advisor for residents that will serve as a personal concierge-style service to connect them to program information, funding, and financing opportunities. The energy advisor will refer and connect residents to all eligible program resources and will act as a closed loop between participants and program service providers by coordinating with SDREN-supported contractors and contractors supporting other external programs. The program will offer a growing and evolving knowledge base to support participants. The primary goal of this program is to provide energy efficiency services to hard-to-reach customers and/or disadvantaged communities in alignment with the Commission’s Environment and Social Justice Action Plan.
- *Multifamily Residential (two or more units)* – will target multifamily property owners/managers as well as tenants to address facility upgrades that impact both common area measures (“CAM”) and renter-specific in-unit utility bill savings. The program will offer a growing and evolving knowledge base to support participants. The primary goal of this program is to provide energy efficiency services to hard-to-reach customers and/or disadvantaged communities in alignment with the Commission’s Environment and Social Justice Action Plan.
- *Tribal Engagement* – will create a pathway for Tribes and Tribal organizations in the San Diego region to develop, propose, and implement energy-related initiatives to address their unique needs and contribute to sustainability, resilience, and economic development within Tribal communities. This goal is in alignment with the primary purpose of Equity segment programs, i.e., to provide EE services to

hard-to-reach customers in disadvantaged communities in the advancement of the Commission's Environmental and Social Justice Action Plan.

- *Efficient Refrigeration Program* – will provide energy efficiency education and no-cost, direct installation of efficient refrigeration equipment to small corner stores/grocers/small businesses to support energy cost savings and the stocking of healthy, fresh, and affordable food products. This will provide energy efficiency services to hard-to-reach and/or underserved communities in alignment with the Commission's Environmental and Social Justice Action Plan.
- *SMB Equity Coach* – SDREN's local trusted partners will engage with small and medium-sized businesses to determine eligibility and interest in program offerings. The program implementer staff and energy coaches will guide program participants through the SDREN commercial program and other applicable program offerings and services. Licensed local contractors, electricians, and equipment manufacturers will support the direct installation of energy efficiency measures. Engineering consultants will provide technical assistance as needed. The program implementer(s) will work with community partners, including community-based organizations, to ensure SMB participants are aware of local resources and opportunities. The program will provide energy efficiency services to hard-to-reach and/or underserved communities in alignment with the Commission's Environmental and Social Justice Action Plan.

SDREN will offer the following resource acquisition program:

- *Market Access Program* – will provide performance-based incentives to project developers (aggregators) who deliver projects that realize peak demand reductions

and verified energy savings. The program will utilize a population-level normalized metered energy consumption methodology to verify savings while paying incentives based on TSB achieved, encouraging long-life measures that deliver maximum grid benefit. The program will focus on filling the needs of commercial customers unmet by other utility and statewide programs and will deliver direct-to-customer rebates for energy efficiency and electrification upgrades as well as some direct installation options.

SDREN will offer three market support programs:

- *Climate Resilience Leadership* – will overcome barriers hindering public agencies from implementing EE projects. This program will also promote IDSM technologies and programs, facilitating deeper decarbonization to help agencies meet their climate goals. Dedicated project managers will act as an extension of agency staff to provide customized and unbiased start-to-finish guidance and coordinate the delivery of technical services to identify and implement EE projects. The program will build capacity for public agency participants through education, training, and technical services and instill EE as a best practice. These outcomes are in alignment with the Commission Market Support (“MS”) objective to support the long-term success of the EE market.
- *Workforce Training and Capacity Building* – will enhance the clean energy workforce in our region, focusing on skill development for new and incumbent workers. The program will target employees and employers, boosting employee skills and employer capacity to work on electrification and decarbonization projects. This will increase awareness and build accessible pathways for individuals

to enter the green workforce, build long-lasting careers, and form a robust professional network.

- *Energy Pathways Program* – will increase access to education and training resources to develop students’ awareness of energy/green career pathways, help them learn the skills to enter the workforce, and provide sector-specific information. The Energy Pathways program will provide high school students in the San Diego region with a standards-aligned curriculum focused on career technical education. Successful program implementation will build a bridge connecting participants to local employers within the energy, electrification, and decarbonization sectors. This will build capacity in the region by working directly with employers to increase opportunities for education, training, certifications, mentorship, and job connections for energy job acquisition.

SDREN will offer the following codes and standards (“C&S”) program:

- *C&S Program* – will complement existing statewide and regional investor-owned utility programs and fill gaps in services for local governments and the C&S community. This program will engage and support local government permitting agencies to help them enhance energy code compliance and embrace advanced energy codes, standards, and policies. By doing so, the program seeks to significantly reduce energy consumption and GHG emissions and accelerate local government leadership in energy efficiency.

B. The Portfolio Application’s Proposed Funding Period is Reasonable.

The SDREN Portfolio Application proposes a funding period beginning in 2024 and continuing through 2027. This funding period is reasonable and consistent with applicable

Commission requirements. Specifically, D.21-05-031 modified the rolling portfolio planning process, instructing existing PAs to submit applications that include a four-year program portfolio for the period 2024-2027 that included “annual budgets totaling to a four-year revenue requirement.”⁹ To maximize SDREN’s alignment with the rolling portfolio process, SDREN’s budget request aligns with the 2024-2027 period.

SDCP is submitting its SDREN Motion in January 2024, anticipating that it will be authorized mid-year. As such, SDREN should be approved to begin service in 2024, and its inclusion of partial funding for 2024 in its budget request is reasonable.

III. THE COMMISSION SHOULD APPROVE THE PROPOSED SDREN BUDGET.

A detailed breakdown of SDREN’s proposed budget for the four-year period from 2024-2027 is provided in SDREN 2024-2031 EE Application Excel Sheets. This budget is summarized in the following table:

Table 2: SDREN Portfolio Budget Request

Sector	Admin	M&O	DI – Non-Incentive	DI-Incentive	Total
Commercial	\$3,479,004	\$2,087,402	\$14,052,495	\$15,171,137	\$34,790,038
Cross Cutting: WE&T	\$1,922,543	\$1,153,526	\$16,149,357	\$0	\$19,225,425
Cross Cutting: C&S	\$732,396	\$439,437	\$6,152,122	\$0	\$7,323,955
Public	\$2,325,001	\$1,395,001	\$12,823,341	\$6,706,668	\$23,250,011
Residential	\$3,490,500	\$2,094,300	\$10,340,140	\$18,980,060	\$34,905,000
EM&V	\$4,779,777	\$0	\$0	\$0	\$4,779,777
Total	\$16,729,220	\$7,169,666	\$59,517,456	\$40,857,865	\$124,274,206

⁹ D.21-05-031 at 81.

This budget request is reasonable and should be approved by the Commission. SDREN's proposed budget reflects the projected cost of implementing its programs. SDREN will offer its programs to customers and communities in an area with a population of over three million. SDREN's distribution of budgets reflects the Portfolio Plan's focus on the uniqueness and value provided in equity and market support offerings. The Commission should authorize the budget requested in the SDREN Portfolio Application, which addresses dedicated support needed for community-based programs, the level of service to customers and stakeholders, and the alignment with the ESJ Action Plan Goal 2 to increase investment in clean energy resources, Goal 4 to increase climate resilience, Goal 8 to promote high road career paths and economic opportunity, and Goal 8 to provide training and staff development.

IV. CONCLUSION

SDCP respectfully requests that the Commission approve this Motion and the SDREN Portfolio Application.

Respectfully submitted,

/s/ Jacob Schlesinger
Jacob Schlesinger
Keyes & Fox LLP
1580 Lincoln St., Suite 1105
Denver, CO 80203
Telephone: (720) 639-2190
E-mail: jschlesinger@keyesfox.com

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Counsel for San Diego Community Power

ATTACHMENT A