

Association of Bay Area Governments

Executive Board

January 20, 2022

Agenda Item 6.c.

Bay Area Regional Energy Network (BayREN)

Subject:

Authorization to amend a Bay Area Regional Energy Network (BayREN) funding agreement with Pacific Gas and Electric Company (PG&E) in an amount not to exceed \$27,595,728 for services for BayREN implementation through December 31, 2023

Background:

Since 2013, the Bay Area Regional Energy Network (BayREN) has implemented a portfolio of energy efficiency programs across the region. The Association of Bay Area Governments (ABAG) serves as the program administrator and lead agency for a 10-member unincorporated association of local government entities.

On May 31, 2018, the California Public Utilities Commission (CPUC) issued Decision 18-05-041¹ which among other things, authorized funding for BayREN through 2025, allowed for modifications to the existing portfolio, and increased the portfolio's total and annualized budget. While the CPUC has authorized BayREN's funding through 2025, an Annual Budget Advice Letter (ABAL) – which supersedes D.18-05-041 – is required to be submitted each year to the CPUC. For calendar years 2022 and 2023, the CPUC has directed program administrators to file a consolidated Biennial Budget Advice Letter (BBAL).

Pacific Gas and Electric Company (PG&E) – as directed by the CPUC – is the fiscal agent for BayREN. The CPUC has also allowed PG&E and BayREN to negotiate contract terms independent of the CPUC. ABAG and PG&E currently have a contract for funding through December 2022 or FY 2022-23. The overall BayREN budget is developed each calendar year and the contracts have historically been amended on an annual basis or as needed.

In its 2022-2023 BBAL, BayREN requested an increase of approximately \$1.7 million to its previously approved calendar year 2022 budget. On January 3, 2022, the CPUC approved BayREN's BBAL. The increase, and subsequent 2023 budget primarily seek to:

- Sustain current levels of incentive funding for the nationally recognized Multifamily program.
- Augment funding for the Water Upgrades \$ave program to enable additional enrollment of municipal water utilities.
- Augment funding for the Green Labeling program, which assigns single family homes a Home Energy Score and provides training and resources for real estate professionals.

¹ <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M215/K706/215706139.PDF>

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- Nearly 4,000 Home Energy Scores were provided in 2021, compared to an average of 2,400 scores annually in 2018, 2019, and 2020. The additional funding will also support new trainings and pilots to better serve equity priority communities and renters.

The requested increase is summarized in the table below.

	2019 ²	2020	2021	2022	2023	Total
Current Funding	\$472,689	\$23,053,150	\$24,171,613	\$23,719,342	\$0	\$71,416,794
Requested Increase	\$0	\$0	\$0	\$1,686,542	\$25,909,186	\$27,595,728
Contract Total	\$472,689	\$23,053,150	\$24,171,616	\$25,405,884	\$25,909,186	\$99,012,522

Issues:

None.

Recommended Action:

The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or her designee, on behalf of the Association of Bay Area Governments and the Bay Area Regional Energy Network, to amend a funding agreement with Pacific Gas and Electric Company in an amount not to exceed \$27,595,728, for a total contracted amount of \$99,012,522, to provide services for BayREN implementation through December 31, 2023.

Attachment:

Summary Approval PG&E BayREN Funding Agreement Amendment

Reviewed:



Therese W. McMillan

² Approximately \$470 thousand dollars from 2019 are categorized as committed funds. Committed funds are defined as those associated with individual customer projects and/or are contained within contracts signed during a previous program cycle and associated with specific activities under the contract.