

# Association of Bay Area Governments

## Executive Board

---

May 18, 2023

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 \$1,200,000 to provide services for BayREN Business implementation and incentives 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. BayREN's programs:

- Build the green workforce.
- Advance the state's goals of:
  - doubling energy efficiency in existing buildings by 2030.
  - reducing emissions from existing buildings by at least 40 percent below 1990 levels by 2030.
  - Achieving 100 percent renewable and zero-carbon retail electricity and becoming entirely carbon neutral by 2045.
- Aid in building local capacity and serving the unique needs of each jurisdiction's residents and businesses.

On May 31, 2018, the California Public Utilities Commission (CPUC) issued Decision (D.) 18-05-041, 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 funding through 2025, an Annual Budget and 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 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 2023. The overall BayREN budget is developed each calendar year and the contracts have historically been amended on an annual basis or as needed.

Throughout 2022, the pandemic continued to adversely impact the Bay Area's small and medium business (SMB) sector. Many SMB decisionmakers continued to prioritize operational aspects that aided economic recovery over energy efficiency and renovations. To overcome pandemic related challenges and expand the pool of vendor-driven projects, the BayREN Business program pivoted away from a single-implementer model and began redesigning the

## Association of Bay Area Governments

### Executive Board

May 18, 2023

Agenda Item 6.c.

#### Bay Area Regional Energy Network (BayREN)

program to use multiple energy efficiency contractors or “aggregators”. The redesigned program was launched in late November 2022, and within approximately three weeks had subscribed its entire project pipeline. The program focuses on hard-to-reach and SMBs in disadvantaged communities.<sup>1</sup>

While project staff continue to evaluate project eligibility and quality control, an additional \$1.2 million is estimated to be needed to meet current levels of demand for the program, including projects that were reserved during late 2022 but have not yet been completed. BayREN has proposed the CPUC augment its 2022-2023 BBAL budget – \$4 million for the commercial program – with \$1.2 million in funding from unspent funds from prior years. If the proposal is approved, an amendment to the ABAG-PG&E funding agreement would be necessary to incorporate the funding.

#### Issues:

None

#### Recommended Action:

The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his 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 \$1,200,000, for a total contracted amount of \$100,212,522, to provide services for BayREN Business implementation and incentives through December 31, 2023.

#### Attachment:

- A. Summary Approval PG&E BayREN Funding Agreement Amendment

#### Reviewed:



Andrew B. Fremier

---

<sup>1</sup> BayREN Business “FLEXmarket” is a partnership of BayREN and Recurve Analytics (Recurve), that uses Recurve’s FLEXmarket platform to identify eligibility based upon business size - as determined by square footage and energy usage – and whether it is “hard to reach” – located in a disadvantaged community; English is not the primary spoken language; has less than 10 employees or “very small” energy usage; or is a leased or rented facility.