

Association of Bay Area Governments

Executive Board

November 19, 2020

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 in an amount not to exceed \$956,030 for services for BayREN implementation through December 31, 2022

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 (D.) 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.

In October 2019, the CPUC removed the pilot designation and made BayREN a permanent Program Administrator. The CPUC has also allowed PG&E and BayREN to negotiate contract terms independent of the CPUC. Accordingly, the current funding agreement between PG&E and ABAG is a three-year period, spanning calendar years 2020, 2021, and 2022. The contract also includes approximately \$470 thousand dollars in committed funds from calendar year 2019.²

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. In its 2021 ABAL, BayREN requested an increase of \$956,030 to its previously approved budget. The proposed increase – partially a response to the impacts of COVID-19 – seeks to sustain current levels of incentive funding for BayREN's successful Multifamily program³ and augment funding for BayREN's Water Upgrades \$ave program to enable additional participation of water utilities.

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

² 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.

³ The Multifamily program had initially intended to scale down incentive amounts in 2020, anticipating advancements in energy efficiency market drivers, policies, and program options.

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Subject to the CPUC's approval of BayREN's 2021 ABAL, the increase necessitates an amendment to the ABAG-PG&E funding agreement.

Issues:

None

Recommended Action:

The ABAG 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 \$956,030 for services through December 31, 2022, for a total contracted amount of \$71,416,794.

Attachments:

Summary Approval – PG&E BayREN Funding Agreement

Reviewed:



Therese W. McMillan