

Association of Bay Area Governments

Executive Board

September 18, 2025

Agenda Item 11.a.

Energy Section Climate and Energy Regional Programs

Subject:

Advancing Climate and Energy Initiatives in the Bay Area through the Energy Section's Regional programs, ABAG POWER and BayREN. Briefing on how this work is advancing climate, energy efficiency and energy management benefits to local governments and residents

Background:

The Energy Section oversees two regional programs that deliver energy efficiency programs and a gas purchasing pool that provides benefits and cost savings to ABAG members. Each of these programs is designed to benefit its members along with the Bay Area and its diverse residents and communities.

ABAG Publicly Owned Energy Resources (ABAG POWER)

ABAG POWER was formed in 1998 by ABAG and local governments and operates through a Joint Powers Agreement to provide leadership in energy management and aggregated procurement. It operates as a natural gas aggregation program, which conducts pooled purchasing of natural gas. ABAG POWER members do not receive their natural gas from PG&E.

Annual gas purchases, gas storage and gas transportation are based on ABAG POWER members' estimated use on an annualized monthly basis.

ABAG POWER currently serves 52 members and manages 970 gas meters. Membership is limited to public agencies – cities, counties, towns, special districts and school districts. Most of the members are from within the nine county Bay Area region but the program allows qualifying agencies to become members if they are located within the PG&E territory.

The program is a self-funded, not-for-profit enterprise that operates under a Board of Directors and an Executive Committee. The program's adopted goals as well as the ABAG POWER Strategic Implementation Roadmap¹ aim to deliver the following goals and initiatives to its members:

- Program and price stability
- Cost savings
- Delivery of products that contributes towards members sustainability and climate goals
- High-quality service

¹ <https://abag.ca.gov/tools-resources/digital-library/abag-power-strategic-implementation-roadmappdf>

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Bay Area Regional Energy Network (BayREN)

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 portfolio administrator (PA) and lead agency for a 10-member unincorporated association that includes ABAG and the nine Bay Area counties.

BayREN develops and administers climate and energy programs within the built environment in order to improve buildings, save energy and provide healthy and resilient solutions for residents and businesses. These programs are ratepayer-funded and awarded by the California Public Utilities Commission (CPUC). On July 3, 2023, the CPUC issued D. 23-06-055 which, among other things, approved BayREN's strategic business plan for eight years (2024-2031) and four-year program portfolio for 2024-2027, with an accompanying budget of approximately \$157 million.²

BayREN apportions these funds into the following categories:

1. Incentives (43%)
2. Regional Program Delivery (27%)
3. Counties (30%)

In addition to building local capacity and serving the unique needs of each jurisdiction's residents and businesses, BayREN's current portfolio of programs provide critical support towards advancing 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; and
- achieving 100 percent renewable and zero-carbon retail electricity and becoming entirely carbon neutral by 2045.

BayREN's programs serve four customer market sectors: Residential, Commercial, Public, and Cross-cutting.³ In addition, the CPUC requires PAs to categorize programs by market segments into one of the following:

- **Resource acquisition** programs with a primary purpose of, and a short-term ability, to deliver cost-effective avoided cost benefits to the electricity and natural gas systems.

² <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M512/K907/512907396.PDF>

³ Cross-cutting programs are defined as involving multiple customer types (residential and nonresidential) and/or multiple building types (retrofit, remodeling, and/or new construction).

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- **Market support** programs with a primary objective of supporting the long-term success of the energy efficiency market by educating customers, training contractors, building partnerships, or moving beneficial technologies towards greater cost-effectiveness.
- **Equity** programs with a primary purpose of providing energy efficiency to Hard-to-Reach (HTR) or underserved customers and disadvantaged communities in advancement of the Commission's Environmental and Social Justice Action Plan.

Over the course of the 2024-2027 portfolio period, over 60% of BayREN's budget is dedicated to the Equity Segment, although BayREN includes programs in all segments. BayREN's distribution of budget between portfolio segments reflects the following priorities in our programming:

1. A greater focus on equity;
2. Increased support for local governments based on local needs; and
3. Timely response to quickly evolving Bay Area and state policy trends and goals regarding building electrification and climate, including aspects of health and resilience.

These priorities and program offerings reflect our commitment to engaging with and listening to our stakeholders and effectively partnering with other regional agencies and our seven Bay Area community choice aggregators (CCAs) to efficiently leverage resources and best serve the local governments, businesses, and residents in our 101 Bay Area cities and nine counties.

Issues:

None

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Recommended Action:

Information

Attachments:

A. Presentation

Reviewed:



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