



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

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Application of Pacific Gas and Electric Company for Approval of 2013-2014 Energy Efficiency Programs and Budget (U39M).	Application 12-07-001 (Filed July 2, 2012)
Application of San Diego Gas & Electric Company (U902M) for Approval of Electric and Natural Gas Energy Efficiency Programs and Budgets for Years 2013 through 2014.	Application 12-07-002 (Filed July 2, 2012)
Application of Southern California Gas Company (U904G) for Approval of Natural Gas Energy Efficiency Programs and Budgets for Years 2013 through 2014.	Application 12-07-003 (Filed July 2, 2012)
Application of Southern California Edison Company (U338E) for Approval of Energy Efficiency and Demand Response Integrated Demand Side Management Programs and Budgets for 2013-2014.	Application 12-07-004 (Filed July 2, 2012)

**RESPONSE OF THE  
COUNTY OF LOS ANGELES TO  
APPLICATIONS FOR 2013-2014 ENERGY EFFICIENCY PORTFOLIOS**

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For the County of Los Angeles and the Southern  
California Regional Energy Network

August 3, 2012

## TABLE OF CONTENTS

I.	Introduction .....	3
II.	Solid Working Relationship With Southern California Edison .....	3
A.	Eliminating Duplication Between SoCalREN and Local Government Partnerships .....	3
B.	Clarifying Financing Programs .....	5
III.	Southern California Gas' Attitude is Evolving .....	5
IV.	Conclusion.....	7

## **I. Introduction**

In accordance with the Ruling from Administration Law Judge Fitch, and the Rules of Practice and Procedure of the California Public Utilities Commission (“CPUC” or “Commission”), the County of Los Angeles (“LA County”) submits this Response to the applications filed by the investor-owned utilities for the 2013-2014 energy efficiency programs. LA County is the lead application for the Southern California Regional Energy Network (“SoCalREN”). Southern California Edison (“SCE”) is to be recognized and commended for including a proposed budget allocation in its application to fund the SoCalREN, and for meeting and coordinating with LA County and the proponents of the SoCalREN over several weeks prior to submittal of the Motion and Program Implementation Plan to establish the SoCalREN.

## **II. Solid Working Relationship With Southern California Edison**

SCE and LA County have established a sound collaborative working relationship while implementing the Energy Upgrade California in LA County (“EUCLA”) program, the SCE Flight 5.6-funded SoCalREC (Southern California Regional Energy Center – a centralized, technical resource program for multiple local governments), and in determining American Recovery and Reinvestment Act (“ARRA”) backed financing and marketing programs to be supported through 2012. Leveraging and expanding these successful programs throughout the SCE service territory serves as the foundation for the Southern California Regional Energy Network (SoCalREN) proposal.

### ***A. Eliminating Duplication Between SoCalREN and Local Government Partnerships***

LA County believes this collaboration has mitigated any confusion about the SoCalREN proposal that could be drawn from a statement in SCE’s 2013-2014 Energy Efficiency Portfolio Application where SCE proposes to “*offer REN services to customers that do not participate in*

*RENs to ensure equal access to services for all local governments.”* Since that Application was submitted, discussions have been ongoing between representatives of SCE and LA County to clarify the proposed SoCalREN scope and territory coverage and to work jointly towards eliminating any potential duplication of services (i.e.; two sets of REN service offerings) by SCE and the SoCalREN.

Specifically, the only potential overlap identified was in two service areas of Energy Upgrade CA: Flex Path and Multi-family. Both of these programs are being piloted by LA County using ARRA funds (and will run through July of 2013, and possibly September of 2013). Based on discussions, SCE and LA County have agreed to work together to design one combined program offering and to have an interim, joint offering available to the marketplace depending on the implementation schedule of a final, approved product. The expansion of Energy Upgrade California in LA County (EUCLA) is intended to lead to the development of an “improved”, common EUCLA offering that will continue to drive demand for IOU core programs. The collaboration between SCE and the SoCalREN will ensure a seamless and satisfying customer experience for ratepayers and local governments.

LA County intends to continue working with SCE to build on the collaboration exhibited under the SoCalREC pilot, which has shown that a centralized technical resources program can effectively leverage SCE’s local government partnerships, provide services the utilities are not inclined to offer (procurement and contracting support, financing, shared energy management information systems), and identify and deliver more municipal facility energy benefits and projects. Representatives of the proposed SoCalREN are continuing to work with SCE to explore options for broader implementation of these SoCalREC services throughout the SCE service territory (and including local governments and public agencies not involved in a

partnership) with the SoCalREN acting as a third-party implementer and/or sharing programmatic or functional responsibilities for a territory-wide program in compliance with the Commission's existing energy efficiency rules.

### ***B. Clarifying Financing Programs***

Lastly, L.A. County and SCE have had very productive discussions aimed at eliminating duplication in development and delivery of financing programs. SCE has acknowledged the benefits of leveraging financing programs (for both public and private sector buildings) developed by L.A. County that can be quickly and easily made available to other jurisdictions within their service territory and/or modified to meet additional objectives.

LA County and SCE have discussed the challenges of coordination of service delivery across complex programs among numerous jurisdictions within a regulated environment (*e.g.* compliance with Commission's *Energy Efficiency Policy Manual*). However, by working together in the development and implementation of the SoCalREN strategy, L.A. County believes it is on track towards a long term, enduring partnership that can be created as a model for other local governments and IOUs in California.

### **III. Southern California Gas' Attitude is Evolving**

In contrast, the Southern California Gas Company ("SCG") Energy Efficiency Application proposed budget does not include any anticipated costs for the SoCalREN proposal, stating that "to the extent that any approved REN proposals are incremental to utility proposed programs, the final adopted budget may be higher than that required by SCG" (p.7). In addition, the SCG Application states that to provide greater options for local governments seeking to more aggressively pursue energy efficiency in their communities, "SCG proposes to provide local governments with additional technical resources as an alternative to Regional Energy Networks ("RENS"). (p.31). Further, instead of adopting the REN model, the Application states that the

Commission should “pursue a strategy for 2013 that facilitates options for partnering and leveraging of resources. The focus of such efforts should be limited to providing financing (i.e. ARRA programs) and technical support for local governments.” (p. 44).

The SoCalREN is proposed with the intent that it will complement and build on existing local government partnership programs to provide an effective platform for programs that require regional consistency and scale. In this way, the SoCalREN provides an efficient, centralized program delivery model that is not currently available through the SCG local government partnerships, particularly since the existing SCG LGPs only comprise about half of the cities in the SCG territory. In addition, and as mentioned previously, the local governments that will participate in the SoCalREN pilot have already invested millions of ARRA dollars in infrastructure, market momentum and program delivery innovations under a centralized framework, best positioning the SoCalREN to deliver the proposed subprograms included in the SoCalREN PIP.

All or almost all of the services to be provided by the SoCalREN are not offered by SCG for local governments. Specifically, the services described earlier and included in the SoCalREN PIP in the Financing and SoCalREC subprograms, as well as the Flex Path and Multi-family EUC programs are not currently provided by SCG to local governments. SCG’s approach as stated in its application would create an inefficient delivery model for programs that necessitate streamlined regional program design and implementation, and would be counter to the direction of the Commission as communicated in the Guidance Decision.

Following the guidance in D.12-05-015 to consider establishing Regional Energy Network pilots, local governments that will participate in the SoCalREN have been working together to design Program Implementation Plans that will operate successfully and in concert

with current utility programs, including existing partnerships. In fairness to SCG, since the SoCalREN filing was submitted, LA County has had more in-depth discussions with SCG representatives and is optimistic that key individuals are gaining a better understanding of the true scope of the proposal, the benefits that will be gained (by the utility and by local governments), and the fact that the proposal was very carefully crafted TO NOT duplicate existing services offered to local governments.

#### **IV. Conclusion**

Given the proposed collaboration between the SoCalREN and SCE in the implementation of services, as is described above, it makes consummate sense for SCG to also collaborate with the SoCalREN and ensure a coordinated and successful implementation within the joint SCG and SCE service territories. The SoCalREN proponents look forward to working with the Energy Division, SCG and SCE to reconcile and finalize program and budget details for implementation of the SoCalREN pilot during the 2013-2014 transition cycle.

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Respectfully submitted,



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