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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Investigate and Design Clean Energy Financing Options for Electricity and Natural Gas Customers.	RULEMAKING 20-08-022 (Filed August 27, 2020)

OPENING COMMENTS OF THE LOCAL GOVERNMENT SUSTAINTABLE ENERGY COALITION ON ORDER INSTITUTING RULEMAKING

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For THE LOCAL GOVERNMENT
SUSTAINABLE ENERGY COALITION

October 5, 2020

Pursuant to the August 27, 2020 *Order Instituting Rulemaking* (OIR), the Local Government Sustainable Energy Coalition (LGSEC) hereby expresses its strong endorsement of the California Public Utilities Commission (CPUC) call to examine how best to field comprehensive pathways to enable electricity and natural gas customers to make substantial investments to decrease energy use, reduce greenhouse gas (GHG) emissions, and/or produce onsite clean energy.

LGSEC represents 14 cities and 23 counties, jurisdictions that govern almost three-quarters of the state's population, close to two-thirds of California's electricity demands. What's more, LGSEC members serve as designers and lead implementors of a host of energy efficiency, demand response, building decarbonization, and other energy management programs.

In the context of chronic forced and unintentional electricity outages and the extreme fiscal fallout from the ongoing public health crises, California cannot afford to wait for the 'market' to harvest energy efficiency gains that have been deemed code. Likewise, the CPUC will not achieve the state's necessary and ambitious decarbonization goals without energetic engagement by local governments (LGs). As noted in the OIR, LGs are key to the success of multiple attractive financing options, including Green Banks and Property Assessed Green Energy. LGs, particularly Community Choice Aggregators (CCAs) and Regional Energy Networks (RENs), frequently serve as program administrators for equity-focused energy efficiency programs and will need to assume similar roles to successfully deploy microgrids and as part of transportation electrification. LGSEC members are also customers and beneficiaries of energy financing programs and have had a wide array of positive and negative experiences which can be conveyed through this proceeding.

Said differently, in many ways LGs are exactly the right entities to help combine multiple funding sources to leverage ratepayer monies and private financing in support of comprehensive decarbonization and related investments.

In this respect, LGSEC encourages the Commission to include in the OIR scope:

- The interrelationship between incentives, financing, technical assistance and resource and non-resource programs. For example, efficiency measures that are longer eligible for incentives are similarly ineligible for technical assistance or on-bill financing. This effectively strands projects that lack internal funding, customer capacity for project management, and, in the case of LGs, political will to be implemented. Any new financing scheme will be limited without a thoughtful consideration of the associated eligibility framework.

- The role bond financing can play in filling gaps and leveraging other sources, including how such approaches might be orchestrated on a local and statewide basis, and be secured by changes in electricity revenues.
- An identification and evaluation of the functions different entities, especially LGs, can and should play to achieve financing, and ultimately, decarbonization and GHG emission reduction, goals;
- How LGs can best be engaged to fulfill a diversity of beneficial parts, including related to advancing equity and increasing disadvantaged communities' capacities; and
- The associated long-term funding commitment necessary to effectively activate LGs.

Dated: October 5, 2020

Respectfully submitted,

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