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

Order Instituting Rulemaking  
Concerning Energy Efficiency Rolling  
Portfolios, Policies, Programs, Evaluation,  
and Related Issues.

Rulemaking 13-11-005  
(Filed November 14, 2013)

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**COMMENTS OF THE COUNTY OF LOS ANGELES,  
ON BEHALF OF THE SOUTHERN CALIFORNIA REGIONAL ENERGY  
NETWORK (CPUC #940), ON ADMINISTRATIVE LAW JUDGE'S RULING  
SEEKING COMMENT ON INLAND REGIONAL ENERGY NETWORK  
BUSINESS PLAN**

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For the Southern California Regional  
Energy Network

July 21, 2021

## I. INTRODUCTION

In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission's ("Commission") and in response to the *Administrative Law Judge's Ruling Seeking Comment on Inland Regional Energy Network Business Plan* ("Ruling") dated July 6, 2021, the County of Los Angeles, on behalf of the Southern California Regional Energy Network (SoCalREN), respectfully submits these comments and responses regarding Regional Energy Networks (RENs) as well as to the questions posed in the Ruling. In Section II, SoCalREN comments on the maturation of RENs and the future of RENs in the current market. In Section III, SoCalREN responds to several of the questions regarding the Inland Regional Energy Network (I-REN) Business Plan (BP).

## II. EVOLUTION AND MATURATION OF RENS IN THE ENERGY EFFICIENCY ROLLING PORTFOLIO

The Commission has long recognized the need for a more comprehensive, integrated model for energy efficiency (EE) and has identified new mechanisms to help achieve the State's EE and climate goals. The Commission is continually looking to Program Administrators (PAs) to adopt a conceptual framework that is more comprehensive and forward-looking. SoCalREN's portfolio supports the Commission's needs, and its portfolio delivers strategies motivating customers to adopt more comprehensive EE approaches that are characterized by deeper, longer-lasting savings. SoCalREN also strongly believes that comprehensive regional EE strategies are essential for California to meet aggressive climate action goals. Since its inception, SoCalREN has clearly demonstrated that public agencies play the critically important role of providing leadership by example, and how the uniquely bi-directional and proximate relationships between regional governments and constituents can motivate prudent energy use and conservation, thereby placing communities on a successful path to advance the State's aggressive energy and climate goals.

As an experienced regional PA, SoCalREN understands the challenge of meeting market needs while simultaneously achieving State objectives and utilizing ratepayer funds in the most efficient manner. Over the past nine years, SoCalREN has succeeded in demonstrating that regional PAs can be nimble, can fill critical gaps and overcome barriers, and can continuously improve their portfolio by optimizing successful programs and closing out programs that are no longer needed in

the market. Adjustments such as these by SoCalREN help to make the REN portfolios more administratively cost-efficient and also adhere to the Commission’s REN compliance directives as established in D.12-11-015. SoCalREN’s portfolio maturation is a clear example of how RENs can evolve to provide more efficient program administration solutions.

In addition, SoCalREN actively seeks greater collaboration, coordination, and orchestration with its PA partners, as well as other stakeholders and implementers. We are confident this is a more practical, productive, and cost-efficient/effective approach for achieving substantive and critical energy and climate goals, an approach that is propelled by the combined expertise, innovation, and simultaneous efforts of both public and private sector PAs.

SoCalREN looks forward to the upcoming energy efficiency portfolio application process not only to demonstrate the evolution of our sector strategies and programs, but also to establish dynamic partnerships with new PA partners that will deliver shared successes on behalf of the State and ratepayers.

### III. QUESTIONS REGARDING THE IREN BUSINESS PLAN

SoCalREN supports the Commission’s ongoing efforts to create and support the establishment of regionally based PAs. SoCalREN has long supported regional approaches to energy efficiency programs and the value proposition of such models. SoCalREN responds to various general questions on the Ruling<sup>1</sup> as follows:

***QUESTION 1. This ruling proposes two options for Commission consideration of funding I-REN’s business plan: Option 1: Consider funding for program years 2022 and 2023, and assuming some portion of the I-REN proposal is funded for those years, then ask I-REN to file a program portfolio and business plan in February 2022 alongside other program administrators for program years 2024-2027; Option 2: Consider funding for program years 2022-2027, and assuming some portion of the I-REN proposal is funded for those years, then ask I-REN to file a program portfolio and business plan in February 2026 alongside other program administrators for post-2027 programs. All parties may comment on their preferred option and why is it the most reasonable. Alternatively, parties may propose an alternative and explain the rationale.***

SoCalREN supports “Option 2” and believes that this option most aligns with the State’s need to meet its clean energy goals. Funding the I-REN in the interim period prior to commencement of the new rolling portfolio process will allow for additional resources to be

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<sup>1</sup> See Ruling, pp.6-8.

allocated to relevant market sectors and cross-cutting activities. In addition, adopting “Option 2” would actively support a program administration model of community and public agency engagement activities and strategies to inspire innovative local energy action, which is the foundation of RENs.

***QUESTION 7. Comment on whether I-REN’s proposal properly addresses metrics of success against which to measure the I-REN’s performance.***

SoCalREN continues to support the Commission’s objective on performance-based evaluation of energy efficiency portfolios because we are an experienced PA who understands that properly constructed metrics foster alignment and clarity between the REN and the Commission when performance is being evaluated. SoCalREN recommends all new REN proposals include clear and in-depth measurable metrics based on each activity to be performed with quantifiable outcome targets they aim to achieve based on the funding requested. This will allow for Commission staff oversight, public transparency, and performance progression to meeting the Commission’s desire for more effective program administration. Further accountability of RENs will also be encouraged through this action, fostering more innovative approaches to REN strategies and providing greater stability in the implementer community.

Furthermore and as reaffirmed in D.16-08-019,<sup>2</sup> the Commission encourages RENs to manage their programs with an eye toward long-term cost-effectiveness, just as they encourage that other PAs to do. Having clear quantifiable metrics and associated targets will enable the new REN to easily file their progress toward their proposed metrics and demonstrate their unique value and their approach to cost-effectiveness/accountability to the Commission.

***QUESTION 11. Comment on the I-REN plans to serve hard-to-reach communities, disadvantaged communities, and under-served communities. Do you recommend any changes to I-REN’s approach to serving these communities and groups and tracking those reached and served?***

As a Program Administrator managed by a local government, SoCalREN believes that it is the RENs’ responsibility to serve all customers. However, the RENs must develop infrastructure, relationships, and expertise needed to effectively support hard-to-reach (HTR) customers, disadvantaged communities (DACs), and under-served communities to provide them not just with

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<sup>2</sup> D.16-08-019, p. 12.

equal opportunities to participate, but also strategies and tactics to ensure that they can and do participate in energy efficiency programs. Regional government PAs are also well-suited to address HTR markets and DACs, through deployment of independent yet parallel programs, initiatives, and actions specifically developed to respond to underserved constituents. As a result, SoCalREN encourages the I-REN to cross-cut energy efficiency programs onto a number of pre-existing government frameworks specifically designed for underserved and disadvantaged communities, reducing administrative, development, and other costs.

Lastly, SoCalREN will look to work collectively and collaborate with I-REN to serve HTR customers and DACs within the Inland Region.

#### **IV. CONCLUSION**

SoCalREN appreciates the opportunity to provide comments on the I-REN business plan.

July 21, 2021

Respectfully Submitted,

/s/ Minh S. Le

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