



## SUMMARY REPORT

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**Agenda Date:** 6/9/2020

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**To:** Sonoma County Board of Supervisors

**Department or Agency Name(s):** General Services Energy and Sustainability Division

**Staff Name and Phone Number:** Elliott Whitehurst, 707-565-6480

**Vote Requirement:** Majority

**Supervisorial District(s):** All

**Title:**

Authorize Execution of three-year Local Government Partnership Contract with Pacific Gas and Electric Co. for energy efficiency programs

**Recommended Action:**

- A) Authorize the General Services Director to execute all instruments in agreement with PG&E approved by County Counsel through June 30, 2023, for energy efficiency programmatic functions as described below.
- B) Authorize the General Services Director to execute amendments to said agreement, in a form approved by County Counsel, to receive additional funds that may become available during the course of the agreement.
- C) Authorize the General Services Director to extend said agreement as-needed for up to two additional years if PG&E continues to award funding to the County of Sonoma, under the same terms and conditions and in form approved by County Counsel.

**Executive Summary:**

The Energy and Sustainability Division (ESD) of Sonoma County General Services has been PG&E's Local Government Partner since 2009 for an energy efficiency program known as 'Energy Watch'. This relationship is nearing its end contractually as the current agreement is set to expire on June 30, 2020. Entering into negotiations for a new agreement on March 5, 2020 with PG&E, ESD is now seeking Board approval to execute a new contract to continue operating as PG&E's Local Government Partner for the Energy Watch program.

**Discussion:**

County of Sonoma, through the General Services Department, established the Sonoma County Energy Watch program in 2009, and the program continues to provide valuable energy efficiency services across Sonoma County. The program originally started by offering services to local government agencies, then expanded out to the commercial and small-to-medium-business market.

Within the General Services Department, the Energy and Sustainability Division is responsible for management of the program internally, with program funding allocated to staff members across the division. Additionally, acting as our own customer of the PG&E-funded program, County-owned facilities remain a leading focus of the work performed by General Services' Facilities Operations staff.

To date, Sonoma County Energy Watch has provided approximately \$1.75 million in incentives for energy efficiency projects serving more than 300 customers at municipalities, special districts, nonprofit

organizations, and small-to-medium businesses throughout Sonoma County. The projects have saved roughly 12 million kilowatt-hours (kWh) of electricity, 25,000 therms of natural gas, and more than 2,400 metric tons of CO2 emissions, equivalent to the removal of 500 cars from the road for a year.

The Energy Watch Program has not been exclusive to the Sonoma County area as many other jurisdictions have been administering their own Energy Watch Programs. As part of an internal reprioritization process PG&E has opted to sunset the Energy Watch Program as a whole with a close date of June 30, 2020 for all jurisdictions. Not only will this terminate Energy Watch agreements throughout PG&E territory, but it will also end all Local Government Partnership agreements. PG&E rebranded the program and issuing competitive solicitations in 2019 for local governments.

In May of 2019, Pacific Gas and Electric Co. released a Request for Abstract with the stated Third-Party (3P) Portfolio Vision:

*“Pursuant to the California Public Utilities Commission (“CPUC”) Decision (“D.”)18-05-041 - Decision Addressing Energy Efficiency Business Plans (the “BP Decision”), Pacific Gas and Electric Company (“PG&E”) is seeking Abstracts through this Request for Abstracts (“RFA”) from Third-Party (“3P”) Energy Efficiency (“EE”) Implementers (“Bidder(s)”) to design, propose, and implement energy savings services and/or programs (“3P Programs”). For this targeted solicitation, because Local Government Partnership (“LGP”) Programs will be proposed, designed, implemented and delivered by non-utility personnel under contract to a utility program administrator, these LGP Programs will be considered as 3P Programs and will meet the outsourcing milestones established by the CPUC in D.18-01-004 - Decision Addressing Third Party Solicitation Process for Energy Efficiency Programs (the “Solicitation Decision”).”*

Hoping to retain its status as the Local Government Partner, ESD authored and submitted an Abstract in response to PG&E’s solicitation. The submitted Abstract was selected and on 08/08/2019 ESD was invited to submit a Proposal to PG&E for further consideration. This proposal was submitted in late December of 2019 and on 03/05/2020 ESD was informed that its proposal was selected and that PG&E wished to enter into negotiations to reach a 3-year agreement valued at \$855,000.

This agreement will allow ESD to continue functioning as the Local Government Partner in Sonoma County and to continue offering its services in Energy Efficiency improvements to Public Agencies, K-12 Schools, Special Districts, and those residents and small to medium businesses qualifying as “Hard to Reach” and “Disadvantaged Communities” through Cal Enviroscreen. ESD will also be able to support the County-owned facilities as we plan improvements in energy efficiency and replacements of building systems.

All division functions currently offered through SCEW will be retained. Additionally the newly formulated program known as “Sonoma Public Energy” (SPE) will develop a “Building Tune-Up” Program aimed at helping those customers listed above to formulate Operations and Maintenance plans, as well as long-term replacement goals for any equipment nearing the end of its life cycle.

Following Board approval, General services will enter into contract with PG&E for delivery of stated services over the course of three (3) calendar years. Ramp-up and development of programmatic offerings will take place over the course of the first 3-6 months of the program’s existence. ESD and Sonoma Public Energy will be required to submit metrics and achievement data to PG&E every 3 months with a larger, more comprehensive

set of data to be delivered at the end of every year.

Sonoma County Energy and Sustainability staff will also continue to work closely with and leverage resources available through the Sonoma County Regional Climate Protection Authority, the Sonoma County Energy Independence Program, the Sonoma County Green Business Certification Program, Sonoma Clean Power Authority, and the Bay Area Regional Energy Network. Our goal is to continue offering a one-stop-shop where customers of any type (public, residential, commercial, etc.) can obtain information about energy efficiency rebates, renewable generation options, and long-term project financing.

**Prior Board Actions:**

1/8/2019 - Local Government Partnership Agreement with PG&E Authorized for 2018-2019. (6 mo extension executed 9/2019)

3/1/2016 - Local Government Partnership Agreement with PG&E Authorized for 2016-2018.

12/09/2014 - Local Government Partnership Agreement with PG&E Authorized for 2015.

12/11/2012 - Local Government Partnership Agreement with PG&E Authorized for 2013-2014.

12/08/2009 - Local Government Partnership Agreement with PG&E Authorized for 2010-2012.

11/04/2008 - Local Government Partnership Agreement with PG&E Authorized for 2009.

09/23/2008 - Climate Protection Action Plan (PG&E Partnership discussion).

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY20-21 Projected</b>	<b>FY 21-22 Projected</b>	<b>FY 22-23 Projected</b>
Budgeted Expenses	\$275,000	\$315,000	\$265,000
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>\$275,000</b>	<b>\$315,000</b>	<b>\$265,000</b>
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other	\$275,000	\$315,000	\$265,000
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>\$275,000</b>	<b>\$315,000</b>	<b>\$265,000</b>

**Narrative Explanation of Fiscal Impacts:**

General Services has contracted with PG&E for these and similar services since 2009. Some newer services to be provided under this agreement may result in funds being paid to 3<sup>rd</sup> party "Tune-Up Specialists" which would be selected through an RFQ process run by ESD. For the totality of the agreement to be executed \$855,000 will be paid over 3 years based on time and materials. Dollar allocations per year shall be as such:

- FY 20/21 recommended budget includes \$275,000
- FY 21/22 = \$315,000

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- FY 22/23 = \$265,000

Funds allocated are lower in years 1 and 3 due to the initial development and eventual ramp-down of the Building Tune-Up Program.

Reimbursement will be based on time and materials, billed monthly. Standard wait time between invoice and payment is +/- 45 calendar days.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

**Narrative Explanation of Staffing Impacts (If Required):**

The Sonoma Public Energy program currently supports funding for two full time equivalent staff positions, which is then distributed in part across multiple existing positions in General Service's Energy and Sustainability Division.

**Attachments:**

Attachment 1 - Pacific Gas and Electric, Draft Contract

Attachment 2 - Pacific Gas and Electric Contract Supporting Document, Draft Version

Attachment 3 - Narrative Document, Draft Version

Attachment 4 - Data Document, Draft Version

**Related Items "On File" with the Clerk of the Board:**

None