



2019 LGSEC Strategic Planning Meeting

LOOKING BACK INTO THE FUTURE

Over the past decade we have witnessed tremendous changes in California's energy landscape.

In 2010, SDG&E agreed to pay over \$14M to the State, over its involvement in the region's 2007 wildfires. The utility's internal reforms and infrastructure investments that took place since paid off when this past year's wildfire season tested their ability to isolate vulnerable transmission lines, without affecting large swaths of customers. Unfortunately, these lessons and best practices did not become a statewide standard.

In 2010, Marin County launched the first Community Choice Aggregator (CCA), Marin Clean Energy, followed by Sonoma Clean Power launching in 2012. In 2010, just 15% of the State's energy came from renewable resources. Today, many CCA's are offering base rates over 50% and are poised to become the primary purveyors of clean energy to local communities.

2020 and beyond will continue to bring more landmark changes that will seem modest in comparison to the scale and scope of change that they engender.

Local governments have awakened to their potential to wield the all-electric torch that guides their communities to a clean energy future. Over the past decade, LGSEC has afforded local governments greater opportunities and roles to play in the sustainable energy future. And our work is far from over.

Collectively, we must grapple with PG&E and likely other bankruptcies, wildfire mitigation and recovery costs, advancing an all-electric agenda, enhancing local energy resilience and safety, mitigating the prevalence of fossil-fueled back up power, while ensuring reasonable rates for our customers. The success of our local efforts and plans hinge on a supportive regulatory environment.

Garrett Wong,
2020 LGSEC Board Chair
County of Santa Barbara

REGULATORY HIGHLIGHTS

Steven Moss,
LGSEC Regulatory Consultant

Last year was marked by destructive wildfires, some of which were triggered by failed utility distribution assets; Pacific Gas and Electric Company's (PG&E) bankruptcy; and intermittent Public Safety Power Shutoffs (PSPS). These events occurred as California continued to work towards dramatically reducing its greenhouse gas emissions, principally by decarbonizing its electricity grid and expanding it to the transportation sector.

Simultaneously, pressure mounted to increase the cost-effectiveness of energy efficiency programs, with dramatic funding reductions for local government partnership programs. Wildfires and associated risk reduction measures, such as forced outages, prompted greater attention to local resiliency, with concomitant deployment of distributed generation and microgrids.

Investor-owned utility (IOU) distribution investments, wildfire management efforts, and missteps prompted chronic requests for significantly higher rates.

With limited resources LGSEC had to pick its regulatory engagements carefully. We actively monitored many California Energy Commission and California Public Utilities Commission proceedings and intervened in several. For example, in addition to successfully participating in the Regional Energy Network and Market Transformation docket, LGSEC informally collaborated with Environmental Defense Fund on the Cost of Capital proceeding, resulting in a largely favorable Commission decision that rejected the IOUs' requests for significantly higher rates of return.

PROCEEDING STATUS UPDATE



- **California Alternative Rates** for Energy/Energy Savings Assistance Program Applications for 2021-2026, organizing member forums to discuss possible local government applications and associated LGSEC support.
- **Energy Efficiency** Goals for 2020-2030, providing platforms for LGSEC members to raise concerns about proposed goals, and incorporate these into their comments to the Commission.
- **Building Decarbonization**, actively monitoring the proceeding, and notifying LGSEC members of workshops and intervention opportunities, in anticipation of intervening in this proceeding in 2020.
- **Fuel Substitution Test**, providing a forum for LGSEC members to discuss various proposals' technical details and implications.
- Proposed **IOU rate increases**, providing LGSEC members with ongoing information about the potential bill impact implications of various IOU requests for rate hikes.
- **Microgrids**, monitoring the proceeding in anticipation of intervening in it in 2020.
- **Non-Bypassable Charge** to Support California's Wildfire Fund, watching this proceeding to ensure it did not result in undue cost increases to ratepayers.
- **Distributed Energy Resources** Tariffs, observing this docket with a focus on how local governments might be able to leverage tariffs as a means to finance energy-related investments.
- **Wildfire Mitigation Plans**, monitoring the proceeding.
- **Self-Generation Incentive Program** Equity Resiliency Budget, monitoring the proceeding.
- **PG&E Safety Culture** Improvements, monitoring the proceeding.
- Revisions to Rule 20, monitoring the proceeding.

REGIONAL ENERGY NETWORKS ARE HERE TO STAY

Alejandra Tellez,
County of Ventura & Tri-County REN

As we start 2020 and initiate planning for what energy efficiency will be like in this new decade, it's essential to look back at 2019 regulatory decisions and the resultant impacts. The California Public Utilities Commission (CPUC) unanimously removed the pilot designation, making Regional Energy Networks (RENs) permanent program administrators.

LGSEC played a key role when RENs were first approved in 2012 and continues to have impact in 2019 by making formal comments that helped inform the CPUC decision that sustains the concept of the RENs, and more excitingly, enables the formation of new RENs.

This decision gives local governments a unique and valuable role in the delivery of energy efficiency programs.

LGSEC and its members in 2019 rose to the challenge, became more engaged in regulatory processes and filing of comments, and provided energy efficiency support services.

LGSEC's voice was especially valuable given the significant reduction - and in some cases elimination of - local government partnership budgets across all IOUs, making the support for existing and new RENs all the more urgent.

The affirmation of RENs speaks to local government's potential to deliver innovative programs that provide services to a broader array of communities and addressing local needs.

SCE LAUNCHES STATEWIDE ENERGY DATA RFP PROCESS

Jenny Berg,
Metropolitan Transportation Commission
& BAYREN

In D.18-05-041, LGSEC's request for a statewide expansion of the Energy Atlas was approved. In so doing, **the Commission recognized a broader interest in developing and implementing an energy data center noting that it is aligned with the State's goals to improve data access and support local governments in achieving and monitoring energy savings.**

LGSEC was instrumental in ensuring that local governments had an opportunity to provide feedback to the draft tool. **Specifically, through our numerous communications channel, we spread the word and over 100 local governments attended the webinar conducted by the lead for the RFP!** Thereafter, together with input with our regulatory consultant and members, LGSEC submitted comprehensive feedback on the tool.

In order to ensure that the tool is useful for local governments, LGSEC is committed to remaining engaged throughout the RFP, and tool development process in 2020.

NEW BOARD MEMBER PERSPECTIVE

Marc Costa,
The Energy Coalition

In 2020 we can expect local governments to gain a better understanding of energy in our jurisdictions so that we can confidently leap into the future of a decentralized and decarbonized energy world.

LGSEC will play a key role in enabling the leadership of local governments on this path in 2020 through new dialogues, partnerships, insights, and opportunities.

LGSEC & LGC EXPAND ENERGY AWARENESS IN CALIFORNIA

Kate Meis,
Local Government Commission

The Local Government Commission (LGC) provides LGSEC with fiscal and administrative services, but our relationship is truly a partnership. LGC engages with policymakers across California, affording us many opportunities to raise awareness about energy issues that are important to local governments and LGSEC's role in advancing the field.

In 2019 LGC worked with CEC and the Energy Efficient Codes Coalition to conduct outreach for local government in California to vote for an update to America's model building energy code, the International Energy Conservation Code (IECC) that would set us on a path to Zero Net Energy Buildings.

Exclusive meetings & discussions include:

- Commissioner McAllister, to discuss the implications of the reductions in **local government partnerships**, and **Regional Energy Network** successes.
- SF Fed, to discuss **funding and financing** energy and climate measures
- CPUC Local Government & Community Liaison to discuss the impacts of the **PSPS and the "shadow grid."**
- SMUD, on The Role of **Utilities in Our Low-Carbon Future** with Valley Vision, Valley Clean Energy and other organizations in the Greater Sacramento Region.
- CEC staff, to discuss local government emerging issues and trends and how that could inform research needs and investments through the **EPIC program**.
- The Climate Center, on the **Rapid Decarbonization Statewide Partnership**.

Presentations include:

- League of CA Cities City Managers' Conference on "CPUC: Overview of **Proceedings Affecting Local Governments**"
- LGC-hosted dinner for policy-makers in the six-county Sacramento region (which includes the counties of El Dorado, Placer, Sacramento, Sutter, Yolo, Yuba and the 22 cities within) focused on **Public Safety Power Shut-Offs and their Impact on Local Government**. Steven Moss, LGSEC regulatory consultant, and David Liebman, the Energy and Sustainability Manager at the Santa Rosa Junior College, presented on the role of local governments in preparing for power shut-offs and increasing overall grid resilience.
- Capitol Impact conference about **emerging local government climate and energy issues**.

SCHOOLS JOIN THE CLEAN ENERGY FIGHT

Lou Jacobson,
Eureka City Schools

Local Educational Agencies (LEAs) provide critical services to our communities. Beyond educating our youth, LEAs provide food and water security to those who may be in need, they deliver critical support services to homeless and foster children, all the while building and sustaining a sense of community through a variety of events and activities. Affordable energy and energy resiliency are critical in ensuring LEAs can operate effectively while maintaining and growing community focused services that benefit all. Like many other local governments, LEAs often do not have the capacity to fully engage in the regulatory environment.

As an LGSEC Board Member and LEA employee, I am excited to support and grow services in this space to ensure LEAs can have a voice in the process while also making informed energy related decisions. LEAs are well positioned to facilitate the change we know must occur and LGSEC will be there to support and advance their effort.

LGSEC QUARTERLY MEETINGS

June Forum | LGSEC All-Members Strategic Planning Meeting

During this all day meeting, LGSEC members discussed current and emerging priorities for local governments and worked together to shape LGSEC's direction and priorities for the coming years. This meeting featured brief presentations by Michael McCormick of Harris and Associates (formerly of the Office of Planning and Research) who presented on the "State of the Local" and Lillian Mirviss, Gov't Affairs at OhmConnect who shared an example of influencing energy behavior. LGSEC holds an annual members-only meeting to ensure that our goals and priorities serve LGSEC's member's interests!

August Quarterly Meeting

LGSEC was pleased to co-sponsor with Central Coast Climate Collaborative (4C) on their Annual Symposium in San Luis Obispo. The theme this year was Climate Risk, Equity and Practicing Resilience. LGSEC's Regulatory Consultant – Steven Moss – gave a Regulatory Update at this meeting.



LGSEC Strategic Planning Meeting, June 2019

The Business of Local Energy Symposium

LGC and LGSEC partnered with the Center for Climate Protection again in 2019 for the Business for Local Energy Community Choice Energy Symposium on June 20th and 21st in Irvine. The event again drew over 300 attendees and shared best practices for CCAs. The keynote speaker included Fran Pavley, and plenary presentations discussed statewide CCA development.

LGSEC MEMBER BENEFITS

Bi-weekly Newsletter: Sustainable Energy Scoop (SES)

The bi-weekly newsletter is exclusively sent to LGSEC members. SES includes a memo from the Board (Board Scoop), 10-15 clean-energy related articles and reports, statewide opportunities, events & webinars, and a member spotlight feature. Members can refer to SES for updates on LGSEC events, webinars, regulatory notes, and other LGSEC-related news. Along with the Member Portal, members can request promotional support for events and resources.

Member's Portal

The LGSEC Member's portal is a unique benefit of membership. Access is granted to LGSEC member representatives and serves as both a forum for discussion & information-sharing and a resource for energy and climate related resources & references.

Webinars

In 2019, LGSEC hosted 2 webinars with the Center for Sustainable Energy, attended by over 80 local government representatives and local government allies. Webinar topics were:

- Community Energy Program Design: How to maximize GHG emissions reductions, energy efficiency & workforce development opportunities
- Tools and Tactics to Justify ZNE Municipal Retrofits: The City of San Diego "ZN3" Project

All webinar materials and audio recordings are posted on the LGSEC website. You may contact Grace Kaufman (gkaufman@lgc.org) if you're interested in planning a webinar with LGSEC!

WHAT WE DO

The LGSEC intervenes at the CPUC on behalf of its members to inform state policy on energy efficiency, distributed energy resources, climate, and energy-related emergency response policies. Because local governments play an increasingly critical role in shaping California's energy future, the LGSEC ensures local governments have a voice at the CPUC, and other key state agencies.

The LGSEC has been instrumental in establishing statewide policies and programs, advancing local energy leadership, including:

- Local Government Partnerships
- Regional Energy Networks (RENs)
- Property Assessed Clean Energy (PACE)
- Community Choice Aggregation (CCA)

The LGSEC also serves their members through the development of local leadership through:

- Sharing technical expertise and best practices
- Providing members frequent regulatory updates through webinars, calls and newsletters
- Convening forums for networking and education
- Providing an online resource for members to share information resources

The Local Government Sustainable Energy Coalition (LGSEC) was formed in 2007 by a group of cities and counties interested in advancing the role of local governments in energy efficiency and climate action leadership. Since January 2016, LGSEC operated as a coalition within and staffed by the Local Government Commission.

**More information
about LGSEC's
activities can be
found at
www.lgsec.org**

MISSION

The Local Government Sustainable Energy Coalition catalyzes local government leadership and innovation through ongoing dialogue and action to enhance current and develop new roles for local government in the California's sustainable energy future.

LGSEC provides a collective voice for its city, county and local agency members on statewide policy and program issues for sustainable energy, energy efficiency, local renewable power and related issues.

LGSEC elevates the role of local governments in shaping California's energy future through driving innovation; regulatory intervention and action; coordination of local governments' broad technical expertise; convening forums for networking; local and regional programs implementation; and, development of local leadership.

About LGSEC

LGSEC provides a strong expert voice for its 39 members on crucial energy policy matters. No other group that represents local governments has a regular presence at the CPUC, the CEC and the CARB. Local climate action is necessary, but successful implementation would be incomplete without critical regulatory engagement and collaboration.

LGSEC has been instrumental in enabling local governments to pursue Local Government Partnerships (LGPs) with utilities, establish Regional Energy Networks (RENs), and enable Community Choice Aggregation programs – significantly enhancing local government capacity and collectively bringing millions of dollars to local communities through energy efficiency and other programs.

Grace Kaufman
Program Manager
916-448-1198 x340
gkaufman@lgc.org