

2020 IMPACT REPORT



LEADING INTO THE NEXT DECADE

It seemed as though 2020 was a somber culmination of many things; and offered a foreboding outlook on the next decade. Amidst the political drama, there were record-setting heatwaves, wildfires and smoke, and unprecedented blackouts. We also bid farewell to a decade of local government partnerships in their current form.

As local governments, we rose to the occasion: providing critical services and, still, driving the clean energy transition. We recognized the intricate and inextricable link between racial and environmental injustice; and the need to reflect on our individual and collective roles to address centuries of institutional racism. In our own reflection, LGSEC adopted an Equity Statement and are excited to welcome representation from organizations that serve disadvantaged communities on the Board in 2021.

We are far from mission accomplished, but I hope that you share with us a greater sense of purpose and passion to ensure that 2030 will be a culmination of our making.

We believe LGSEC serves as a vehicle to transform the role local governments play in the sustainable energy transition. With your support and contributions, we continue to expand the sphere of influence local governments wield before the State. Despite a favorable election, 2021 already appears to be no less 'busy' than 2020 on all fronts. We are in a stronger position to take on the urgent issues that affect you and your communities and keep driving toward our shared vision in achieving a sustainable, equitable, and resilient California.

Garrett Wong 2020 LGSEC Board Chair County of Santa Barbara

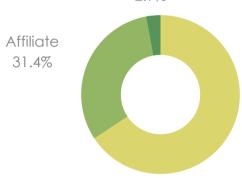


MEMBERSHIP AND PROGRAM IMPACTS

Membership

Membership Types

Local Educational Agencies 2.9%



Local Governments 65.7%

35 LGSEC Members

17% growth in membership

Program Impacts





8 comments submitted







REGULATORY HIGHLIGHTS

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)," read the first sentence of the 2019 Regulatory Highlights column. A difficult year, which preceded an even more challenging one. 2020 was dominated by the public health crises, which shifted the regulatory process onto video calls, and triggered significant reductions in local government (LG) resources, as sales taxgenerating economic activities were muffled. Still, the California Public Utilities Commission (CPUC), joined by LGs adopting electrification ordinances, continued its steady march towards grid decarbonization and transportation electrification.

Although LGSEC faced greater budget constraints in 2020 it was able to elevate its engagement in regulatory proceedings, by narrowing and deepening its focus, and creating forums for members to collaborate on or lead the drafting of comments and testimony. For example, a working group was convened to participate in the vehicle electrification proceeding, with members cooperating to identify key issues, review comments, and consult with Energy Division and Community Choice Aggregation (CCA) staff on elements particularly important to LGs. Likewise, members led intervention efforts associated with the School Energy Efficiency Stimulus Program. This strategy enabled LGSEC to effectively influence five significant dockets.

> **Steven Moss,** LGSEC Regulatory Consultant M. Cubed

TEF WORKING GROUP DRIVES LOCAL GOVERNMENT PRIORITIES

Garrett Wong,

County of Santa Barbara

LGSEC convened a Working Group to engage more deeply in the Transportation Electrification Framework (TEF) (R.18-12-006) proposal from the CPUC. The proposal envisions a wide-ranging scope for the IOUs to expand Transportation Electrification (TE) infrastructure to meet the State's goals and targets. Considerations like equity, partnerships, and emerging technologies were also included in the proposal.

What was notably absent from the proposal was the potential role local governments (LGs) could play in expanding TE infrastructure. LGs have both a strong interest and regulatory ability when it comes to TE planning. Additionally, many LGs have a wide range of in-house capacity with different needs and resources.

The TEF Working Group developed recommendations for LGSEC's comments which:

- Advocated for non-IOU entities, like Community Choice Aggregations (CCAs), Regional Energy Networks (RENs), and Council of Governments (COGs) to be eligible to become TE program administrators
- Raised the issue of structural inequities as barriers to adoption, and offered recommendations to address them
- Recommended that LG's be given resources and technical assistance to increase their capacity to support TE planning, programs, and projects within their communities

The CPUC has not yet issued a proposed decision.

We would like to thank the following Working Group members: City of Santa Monica, County of Contra Costa, County of Santa Barbara, County of Ventura, Marin Clean Energy (MCE), SANDAG, and The Energy Coalition.

KEY REGULATORY ENGAGEMENTS

Steven Moss,LGSEC Regulatory Consultant
M. Cubed

R.13-11-005: School Energy Efficiency Stimulus Program

Two sets of comments were filed, principally advocating that school energy efficiency funding should be additional to other already authorized programs, and that there should be limited application of cost effectiveness or related tests. Both elements have been adopted in the PD.

R.18-12-005: Public Safety Power Shutoffs

Submitted two sets of comments advocating that great care be taken in triggering PSPS during the public health crisis; the CPUC should identify and support LG engagement in bolstering resiliency; and excessive deployment of fossil fuel backup generators (BUGS) needs to be addressed. Progress was made in each of these areas, with the Commission ordering the IOUs to engage more effectively with LGs, and a series of workshops were held on ways to replace BUGS with cleaner resources.

Learn more about these proceedings and read LGSEC's comments filed on the 2020 Proceedings Page Igsec.org/2020-proceedings





R.18-12-006: Electric Vehicle Infrastructure

Submitted comments, met with Energy Division staff, and collaborated with CCAs on a host of issues, including advocating that transportation electrification (TE) framework goals be transparently identified and tracked, the diversity of TE-related efforts be systematically mapped, and a census of community capacity to engage in TE-related efforts be developed, along with an approach to deepening capacity.

4 R.19-09-009: Microgrids

Submitted two sets of comments recommending that the Investor-Owned Utilities (IOUs) revise Rule 2 to allow microgrid installation as Special Facilities, modify PG&E and Southern California Edison Company Rule 18, and San Diego Gas and Electric Company Rule 19, to enable critical customers to be served on adjacent parcels, develop a standard tariff for combinations of Rule 21 compliant technologies, and create a microgrid pilot program. The Proposed Decision (PD) adopted most of these recommendations.

R.20-08-022: Clean Energy Financing

Submitted comments calling for the proceeding scope to include, among other things, the interrelationship between incentives, financing, technical assistance and resource and non-resource programs; thoughtful consideration of financing eligibility; and the role bond financing might play in filling gaps and leveraging other sources, including how such approaches might be orchestrated on a local and statewide basis.

HAVE YOUR CAEECC AND EQUITY TOO

Lou Jacobson

Eureka City Schools

LGSEC is an active California Energy Efficiency Coordinating Committee (CAEECC) member organization. CAEECC provides a space for stakeholders to discuss energy efficiency while supporting varying goals that enhance the energy efficiency market in California. As stated in our equity statement, LGSEC is committed to enhancing equity outcomes by increasing local government access, influence, and control in state and investor-owned utilities funding and policies. Participating in CAEECC is an effective way to advance and enhance equity outcomes.

For example, in 2020, CAEECC launched a working group to reassess the concept of hard to reach and/or underserved. The Working Group was launched to investigate what customer groups within the residential, small and medium business

and public sectors are currently underserved by energy efficiency programs and then to devise appropriate strategies and forums to address the service gaps. This is timely as the California Public Utilities Commission has grappled with defining and operationalizing the use of these terms since the 1990's.

The outcomes and subsequent recommendations of the Underserved Working Group may have portfolio-wide impacts. It is LGSEC's goal to ensure that we elevate the voice of local governments while increasing the likelihood that the updated definition of underserved will accommodate equitable services for all, but especially for our low-income and environmental justice communities.

LGSEC MEMBER BENEFITS

Regulatory Engagement

Monthly Regulatory Engagement Calls

LGSEC members have the benefit of joining a Regulatory Committee that receives regulatory updates via monthly regulatory engagement calls. Calls are one hour and cover status updates on the various proceedings LGSEC follows and comments filed. Committee members are given the opportunity to ask questions about CPUC activities, join working groups, and learn from one another on local government priorities across the state.

2020 Comments Filed

In 2020, LGSEC filed eight sets of comments across five CPUC proceedings. Comments were informed by LGSEC's members during monthly regulatory and working group calls. For more information on proceedings and to access filled comments, visit lgsec.org/2020-proceedings/

Working Groups

Regulatory Committee members may also join working groups that meet regularly to draft and influence comments prepared by LGSEC for relevant proceedings. In 2020 LGSEC formed two working groups for:

- → R.19-09-009 Order Instituting Rulemaking Regarding Microgrids Pursuant to Senate Bill 1339 and Resiliency Strategies. Three organizations and jurisdictions worked together to develop comments in August on the Track 2 Staff Proposal on microgrid and resiliency strategies.
- R.18-12-006: Order Instituting Rulemaking to Continue the Development of Rates and Infrastructure for Vehicle Electrification. With the assistance of LGSEC's regulatory consultant, seven organizations and jurisdictions worked together to write and submit comments on Chapters 6, 9 to 12 of the Transportation Electrification Framework.

Member Engagement

Sustainable Energy Scoop (SES)

LGSEC Members have access to a bi-weekly members-only newsletter. Each newsletter in 2020 contained a "Board Scoop" - a brief update on relevant clean energy topics written by LGSEC board members. The newsletter contains about ten articles on various climate and energy topics. Funding opportunities, surveys, technical assistance opportunities, reports, resources, and virtual events were also featured in the newsletter.

Member 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 opportunities and events.

Webinars

In 2020, LGSEC hosted four webinars between May and August. Over 700 local government representatives and allies registered. Webinar topics and partners were:

- Explore a New Funding/Partner-Finding Platform from the California Energy Commission
- → New Department of Energy Tools to Plan for Stimulus Projects with the U.S. Department of Energy and National Renewable Energy Laboratory (NREL)
- → Community Energy Resiliency with CHP: How to Maximize GHG Reductions, Resiliency And Energy Efficiency By Including CHP In Your Microgrid with the Center for Sustainable Energy and the U.S Department of Energy
- → 11th Annual Statewide Energy Efficiency (SEEC) Virtual Forum: Not Your Grandma's Regulatory Update

Membership Events

January 2020 | Energy Disruption: How Local Governments Can Respond to the New Normal LGSEC was fortunate to host an in-person meeting in January at the Center for Sustainable Energy's office in San Diego, CA. Over 80 local government, NGO, education, and private sector representatives gathered for this one day forum and learned about how local governments can support energy resilience, various opportunities to meet California's climate mandates, funding opportunities, and best practice case studies from around the state. Participants heard from various organizations and jurisdictions such as TerraVerde, the City of Carlsbad, City of San Diego, Southern California Edison, and County of Santa Barbara. The forum concluded with a presentation from Keynote Speaker Gary Gero from the County of Los Angeles and a networking happy hour at a local brewery.



2020 January Forum

December 2020 | Forging Ahead: Opportunities for the Next Decade

LGSEC hosted an annual members-only meeting over Zoom in December where members heard about various financing opportunities provided by the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA). Speakers featured Executive Director, Derek Chernow and Program Manager, Miriam Joffe-Block. Members also heard an update on LGSEC's regulatory activity throughout 2020 from LGSEC's Regulatory Consultant, Steven Moss. The virtual meeting concluded with a networking session using breakout groups.

VISION

Local governments are a leading and innovative force in achieving energy and climate goals to create resilient and environmentally responsible communities across California.

ABOUT LGSEC

LGSEC provides a strong expert voice for its 35 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.



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

Contact us

lgsec@lgc.org

OUR WORK



Catalyzing Innovation

Since 2007, LGSEC has played a central role in developing local government programs including Community Choice Aggregation, Local Government Partnerships, and Regional Energy Networks. LGSEC continues to foster innovation by creating opportunities for local governments to broaden their knowledge and impact on statewide energy programs.

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分 Connecting Local Energy - Å Leaders

LGSEC empowers agency staff and officials to network and share best practices with one another to strengthen local policy and collaboration throughout the state



Shaping the Regulatory Agenda

LGSEC is the only organization who represents local governments' energy and climate regulatory interests at the CPUC, CEC, CAISO, FERC, and ARB. We amplify the voice of local governments in regulatory proceedings and demonstrate the essential role that local agencies play in program implementation and administration.



Developing Long-Term Strategies

Recognizing the complexity of California's energy landscape, LGSEC facilitates membership collaboration on localized energy and climate strategies. Strategies developed consist of regional energy efficiency measures, localizing renewable energy production, and developing innovative finance mechanisms for local governments.