

"One never notices what has been done; one can only see what remains to be done." - Marie Curie

Reflecting on 2021, as a society we continued to grapple with a once in generation pandemic, social and political upheaval, and the pronounced impacts of climate change. Throughout the state, local governments led to address these varied challenges, while also making progress on local, regional and state climate related ambitions. Since LGSEC's inception, we have ushered in a new era of local government leadership and opportunities in California's energy goals. We look back on our 2021 impacts including increased regulatory participation in proceedings related to microgrids, net energy metering, clean financing, grid modernization and more. Looking ahead, we remain steadfast in our commitment to decarbonization, and all that awaits our collective action.

As we look forward to 2022, each or our regions have unique challenges, yet our common goals of equitable decarbonized communities unites us. As we wear multiple hats responding to COVID, preparing for natural disasters, or just keeping our individual well-being afloat - the vision for the future is clear: Decarbonize equitably. However, the pathway towards this vision is much debated and diligence in designing a deliberate plan is what remains to be done. LGSEC looks forward to activating new and existing partnerships as we continue our journey.

Written by LGSEC Board Members:

Jenny Berg 2021 Board Chair BayREN

Marc Costa 2021 Vice Chair The Energy Coalition





2021 IMPACT REPORT

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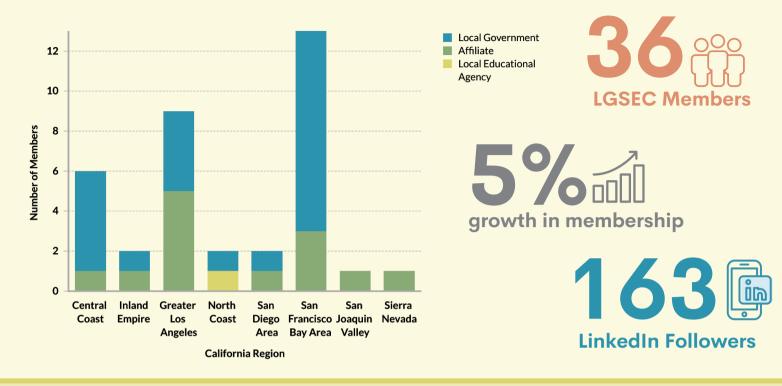
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LGSEC's network of leaders



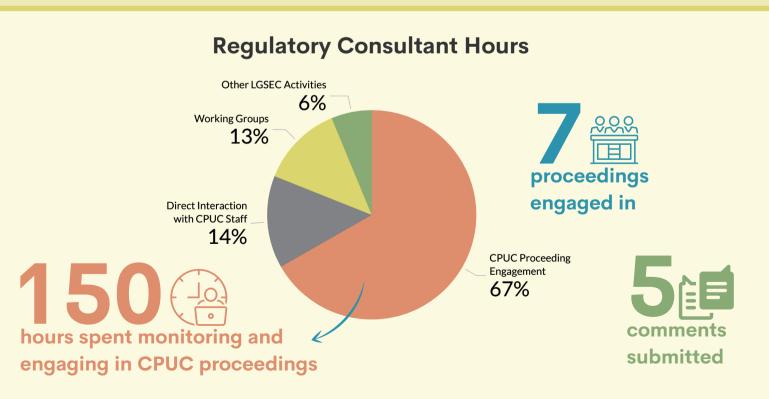
2021 Impact











LGSEC's 2021-2023 Strategic Plan

Over the course of 2021, the LGSEC board conducted a strategic planning exercise that involved a member-wide survey, one-on-one interviews with stakeholders and many long meetings. The effort culminated in a 2-3 year actionable roadmap for ramping up regulatory efforts, empowering our staff leadership, expanding our membership, forming new partnerships, and growing our funding to implement our vision. Read more about the five goals below.

REGULATORY: Broaden and enhance the organization's regulatory presence. <u>Objective:</u> Expand regulatory capacity and value to effectively advocate for a diverse range of local government needs by pursuing collaborative development of regulatory positions and filings, and establishing an inclusive policy platform.

ORGANIZATION: Improve organizational efficiency, capacity, and effectiveness. <u>Objective:</u> Empower program staff to manage the organization by creating equitable processes and establishing clear roles and responsibilities between program staff, Board members, and regulatory consultant.

MEMBERSHIP: Increase the number and engagement of LGSEC members. <u>Objective:</u> Increase the value and strength of the organization's advocacy work by improving membership engagement, diversifying membership tiers, and targeting recruitment to fill representation gaps of hard-to-reach communities, tribal governments, community based organizations (CBOs), and environmental justice groups.

PARTNERSHIPS: Grow and foster partnerships with other local government membership groups.

<u>Objective</u>: Amplify local government voices and increase efficiencies by partnering with groups that have similar goals, such as CBOs, other membership organizations, and private sector stakeholders.



FUNDING: Expand and diversify the organization's funding sources.

<u>Objective</u>: Diversify fundraising activities by streamlining membership recruitment processes and establishing alternative funding streams to build more staff and regulatory consultant time. Use capacity to increase regulatory presence and support the expansion of services to underrepresented membership categories.

Updated Mission Statement: LGSEC advances local government leadership on clean energy and climate resilience through regulatory action, policies, and programs.

Read the Strategic Plan **LGSEC's Equity Definition:** For LGSEC, 'Equity' means intentionally and proactively supporting policy and local governments who are underserved and underrepresented, based on access and availability to energy information and resources, and regulatory engagement.



2021 Marked Progress Advancing Local Government Interests

Steven Moss,

LGSEC Regulatory Consultant M. Cubed

It was another turbulent year at the CPUC, with significant staff and Commissioner changes, deep concerns over how to nurture affordable electricity provision while advancing transportation electrification, decarbonization, and other goals, as well as an emerging sea change in compensation for distributed photovoltaics. LGSEC maintained a strategy of elevating local governments as critical institutions to safeguard community resiliency and serve as dispersed, democratic, organizations that have principal responsibility for advancing state resiliency, equity and environmental goals. To that end, LGSEC engaged in several CPUC proceedings in 2021, with increased direct engagement with Energy Division and Commissioner staff. Particularly noteworthy was active involvement of LGSEC members as part of working groups, which served as vehicles to discuss complex energy challenges amongst jurisdictions facing distinct challenges and policy environments, and to bring those perspectives directly to the CPUC, which expressed consistent, enthusiastic, appreciation for the opportunity to hear from local governments on topical issues.

LGSEC made the most of its limited resources by strategically selecting a handful of proceedings in which to intervene, deploying tailored tactics to advance our agenda, including filing formal and public comments, participating in workshops, and communicating directly with CPUC staff.

Key Regulatory Engagement

Key proceedings in which LGSEC engaged included the following:

R.21-06-17: Modernize Grid for a High DER Future

This proceeding is examining how best to integrate DERs into the electricity system in a way that advances affordability, equity, and sustainability. LGSEC is championing local governments' role as potentially key institutions to mediate delivery of DERs in a way that maximizes societal and environmental benefits.

• Comments filed by LGSEC on 08/16/2021

2 R.20-08-020: Net Energy Metering (NEM)

Although opinions vary among local governments on the best approach to reform NEM, there was general consensus that equity interests should be protected, the economic viability of municipal projects should be maintained, and a proper "glide path" to a solar/storage future should be developed.

• Public Comments emailed 9/21/2021

R.19-09-009: Microgrids

Although not all local governments plan to develop a microgrid, they have universal responsibility to safeguard resiliency. LGSEC engaged in the microgrid proceeding principally to educate the CPUC on this role, and the need to focus policies and funds in ways that increase local government capacity to advance resiliency. Key policy proposals contained in LGSEC's filings have been adopted for further pursuit by regional energy networks and in media coverage.

- Protest Letter Filed 2/16/2021; SCE Response; <u>CPUC Response</u>
- Informal Comment Letter emailed to CPUC Staff 6/16/2021

NEMesis

Marc Costa, The Energy Coalition

Net energy metering is likely the hottest contested CPUC regulation in the last decade. The term nemesis is "a downfall caused by an inescapable agent." For years our collective uphill battle has been 'cost effectiveness' and its applicability to regulated monopolies, as opposed to applying it to the average customer. But now, an entire industry across the world has chimed in through public comments and ex parte filings on how the CPUC is treating the net export of customer energy. While net metering, now dubbed "net billing" has brought positive benefits to disadvantaged customers, it is still to be determined how one state's policy will affect the rate of solar installations, private sector business models, and U.S. Department of Energy goals to lower the cost of solar and storage by growing the market for distributed energy resources. LGSEC has convened a member working group to inform public regulatory comments, speak with CPUC staff, and form coalitions of parties to ensure an equitable energy transition for disadvantaged communities, public facilities, and community-wide climate planning. Perhaps our inescapable agent in these issues is the regulatory gravitation towards a centralized energy system that feeds burgeoning grid costs. LGSEC continues to work with stakeholders to alter the California energy system to a decentralized, decarbonized, accessible and affordable ecosystem.

We would like to thank the following NEM Working Group members for their contributions: Association of Monterey Bay Area Governments (AMBAG), BayREN, City of Berkeley, City of Chula Vista, City of Santa Barbara, City of Santa Monica, Center for Sustainable Energy, County of Los Angeles, County of San Luis Obispo, County of Sonoma, County of Ventura/VCREA, The Energy Coalition

3C-REN Supports Electrification and Deep Emission Reductions in Farmworker Housing

Garrett Wong County of Santa Barbara

In 2021, the Tri-County Regional Energy Network (3C-REN) partnered with the Peoples' Self Help Housing (Peoples') and Association for Energy Affordability (AEA) to facilitate the installation of nearly 200 heat pump water heaters in low-income farmworker housing units.



Image: Credit Association for Energy Affordability

Peoples' worked with AEA to identify three sites in Santa Barbara County representing 197 units of low-income farmworker housing that will be served by these projects. The scope of work focused on tenant improvements including upgraded building insulation, HVAC duct sealing, LED lighting, heat pump water heaters (HPWH), and solar PV systems that combined equal approximately 500 kW DC.

3C-REN provided approximately \$200,000 towards the HPWH installations in addition to other incentives. LIWP will contribute approximately \$2,000,000 in incentives, and Peoples' is contributing approximately \$200,000 of building reserves. All together, the proposed efficiency scope of work will provide approximately 50% reduction in site energy use and the solar PV system will offset 75% to 100% of residents remaining electricity use.



Enduring Echoes

Courtney Kalashian

San Joaquin Valley Clean Energy Organization

Earlier this summer the CPUC approved the fourth Regional Energy Network (REN), making the Inland Empire the newest grouping of local governments to become a Program Administrator in the State's energy efficiency portfolio. The Inland REN, or I-REN "aims to actively participate in California's Clean Energy initiatives and build a stronger clean energy economy and community". LGSEC's advocacy led to the formation of and supported the expansion of RENs, empowering local governments to step into new roles and define the terms of their community impact. With BayREN, SoCalREN, 3CREN, and now I-REN, LGSEC's influence shows across the map. And now, more than ever, a vision of empowered public agencies becomes even more clear as a consortium of six public agencies and non-profits prepare to file an application for the RuralREN. The LGSEC vision of equity, to 'intentionally and proactively support policy and local governments who are underserved and underrepresented...' naturally aligns with the concept of a RuralREN, and the further empowerment of local governments across California.

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. At times, regulatory engagement calls host guest speakers to speak on topics relevant to local governments and other agencies. During the call, committee members are given the opportunity to ask questions about CPUC activities, express interest on other proceedings, join working groups, and learn from one another on local government priorities across the state.

2021 Comments Filed

In 2021, LGSEC filed seven 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 filed comments, visit <u>lgsec.org/regulatory-proceedings</u>

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 2021 LGSEC held four working groups for:

R.19-09-009 - Microgrids Resiliency Strategies With the assistance of LGSEC's regulatory consultant, ten organizations and jurisdictions worked together to inform LGSEC filings and met with CPUC Staff on various occasions.

R.20-8-020: Net Energy Metering (NEM) With the assistance of LGSEC's regulatory consultant, twelve organizations and jurisdictions worked together to inform LGSEC public comments and attend an *ex parte* meeting.

R.20-8-022: Clean Energy Financing

With the assistance of LGSEC's regulatory consultant, nine organizations and jurisdictions are working together to define a proposal of a financing program.

→ Policy Platform

As a part of the 2021–2023 Strategic Plan, a group of LGSEC members and Board members, alongside the LGSEC regulatory consultant and LGC's Policy Director are working together to develop a policy platform to inform and direct LGSEC's regulatory efforts and outcomes.

Member Engagement

Sustainable Energy Scoop (SES)

LGSEC Members have access to a bi-weekly members-only newsletter. Each newsletter contains ten articles on various climate and energy topics, funding opportunities, surveys, technical assistance opportunities, reports, resources, and virtual events.

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 & informationsharing and a resource for energy and climate related opportunities and events.



Webinars

In 2021, LGSEC hosted two webinars. Over 300 local government representatives and other agencies registered. Webinar topics and partners were:

→ May 2021 | City of Gonzales: Local Governments Empowering Energy Solutions with speakers from the City of Gonzales, OurEnergy and Concentric Power.

July 2021 | Chula Vista's Building
Ordinances – Bringing Energy Savings to
Existing Buildings with speakers from the
City of Chula Vista, Lawrence Berkeley
National Lab and Energy Policy Consultants.



March 20201 LGSEC Climate and Energy Leaders Forum

LGSEC's first members-only virtual forum of 2021 was on March 30, 2021. Members shared their organization's most recent updates via a written update. This event spotlighted three members who spotlighted their organization's recent work. The forum concluded with a member networking session.

October 2021 | Empowering Each Other: How Climate and Energy Experts Can Coordinate Change

LGSEC hosted a virtual public forum on October 28, 2021 for participants to hear from state and local leaders on various community engagement, funding, and collaboration tactics as related to energy resiliency, grid modernization, and public health and safety. Speakers included recent San Luis Obispo mayor Heidi Harmon, CPUC Commissioner Genevieve Shiroma and Jessica Granderson with the White House Council of Environmental Quality. The event concluded with a networking activity.



Find all webinar recordings at <u>lgsec.org/events/webinars</u>

OUR WORK



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.



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



LGSEC is the only organization who represents local governments' energy and climate regulatory interests at the CPUC, CEC, CAISO, FERC, and CARB. 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.

VISION

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



BECOME A MEMBER

Available to Local Governments (cities, counties), Council of Governments, Non-profits, NGOs, Community Based Organizations (CBOs), and Local Educational Agencies (LEAs). <u>http://www.lgsec.org/about/join-us</u>

BECOME AN INDUSTRY PARTNER

Available to for-profit companies looking to engage with California local governments and LGSEC members.

http://www.lgsec.org/industry-partners

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The Local Government Sustainable Energy Coalition (LGSEC) is a coalition program of CivicWell.