



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: 941

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Jennifer Berg

Phone #: 415-820-7947

E-mail: jberg@bavareametro.gov

E-mail Disposition Notice to: jberg@bavareametro.gov

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
 PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

April 6, 2023

Advice Letter (AL) #: 23-E

Tier Designation:

Subject of AL: Request for \$1.2 million of 2021 unspent/uncommitted funds from authorized BayREN budget.

Keywords (choose from CPUC listing):

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: N/A

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date: 5/8/20

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

Protests and correspondence regarding this AL are to be sent via email and are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

California Public Utilities Commission
Energy Division Tariff Unit Email:
EDTariffUnit@cpuc.ca.gov

Contact Name: Jennifer Berg
Title: Director
Utility/Entity Name: BayREN

Telephone (xxx) xxx-xxxx: (415) 820-7947
Facsimile (xxx) xxx-xxxx:
Email: jberg@bayareametro.gov

Contact Name: Ryan Jacoby
Title: Principal
Utility/Entity Name: BayREN

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email: rjacoby@bayareametro.gov

CPUC
Energy Division Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Clear Form

ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	



April 6, 2023

California Public Utilities Commission
Energy Division Tariff Unit
505 Van Ness Ave.
Fourth Floor
San Francisco, CA 94102-3298

Advice Letter 23-E

(BayREN ID #941)

Subject:

BayREN Request from Unspent Funds from Prior Program Year 2021

Purpose

The purpose of this advice filing is to seek approval for the San Francisco Bay Area Regional Energy Network (“BayREN”) to access \$1.2 million of unspent/uncommitted funds from BayREN’s 2021 authorized budget, thereby increasing the 2022-23 budget accordingly. These unspent/uncommitted funds were part of the budget approved for BayREN during the current rolling portfolio by California Public Utilities Commission (“CPUC” or “the Commission”) in Decision (“D”) 18-05-041.¹

BayREN is a collaboration of the nine counties that make up the San Francisco Bay Area. Led by the Association of Bay Area Governments (“ABAG”)², BayREN implements effective energy saving programs on a regional level and draws on the expertise, experience, and proven track record of Bay Area local governments to develop and administer successful climate, resource, and sustainability programs. Since its inception, BayREN’s programs have followed the criteria first articulated by the California Public Utilities Commission (“Commission” or “CPUC”) in D.12-11-015: filling gaps in the market; serving hard-to-reach markets; and piloting new approaches to programs that have the potential to scale.

Background

In D.15-10-028, the Commission approved the Rolling Portfolio funding, and provided that 2015 is “year zero” insofar as we are leaving 2015 programs and funding in place until the earlier of when we provide superseding direction, or 2025.”³ In D.16-08-019, the Commission directed that: “existing approved activities [of the RENs] may have ongoing funding that was previously approved.”⁴ In D.18-05-041, BayREN’s Business Plan and Budgets for the term of the Rolling Portfolio was approved with slight modifications. D.19-12-021 allowed for the continued operation of existing RENs and directed that they be permanent program administrators removing the “pilot” designation.

¹ The BayREN 2021 Budget was approved via Advice Letter 16-E-A.

² On July 1, 2017 ABAG underwent a staff consolidation with the Metropolitan Transportation Commission (MTC). ABAG and its Executive Board continue to exist.

³ D.14-10-046 at page 31.

⁴ D.16-08-019 at page 10.

In D.18-05-041, the Commission set a cap on the overall amount of funding through 2025, and determined that it was reasonable to afford CPUC staff discretion to dispose of a program administrator's portfolio budget request that exceeds the corresponding annual funding amount included in its business plan budget, plus unspent funds from previous years in the business plan period, through the ABAL Review Process.⁵

As directed by the Commission⁶, BayREN filed an Annual Advice Letter covering both program years 2022 and 2023⁷. BayREN seeks an increase to this budget of \$1.2 million.

Discussion

D.18-05-041 approved BayREN's innovative, pay-for-performance Commercial energy efficiency incentive program for the 2018 – 2025 business plan cycle. The BayREN Commercial program serves hard-to-reach (HTR) and non-HTR small-, and medium-sized businesses (SMB) in the Bay Area. Currently, it is delivered through an online platform that compensates contractors for energy savings measured at the meter. The pay-for-performance approach enables a multitude of energy efficiency measures while ensuring ratepayer funding is not paying for non-existent savings. While there are other program administrators that offer pay-for-performance Commercial programs, BayREN is the only program that serves this small and HTR sector. This is a resource acquisition program given the high level of energy savings, but there are also strong equity components such as geographic targeting in Disadvantage Communities and a focus on very small SMBs.

Although past iterations of the BayREN Commercial program were adversely impacted by the COVID-19 pandemic as the target market was severely impacted by shelter-in-place orders, remote work patterns, etc., the latest online platform successfully launched in December 2022. In the first four weeks, BayREN received applications for a total of 1,635,630 kWh of savings. Given this unanticipated high volume of projects, BayREN paused the platform in order to evaluate all of the applications for eligibility and project integrity and to determine if additional funding could be obtained to satisfy the high level of interest and potential projects. During the pause, BayREN received feedback from select contractors that they have a strong interest in continuing to serve the HTR business sector.

It is projected that to satisfy the demand, the program will need \$2.7 million more than the current 2022-2023 budget. \$1.5 million will be shifted from other programs in the BayREN portfolio;⁸ however, \$1.2 million is still needed, primarily for incentives that will be provided *only* to HTR businesses. The funding is projected to provide additional energy savings of approximately 940,000-kWh. BayREN will continue to make incentive payments according to the verified performance of the installed measures. Without the additional funding, BayREN will have to extend the current pause into 2024, thereby running the risk that those engaged contractors will no longer participate in the HTR sector. Indeed, one of the foundational promises of a rolling portfolio is to protect against the start/stop of energy efficiency programs that drove many contractors away from participation.

BayREN's Commercial program was significantly underspent in 2021,⁹ primarily due to the continued impacts of the COVID-19 pandemic.

⁵ D.18-05-041, Conclusion of Law (COL) #73.

⁶ D.21-05-031, Ordering Paragraph #13.

⁷ BayREN Advice Letters 21-E and 21-E-A, which were effective as of December 8, 2021.

⁸ D.15-10-028, Ordering Paragraph #18 provides the authority for Program Administrators to shift funds among authorized programs without the need to file an advice letter.

⁹ Specifically, the Commercial program was underspent by \$1.64 million in 2021.

BayREN seeks to increase its 2022-2023 budget by accessing a portion of the unspent/uncommitted balance from BayREN's 2021 authorized budget as follows:

Budget	Amount
2021 Authorized Budget (excluding EMV) ¹⁰	\$24,171,613
2021 Unspent/Uncommitted Balance	\$6,089,645

Protest

Anyone may protest this Advice Letter. The Protest must state the grounds upon which it is based. The Protest must be made in writing and received by the Commission within 20 days of the date this Advice Letter was filed with the Commission, or April 6, 2023. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

California Public Utilities Commission
CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of the Energy Division at EDTariffUnit@cpuc.ca.gov. It is also requested that a copy of the protest be sent by email to the address shown below on the same date it is mailed or delivered to the Commission.

Jennifer K. Berg
Director - Energy Programs
Association of Bay Area Governments
375 Beale Street
7th Floor
San Francisco, CA 94105
JBerg@bayareametro.gov

Effective Date

BayREN requests that this Tier 2 advice submittal become effective on regular notice, May 8, 2023, which is 30 calendar days after the date of submittal.

¹⁰ BayREN Advice Letter 16-E-A.

Notice

In accordance with General Order 96-B, a copy of this advice letter is being sent electronically to parties shown on the service list of R.13-11-005.

A handwritten signature in blue ink that reads "Jennifer Berg".

Jennifer K. Berg
Director, Energy Section

CC: EDTariffUnit@cpuc.ca.gov
Service List R.13-11-005