Northern California Local Government Energy Partnership

A Local Information-Only Program Serving Small to Medium Sized Local Governments throughout PG&E's Service Territory

R.01-08-028 / 2004-2005 Energy Efficiency Proposal Selection

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Presented By:
Association of Bay Area Governments

In Partnership with:
Association of Monterey Bay Area Governments
Local Government Commission
California Energy Commission
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Other Programs Proposed:
None

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I. Program Overview

A. Program Concept

This proposal seeks $ 2.8 million in public goods charge (PGC) funding for the Northern California Local Government Energy Partnership (Program). The Program will provide technical assistance and information services to assist small to medium sized cities, counties and special districts *throughout Pacific Gas & Electric's (PG&E) entire service territory* to complete energy efficiency projects in public facilities, and to promote energy efficiency within their communities. While some of the larger cities in Northern California have been very active in energy efficiency, most small and medium sized local governments do not have the in-house capability to tap into existing state and utility energy efficiency programs. Program outreach efforts include targeting local governments in rural locations and/or that have large concentrations of hard to reach populations, as well as those located within transmission constrained areas. The Program has two major elements. The first element, *Energy Efficient Local Government Facilities*, will provide technical assistance services not offered by other parties (benchmarking, project development, and sustained technical assistance) and will dovetail with resources from the California Energy Commission (CEC), PG&E, and other PGC programs available for this sector. These services will help local governments through the entire process of completing energy retrofit projects, and channel developed projects into statewide incentive programs. The Program's second element, *Community Energy Efficiency* will help local governments to develop energy efficiency policy and program initiatives to promote energy efficiency among local businesses and residents. An additional component of this element will include a combination of peer forums, local government-focused workshops, and a web based clearinghouse that will provide specific energy efficiency information and resources. Our team includes local government organizations that provide access to the entire target market, the CEC, and consultants that are highly experienced working with and within local governments.

B. Program Rationale

Rising energy costs have hit many small to medium sized cities and counties especially hard, particularly during these difficult economic times. Existing state and federal governments and utility programs offer some financial and technical assistance, but staffing constraints make it difficult for smaller local agencies to take advantage of available energy efficiency programs. Further, smaller local agencies have at times found it difficult to deal directly with vendors and Energy Services Companies due to the lack of energy experience by their staff and a need to protect the public's interests. This lack of in-house capability leads to inaction, and to valuable energy saving opportunities remaining untapped.

Response to Program from Small City:

"What a great idea!
Over the past few years we have been besieged by "energy consultants" and vendors offering to help us with energy efficiency projects. We have been leery of using them because we feel they are biased since they have a vested interest in our performing upgrades. As a small city (30,000 population) with a small budget, we do not have the expertise on staff to evaluate our energy efficiency and figure out what to do. This type of program would be most welcome!"

Adele Ho,
Public Works Division Manager
City of San Pablo

The Program addresses these staff-related barriers by providing easy access to unbiased knowledgeable energy professionals through a trusted source to help local agencies prioritize energy activities and complete energy efficiency projects. Our team combines many years experience developing energy efficiency projects within local government, with the Association of Bay Area Governments' (ABAG) outreach capabilities and experience providing energy services to local governments through ABAG POWER.

Local government energy efficiency projects, in aggregate, represent a large opportunity and our approach will ensure that real savings and economies of scale are achieved. *Over 50 cities, counties and special districts have expressed their full support for this Program as well as interest in being a recipient of Program services; many of these agencies are located outside the Bay Area and/or within rural or hard–to-reach locations.* This proposal is also supported by the California State Association of Counties and League of California Cities. (See Section III.A on page 26 for a list of agencies that support the Program.) By becoming more energy efficient, local governments can play a key role in reducing energy use in California, act as role models for efficiency in the private sector, and reduce the cost of providing essential public services. By increasing participation in existing efficiency programs, rather than reinventing the wheel, this effort will lead to higher installation rates and the cost effective use of public funds.

Main Program Elements and Description of Services

Altogether, the Program is anticipated to provide services to as many as 100 local governments including training and all technical assistance services. Local government objectives vary widely with respect to energy efficiency. To address this diversity of needs, energy management services will be provided within two primary program elements:

1. Energy Efficient Local Government Facilities
2. Community Energy Efficiency

1. Energy Efficient Local Government Facilities

The Program's *Local Government Facility* element will provide comprehensive, sustained facility improvement energy services to help local governments utilize and coordinate resources available from state and utility energy efficiency programs, and complete energy efficiency projects in their facilities. Technical assistance will include:

- *Prioritizing facilities for energy project identification* by providing an energy use summary report that defines the local government's current energy status and ranks facilities based upon energy performance benchmarks. This screening process will ensure that facilities with the highest potential for energy savings and improvement are prioritized for subsequent energy efficiency activities.

- *Facilitating energy audits provided by PG&E and CEC* such that each type of audit service available (e.g., CD-ROM tool, walk through, comprehensive technical audit, etc.) is appropriately matched to individual sites (depending on size, savings potential, etc.), and customer enrollment is streamlined. The team will also facilitate PG&E/CEC energy design review services for new construction to exceed state Title 24 building standards.

- *Providing sustained technical support and project management* to help local governments through the entire process of *completing* energy retrofit projects. Technical assistance will include "developing" energy efficiency projects and packaging them for statewide incentive programs (such as Express Efficiency, Standard Performance Contract, and Savings by Design) and other PGC-funded incentive programs. "Developing" a project includes providing design or equipment specifications, assisting with hiring contractors, and identifying/arranging project financing. In cases where "an audit has been sitting on a shelf," often small investments of expertise can enable significant sized projects to move forward.

2. Community Energy Efficiency

The Program's *Community Energy* element will provide policy development and outreach assistance to help local governments promote energy efficiency among local businesses and residents. Technical assistance will include:

- *Providing energy policy development and implementation support* to help local governments implement local policy initiatives and community programs. Examples include a time-of-sale residential (or commercial) energy retrofit ordinance. (The Commission has expressed interest in encouraging residential retrofit codes and standards, in Decision 02-03-056; and the project team includes staff with extensive experience developing and implementing such legislation.) Other local policy documents would include energy language for updating a General Plan, Shade Tree ordinances, etc.

- *Assisting local governments with community outreach and promotion of energy efficiency* by leveraging local government mechanisms (e.g., building permit process, water bills, tax notices, etc) to promote statewide and other PGC-funded energy programs. As appropriate, we will direct these opportunities to PG&E for co-branded marketing campaigns, such as PG&E's proposed Local Government Initiative (LGI).

- *Conducting local government focused energy management workshops and peer forums* on a variety of energy management topics *specific to local government* decision makers and facility operators. These workshops will be held in multiple locations to facilitate participation and we will avoid overlap with topics covered at the Pacific Energy Center (PEC). We will also cross-promote relevant PG&E trainings offered at the PEC and Stockton Training Center.

- *Developing a web based Energy Efficiency Resource Library* that would act as a central clearinghouse for local governments to learn about the Program services and other energy efficiency resources. The focus of the website will be to post information highly specific to local governments, share success stories from this Program, and link to other existing web resources on energy efficiency, such as provided on the PG&E and CEC websites.

Barriers to Energy Efficiency and Program Response

The discussion below summarizes the major barriers that prevent local governments from implementing energy efficiency projects and programs, and outlines how the Program helps local governments overcome these barriers to effectively improve the energy efficiency within *local government facilities* and within the wider *community*.

Local Government Facility Energy Efficiency Barriers
Multiple market barriers create a huge gap between the level of local government investment in energy efficiency, and the level of cost-effective retrofit potential available. The following is a list of these barriers and how the program addresses them.

***Lack of Staff Resources and In-House Energy Expertise*:** Many small to medium sized local governments are constrained by both staffing and budget limitations and consequently do not have a full-time energy manager position. This means that time spent on energy management issues represents additional work by current personnel, resulting in insufficient time being dedicated to energy issues. Therefore, even though existing state and federal governments and utility programs offer some financial and technical assistance, most small and medium sized local governments do not have the in-house staff necessary to successfully utilize these resources. Further, many smaller local governments have a hard time dealing directly with vendors and Energy Services Companies (ESCO's) due to the lack of in-house energy experience and a concern for the public interest. Local government decision makers often feel they lack *relevant* information from *credible* and *trusted* sources.

The Program addresses these staff-related barriers by providing easy access to unbiased knowledgeable energy professionals, through a trusted source (ABAG and partners), to fill gaps in the project implementation sequence. Our team has many years of experience developing energy projects within local government agencies and can help smaller local governments get started. We can assist with coordinating existing resources to identify retrofit opportunities, and with packaging energy efficiency projects for PG&E and other PGC-funded assistance programs. Often small investments of expertise (e.g., technical specifications for an RFP bid) can enable already-identified projects to move forward. Providing access to our team of local government-savvy energy professionals will ensure that many more cities and counties within Northern California are enabled to fully respond to the "energy savings opportunity" rather than just those few with well-developed, in-house expertise.

Lack of Information and Unfamiliarity with Energy Efficiency: Many agencies are generally aware that energy strategies exist that could reduce energy costs in their facilities and communities. Often a more detailed understanding of the energy efficiency technologies and their appropriate uses is necessary to apply these strategies.

The Program addresses these awareness and information-related barriers, first, by conducting a targeted marketing campaign through our extensive outreach networks to raise awareness of the benefits of energy efficiency among identified key agency staff. Secondly, by directly working with agency staff, the program will tailor a combination of peer forums, relevant workshops, a web-based clearinghouse, and responses to specific information requests. Our strategy is to build energy knowledgeable energy champions within local government agencies.

High First Cost: Most local governments must balance the need for energy efficiency with other pressing needs. Faced with higher costs for energy efficient equipment, agencies are rarely encouraged to take the long-term view. Instead, traditional "lowest bid" thinking often dominates. The higher first costs of energy efficiency measures will often prevent investment unless there is a clear understanding of the longer-term financial and environmental benefits to be gained through increased energy efficiency.

The Program addresses this barrier by quantifying the long-term financial benefits and raising the profile of energy efficiency within the overall agency mission. The Program will also empower agencies to evaluate solutions with full life-cycle costs in mind rather than just first cost. Program materials will illustrate how such investments can be structured to pay for themselves and free up resources through lower facility operating costs. Presented with life cycle cost analyses, local governments are often more willing to make long-term investments.

Lack of Financing for Energy Efficiency Improvements: Local government agencies do not normally budget for energy efficiency projects in their own facilities. In addition, virtually all public agencies have a backlog of deferred maintenance items, many of which are seen as more critical to the agency's mission, and so receive a higher priority than energy efficiency.

The Program addresses this lack-of-financing barrier by helping project planners evaluate various financing options outside of limited local government annual operating and capital budgets. These include the CEC loan program, the ABAG or California Power Authority (CPA) financing group, or tax-exempt lease purchase financing, and Performance Contracting. The program will assist with presentations to management for project approval, and will help arrange financing by packaging project information within financial format. The Program will also shepherd new construction projects into Savings By Design for financial incentives.

Table 1 below summarizes the major barriers that prevent local governments from implementing energy efficiency projects within *local government facilities* and outlines how the Program will help local governments overcome these barriers.

Table 1 – Local Government Energy Efficiency Barriers and Program Response

Barrier	Program Response
Lack of Staff Resources and In-House Energy Expertise	▪ Coordinate technical resources available from PG&E, CEC and other PGC funded programs before supplementing with Program resources. ▪ Provide easy access to unbiased energy professionals highly experienced in working with local governments. ▪ Provide technical support that fills in the gaps in existing services to help local governments complete energy projects.
Lack of Information and Unfamiliarity with Energy Efficiency	▪ Build energy knowledge and commitment among targeted potential energy champions in local governments. ▪ Provide a combination of peer forums, local government focused workshops, and a web-based information clearinghouse.
High First Cost	▪ Provide life cycle cost analysis to encourage a longer-term outlook. ▪ Illustrate how energy efficiency investments can be structured to pay for themselves and free up resources through lower operating costs.
Lack of Financing for Energy Efficiency Improvements	▪ Help project planners obtain financing, such as low-interest loans through the CEC, CPA or ABAG financing group. ▪ Package retrofit projects and channel into statewide and PGC funded incentive programs. ▪ Provide budgeting advice for new construction and shepherd projects into Savings By Design for financial incentives.

Community Energy Efficiency Market Barriers
The second element of this proposal focuses on local government's opportunities for overcoming persistent market barriers to achieving energy efficiency within the wider community.

Lack of Consumer Information About Energy Efficiency: The lack of information about cost-effective savings opportunities is the most fundamental of market barriers. In spite of "media exposures" from a mass media campaign, consumers often lack *relevant* information from *credible* and *trusted* sources.

The Program helps local governments to help address this lack-of-information barrier by leveraging its unique access to its residents and businesses to raise awareness about energy efficiency opportunities and assistance programs. For example, the program will work with Planning and Zoning departments to identify new construction projects and to provide timely, relevant information about the Savings By Design Program. Local government is uniquely positioned to help with outreach to Hard-to-Reach customers. Through their social services and multilingual outreach channels, local governments are a trusted, credible information source who will help convey that energy issues are local issues, and therefore relevant to agency constituents' daily lives. The Program will also help promote Statewide energy programs as part of basic outreach mechanisms, such as inserting energy information in garbage and property tax bills.

Split Incentives: The landlord/tenant relationship is perhaps the most stubborn market barrier both in the existing building market and in new construction (with developers and *future* tenants). Even with full information and access to capital, building owners are reluctant to invest in energy efficiency since it's the tenants who reap the benefits. As a result the community's building stock is not upgraded and energy dollars bleed out of the local economy.

The Program helps local governments address this barrier through helping local governments implement a variety of local policies. The program will offer implementation assistance and model policy language for local government strategies ranging from incentives (like expedited plan review) for "beyond code" new development, to zoning and building code changes, and time-of-sale mandatory residential retrofit ordinances.

Table 2 below summarizes the major barriers that prevent local governments from implementing energy efficiency projects within the *community* and outlines how the Program will help local governments overcome these barriers.

Table 2 – Community Energy Efficiency Barriers and Program Response

Barrier	Program-Aided Community Response
Lack of consumer information about energy efficiency benefits	Coordinate with PG&E to utilize government outreach mechanisms (business license, building permits) to promote energy efficiency, and publicize PGC-funded programs to local residents and businesses.
Split incentives	Help local governments consider/implement local energy regulations where market is failing in new construction/retrofit.

C. Program Objectives

Main Program Objectives:

- Provide local governments with information and *sustained technical support* to help them identify, prioritize, develop, and *complete* energy efficient retrofits and modernization projects in local government facilities.
- Assist local government agencies to take full advantage of state and utility energy efficiency programs, primarily PG&E's Express Efficiency, Standard Performance Contracting, and Savings by Design, and the CEC Energy Partnership Program for local governments.
- Enable local governments to implement policy initiatives and community programs that conserve electricity and natural gas within their communities.
- Leverage local government relationships to access information delivery channels, such as business licenses, garbage, and property tax bill mailings, to promote statewide energy efficiency programs and other PGC-funded energy programs among local businesses and residents. If PG&E develops a similar outreach mechanism for their 2004/5 Local Government Initiative (LGI) program offering, we will direct and transfer these delivery channel opportunities to PG&E.

How the Program Meets the CPUC's Policy Objectives

- **Ability to Overcome Market Barriers**

Section B above (Program Rationale), clarifies this in detail. The Program addresses a number of significant barriers that small/medium sized local governments face when pursuing energy retrofit projects within their facilities and promoting energy efficiency within their communities. These barriers include lack of staff resources, lack of information, higher first costs, lack of financing for energy efficiency improvements, and split incentives. The program team includes key local government organizations that have an understanding of and access to local governments, together with a consulting team that has extensive experience working with local governments. In fact, consultants' staff have decades of experience working as senior local government employees implementing projects from the "inside."

- **Equity**

Program outreach efforts include targeting a significant number of local governments in rural locations and/or that have large concentrations of hard to reach populations. Please see Section III, Customer Description, for more information on the Cities and Counties that will be targeted by this program, and those that have expressed their support and interest in receiving services.

- **Innovation and Track Record of Success**

We have combined unparalleled local government expertise and access to customers on this proposal team. This allows our team to utilize existing relationships and services already offered and strategically fill in the missing pieces. Having access to experienced and unbiased energy professionals will ensure that scarce resources are directed toward initiatives that will have the greatest likelihood of success. In addition, such access will ensure many more cities, counties and special districts are enabled to fully respond to the "energy savings opportunity" rather than just those few with well-developed, in-house expertise.

Energy Solutions will coordinate the team of consultants working on this project. Energy Solutions has previously received contracts to implement six "third party" or "local" programs and have exceeded goals on all six programs. They are currently implementing three "local" programs that are also on track to exceed goals.

- **Coordination with other programs**

Our goal is to help small/medium local governments utilize existing energy efficiency programs and resources and to fill in the missing pieces vital to success in implementing energy efficiency. The Program will dovetail with, California Energy Commission (CEC), Pacific Gas and Electric Company (PG&E), and other PGC funded resources available for this sector and will channel developed projects into statewide incentive programs, such as Express Efficiency, Standard Performance Contract, and Savings by Design. We will also direct local governments to existing information and training resources, including the Pacific Energy Center, Stockton Training Center, and PG&E's extensive website. The Program will also coordinate closely with Pacific Gas and Electric Company's new Local Government Initiative to avoid overlap and ensure coordinated services. Please see Section II – Program Progress for a more detailed discussion on how the Program will work with the CEC Energy Partnership Program, the CEC Energy Efficiency Financing Program and PG&E's Nonresidential Audit Program, Express Efficiency, Standard Performance Contract, Savings by Design programs, and the proposed PG&E LGI program offerings.

While the following CPUC program criteria are not required for Information-Only Programs, the Program provides significant benefits in these areas as well.

- **Cost Effectiveness**

The type of assistance provided by this Program would allow a far greater number of small/medium local governments in Northern California to tap into state and utility incentive programs and overcome the barriers that have prevented them from being as active as they would like. In so doing, the Program will bring a large new market of small to medium sized local governments – including many outside the Bay Area, to state and utility incentive programs, leading to higher project installation rates and cost effective use of public funds.

- **Long-Term Annual Energy Savings/ Electric Peak Demand Savings**

This program is considered an "information-only" program, however assistance provided on specific projects for small/medium local governments will lead to implemented projects. Assuming the Program provides technical services as described in the Local Government Facility element to a minimum of 30 local governments, we estimate that with the local government facility element alone, the Program will deliver annual energy savings of *at least* 81,382,650kWh and 2,139,000 therms annually, and a lifetime energy savings of more than 1,141,247 MWh of electricity and 29,995,680 therms of natural gas. We estimate the Program to reduce peak demand for electricity by 22 MW or approximately an average of 0.7 MW per participant. In addition, the Program will generate energy savings derived from community-wide programs instigated through the *Community Energy* element. Section IV.A describes the assumptions and methodologies used to develop this estimate. For additional detail, please see Attachment A.

II. Program Process

A. Program Implementation

Overview

This Program Process section first presents a discussion of how the Program will coordinate with other energy efficiency programs and how the proposed Program differs from existing related programs. Next, a description of the major Program tasks is presented including:

Task 1 - Program Development

Task 2 - Program Outreach

Task 3 - Energy Efficient Local Government Facilities

Task 4 - Community Energy Efficiency

Task 5 - Program Administration/Reporting

Coordination with Other Programs (Local Government Facilities Element)

Our goal is to help local governments utilize existing energy efficiency programs and to supplement existing resources with complimentary missing services that local governments need to identify, develop, and complete energy efficiency projects. The Program will dovetail with resources available from the CEC and PG&E, as well as other PGC funded programs targeting this sector.

Coordination with California Energy Commission
We will partner with the CEC Energy Partnership Program to increase the number of local governments receiving technical assistance, particularly energy audits. The Energy Partnership Program's technical assistance, which is capped at $10,000 per local government, can be utilized to help reduce public sector energy costs (e.g., energy audit, review of energy project proposals, new construction design review). We will also work with CEC staff to identify local governments that have received CEC energy auditing services, but have not completed identified projects, in order to evaluate if additional technical support services offered through the proposed Program, could help move cost effective projects to completion. On a case-by-case basis, the Program may supplement CEC energy audit resources when the technical needs associated with a particular facility or group of facilities exceed the CEC $10,000 per participant cap. This strategy of integrating with CEC services will avoid duplication, and result in more efficient and cost effective services.

Coordination with Pacific Gas and Electric Company
The Program team and PG&E had extensive discussions during the writing of this proposal on how best to coordinate with PG&E programs and resources. In fact, our decision to design this program as "information-only" was driven largely by a desire to avoid issues of double-counting savings between this effort and PG&E's programs. As designed, our team will leverage existing PG&E audit and incentive programs, as well as information/training resources. We will work closely with PG&E to avoid duplicating services offered by existing PG&E programs or by new 2004/5 programs that they may develop. Our team expects to contribute to PG&E's success by channeling retrofit projects developed under our program into statewide incentive programs,

such as Express Efficiency, Standard Performance Contract, and Savings by Design. We will also direct local governments to the extensive existing information and training resources provided by PG&E, including the Pacific Energy Center, Stockton Training Center, and an extensive website.

Complementary Program Services Not Currently Provided by Other Programs:
The discussion below and Table 3 on the next page provide a description of the complimentary services that will be provided to help local governments more effectively leverage CEC and PG&E resources:

1) *Planning and analysis services* to assess the participating agency's current energy status and rank facilities based upon energy performance benchmarks. This compliments CEC/PG&E audit services by identifying the best candidate facilities to receive various types/levels of energy audits. These services will also help facilitate the customer application and audit process by first collecting and organizing key facility information and utility data.

2) *Energy audit/new construction design review facilitation* such that each available resource is appropriately matched to individual sites (depending on size, savings potential, etc.), and customer enrollment into PG&E/CEC programs is streamlined. Specifically, we anticipate directing various services toward multiple facilities within participating agency's as follows:
   - Coordinating and utilizing PG&E's phone, online and software-based surveys to screen smaller sites prior to arranging a site visit; and directing PG&E "On-Site Energy Audits" toward less energy intensive medium/large facilities.
   - Facilitating "Targeted" audits for large facilities with specific technology analysis needs.
   - Directing CEC energy audits toward the largest, most inefficient facilities (CEC energy audits are the most detailed, in-depth available at no cost to local governments).
   - Directing PG&E Savings by Design and CEC energy efficient design review services (if available within the CEC $10,000 cap) toward public sector new construction projects.

   If a participating local government's energy audit needs exceed the resources available through PG&E and CEC, the program may provide additional audit services, depending on the potential energy savings and level of commitment from the participating agency.

3) *Additional technical support and sustained project management assistance* to help move cost effective energy retrofit projects from identification to completion. This is the core of the program and could include providing assistance with project design, hiring contractors, obtaining project financing, and channeling projects that are developed with our assistance into statewide incentive programs, and into CEC's Energy Efficiency Loan Program.

Coordination with Other Programs (Community Energy Element)

In the *Community Energy* element, the Program will provide a distinctly different service for local governments than other funded programs. At the same time, we will utilize resources and coordinate with any other funded efforts that can serve this target audience. In the area of *local energy policy development*, the main existing resource is the Statewide Codes and Standards program, which in Decision 02-03-056, was directed by the Commission to support local energy policy (especially for residential retrofit), along with that program's traditional focus on statewide and federal standards.

Table 3 – Local Government Facility Program Element Services by Project Phase

Energy Efficiency Project Phase	Services Provided by California Energy Commission, and Pacific Gas and Electric Company	Services Provided by the Northern California Local Government Partnership
Planning and Analysis (Prioritization of facilities for subsequent Energy Activities)	Not currently offered to Cities, Counties and Special Districts.	1. Provide overall assessment of agency energy status and performance comparison of **all** agency facilities.
Project Identification/ Energy Audits	<u>PG&E Nonresidential Audit Program</u> ▪ Phone, online and software-based surveys ▪ On-Site Energy Audit by account representatives ▪ Targeted Energy Audit of specific measures and technologies <u>CEC Energy Partnership Program</u> ▪ Comprehensive (or targeted) energy audits up to $10,000 cap per local government (LG).	2. Coordinate Facility Audits ➢ Use to screen smaller sites prior to arranging site visit. ➢ Direct toward less energy intensive med/large facilities ➢ Facilitate *Targeted* audits for large facilities with specific technology analysis needs. ➢ Facilitate CEC audits for largest, most inefficient facilities. 3. Coordinate resources from other PGC funded programs as appropriate. 4. Provide additional audit services if customer needs exceed resources listed above.
Project Identification/ New Construction Energy Design Review	▪ PG&E Savings by Design (SBD) energy design review assistance. ▪ CEC - design review available within total $10,000 cap per LG.	5. Facilitate SBD or CEC services where applicable. 6. Provide additional design review services if needed.
Project Implementation (Project design, hiring contractors and project management)	<u>CEC Energy Partnership Program</u> CEC staff provide advice and limited technical assistance within the total $10,000 per LG cap. (The CEC does not provide direct project management assistance.)	7. Apply CEC services if available/applicable. 8. Provide technical assistance project management services (project design and contractor procurement services).
Project Financing	PG&E Express/SPC and Savings By Design Incentives CEC Loan Program	9. Package/shepherd projects into PG&E incentive programs. 10. Help compare options and obtain financing; assist with life cycle analysis & project approval presentations.

The Program will also coordinate closely with Pacific Gas and Electric Company's new Local Government Initiative. That program appears to focus primarily on "co-branding" opportunities with cities for statewide program marketing materials. However, PG&E has indicated in our most recent discussions that the program may include policy support as well.

The Northern California Partnership, however, will differ from these efforts by:

- Using the synergies of its broader relationships developed with city staff to identify and focus on local priorities
- Focusing on local energy policy objectives, not statewide and federal standards or utility program enrollment;
- Working through an existing network of trusted colleagues in other local government agencies to gather policy precedents, example resolution and agenda language, and policy implementation experience;
- Offering more in-depth assistance, including not only draft policy language, but also policy adoption plans, and policy implementation plan assistance.

As mentioned above, the ABAG team and PG&E had extensive discussions during the writing of this proposal on how to leverage PG&E resources, incentive programs, and information/training resources. We will work closely with PG&E to utilize their resources, to avoid duplicating services on new 2004/5 programs they develop, and to channel local governments into the utility's efforts where appropriate.

Coordinating with other Public Goods Charge funded programs is a central feature of this information-only program. The second major thrust of the *Community Energy* element is to *publicize and promote other PGC-funded programs that benefit the wider community.* After first working with a local government staff to develop community outreach priorities, the program team will contact appropriate PGC-funded programs to gather program information and marketing collateral. For example, we will coordinate these efforts with the Flex Your Power statewide marketing program, and by developing a close relationship with City policy staff, the program will be able to effectively facilitate PG&E's proposed marketing/co-branding strategies with local government.

The program design is grounded in the notion that local governments know best where their local priorities lay. In bedroom communities, we expect requests for assistance with residential programs; in fast-growing communities, new construction programs are likely to be seen as most important. Other communities may be more focused on small business operating costs or on services for non-English speaking residents. By engaging City policy makers in this dialogue, the program team expects more vigorous implementation of community outreach efforts promoting energy efficiency.

Depending on local government priorities, the program will offer to facilitate program outreach in the following areas. For residential customers, the City channels program element could be used to promote: Multifamily Rebates; Single Family Rebates; Home Energy Efficiency Surveys; California Energy Star New Home Construction; Building Department and Small Builder Title 24 Standards Training and other programs funded in 2004-05. For local businesses, the City can promote Standard Performance Contract Program; Express Efficiency Program; Nonresidential Energy Audit; Building Operator Certification and Training; Savings By Design;

Local K-12 Schools Energy Efficiency Program; Pre-Rinse Spray Head Installation for the Food Service Industry; LightWash; and Local Small Business programs, e.g., Stockton Comprehensive Energy Program, Oakland's BEST program, RightLights (Central Coast), SmartLights (East Bay), etc.

Task 1 - Program Development

The team will prepare a detailed implementation plan and schedule for the program. Program development will begin with a kick-off meeting for all Program partners to discuss and refine program outreach, marketing, enrollment and technical services delivery/coordination. In addition, the team will solicit input from local governments to inform both the implementation plan and the marketing and outreach plan. Team members will also contact key PG&E and other PGC funded program contacts to discuss and refine program coordination issues and strategies. The plan will describe program policies and procedures, data tracking and reporting methods, and refine program evaluation methods. The team will develop a program database to record and track all crucial data for participating local governments and ensure that important baseline data is collected as various projects proceed.

Task 2 - Program Marketing and Outreach

Task 2.1 Marketing and Outreach Plan

The project team will develop a detailed outreach and marketing plan to recruit program participants, building upon the marketing plan presented in Section II.B.
In developing the marketing and outreach plan, the team will interview selected local government officials and staff to determine the best communication channels and tactics for reaching local governments, and will develop appropriate messages for each channel and audience (e.g. high level decision makers and local officials, energy managers and facility managers). These findings will be incorporated into the final marketing plan. The primary target audiences are further discussed in the Customer Eligibility Section. The Marketing Plan will describe how the Program can best cooperate with Flex Your Power and other Statewide marketing efforts.

Task 2.2 Marketing Materials Development and Printing

In accordance with the Marketing and Outreach Plan, the project team will develop marketing materials such as program brochures and mailers (as described in Section II.B.) for distribution to the ABAG and AMBAG (Association of Monterey Bay Area Governments) members, to the Local Government Commission's existing networks and contacts with local agencies, and to other local governments in the PG&E service territory. Other marketing materials that may be produced include postcard mailers, ad placement in newsletter announcements, and banners for tabling events. Please see Section II.B below for a more detailed description of program marketing materials.

Task 2.3 Program Outreach and Enrollment

The team will conduct program multi-faceted campaign to market the program to the local governments throughout PG&E's territory. Program outreach strategies are discussed below in Section II.B, Marketing Plan. The Program enrollment process is described in Section II.C.

Task 3 - Energy Efficient Local Government Facilities

The Program services offered in the *Local Government Facilities* element consists of a three-phase process that will deliver cost-effective benefits to Program participants. The comprehensive services are designed to help local governments access resources available from state and utility energy efficiency programs, and complete energy efficiency projects in their facilities. The three phases of technical support are listed and described below.

1. Prioritizing Facilities for Energy Project Identification
2. Facilitating Energy Audits and New Construction Design Review
3. Providing Technical Support and Project Management Assistance

Task 3.1 Prioritizing Facilities for Energy Project Identification

The first step in providing technical support to participating local governments will involve assessing the participating agency's current energy status and conducting a preliminary screening of the participating agency's facilities based on benchmarking of energy use intensity. The team will develop an Energy Use/Performance Benchmarking standard report format and the process will be automated and standardized to create efficiencies in delivery of services.

This initial facility screening approach will:

- Identify and prioritize facilities with the highest potential for energy savings and improvement for subsequent energy efficiency activities;
- Facilitate the application and optimization of PG&E's and CEC's energy audit services;
- Enable the team to identify and implement early savings opportunities; and
- Help streamline the set up and utilization of an energy accounting system/software program by first collecting and organizing key input data for multiple facilities.

Task 3.2 Facilitating Energy Audits and New Construction Design Review

Energy audits can range from preliminary walk-thru audits to "investment grade" analysis of complex retrofit upgrades. Based upon the results of the energy assessment and benchmarking results, the team will match various audit services available from PG&E (phone/online/software-based surveys, On-Site Energy Audits, or Targeted Audits), or from CEC (detailed audits) to individual sites (depending on size, savings potential, etc.). The team will also facilitate energy efficient design review services to identify opportunities for public sector new construction projects to exceed the state Title 24 building standards.

The team will work with CEC and PG&E to develop strategies to streamline customer enrollment, and facilitate efficient transfer of key customer information to program contacts. If a participating agency's needs exceed the resources available through PG&E and CEC, the program may supplement CEC resources or provide additional audit services, depending on the potential energy savings and level of commitment from the participating agency.

Task 3.3 Providing Technical Support and Project Management Assistance

Following the completion of energy audits, the Program will provide technical support for developing, packaging and completing energy-efficient retrofit projects. Assistance will be tailored to each district's needs, scaled to the potential energy savings and level of commitment

of the participating district, and strategically applied to leverage the most progress with limited resources. Technical support and project management assistance would include the following:

Task 3.3.1 - Package retrofit projects and channel into statewide incentive programs.
The team will provide recommendations on how to group and prioritize retrofit projects for implementation, and will assist with completing statewide and PGC funded incentive program applications. For new construction projects, the team will provide budgeting advice (during bond development for example) and shepherd projects into Savings By Design for financial incentives.

Tasks 3.3.2 – Provide project management and contractor procurement assistance.
The team will provide technical assistance and project management services to ensure completion of cost effective projects, including:

- Equipment specification language for typical lighting and HVAC equipment upgrades and controls measures.
- Project design for those projects that have complex design issues.
- Assistance with hiring contractors such as developing RFP language, identifying prospective bidders, and developing proposal evaluation criteria.
- Advice on the pros and cons of various energy project delivery or procurement options and recommendations for the best delivery option for each type of projects. Options include, for example, in-house installation, design-spec-bid-construct, design-build, measure specific performance specs and unit pricing, and the use of ESCOs (Performance Contracting).

Task 3.3.3 - Assisting with identifying, evaluate and arranging project financing.
Often, energy efficiency projects are not implemented due to communication gaps that exist between senior management and engineering/operations staff. The team will provide project financial analysis assistance to quantify energy efficiency project economics in terms understood by local government decision makers, and will assist facility engineering staff in presenting projects for approval. Assistance may include, for example, providing life cycle cost analysis and illustrating how energy efficiency investments can be structured to pay for themselves, while also freeing up resources through lower future facility operating costs. The team will help project planners evaluate, compare and obtain financing, such as low-interest loans through the CEC, CPA or ABAG financing group.

Task 4 - Community Energy Efficiency

The Program's *Community Energy* element will provide policy development and outreach assistance to help local governments promote energy efficiency among local businesses and residents. Technical assistance will include:

- Energy Policy Development and Implementation Support
- Community Outreach and Promotion Assistance
- Local Government Energy Efficiency Workshops, Peer Forums and Web Site

Tasks 4.1 - Energy Policy Development and Implementation Support
The Program will help local governments implement local energy efficiency policy initiatives and community programs. Examples would include a residential or commercial energy conservation ordinance that applies when buildings are sold, energy language for updating a General Plan, or more stringent codes for residential new construction.

Local governments are unique in the number of planning and development intervention points where various incentives or policies can be introduced to impact the energy use within the commercial, industrial, and residential sectors. These intervention points include, for example:

- General plan and zoning ordinance amendments
- Building code amendments
- Proposed plan and design guidelines for large developments
- Environmental impact reports (through the use of energy use mitigation measures)
- "Development agreement" negotiations for large developments

The program will assists local governments in identifying and adopting energy policy initiatives that promote energy efficiency in the wider community through incentives, voluntary programs and regulations. Examples of local government characteristics and their associated energy policy/programs or strategies are shown below in Table 4.

Table 4: Community-Wide Energy Efficiency Program Options

Local Government Characteristics	Possible Energy Efficiency Initiative/Strategy
Large percentage of residences built prior to adoption of state energy standards.	➢ Residential energy retrofit ordinance ➢ Development of Home Weatherization Programs to provide direct assistance
Large percentage of commercial building stock built prior to adoption of state energy standards.	➢ Commercial energy retrofit ordinance ➢ Development of commercial sector Technical assistance programs
Rapid growth and new construction in the commercial and/or residential sectors.	➢ Energy efficiency related policy language added to General Plan ➢ Accelerated permitting or other incentives to promote energy-efficient construction ➢ Builder recognition programs ➢ Enhanced local energy codes
Large developments at initial planning phase.	➢ Energy design guidelines customized for specific development ➢ Environmental Impact Report ➢ Development Agreement negotiations

The team will provide energy policy technical assistance and support as follows:

Tasks 4.1.1 – Provide customized local policy needs assessment.
The team will help decision makers identify the top agency energy policy priorities and the most appropriate policy/program initiative response given local conditions. The task begins with a structured interview with local government policy champions, that helps match California local policy precedents to local policy priorities. Local priorities would depend on: community energy characteristics, demographics, amount of new construction activity, local economy, mix of building stock, political context, and program type preferences (e.g., incentives versus mandates). To facilitate this task, the team will first develop a needs assessment questionnaire/

tool to establish local baseline conditions and to help guide participating local governments in determining the most applicable policy/program initiative to pursue based upon local conditions.

Tasks 4.1.2 – Provide policy initiative/program implementation package.
For the agency's identified policy priority, the team will develop a "package" for adopting and implementing a local energy initiative. This package may include draft policy language, a recommendation for legal authority (ordinance versus policy document versus administrative mandate); guidance and checklist for successful implementation (including assigning policy implementation to a sympathetic city department); staff report guidelines and discussion on implementations issues (e.g., how to frame objectives, scope, triggering mechanisms, requirements, and enforcement strategies).

Tasks 4.1.3 – Support adoption of selected policy initiative.
The program will provide detailed policy adoption support for a subset of local agencies that receive local energy policy packages. These services would include technical assistance for agencies pursuing adoption of local policies, and may include estimating local savings impacts, providing supporting calculations or analysis of staff reports, etc.

Tasks 4.2 - Community Outreach and Promotion Assistance
The Program will help participants to leverage local government mechanisms (e.g., building permit process, water bills, tax notices, etc) to promote statewide and other PGC-funded energy programs. As appropriate, we will also direct contacts to PG&E for co-marketing campaigns.

Tasks 4.3 Local Government Workshops, Peer Forums and Web Site
The Program will facilitate energy management topics specific to local government decision makers and facility operators that are not offered through other state, federal or PGC funded programs. These workshops will be held in multiple locations to facilitate participation and we will avoid overlap with topics covered at the Pacific Energy Center (PEC). We will also cross promote relevant trainings offered at the PEC and PG&E's Stockton Training Center.

ABAG will host a web site that will act as a central clearinghouse for local governments to learn about the Program services and other energy efficiency programs and resources. The focus of the website will be to post information specific to local governments, share success stories from this Program, and link to other energy efficiency web resources (e.g., CEC and PGE websites).

Task 5 - Program Administration/Reporting

ABAG will handle overall program administration including fiscal management and compliance with the CPUC's Program's Policies and Procedures Manual, other Commission policies and directives, and applicable laws and regulations. Also included under this task is general program management and reporting, which team member Energy Solutions will handle. Energy Solutions will prepare all monthly, quarterly, annual and final reports on program activities (as set forth in the administrative contract) for review and final submission by ABAG. The reports will include summaries of significant program achievements, efforts underway, new opportunities identified, analyses of program progress, goals and quarterly metrics, and a summary of program expenditures. The reports shall provide all of this data in a format defined by the Commission.

Task 6 – Evaluation, Measurement, and Verification

Under Task 6, the team will work with the third party evaluation, measurement and verification (EM&V) consultant to support the development of a detailed EM&V plan and to ensure important baseline data is collected as the projects proceed. This way, transitory information will not be lost. The project team will be responsible for the development of the Program tracking database – a key component of the EM&V effort. This database will track all crucial data by participant project. As the Program proceeds, the database will be constantly updated to reflect progress on existing projects or addition of new projects. Finally, the Program team will collect and organize data throughout the project as directed in the EM&V plan as well as collaborate with the third party EM&V consultant for their portion of the work.

B. Marketing Plan

The primary Program target audiences are local government officials, local government energy managers and facility operators responsible for reducing local government facility energy costs, and local government planners and other staff likely to be involved in community-wide energy policy program formation. Program outreach strategies for encouraging local government participation will leverage the established communications channels of ABAG, AMBAG, and the Local Government Commission with local government officials. Similarly, the Program will seek to leverage other local government organizations such as the League of California Cities, California State Association of Counties, and the California Special Districts Association.

An important outreach activity will be two-hour presentations providing an overview of the Program's services, and discussion on how to get started with reducing local government and community-wide energy use. The local government energy management presentations will be provided at ABAG/AMBAG headquarters and other strategic locations as necessary. The team will work through the established its member network of the ABAG's, AMBAG's, and the Local Government Commission to encourage attendance in these presentations.

Not all local governments will be reached through these presentations, and not all appropriate officials and staff will be made aware of the opportunities by their colleagues that do attend. Thus, additional outreach and marketing activities are required. Tactics planned include:

- Initial contact by telephone with energy managers and energy "champions" especially to the ABAG, AMBAG and Local Government Commission members.
- Some direct mail to ABAG/AMBAG/LGC members and other local governments.
- Follow-up via emails and mailing of marketing materials.
- Web and email outreach as appropriate.
- On-site meetings and presentations as part of customer enrollment (See Section II.C).

Additionally, some targeted direct mail and advertising efforts are anticipated. For example, advertisements promoting the Program would be placed in selected regional journals targeted at local government officials and staff. In support of such comprehensive direct mail and advertising efforts, the team will distribute selected program marketing materials to the established member network of ABAG, AMBAG, and the Local Government Commission, and

through other Northern California local government channels. The program will use a direct mail campaign to reach:

- Finance/ Facility manager target audience; and
- Policy staff/ Elected official target audience; and
- Finance directors

One of the most challenging aspects of effective outreach and recruitment for an energy efficiency program is locating the right individuals within the prospective participant organizations, who care about or have responsibility for energy issues. These individuals, ideally, can be motivated to act as project champions. ABAG already has an established relationship with many of these individuals within the local governments they serve through the ABAG POWER Electric and Natural Gas Programs. Likewise, the Local Government Commission has established relationships with many of these individuals within the local governments as well. Throughout Northern California the team will identify other potential energy champions based on participation in the energy activities sponsored by the League of California Cities and California State Association of Counties.

Marketing Materials Development and Printing

The project team will develop marketing materials such as program brochures/mailers for distribution to ABAG, AMBAG and Local Government Commission members and to other local governments in the PG&E service territory. Other marketing materials may also be produced including postcard mailers, placement costs for newsletter announcements, and banners for tabling events. Table 5 below describes an initial list of marketing materials. After finalizing the marketing plan, we would revise this list.

Table 5 - Marketing Materials

Materials Needed	Distribution	Quantity Needed
Program Brochure: 6 panel	Handout/ Individual mailings	500
Single-fold mailer – Finance/ facility target audience Four mass mailings (2 per year)	Mass Mailing	3,000
Single-fold mailer – Policy staff/ Elected officials target audience Two mass mailings (1 per year)	Mass Mailing	2,000
Single-fold mailer – Financing Success Story - Finance director target audience	Mass Mailing/ Individual mailings/ Handouts	1,000
Poster	ABAG, AMBAG, LGC, and other strategic locations; and Tabling events	8
Mailer addressing & postage		6,000

Materials Needed	Distribution	Quantity Needed
Placement for newsletter announcements	Local government newsletters, web sites	12
Purchase mailing lists	Not applicable	2,000

Materials will seek to promote the Program's services and raise awareness of the opportunities for and benefits of reducing energy use within public facilities and through out the community. Where possible, materials will acknowledge and leverage other public awareness efforts such as EPA/DOE ENERGY STAR® and the Flex Your Power campaign. In developing marketing materials, the team will interview selected local government officials and staff to develop appropriate messages for each channel and audience sector (e.g. high level decision makers and local officials, energy managers and facility managers). The brochure will target each of these key decision makers with meaningful messages and demonstrate that participation in the Program can help overcome the obstacles that prevent local governments from effectively improving the energy efficiency within local government facilities and within the wider community.

Marketing Activities and Costs

The table below describes the main marketing activities for the Program, with associated direct labor costs. Please refer to the Budget Workbook for additional details.

Table 6 - Marketing Activities Budget Overview

Marketing Activities	Cost	Quantity
Marketing Plan	$3,740 (Direct Labor)	1 month after contract
Marketing/Networking Contacts*	$140 per contact (Direct Labor)	300
Marketing Materials/ Direct Mailings	$80,300	Three months after signed contract, then mailings as per Table 5

* Marketing/ Network contacts may be a phone call, letter, or email to local government staff to present Program offerings, as a part of customer enrollment. This line item also includes other marketing activities, including tabling at local government events, placing posters, articles for newsletters, etc. Through the ABAG and AMBAG memberships, the program will have a core of local governments for which *energy champions* have already been identified. Outside these memberships, energy champions will be identified based on the advice of the Local Government Commission and energy staff at California Association of Counties and League of California Cities. Embedded in these costs are a variety of activities including soliciting and obtaining and prioritizing lists of local governments and associated contacts.

C. Customer Enrollment

Local governments will express interest in participation in the Program as a result of direct contact from ABAG, AMBAG, LGC or Energy Solutions staff, or in response to marketing materials. Program participants will be accepted on a first come, first served basis, as available funding allows. A participation agreement or other indication of interest may be required prior to initiation of technical assistance, in order to outline the specific services that will be provided, and to demonstrate the agency's commitment to participate fully in the program.

A participating local government may receive services within both the *Local Government Facilities* element, and the *Community Energy* element, or just one element, and they may select only those services within each element that match local needs.

A step-by-step overview of the customer enrollment process for technical assistance is provided below.

1. Local government expresses interest in receiving Program services as a result of direct contact from Program team member, or in response to marketing materials.

2. Team member contacts prospective participant to discuss the program offerings and assess the agency's eligibility in the Program.

3. Team member(s) conduct planning meeting(s) with key agency personnel to achieve the following: present program offerings and Participation Agreement; acquire preliminary information and assess local needs, establish a common understanding of program elements and services, and devise a preliminary implementation schedule for delivery of services within the *Local Government Facilities* element, and the *Community Energy* element.

4. Local government signs and submits the participation agreement. Program team provides description of the specific services to be provided within the *Local Government Facilities* element, and/or the *Community Energy* element.

5. Initiation of Local Government Facility technical assistance:
   a) Team member develops Energy Assessment and Performance Benchmarking Report.
   b) Team member presents Benchmarking Results and develops facility energy audit/technical assistance plan.
   c) Team member initiates procedures to enroll the customer in CEC and PG&E audit programs and facilitates energy audits.
   d) Team member assists customer with implementing facility improvement activities, including initiating procedures to enroll the customer in statewide incentive programs, and arranging project financing.

6. *Initiation of Community Energy technical assistance:*
   a) Access community needs and determine the most appropriate policy/program initiative response given local conditions.
   b) Provide policy initiative/program implementation package.
   c) Support implementation of selected policy initiative.

D. Materials

Not applicable. The Northern California Local Government Energy Partnership will be an Information-only program.

E. Payment of Incentives

Not applicable. The Northern California Local Government Energy Partnership will be an information only program.

F. Staff and Subcontractor Responsibilities

Our team combines local government organizations that provide access to the entire target market, and consultants with very strong that are highly experienced working with and within local governments on local government energy program design and management.

Prime Contractor - The Association of Bay Area Governments (ABAG)

ABAG will be responsible for overall program administration and oversight. Additionally, ABAG will market the program's services through its member network, provide local government policy assistance and facilitate training and workshops. ABAG will also help extend Program marketing and outreach channels through Program partners, AMBAG and LGC, and through other similar local government organizations.

Subcontractors

The ABAG team includes Energy Solutions as the lead program management consultant, and Brown Vence & Associates (BVA) and John Deakin & Associates as technical consultants. AMBAG and LGC provide marketing and outreach through their member networks.

Energy Solutions will be a subcontractor to ABAG and will be responsible for general program implementation with oversight being provided by ABAG. Energy Solutions will provide program management services and coordinate all program marketing, outreach, recruitment, and enrollment activities by team members within ABAG, AMBAG and LGC. Energy Solutions will conduct the initial Program introductory meetings with prospective participants, manage customer relations, coordinate the technical services team and delivery of services, and perform overall program quality control. Energy Solutions staff will also perform facility energy benchmarking and project management tasks within the *Local Government Facilities* element and will be the lead on all tasks within the *Community Energy* element.

Brown, Vence and Associates will provide all of the engineering services required for the Program including design assistance and project development services, as well as other technical support as needed. If a participating agency's needs exceed the resources available through PG&E and CEC, BVA will also perform energy audits and energy efficient design assistance.

John Deakin Associates will serve as a senior advisor during program development, will provide technical support for all tasks within the *Local Government Facilities* element and the *Community Energy* element, and will assist with developing local government workshops.

The Local Government Commission will provide outreach through its member networks, will provide technical support for the *Community Energy* element within the policy development and implementation task, and will assist with developing and/or facilitating local government workshops.

The Association of Monterey Bay Area Governments will provide marketing and outreach through its member networks.

Key Staff

Gerald Lahr, ABAG – Program Manager: Mr. Lahr has thirteen years of experience in the energy industry and has managed the ABAG POWER Joint Powers Agency since 2000. The principle goal of this agency is to conduct pooled purchasing of electricity and natural gas on behalf of local governments and special districts.

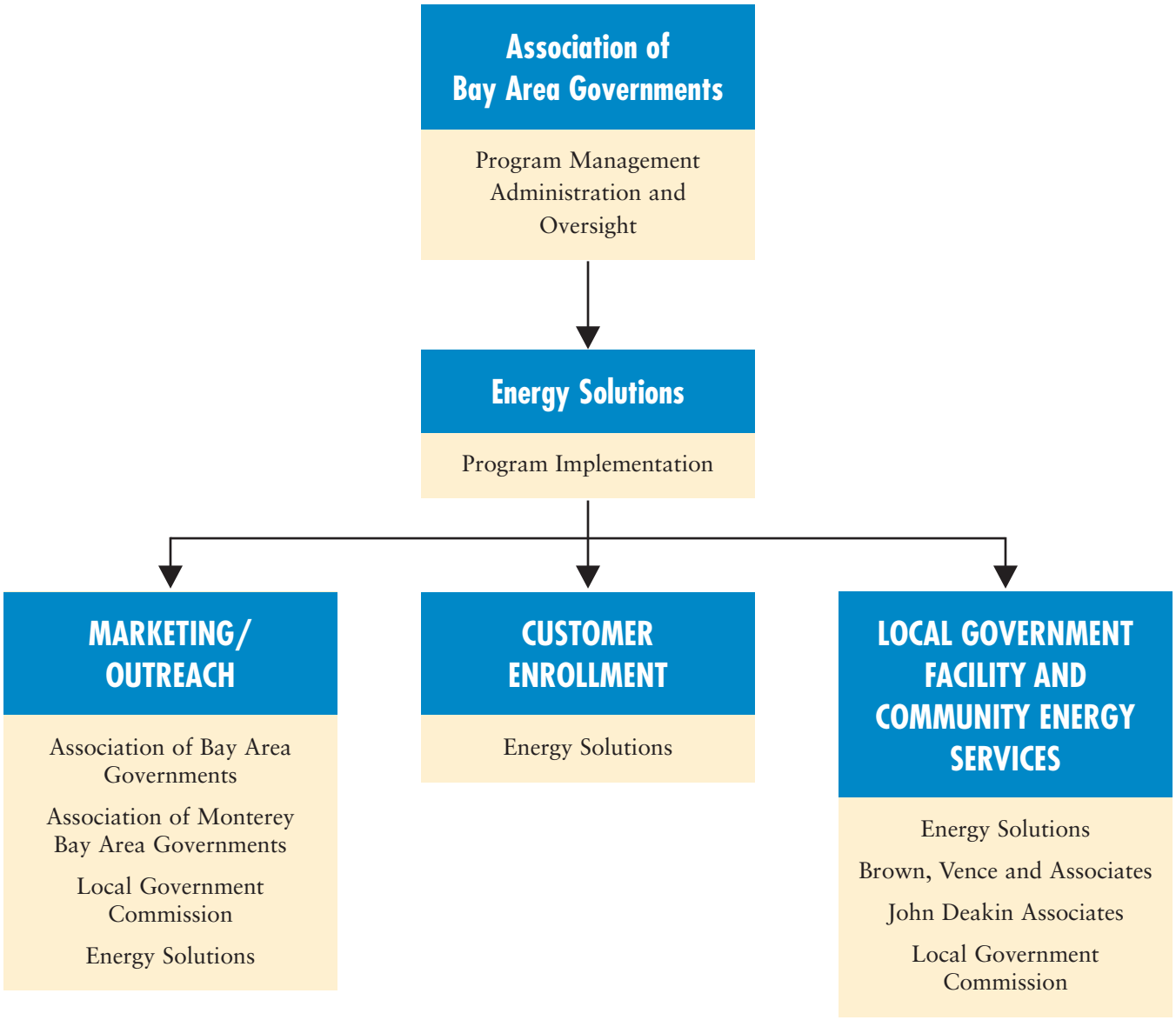
Ted Pope, Energy Solutions – Program Lead for Consulting Team: Mr. Pope is the Program Manager of Energy Solution's LightWash program, a 2002-2003 CPUC-funded local program. The LightWash program, designed and operated by Energy Solutions, provides prescriptive rebates for the installation of high efficiency commercial clothes washers in Laundromats and in multi-family and institutional common area laundry facilities.

Christine Vance, Energy Solutions – Manager of Local Government Facilities Services: Ms. Vance has 18 years of energy-related experience including 15 years working within small and large cities developing and managing energy efficiency programs and projects. While with the City of San Francisco, Ms. Vance developed and managed the Large Scale Retrofit Program to implement $15 million dollars of energy retrofits in over 100 municipal facilities. Ms. Vance is a Certified Energy Manager (C.E.M.) and has a B.S. in Mechanical Engineering.

Terry O'Sullivan, Energy Solutions – Manager of Community Energy Efficiency Services: Mr. O'Sullivan has 18 years of energy-related experience including 15 years developing and managing local government energy efficiency programs and policy initiatives. While with City of San Francisco, he developed the nation's first commercial building energy retrofit legislation. Mr. O'Sullivan received his Masters Degree in City and Regional Planning from the U.C. Berkeley, and his Bachelor of Science in Land Resources Planning from Stanford University.

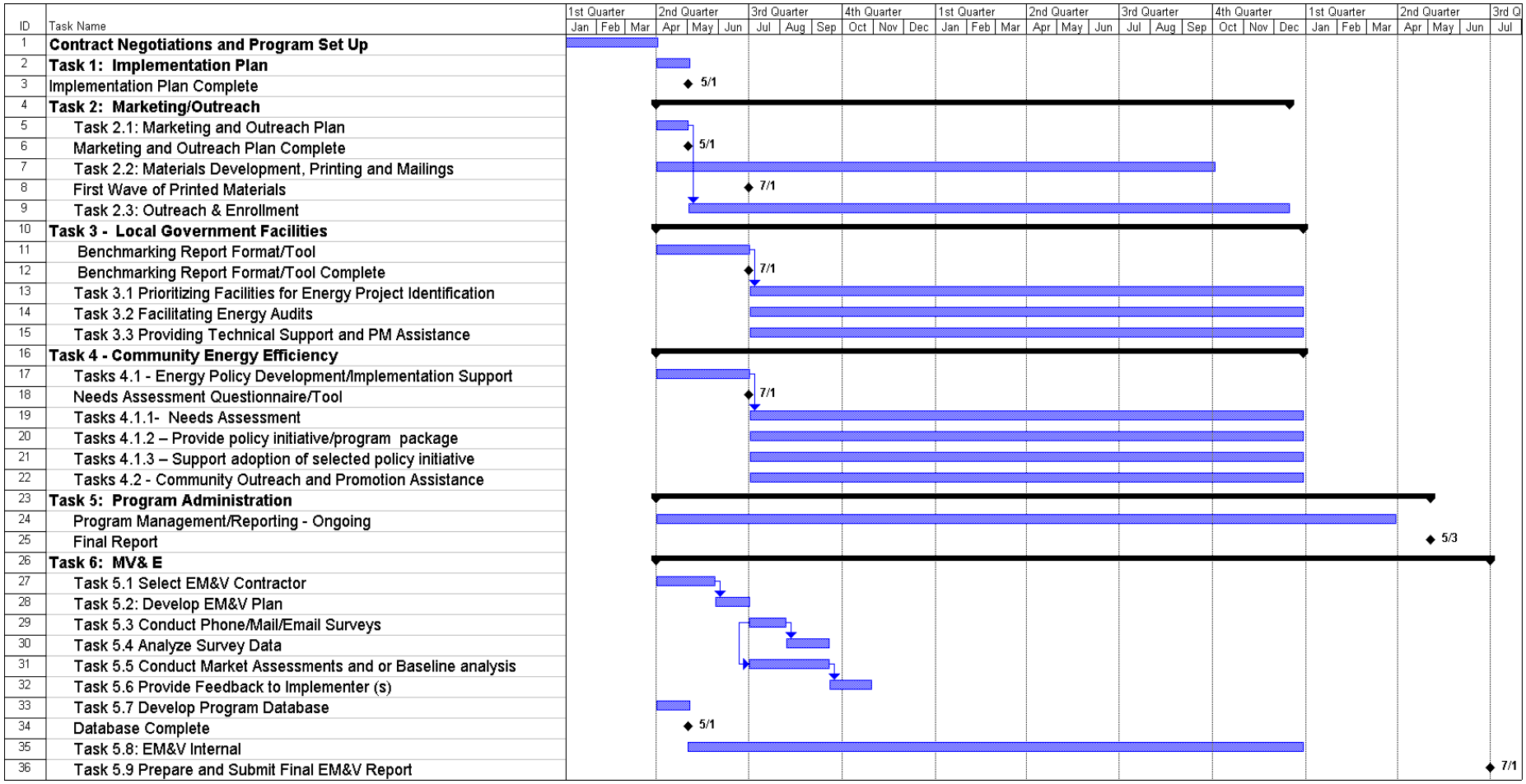
Leslie Kramer, BVA – Manager of Engineering Services: Ms. Kramer has 18 years of energy-related experience, ranging from energy auditing to program management. She manages BVA's large task-order contracts with the California Energy Commission, the City of San Francisco, and the California Office of Energy Assessments. She has a multidisciplinary background in mechanical engineering and energy policy.

Team Organizational Chart



G. Work Plan and Timeline for Program Implementation

The following diagram provides a list of major tasks, timelines and milestones in the work plan. The Program start date would be accelerated in the event of an earlier contract date.



III. Customer Description

A. Customer Description

The Program targets local governments in Northern California ***throughout the Pacific Gas and Electric Company (PG&E) service territory*** including small-to-medium sized cities (with populations under 250,000), counties (any size), and special districts (any size).

The services provided through the Program will directly address all local government facilities/sites that are owned or leased by participating agencies (administrative offices, recreation centers, fire stations, libraries, traffic lights, etc.). The program will also impact private facilities in participating agency jurisdictions through the adoption of energy policy initiatives and local community energy outreach mechanisms. Thus, the market segments addressed by this program include Nonresidential Renovation and Remodeling, Commercial New Construction, Residential New Construction, and Residential Retrofit and Renovation, as defined in the Policy Manual.

This Program region is comprised of hundreds of local government agencies. Program outreach efforts include targeting agencies in rural locations and/or those agencies with large concentrations of hard-to-reach populations, as well as those located within transmission constrained areas. Altogether, the Program is anticipated to provide services to as many as 100 local governments including training and all technical assistance services. *The following cities, counties and other entities have expressed their support for this Program as well as interest in being a recipient of Program services; many of these agencies are located outside the Bay Area and/or within rural or hard–to-reach locations:*

Supporting Cities

- Alameda
- Belvedere
- Benicia
- Brisbane
- Burlingame
- Campbell
- Cloverdale
- Colma
- Cotati
- Dixon
- Dublin
- Fairfield
- Fremont
- Gilroy
- Gonzales
- Hillsborough
- Jackson
- Lafayette
- Lindsay
- Los Altos
- Menlo Park
- Millbrae
- Napa
- Newark
- Novato
- Pacific Grove
- Pleasant Hill
- Pleasanton
- Rocklin
- Salinas
- San Carlos
- San Luis Obispo
- San Pablo
- San Rafael
- Santa Cruz
- Santa Rosa
- Sausalito
- Sunnyvale
- Tiburon
- Tulare
- Union City
- Windsor

Supporting Counties

- Alameda
- Nevada
- San Mateo
- Santa Cruz
- Sonoma

Other Entities

- California State Association of Counties
- League of California Cities
- Port of Oakland
- Vallejo Sanitation and Flood Control District
- Alameda County Green Business Program

B. Customer Eligibility

Cities with populations over 250,000 would not be eligible to participate in the Program. This would exclude the City and County of San Francisco, and the Cities of Oakland, Fresno, Bakersfield, Sacramento, Stockton, and San Jose, from receiving program services. To be eligible, participating local governments must pay into the PGC funding pool, or in the case of community-wide program assistance, a substantial portion of the local government's targeted constituents must pay into the PGC funding pool.

Program participants will be accepted on a first come, first served basis, as available funding allows. A participation agreement or other indication of interest may be required prior to initiation of technical assistance. The agreement would outline the Program services and define the minimal level of commitment required by the local agency (e.g., designating a primary point of contact and providing all requested information).

C. Customer Complaint Resolution

In the event that the Customer has any questions, complaints or disputes regarding the Northern California Local Government Partnership (Program), the Program team member (ABAG or one of it's subcontractors) will attempt to answer and resolve the customer's questions or complaints within a reasonable timeframe (typically five days or sooner.) In the event that the Customer believes their questions or complaints have not been satisfactorily answered or resolved, the Customer will be referred to the ABAG Program Manager. The Customer shall then be requested to state in writing the date, time, exact location, persons involved, specific nature of complaints, amount of any loss, and any other information relevant to the complaint, and deliver the complaint to Program Manager for consideration. The Program Manager shall investigate the claim and make a determination of the final disposition of the complaint within ten business days. When communicating this resolution to the customer, the Program Manager will inform the Customer in writing of the option to appeal the decision to the IOU and, if still not satisfied, to the CPUC's Energy Division.

Tracking Complaints: The Program Manager shall maintain a log of all customer complaints it receives and shall retain that log for at least three years after the end of the contract term. The Program Manager shall record notice of receipt of complaint and the resolution status in the Quarterly Reports. The Program Manager shall have a copy of the written complaint, along with copies of all written communications including resolutions, for inspection by request.

D. Geographic Area

Program operations will occur in Northern California and will be limited to the Pacific Gas and Electric Company (PG&E) service territory. Within this territory, the California Independent System Operator - 2003 Summer Assessment identified the Humboldt Area, San Francisco, Peninsula, and Greater Bay Area, and the Fresno and Southern PG&E Area as transmission constrained. Because of its established relationships within local governments, ABAG is particularly well positioned to service the transmission constrained San Francisco Peninsula as well as the Greater Bay Area.

The Program will target over 300 small-to-medium sized Cities located within the following counties in PG&E's service territory:

ABAG Members
Alameda
Contra Costa
Marin
Napa
San Mateo
Santa Clara
Solano
Sonoma

AMBAG Members
Monterey
San Benito
Santa Cruz

OTHER
Alpine
Amador
Butte
Calaveras
Colusa
Del Norte
El Dorado
Fresno
Glenn
Humboldt
Inyo
Kings
Kern
Lake
Lassen
Madera
Mariposa
Mendocino
Merced
Modoc
Mono
Nevada
Placer
Plumas
Sacramento
San Luis Obispo
San Joaquin
Santa Barbara
Shasta
Sierra
Siskiyou
Stanislaus
Sutter
Tehama
Trinity
Tulare
Tuolumne
Yolo
Yuba

IV. Measure and Activity Descriptions

A. Energy Savings Assumptions

This program is considered an "information-only" program, however specific projects will be implemented and long-term energy savings will be realized from this effort. Assuming the Program provides technical services as described in the *Local Government Facility* element to a minimum of 30 local governments, we estimate that the Program will deliver new energy savings of at least 81,382,000 kWh and 2,139,000 therms annually, and a lifetime energy savings of more than 1,141,000 MWh of electricity and 29,995,000 therms of natural gas. We estimate the Program will result in projects that reduce peak demand for electricity by 21,860 kW or an average of approximately 0.7 MW per participant. Attachment A describes the assumptions and methodologies used to develop this estimate.

Table 8 - Local Government Facilities Element Estimated Savings

Total Energy Savings for 30 Local Government		
	Annual Savings	**Lifetime Savings**
Electricity (kWh)	81,382,00	1,141,247,000
Gas (therms)	2,139,000	29,995,000
Peak Demand (kW)	21,800	21,800

Most of the energy savings achieved through the *Local Government Facilities* element will accrue to the PG&E Express Efficiency, SPC and Savings by Design Programs; thus it will be difficult to accurately apportion the savings achieved from this program. It is our contention, however, that when the participation rates and energy savings results are analyzed for Program Years 2004 - 2005 (and future years) savings from these programs will be higher as a result of project applications originating from the Northern Californian Local Government Energy Partnership.

In addition, the Program will generate energy savings derived from community-wide programs that are initiated through the technical services provided as part of the *Community Energy* element. Community-wide programs are likely to include both residential and commercial constituents. In order to estimate energy savings to be derived from the *Community Energy* element, we selected a residential energy conservation ordinance (RECO) initiative to represent a typical program impact. While, the uncertainties surrounding the impacts of a RECO are large, we provide a rough estimate of the potential savings from RECO for a typical city in Attachment A. We estimate that the *Community Energy* element will deliver energy savings, in the order of 1,488,380 kWh and 106,310 therms annually, and a lifetime energy savings of more than 29,767 MWh of electricity and 2,126,250 therms of natural gas.

B. Deviations in Standard Cost-effectiveness Values

Assuming the Program provides technical services as described in the *Local Government Facility* element to a minimum of 30 local governments, and assuming the net-to-gross ratio for the Efficiency Express Program of 0.96, the net annual energy and electric peak demand savings are 78,127,350 kWh, 2,053,440 therms and 21 MW.

C. Rebate Amounts

Not applicable. The Northern California Local Government Partnership (Program) will be an Information-only program.

D. Activities Descriptions

The program will perform the following activities to accomplish its objectives (These are *"unit based implementation activities without measurable energy savings"* in the Program Workbook):

Objective 1: **Enroll local governments to take energy efficiency actions; including those considered to be hard-to-reach or located within transmission constrained areas.**

Activity 1A: Raise awareness of energy efficiency benefits and enroll participants in the program.

Metric 1A: The metric for measuring progress toward this objective will be *number of program enrollees*.

Activity 1B: Serve local governments in rural and/or hard-to-reach locations, or those that have large concentrations of hard to reach populations, as well as those located within transmission constrained areas.

Metric 1B: The program will separately track the *number of program enrollees in hard-to-reach locations* or with hard-to-reach populations, or in transmission constrained areas.

Objective 2: **Help local governments set energy efficiency priorities; provide *sustained technical support* to help local agencies identify, develop, and *complete* energy efficient retrofits and modernization projects in local government facilities.**

Activity 2A: Help local governments set priorities for local agency facility energy audits and retrofits through an energy assessment and facility "benchmarking" analysis.[1]

Metric 2A: The metric for measuring this activity will be the *number of Energy Assessment/Benchmarking Reports* delivered to local agencies.

Activity 2B: Help agencies identify specific energy efficiency opportunities in facilities and make optimal use of existing energy audit resources.

Metric2B: The metrics for measuring this activity will be:

- the *number of audit request applications* submitted to the PG&E audit program and to the California Energy Commission; and
- the *number of agencies that receive sustained technical assistance.*

Activity 2C: Provide sustained technical assistance and project management support services to keep project development steps on track.

[1] This analysis will also raise awareness of how different facilities contribute to the agency's centralized utility budget line item.

Metric2C: The metric for measuring this activity will be the *number of energy projects "developed"*[2], as measured in estimated energy savings (lifetime kWh and therms).

Objective 3: Enable local governments to implement policy initiatives and community programs that conserve electricity and natural gas within their communities.

Activity 3A: Provide customized local policy needs assessment to help local agency decision-makers to identify top priorities for local energy policy and to determine an appropriate energy policy/program response. (See Task 4.1.1 for more detail).

Metric 3A: The metric for measuring this activity will be the *number of needs assessment interviews* conducted with local government champions.

Activity 3B: Provide policy initiative/ implementation packages. For the agency's identified policy priority, the program develops a customized "package" of support materials to assist the agency in adopting and implementing a local energy initiative (See Task 4.1.2 for more detail).

Metric 3B: The metric for measuring this activity will be the *number of policy initiative/ implementation packages* delivered to local agencies.

Activity 3C: Support policy adoption by providing customized technical assistance to support the local adoption of specific policies. (See Task 4.1.3 for more detail).

Metric 3C: The metric for measuring this activity will be the *number of local agencies that receive detailed policy adoption services* after provision of policy "packages".

Objective 4: Leverage local government delivery channels to promote statewide and PGC-funded energy efficiency programs among local businesses and residents.

Activity 4A: Promote use of government distribution of marketing materials for statewide programs. Local government partnerships would be promoted with Flex Your Power statewide marketing or, if funded, PG&E's 2004/5 LGI program offering.

Metric 4A: The metric for measuring this activity will be the *number of "referrals" to PG&E or Flex Your Power* accomplished during the program. A referral is defined as provision of a city-identified point of contact, and an explanation to the local agency of the benefits and procedures for such a partnership

Objective 5: Provide and publicize workshops of interest to local government staff.

Activity 5A: Public sector staff have some unique opportunities (e.g., freely sharing RFP language) and some common barriers (e.g. lowest bid procurement). Workshops are intended to focus especially on the unique characteristics of local governments.

Metric 5A: The metric for measuring this activity will be the *number of workshops conducted*, and the *number of times the program referred a local government staff person to an appropriate workshop* sponsored by others.

[2] A "developed" project is defined as an energy retrofit or new construction recommendation where all technical, financing, and bidding/procurement issues have been addressed, where project has been submitted for approval to the appropriate funding agency.

Table 9 – Summary of Unit Based Implementation Activities

Objective/Activity	Metric/Indicator	Approximate Cost/Unit
1A: Engage local governments in energy activities.	Number of program enrollees.	*$1,100 direct labor per enrollee* (Assumes team will conduct follow up calls and 45 outreach meetings with perspective participants in order to enroll 35 agencies.)
1B: Provide services to "hard-to-reach" local governments.	Number of program enrollees in rural/ hard to reach/transmission constrained areas	Embedded in unit cost above.
2A: Help local governments set energy efficiency activity priorities	Number of Energy Assessment/ Benchmarking Reports delivered to local agencies	*$6,200 direct labor per report* (Based on average cost per report from PG&E benchmarking program; also includes costs for follow up meetings, developing report template, other local energy assessment research)
2B: Help agencies identify specific energy efficiency opportunities	2B.1 - Number of audit applications submitted to PG&E/CEC 2B.2 - Number of agencies receiving sustained technical assistance.	*$12,500 direct labor per participant* (Based upon providing technical support services, including facilitating audits and developing and implementing projects, to 30 participants. Note: energy savings associated with developed projects will be tracked but the costs associated with this activity are embedded in the unit cost per participant above)
2C: Provide sustained technical assistance	Volume of energy projects "developed" as measured in estimated energy savings (kWh and therms)	
3A: Provide customized local policy needs assessment	Number of needs assessment interviews conducted	*$11,800 direct labor per participant* (Based upon providing policy initiative development and implementation support to 15 participants)
3B: Provide policy initiative/ implementation packages.	Number of policy initiative/ implementation packages delivered to local agencies	
3C: Support policy adoption	Number of local agencies that receive detailed policy adoption services	
4A: Promote use of government distribution of marketing materials for statewide programs.	Number of local contacts provided to PG&E or Flex Your Power	*$1,000 direct labor per referral* (Based upon providing referrals for 20 agencies)
5A: Provide and/or publicize energy efficiency workshops	5A.1 Number of workshops conducted 5A.2 Number of referrals to workshop sponsored by others (cost of this activity embedded in unit cost for 5A.1)	*$9,100 direct labor and $2,500 in other costs* including workshop materials and meals for attendees. (Based upon developing and conducting 6 workshops)

V. Goals

Unit Based Implementation Activities
The Program has five primary objectives supported by 10 activity target goals. (In the Program Workbook see *"unit based implementation activities **without** measurable energy savings"*. In the Program Workbook, see "3 - Non-MeasurableEEActivities".

Table 10 – Summary of Unit Based Implementation Activities

Objective/Activity	Metric/Indicator	Goals/Targets
Objective 1: ***Enroll local governments to take energy efficiency actions; including those considered to be hard-to-reach.***		
1A: Engage local governments in energy activities.	Number of program enrollees.	35 local governments
1B: Provide services to "hard-to-reach" local governments.	Number of program enrollees in hard-to-reach areas.	15 local governments
Objective 2: ***Help local governments set energy efficiency priorities; provide sustained technical support to help local agencies complete energy efficient retrofits in local government facilities.***		
2A: Help local governments set energy efficiency priorities.	Number of Energy Assessment/ Benchmarking Reports delivered.	25 Reports
2B: Help agencies identify specific energy efficiency opportunities.	2B.1 - Number of audit request applications submitted to PG&E/CEC. 2B.2 - Number of agencies receiving sustained technical assistance.	15 audit requests 30 local governments
2C: Provide sustained technical assistance	Volume of energy projects "developed" (estimated in kWh and therms savings)	15 million kWh and 500,000 therms
Objective 3: ***Enable local governments to implement policy initiatives and community programs for their communities.***		
3A: Provide customized local policy needs assessment	Number of needs assessment interviews conducted.	15 local government assessments
3B: Provide policy initiative/ implementation packages.	Number of policy initiative implementation packages delivered	12 packages
3C: Support policy adoption	Number of local agencies that receive detailed policy adoption services.	5 local governments
Objective 4: ***Leverage local government delivery channels to promote statewide and PGC-funded energy efficiency programs.***		
4A: Promote statewide programs through government channels.	Number of local contacts provided to PG&E or Flex Your Power.	20 local governments referrals
Objective 5: ***Provide and publicize workshops of interest to local government staff.***		
5A: Provide and/or publicize energy efficiency workshops	5A.1 Number of workshops conducted 5A.2 Number of referrals to workshop sponsored by others.	6 workshops conducted 100 local government attendees or referrals

Task-Based Implementation Activities
The Program includes two tasks-based activities that support two primary objectives and activities. A summary of tasks-based activities and target deliverable dates is shown below. In the Program Workbook, see "4 - Other Performance Goals".

Table 11 – Summary of Task Based Implementation Activities

Activity	Deliverable	Due Date
2A: Help local governments set energy efficiency activity priorities; develop *Energy Assessment/ Benchmarking Report standard report format* as described in Task 3.1	Energy Assessment/ Benchmarking Report format/template and automation tool	Three months after signed contract
3A: Provide customized local policy needs assessment; develop *needs assessment questionnaire/tool* as described in Tasks 4.1.1	Needs assessment questionnaire/ tool	Three months after signed contract

Unit Based Marketing Activities
The Program will have two unit-based marketing activities. A summary of the unit-based marketing activities and target goals is shown below. In the Program Workbook, see "5 - Marketing Activities".

Table 12 – Summary of Unit Based Marketing Activities

Activity	Metric	Goals/Targets
Marketing/ Network Contacts	Number of Contacts	300
Direct Mailings	Number of Direct Mailings	7 direct mass mailings as per marketing plan

Task-Based Marketing Activities
The Program includes two tasks-based marketing activities. A summary of tasks-based marketing activities and target deliverable dates is shown below. In the Program Workbook, see "5 - Marketing Activities".

Table 13 – Summary of Task Based Marketing Activities

Activity	Deliverable	Due Date
Marketing Plan Development	Final Marketing Plan	1 month after contract
Marketing Materials Development	First Wave of Marketing Materials	Three months after signed contract

VI. Program Evaluation, Measurement and Verification (EM&V)

Description of General Approach to Evaluating Program Success

Energy efficiency represents a substantial opportunity for California and its ratepayers to limit the financial and environmental costs associated with energy use. An evaluation, measurement and verification (EM&V) plan is an important aspect of any Energy Efficiency program, especially those funded by public monies. Our team understands that documentation of accomplishments and savings through the EM&V process is critical for the success of the State's energy efficiency programs. We have included below an EM&V approach that includes proper data collection during program set-up and implementation so that and appropriate determination of program effectiveness can be made after program implementation is completed. A key component of the EM&V effort that will be the responsibility of the Program team is the development of the *Program tracking database*. This database will track all crucial data by participant project. As the Program proceeds, the database will be constantly updated to reflect progress on existing projects or addition of new participants and projects.

As one of the first deliverables under a contract awarded for this Program, the Program team will contract with an EM&V firm to develop a more detailed EM&V Plan. This EM&V Plan will be developed in tandem with the overall Program Implementation Plan. In support of the Commission's future analyses of ratepayer-funded programs, the EM&V plan will select a valid subset of metrics by which we may judge the impact of the program relative to the goals set forth in this proposal.

Evaluation Approach

The EM&V Plan will present a complete list of questions to be answered through the program evaluation process, and a proposed method for evaluating the Program success in relation to those goals. We have drafted the following questions that we believe should be answered through the evaluation process. These questions focus on determining whether the program met its target goals (discussed in Section V). That is: "Did the program accomplish what it set out to do?" Then, perhaps, the third party EM&V firm, might consider a broader and more difficult question, i.e., if the program met its targets, was that sufficient to achieve broader objectives?

1. Did the program succeed in engaging local governments to take action in the area of energy efficiency?

2. Did the program succeed in providing local government participants with information and sustained technical support for local government facility energy efficiency projects?

3. Did the program succeed in its objective of channeling local government energy projects into statewide energy efficiency programs, primarily Express Efficiency, Standard Performance Contracting, and Savings by Design?

4. Did the program succeed in providing local government participants with information to assisting in adopting and implementing a local energy initiative that met local needs, while also furthering the larger program goals?

5. Did the program support policy adoption for some participating local governments?

6. Did the program succeed in its objective of promoting use of government distribution of marketing materials for statewide programs?

7. Did the program succeed in providing workshops with topics of interest for local government staff?

We expect that the questions outlined above will be answered by the EM&V contractor through surveys of program participants and non-participants groups and through an assessment of the tracking database for the program. We will meet with the EM&V contractor as soon as they are under contract in order to finalize this approach. In each case, the approach for the third party EM&V team will be to:

- Develop a base case, i.e., an assessment of what would have happened without the program;
- Identify information and data that can serve as indicators of program impacts, and that can reasonably be collected as part of the program or EM&V process;
- Collect survey data;
- Perform an analysis comparing program outcomes to the base case to determine program impacts.

An early task will be to develop a before and after survey of program participants to determine the participating agency's baseline energy efficiency activities in comparison to participants level of energy efficiency activities and awareness after receiving program services. If this method is adopted, the first EM&V task will be for the team to work with the EM&V consultant to draft a survey instrument that can be put into place early in program implementation. The team will then conduct initial surveys of participants as they are enrolled in the program to determine baseline level of energy activities, and awareness of their current energy status, statewide energy efficiency programs, and energy efficiency strategies, technologies or measures.

EM&V Activities

Program evaluation will occur as a part of the final report. The following activities are proposed to meet the EM&V goals of the program:

- Select EM&V Contractor
- Develop EM&V Plan
- Conduct Market Assessments and or Baseline analysis
- Conduct Phone/Mail/Email Surveys
- Analyze Survey Data
- Provide Feedback to Implementer (s)
- Prepare and Submit Final EM&V Report

List of Two Potential EM&V Contractors

The following is a list of two potential EM&V contractors to conduct required EM&V activities for the Northern California Local Government Energy Partnership (Program).

1. Equipoise Consulting Inc.
Equipoise Consulting Inc. has previously evaluated publicly funded information programs targeting the public sector in California.

2. Nexant
Nexant has conducted numerous impact evaluation and market effects, and needs assessment studies of publicly funded energy efficiency programs in California in the commercial sectors.

Neither Equipoise Consulting Inc. nor Nexant will serve as a subcontractor that will deliver services for the Northern California Local Government Energy Partnership Program. There are no known factors that might lead the Commission to question the independence of Equipoise Consulting Inc. or Nexant, and there are no known factors why the Commission might not select Equipoise Consulting Inc. or Nexant for conducting EM&V services.

VII. Qualifications

A. Primary Implementer

Association Of Bay Area Governments

ABAG is one of nearly 560 councils of government across the nation and was established in 1961 as the first council of government in California. ABAG is owned and operated by the cities and counties of the San Francisco Bay area. In its forty years of service ABAG, as the designated regional planning agency, has tackled regional issues such as planning, transportation, economic development, education and environment. Its original goals of protecting local control, planning for the future, and promoting cooperation on regional issues have translated into groundbreaking efforts in regional plans, regional information systems, special training, environmental policies.

In recent years, ABAG has broadened its sphere of influence by providing low-cost member services that have saved taxpayers millions of dollars. These programs include workers' compensation administration, financial services, training programs, municipal insurance and ABAG POWER, which provides electric and natural gas purchasing pool and related energy technical assistance programs to local governmental agencies.

ABAG POWER is a Joint Powers Authority formed pursuant to California Government Code 6500 by 67 public agencies to provide electric and natural gas purchasing and related energy management services. A board comprised of representatives of the member public agencies governs ABAG POWER. The Natural Gas Program was started in 1996 and currently includes 39 local government agencies in the PG&E service territory. ABAG POWER's Electric Program began in 1997, with the commencement of electrical deregulation, and until recently, provided electric procurement and associated services to 56 local governmental agencies in the PG&E service area. ABAG POWER's participation in the natural gas and electric power procurement programs has provided it with extensive "hands-on" experience with natural gas and electric utility programs and program administration.

B. Subcontractors

Energy Solutions

Experience With Successful Delivery of PGC-Funded Programs

Energy Solutions has an exceptionally strong track record implementing Public Goods Charge funded Local programs. We currently are managing three major PGC-funded energy efficiency programs, as well as having implemented six third party energy efficiency program contracts in 2001. Energy Solutions' programs have consistently *exceeded program cost-effectiveness goals* by delivering additional energy savings without exceeding original budgets. Additionally, our programs have helped the Commission achieve Equity goals *by consistently reaching targeted communities,* as indicated by meeting all performance measures for Hard-to-Reach customers. Table 14 below demonstrates our track record for delivering energy efficiency savings.

Table 14 - Energy Solutions Track Record with Third Party Programs

2001-03 Energy Solutions Programs	Percent of Goal Accomplished
Office Equipment Efficiency Phase 1	110 percent
Office Equipment Efficiency Phase 2	170 percent
Fast Track Lighting Phase 1	113 percent
Fast Track Lighting Phase 2	154 percent
Energy Efficiency Design Assistance	150 percent
Brighter Businesses Lighting	110 percent

Relevant Experience
The following is a list of selected programs and projects conducted by Energy Solutions.

Local Government Energy Efficiency Program
Pacific Gas and Electric Company hired a team lead by Energy Solutions to collaborate with cities and counties to establish local government energy efficiency policies and programs that promote new residential construction exceeding Title 24 requirements. Energy Solutions managed the outreach and recruitment of participating local governments and provided technical support. Energy Solutions also coordinated the subcontractor team, including the Sacramento-based Local Government Commission. The program successfully provided a variety of innovative, customized policy and programmatic solutions that can be easily replicated by other local governments.

Energy Cost Benchmarking Program
Energy Solutions designed and operates the PG&E CustomNet program to help customers with multiple, similar facilities reduce their energy use and electricity demand. Energy Solutions has performed this benchmarking service for large corporate clients such as The Gap and public agencies including the United States Postal Service and local governments. By analyzing site-specific data across various customer facilities, they are able to identify and prioritize operational improvements and equipment retrofits that will deliver cost effective savings.

City of Oakland's Energy Efficiency Design Assistance Program
This city-sponsored local program offers customized energy efficiency design assistance services to owners, designers, and contractors to improve the energy efficiency of new and remodeled buildings. Energy Solutions coordinates services offered through this innovative program that targets private sector development through the City's normal planning, zoning, and building permit services. This program achieved 150 percent of its program goal in 2001 and is on track to exceed its program goal for years 2003-2004.

LightWash Program
The LightWash program, designed and operated by Energy Solutions, was awarded over $2.5 million by the California Public Utilities Commission in 2002. LightWash provides prescriptive rebates for the installation of high efficiency commercial clothes washer technology in Laundromats and multi-family and institutional common area laundry facilities. This innovative program leverages PGC funds to link numerous independent local water utility commercial washer rebate programs (both new and pre-existing) with energy rebates. By providing turnkey program

administration and marketing services on the behalf of its water agency partners, it creates a seamless front end for customers who receive combined energy and water rebates.

Brown, Vence and Associates (BVA)

BVA is a multidisciplinary energy and waste management engineering firm with offices in San Francisco and Roseville, California. BVA is one of the leading energy conservation consultants in California. BVA has nearly 20 years of experience providing energy audits, design assistance, and project development services to private and public clients including Pacific Gas & Electric Company, SMUD, the City of Palo Alto, the Office of Energy Assessments of the California Department of General Services, the California Energy Commission, the City and County of San Francisco Bureau of Energy Conservation, the Western Division Naval Facilities Engineering Command, and the National Park Service.

BVA's staff have extensive experience conducting energy audits; evaluating renewable energy projects including cogeneration, biomass, and landfill gas; directing third-party engineering and performance reviews; managing energy programs; evaluating energy demand; designing facilities; reviewing new and retrofit construction designs; monitoring construction; utilizing energy analysis software; and evaluating performances of energy saving strategies.

Experience with Local Government Energy Efficiency
BVA has extensive experience working with local governments in California, through both their energy and solid waste management practice. Over the past twenty years, they have provided consulting services to over 40 counties and hundreds of cities in California. A few examples of our experience in the energy sector are highlighted below.

The City and County of San Francisco BVA has provided on-going technical support for all of the city's major energy efficiency programs including its design assistance, large-scale retrofit, energy efficient lighting design, and boiler retrofit programs. Program support activities have included:

- Providing training to city engineers and architects on new construction energy efficient design practices
- Preparing guidelines on energy efficient lighting, HVAC, and motors
- Conducting energy audits and design reviews

California Energy Commission's Energy Partnership Program Under this program, BVA performed energy conservation, cogeneration, and a broad range of energy-related consulting services for new construction and retrofit projects for local government buildings throughout California. This included projects for the Sonoma, Trinity, Santa Clara, Yolo, Mariposa and Alameda Counties and work for the cities of Martinez, Alameda, Cloverdale, and Palo Alto.
The City of San Jose BVA updated the Intelligent Design and Energy Assessment Service (IDEAS) guidebook for the City.

John Deakin and Associates

John Deakin has been involved in the design, development and implementation of local government energy efficiency programs since the early 1980s. For more than ten years, Mr. Deakin was Director of the City of San Francisco's Bureau of Energy Conservation and was responsible for the City's nationally known energy management activities. He is now providing

energy program consulting services to local governments and non-profit agencies. He brings extensive experience in developing and implementing energy efficiency programs for both municipal facilities, and for commercial and residential buildings. Mr. Deakin has also been involved in a wide range of related urban energy management activities, including the preparation of legislation, recommendations and policies promoting “green building” and urban energy sustainability.

In cooperation with the City of Berkeley and the Green Resource Center, John is currently preparing a Green Building Policy and associated green building design assistance program for the City. He is also providing the City of Phoenix and the City of San Diego with guidance on future energy program activities to be developed by the cities’ energy offices. The recommendations include proposed programs for energy efficiency, sustainability, program management and marketing.

While Mr. Deakin was with the San Francisco Bureau of Energy Conservation its programs received numerous awards including four Environmental Achievement Awards given by the National Environmental Awards Council and five National Energy Technology Awards. The Bureau also received the San Francisco Board of Supervisors Certificate of Honor, and was recognized by the California Energy Commission (CEC) for "Outstanding Achievement in Local Government." In 1992 the Bureau received the CEC's "Best Urban County" award. The Bureau's work on climate protection was recognized by the US Environmental Protection Agency. Additionally, in 1996 the US Department of Energy's National Awards for Energy Efficiency awarded the Bureau their Certificate of Recognition.

Local Government Commission

The LGC is a nonprofit membership organization of over 400 mayors, city council members, and county supervisors. It also has over 400 associate members, primarily local government staff. The LGC helps local elected officials, cities, and counties to identify and implement cost-effective, lasting solutions to diverse environmental and social problems. The LGC has a Board of Directors composed of 15 current mayors, city council members, and county supervisors.

Formed in 1979, the original mission of the LGC was to identify and implement local solutions to the energy crisis, based on conservation and the use of renewable resources. During the 1980s, with the encouragement and support of the LGC, 122 cities and counties hired an energy coordinator, and 101 created an energy commission or committee. Multiple other programs and policies were enacted including solar rights ordinances, ordinances requiring the retrofit of residential units with conservation measures upon resale, requirements for solar installations on new swimming pools, energy conservation building standards and energy conservation subdivision design standards.

In the 1990s LGC staff helped to develop the *Energy Aware Planning Guide, Part I,* which focuses on local government measures for reducing energy use, and the *Energy Aware Planning Guide, Part II,* which examines the local government role in planning and permitting energy extraction, production, transmission, and distribution facilities. Both documents were produced for the California Energy Commission.

Association of Monterey Bay Area Governments (AMBAG)

The Association of Monterey Bay Area Governments (AMBAG) is a voluntary association of 18 cities, 2 counties, and 1 associate member county in California's Central Coast region, encompassing 3775 square miles and a population of 731,926. The Association was formed in 1968 by an agreement between the cities and counties to serve as a forum for research, discussion and action on issues of regional significance. AMBAG is the designated Metropolitan Planning Organization (MPO) for Monterey, San Benito and Santa Cruz Counties. As the MPO, AMBAG is in a favorable position to provide effective marketing and outreach to AMBAG members.

C. Description of Staff Experience

This section includes a description of experience for the following staff:

Association of Bay Area Governments (ABAG)
- Eugene Y. Leong, Executive Director
- Gerald L. Lahr, Program Manager
- Kathleen Cha, Senior Communications Officer

Energy Solutions
- Sam Cohen, President
- Ted Pope, Director
- Terry O'Sullivan, Senior Project Manager
- Christine Vance, Senior Project Manager

Brown, Vence and Associates
- Leslie Kramer, Vice President
- Jim Davis, Senior Associate Engineer
- Ann Guy, Associate Engineer

John Deakin and Associates
- John Deakin, Principal

Local Government Commission (LGC)
- Patrick Stoner, Program Director for Resource Conservation
- Josh Meyer, Project Manager

Association of Monterey Bay Area Governments (AMBAG)
- Nicolas Papadakis, Executive Director
- Kate McKenna, Principal Planner

Association of Bay Area Governments

Eugene Y. Leong, Executive Director
Dr. Leong is the Executive Director of the Association of Bay Area Governments (ABAG) as well as the President of the ABAG POWER Joint Powers Agency. In his capacity as Executive Director he oversees ABAG's regional planning studies, as well as its information and service programs for local governments. Dr. Leong is involved in liaison activities with various policy bodies and committees, inter-agency coordination, advising, developing, and implementing local governmental service programs -- including: gas and electric pooled purchases, insurance, municipal finance, internet service provider, and technical training. Before assuming his current responsibilities, he spent 15 years as Deputy and Associate Executive Director. Mr. Leong received his Bachelor of Science from the University of Michigan, and his Master of Science and Doctor of Environmental Sciences and Engineering from UCLA.

Gerald L. Lahr, Program Manager
Gerald has thirteen years of experience in the energy industry in addition to his eight years as an officer in the U.S. Navy and merchant marine. Currently he manages the ABAG POWER Joint Powers Agency. The principle goal of this agency is to conduct pooled purchasing of electricity and natural gas on behalf of local governments and special districts. ABAG and ABAG POWER also seek to support energy efficiency and demand management goals that benefit local governments. In addition he has worked as a financial and operations analyst for an energy supplier. Mr. Lahr received his Bachelor of Science from the United States Naval Academy and his MBA from Creighton University.

Kathleen Cha, Senior Communications Officer
Kathleen Cha is the ABAG Senior Communications Officer and communicates agency research, planning, and projects related to housing, land use, environmental, and regional quality of life to Bay Area elected officials and local jurisdictions, staff, communities, and the media. Kathleen Cha has served public, private and nonprofit sectors for more than twenty-three years as a Strategic Communications Specialist She has received national and state recognition for her community outreach projects and crisis communications. Ms. Cha received her Bachelor of Arts in English/Classics from Mount Saint Mary's College in Los Angeles and her Master of Arts in Literature and Literary Analysis from Marquette University in Milwaukee.

Energy Solutions

Sam Cohen, President
Mr. Cohen founded Energy Solutions in 1995. He specializes in providing program design, marketing, and implementation assistance for energy-efficiency programs serving business sector customers. For many years, he helped manage PG&E's Express Efficiency (nonresidential retrofit) program. Between 1998 and 2000, Energy Solutions' turnkey marketing program for PG&E's Express Efficiency program resulted in the program exceeding target goals; the 2000 program received over 22,000 applications, a substantial increase from previous years. PG&E's Express Efficiency program was adopted statewide in 1999 and Energy Solutions helped all four investor owned utilities launch their own versions of this program. Prior to starting Energy Solutions, Mr. Cohen was an Associate at Barakat & Chamberlain, where he specialized in Demand Side Management (DSM) program design and implementation. Before that, Mr. Cohen was a Senior

Research Associate at Lawrence Berkeley National Laboratory. Mr. Cohen received his Masters Degree from the Energy and Resources Group at U.C. Berkeley, and his Bachelors Degree in Mechanical Engineering, also from U.C. Berkeley. Mr. Cohen received the 2002 Program Design Innovator Award from the Association of Energy Engineers Bay Area Chapter.

Ted Pope, Director
Mr. Pope manages Energy Solutions' residential markets and codes and standards consulting practices. He provides market research, program design and implementation, regulatory compliance, and efficiency standards intervention support activities to utility, local government, and non-profit clients. Mr. Pope provides analytical and process support for the establishment of state and federal appliance standards. He has taken leadership roles in facilitating several regional and national collaborative program-planning activities. While at Seattle City Light, he helped develop the performance specifications and authored the technical support documentation for Consortium for EnergyEfficiency's widely adopted national efficient washer program. Prior to Seattle City Light, Mr. Pope worked at the Washington State Energy Office where he prepared program evaluations and provided technical support to Northwest utilities for residential appliance program development. Mr. Pope earned a Bachelor of Science in City and Regional Planning from Cornell University.

Terry O'Sullivan, Senior Project Manager
Mr. O'Sullivan develops and implements commercial energy efficiency programs aimed at the new construction and retrofit markets. Current work includes development and management of the RE-New Construction program, providing renewable energy design assistance for new construction projects in the cities of Oakland and Berkeley. Mr. O'Sullivan also has expertise providing services to the municipal sector, including recent work on a report for PG&E on innovative energy efficiency programs undertaken by California local governments. Prior to Energy Solutions, Mr. O'Sullivan worked for fifteen years designing and managing energy programs for the City of San Francisco's Bureau of Energy Conservation. While with City of San Francisco, he received the Board of Supervisors Certificate of Honor for managing the development of the nation's first commercial building energy retrofit legislation. Mr. O'Sullivan also developed and managed the City's new construction energy efficiency program for municipal facilities. Mr. O'Sullivan received his Masters Degree in City and Regional Planning from the U.C. Berkeley, and his Bachelor of Science in Land Resources Planning from Stanford University.

Christine Vance, Senior Project Manager
Ms. Vance manages Energy Solutions' local government energy services and energy project management consulting practice. Since 2001, Ms. Vance has managed the City of Oakland's Energy Efficiency Design Assistance Program. Ms. Vance managed PG&E's CustomNet facility benchmarking program during 2000-2001. Prior to joining Energy Solutions, Ms. Vance worked at the City of San Francisco Bureau of Energy Conservation for 13 years developing and managing a variety of municipal and community based energy programs. Ms. Vance developed and managed the Large Scale Retrofit Program to implemented $15 million dollars of comprehensive energy retrofits in over 100 municipal facilities, and the boiler efficiency improvement program to provide boiler retrofit, maintenance training and preventive maintenance services to city facilities. She also managed several distributed generation projects, developed a $2 million dollar energy retrofit project covering four Community College campuses. Ms. Vance is a Certified Energy

Manager (C.E.M.) and completed her Bachelor of Science in Mechanical Engineering at the University of Colorado, Boulder.

Brown, Vence and Associates

Leslie Kramer, Vice President
Ms. Kramer has 18 years of energy-related experience, ranging from energy auditing to program management. She manages BVA's large task-order contracts with the California Energy Commission, the City of San Francisco, and the California Office of Energy Assessments. She has a multidisciplinary background in mechanical engineering and energy policy and has worked on almost every aspect of energy management, both on the supply side and the demand side. She has expertise developing planning documents, performing lighting and HVAC energy audits, providing project management support for energy-efficiency projects, assessing performance contracting options, developing financial pro formas for power projects, and providing training in energy-efficient design practices.

Jim Davis, Senior Associate Engineer
Mr. Davis has over 30 years of energy related experience, including investment grade facilities audits, conservation project development, and performance assurance. He is a Mechanical Engineering graduate of the University of California, Berkeley Registered Professional Engineer in California, Nevada, and Hawaii, and has been awarded the title "Certified Energy Manager" by the Association of Energy Engineers. He has done project development for facility improvement projects as large as $10 million. Mr. Davis routinely performs analysis of costs and potential benefits from application of renewable energy sources to city facilities.

Ann Guy, Associate Engineer
Ms. Guy has more than seven years of experience in the energy field. She has conducted lighting audits for commercial and institutional properties; assisted in developing energy programs; evaluated renewable energy projects; developed procurement documents for electricity, renewable energy, and related services; and written technical reports for energy projects and pilot programs. Ms. Guy has a multi-disciplinary background in environmental engineering, city planning, and public policy. She holds a Masters Degree in City Planning from the University of California at Berkeley and a Bachelor of Science in Environmental Engineering from the Massachusetts Institute of Technology.

John Deakin and Associates

John Deakin, Principal
John Deakin provides energy consulting services to local and regional governments and non-profit agencies. He has extensive experience with a wide range of urban energy management activities, including preparing legislation, developing policies, and implementing programs that support energy and resource efficiency, "green building" and energy sustainability. For more than ten years John directed the City of San Francisco's Bureau of Energy Conservation. For the past three years, John has been providing energy program consulting services to communities of all sizes across the US. These vary from very small rural communities such as the St Regis Mohawk tribe on the US/Canadian border, to mid-sized communities such as Henderson, NV where John recently completed the City's Energy Conservation and Efficiency Plan, and much larger cities like Phoenix and San Diego. Currently, John is developing a Model Energy Plan, along with

energy efficiency best practices, for the smaller communities within the area served by the San Diego Regional Energy Office.

Local Government Commission

Patrick Stoner, Program Director for Resource Conservation
Patrick Stoner has been with LGC and in charge of its energy programs since 1993. During this time he has managed a number of significant LGC projects, including the Regional Energy Authority Pilot Projects, the Local Energy Assistance Program (LEAP), and the *Energy Aware Planning Guide, Part II* for the California Energy Commission. Mr. Stoner has authored or co-authored the *Energy Aware Planning Guide, Part II*; *California's Materials Exchange Facilities*; and the *Second Chance Week Planning Guide*. He was executive producer for the videos, *California's Materials Exchange Facilities* and *Narrow Streets and the Fire Department*. He has a B.A. in Mathematics and a M.S. in Resource Development from Michigan State University.

Josh Meyer, Project Manager
Mr. Meyer joined LGC in January 1997, following service as Yolo County Watershed Education Coordinator with AmeriCorps. From 1998 to 2001 he helped implement the Local Energy Assistance Program (LEAP), recruited local governments to participate, and directed review of proposed development projects for increasing energy efficiency. He assisted in the creation and implementation of planning workshops to help local jurisdictions increase the effectiveness of their used oil collection and education programs. Mr. Meyer has a B.A. in Political Science, and earned a M.A. in American History in 1995 from the University of California, Irvine.

Association of Monterey Bay Area Governments (AMBAG)

Nicolas Papadakis, Executive Director
Prior to being appointed as Executive Director in 1985, he held the position of Deputy Executive Director, Program Manager for Transportation and Air Quality Planning and Transportation Planner. During his tenure with the Association of Monterey Bay Area Governments, Mr. Papadakis has directed or participated in the development of regional plans and policies related to: transportation, public transit, air quality, housing, and demographic studies. He has participated in numerous local technical and policy advisory committees. Mr. Papadakis attended Long Beach State University where he obtained a B.A. in Mathematics and did graduate work in Public Policy and Administration.

Kate McKenna, Principal Planner
Before coming to AMBAG in 1999, Ms. McKenna managed the County of Monterey's progressive Local Coastal Program and Special Projects Program for ten years. Her twenty-five year career path of public service includes a broad range of knowledge in current and long-range planning and supervision at city, county and regional levels in California. Current activities include managing a $2,000,000 State-funded flood prevention and control study for the Pajaro River Watershed; managing a high-profile Inter-Regional Partnership forum and study for the Monterey Bay-Silicon Valley regions; and managing the region's state-mandated Housing Needs Allocation Planning process. Ms. McKenna holds a Master of Urban and Regional Planning degree as well as a Bachelor of Arts degree (Magna Cum Laude) in Social Science and Geography from San Jose State University.

VIII. Budget

The proposed Program requires a total program budget of $2,798,798 over two-years (including third party MV&E budgets, but exclusive of profit.) Because all Program' activities occur inside the PG&E service territory, all funds should be allocated to the PG&E service territory account.

The table below provides a breakdown of costs presented in terms of the major budget categories described in the work plan section of the Program Implementation Workbook. Additional detail is available in the Program Implementation Workbook, submitted at the same time as this narrative. The cost summary is as follows.

Table 15 - Budget Summary

Budget Category	**Subtotals**	
1. Administrative		
Managerial and Clerical Labor	176,866	
Human Resource Support and Development	490,016	
Travel and Conference Fees	16,000	
Overhead (G&A) – Labor and Materials	868,452	
Administrative subtotal		*1,551,424*
2. Marketing/Advertising/Outreach		
Labor - Marketing	30,953	
Labor - Customer Outreach	14286	
Website Development	11,490	
Subcontractor Labor - Marketing	43,221	
Subcontractor Labor - Customer Outreach	36,523	
Subcontractor - Brochures	45,000	
Marketing Subtotal		*181,473*
3. Direct Implementation		
Tech Assistance ("Facilities Audits" budget category)	628,803	
Customer Education and Training	261,407	
Direct Implementation subtotal		*890,210*
4. EM&V		
EM&V Labor and Materials	160,826	
EM&V Overhead	14,865	
EM&V Subtotal	175,691	
PROGRAM GRAND TOTAL		2,798,798
Note: All Labor and Direct Implementation line items are Direct Labor only		

Selected line item explanations are as follows:

- All allocations between direct labor and administrative or overhead categories is based on best estimates drawn from recent history for the Proposal team.

- *Administrative* includes all implementation planning, contract management, quarterly and annual reporting to the funding agency as well as overhead costs for all labor categories and other splits as directed by the Commission's Policy Manual. All Program travel costs are included in this budget category.

- *Marketing and Outreach* includes all costs for outreach contacts, networking, web site development, and the marketing plan. The marketing materials budget includes design and production of brochures, posters and other materials, along with postage, mailing lists and mailing services for the direct mail campaign.

- *Direct implementation* includes Technical Assistance (under "Facilities Audits" budget category); and Customer Education and Training as described below:
    - Technical Assistance includes all activities within the *Local Government Facility* element.
    - Customer Education and Training includes all activities within the *Community Energy* element.

- *EM&V* includes all third party costs to develop and implement an EM&V plan, report back to the project and the IOU.