

# PY2013-2014 LOCAL GOVERNMENT PARTNERSHIPS VALUE & EFFECTIVENESS STUDY

Draft Report  
Public Webinar

September 29, 2015



Opinion **Dynamics**



## Acknowledgements

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Study was made possible by contributions from various stakeholders:

- CPUC ED staff
- IOU staff
- Local Government and Local Government Partnerships staff that responded to the survey
- Joseph Oldham, Statewide Coordinator of Local Government Best Practices at the time of the study

# Agenda

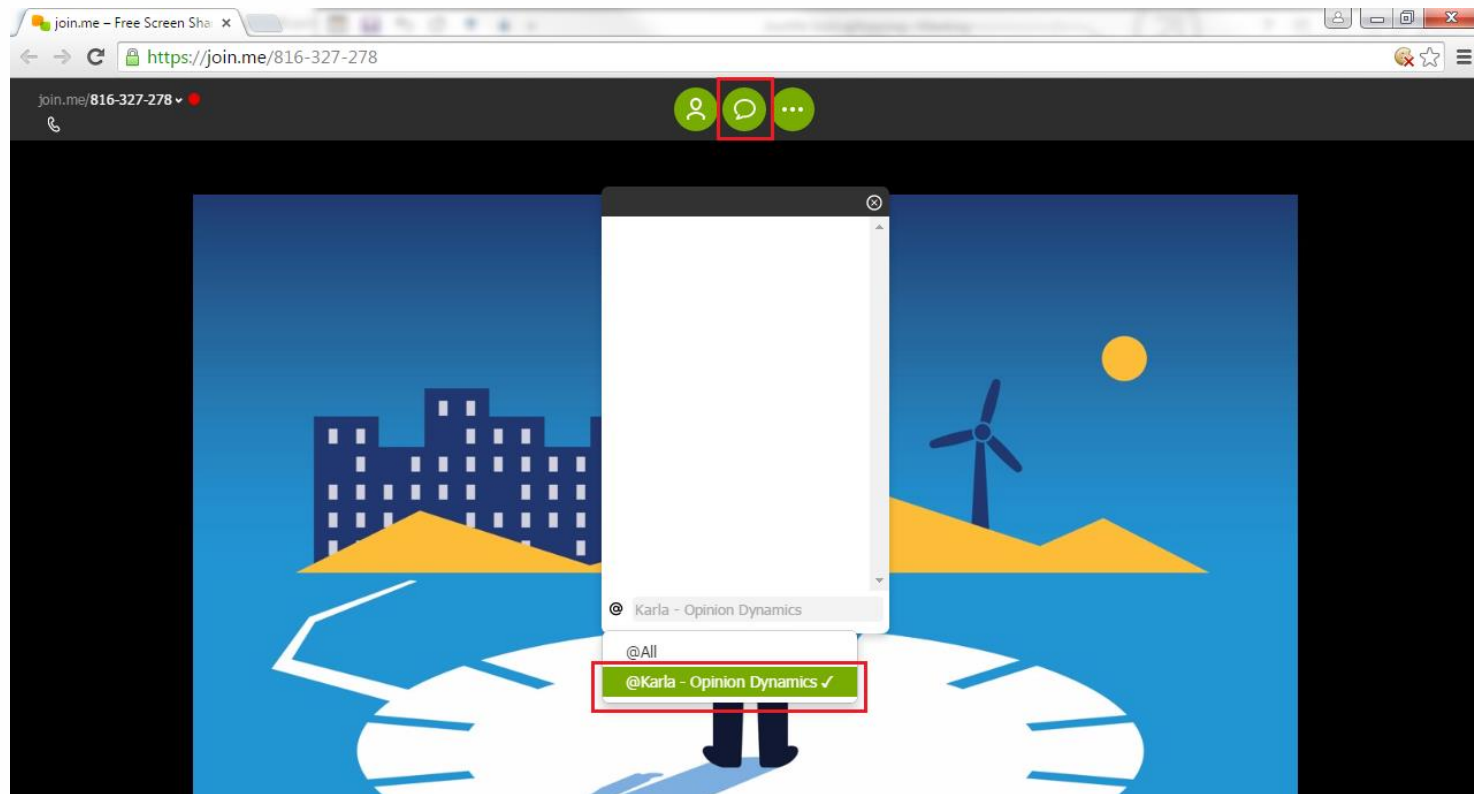
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- Context of the Study
- Study Objectives and Approach
- Findings
- Conclusions and Recommendations
- Questions & Answers

# Use Chat Feature for Questions

For questions, click on the chat icon  and send your questions to:

[Karla - Opinion Dynamics](https://join.me/816-327-278)



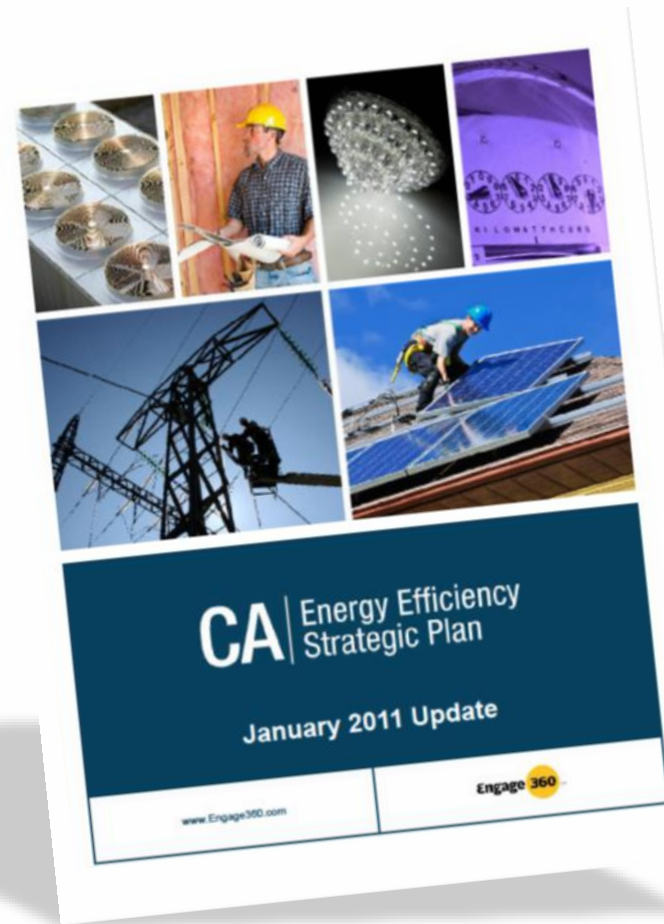


# Context of the Study

# The CA Energy Efficiency Strategic Plan (CEESP) has five goals for local governments (LGs):

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1. Implement reach codes
2. Support code compliance
3. Lead by example
4. Adopt Climate Actions Plans (CAPs), Energy Action Plans (EAPs), etc.
5. Develop local government energy efficiency expertise



# Local Government Partnerships have three main objectives

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- Retrofit local government facilities
- Promote (and, in some cases, directly implement) energy efficiency programs in the community
- Support the CEESP

# Strategic Plan Projects are non-resource activities that LGs conduct to support achievement of the CEESP's LG goals

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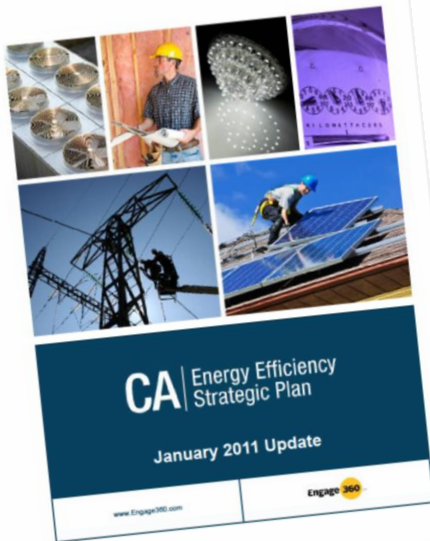
- In 2010, at the request of CPUC, the IOUs distilled the CEESP goals into a menu of 20 possible activity types
- Strategic Plan Projects must fall into one of these “Menu Item” categories in order to qualify for Strategic Plan Project funding.

## Examples of Menu Items

***1.1.4 - Change local codes to allow and encourage integration of energy efficiency, demand response, and on-site generation.***

***3.1.2 - Set up a 'utility manager' computer program to track municipal usage.***

***3.2.1 - Develop/adopt an energy chapter for City/County climate or energy action plan.***







# Study Objectives & Approach

## Study Research Questions:

1. What mechanisms do the IOUs use to determine eligibility for funding of Strategic Plan?
2. How aligned are the Strategic Plan Projects with the energy efficiency and climate change goals within the Strategic Plan?
3. How much have the Strategic Plan Projects contributed toward Strategic Plan goals?
4. What have LGPs and Strategic Plan Projects accomplished compared to the original scopes of work for these efforts?
5. What barriers and challenges have the LGPs and Strategic Plan Projects encountered in implementing their work scope?
6. What factors and metrics led to perceived “successes” within LGP and Strategic Plan Projects implementation?
7. How do the IOUs administer the LGPs/Strategic Plan Projects?
8. How are the Strategic Plan Projects managed?
9. Should the CPUC use prior LG EE program performance...as a prerequisite to making Strategic Plan Project funds available to LGs, and how might such a report support Strategic Plan goals?
10. Can a predictive tool be developed to identify LGs that have the highest potential for success as sponsors of Strategic Plan goals? Are there correlates with effective implementation?
11. Across California, how does IOU program administration of their LGP portfolios impact the LG’s ability to meet Strategic Plan goals?

# What is “Value” and “Effectiveness”?

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## Value

- Strategic Plan Projects advance CEESP goals
- Strategic Plan Projects are successfully adopted

## Effectiveness

- IOU administration was sufficient, beneficial, equitable, and well implemented

# Key Entities in the Study

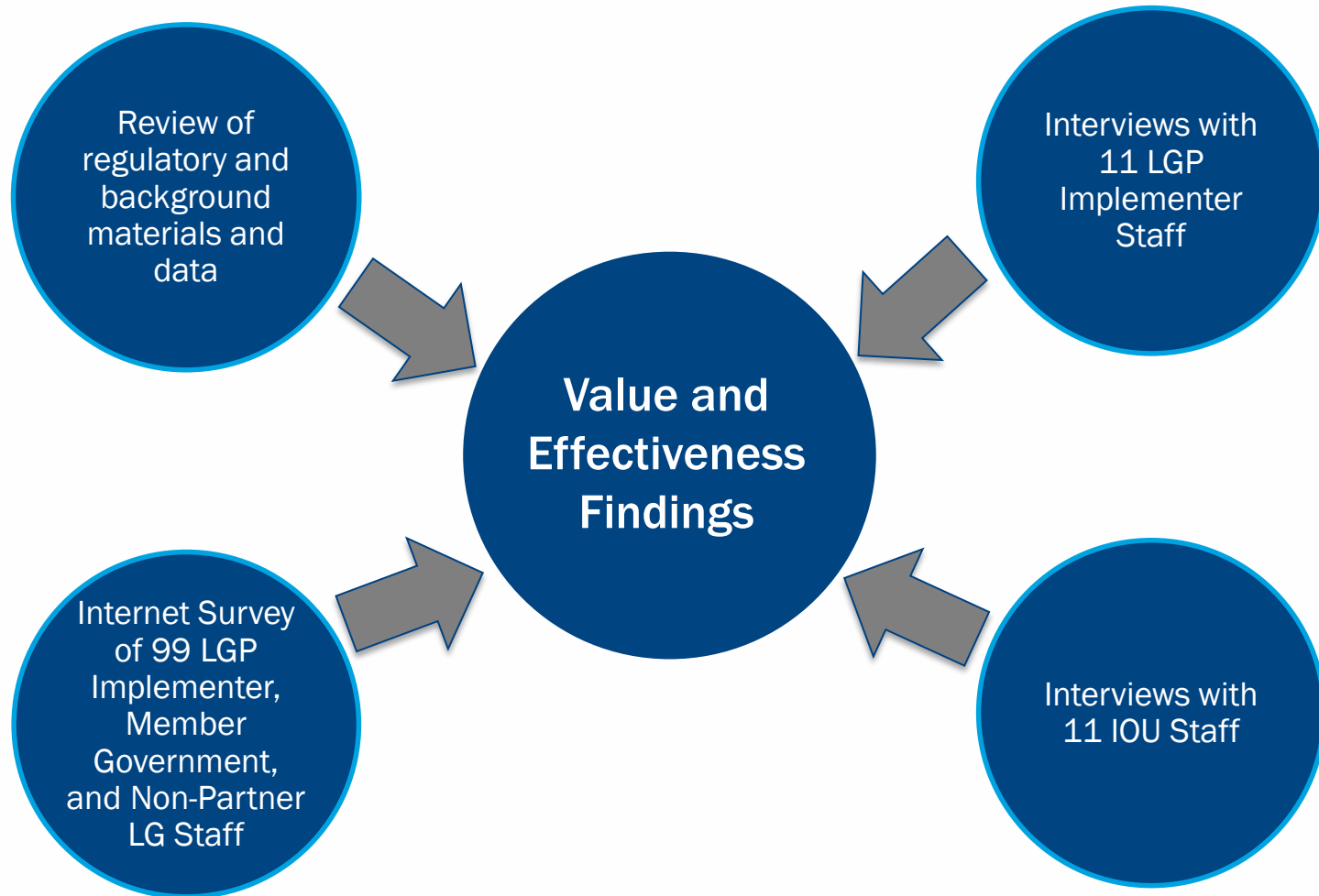
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## Definitions of Key Entities

Entity	Definition
Local Government Partnership (LGP)	A collaborative energy efficiency program formed between an IOU and one or more local governments, regional associations, implementing organizations, or statewide organizations for the purpose of fomenting energy efficiency leadership at the local level
LGP Implementer	An individual local government or third-party organization that holds the contract with an IOU for administration of the LGP. Also known as an LPG implementer
Member Government	An individual local government that participates in an LGP
Non-Partner Local Government (Non-Partner LG)	An individual local government that does not participate in an LGP

# Study Methods & Activities

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# Study Limitations


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- Due to budget constraints and in-progress companion studies, this study focuses exclusively on Strategic Plan Projects
- Some specific areas are not covered in this study
  - Cost effectiveness of the LGPs
  - Indirect impacts of the Strategic Plan Projects on future energy efficiency projects
  - Past policies that led to the current mix of Strategic Plan Projects or their funding
- Two research questions not answered due to small sample sizes (Research questions 10 and 11)





# Findings: Strategic Plan Project Funding and Selection

# Nearly \$17 million in Strategic Plan Projects budgeted in 2013-2014

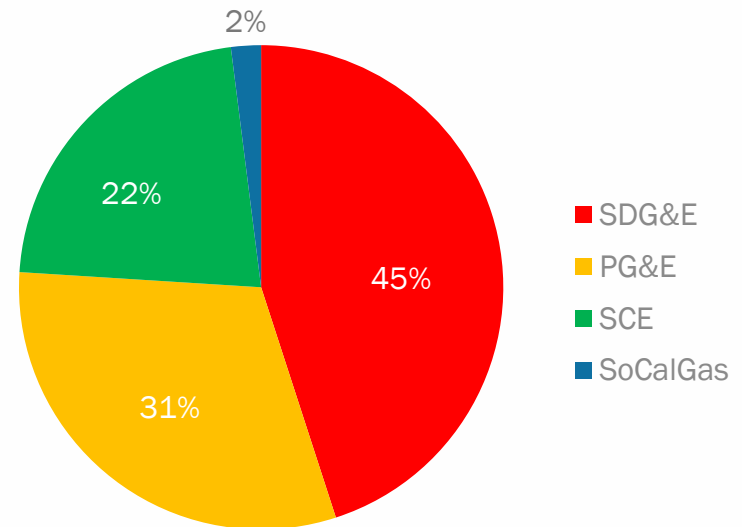
 → \$7.58M

 → \$5.21M

 → \$3.75M  
SOUTHERN CALIFORNIA  
EDISON®

 → \$0.40M  
Southern  
California  
Gas Company

Percentage of 2013-2014 Funding



Over \$40 million and 371 Strategic Plan Projects since 2010



# Strategic Plan Project Funding Process

1

2

3

4

All IOUs

IOU Seek Input from LGPs/LGs

LGPs/LGs Propose Projects

IOUs Vet Proposals/  
Negotiate with LGPs/LGs

Project Funded

SCE issues an RFP

SCE/SDG&E:  
LGs submit bids

SCE/SDG&E:  
CPUC approves RFP/Bid projects

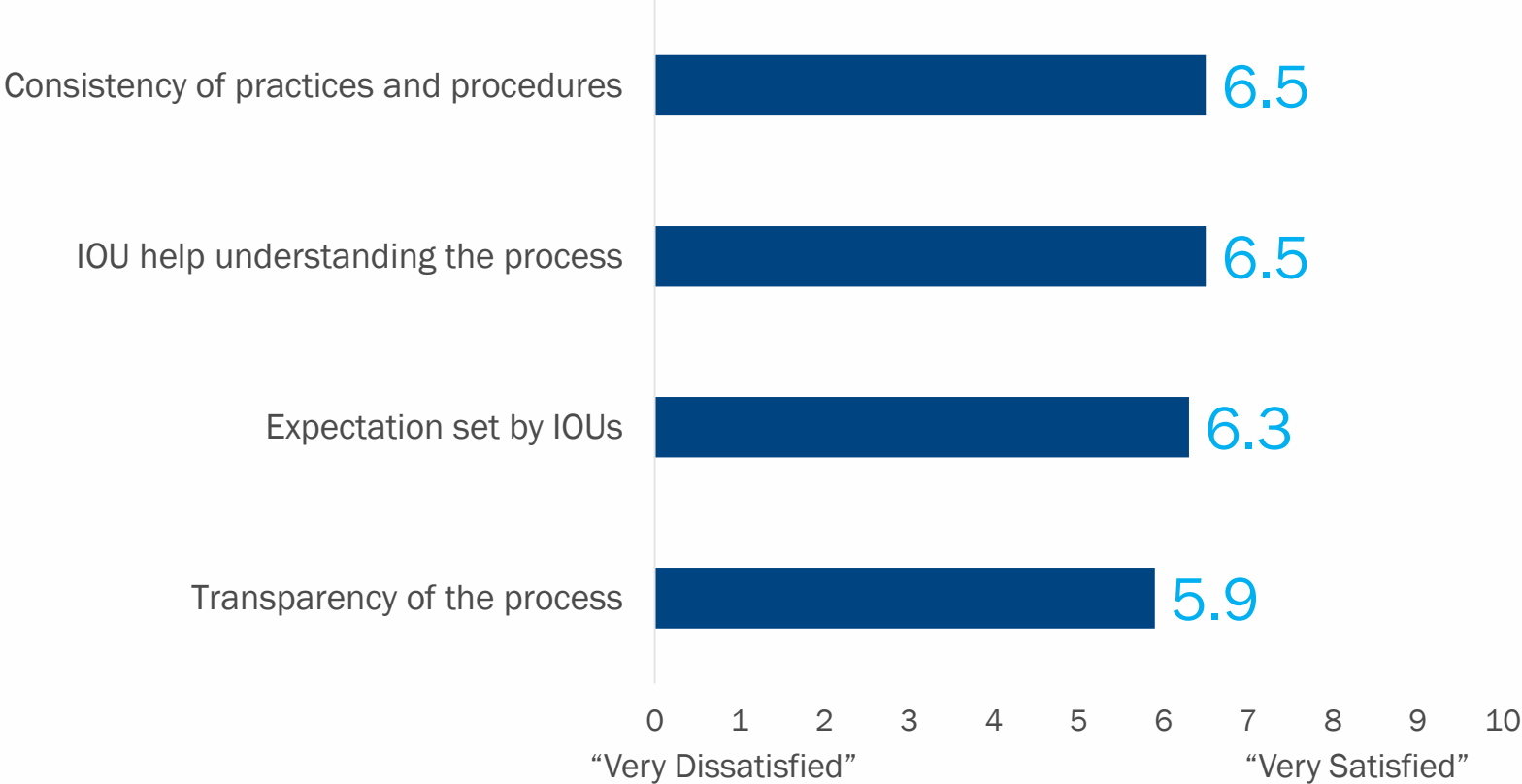
PG&E: LGPs can request more funds or reallocation

SDG&E has Emerging Cities bid process for LGs

Alternate IOU-Specific Processes

# LGP Implementers and Non-Partner LGs are moderately satisfied with the Strategic Plan Project funding awards process

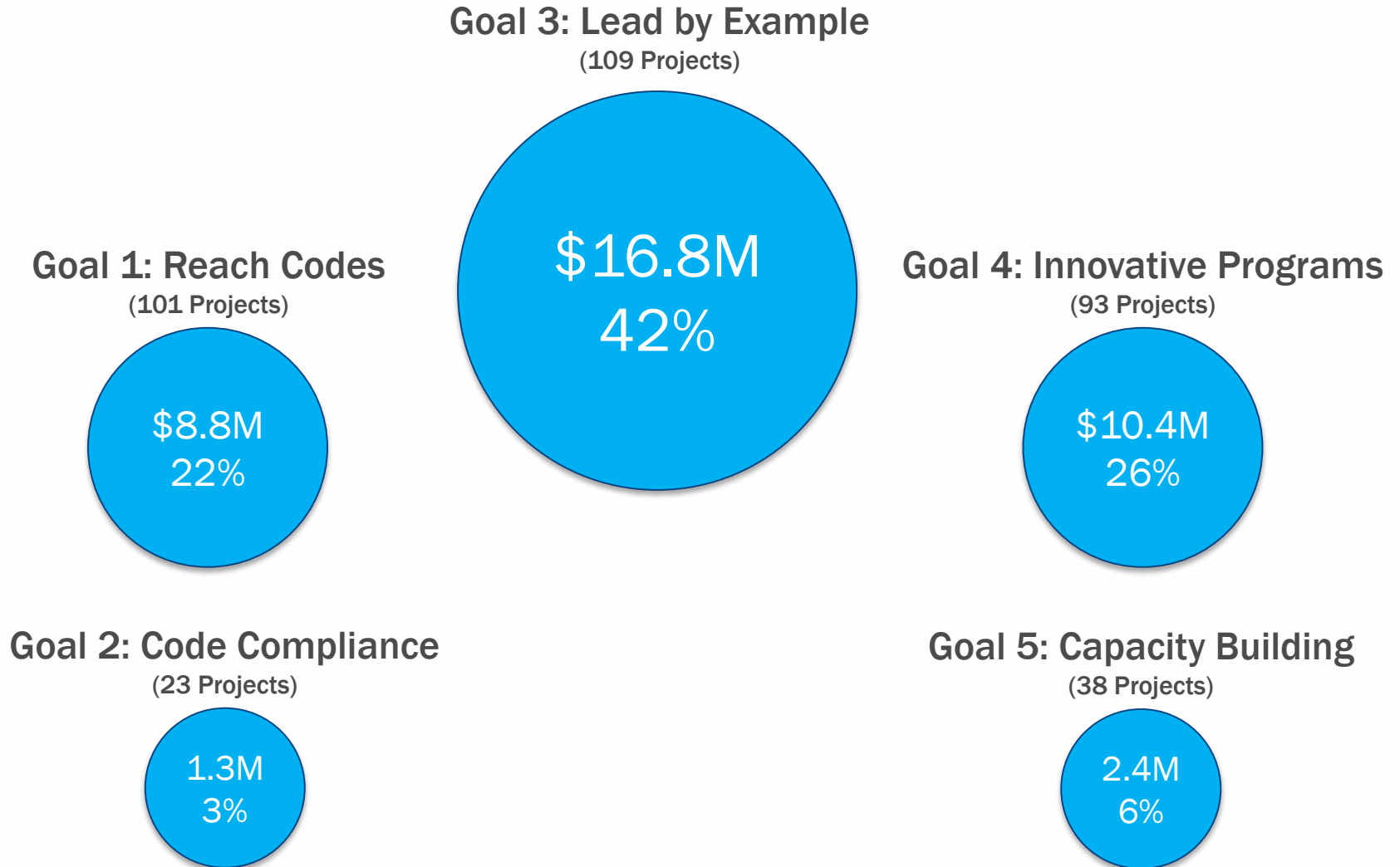
LGP Implementers' Average Satisfaction with the Strategic Plan Project Funding Awards Process (n=25)





# Findings: Alignment with the CEESP

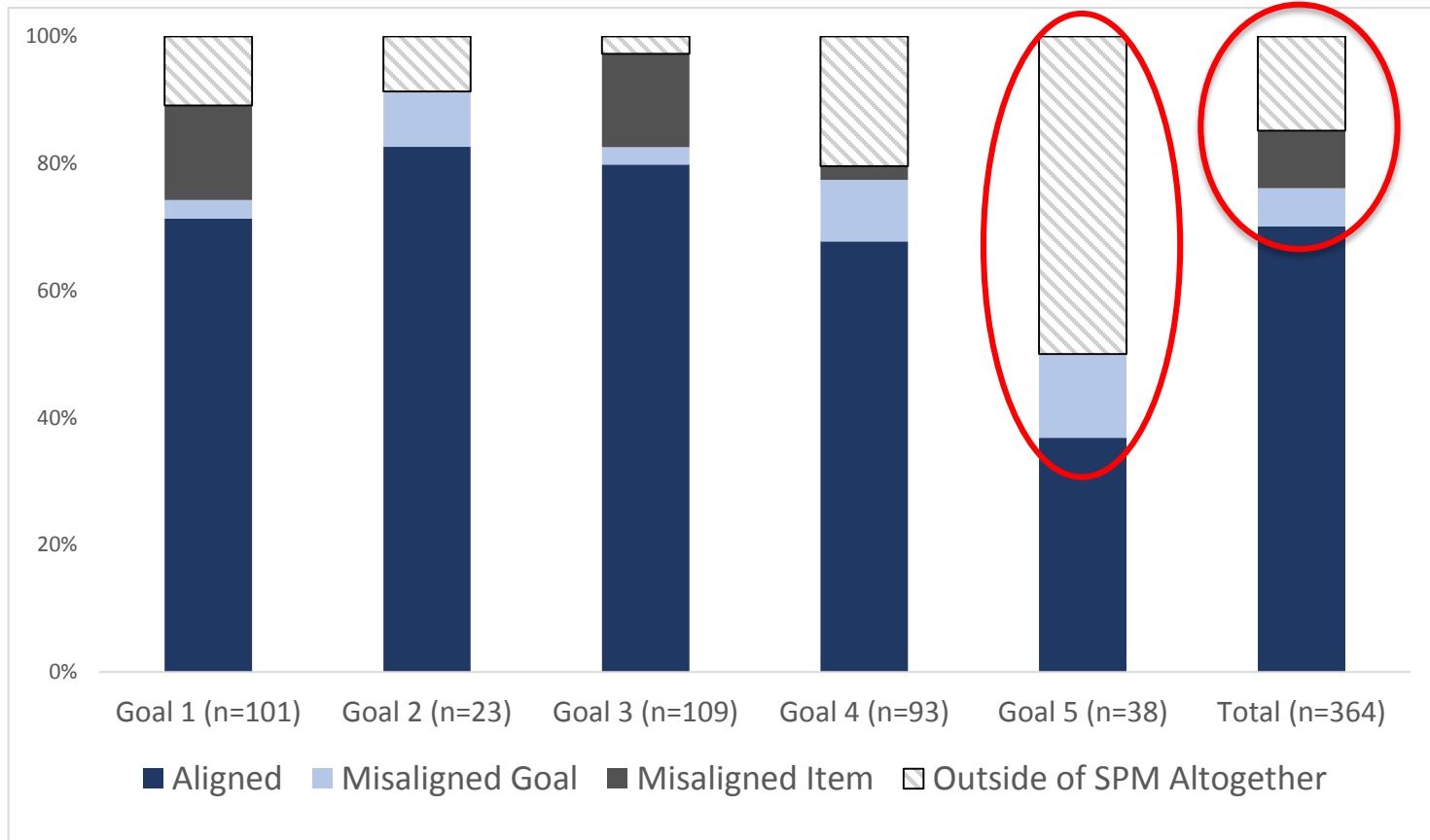
# Since 2010, funding for these projects covered all five CEESP goals



Note: A small number (1% of budget) had no Menu categorization

# While they support EE in general, 15% of projects do not appear aligned with the Strategic Plan Menu items

## Distribution of Misaligned Projects

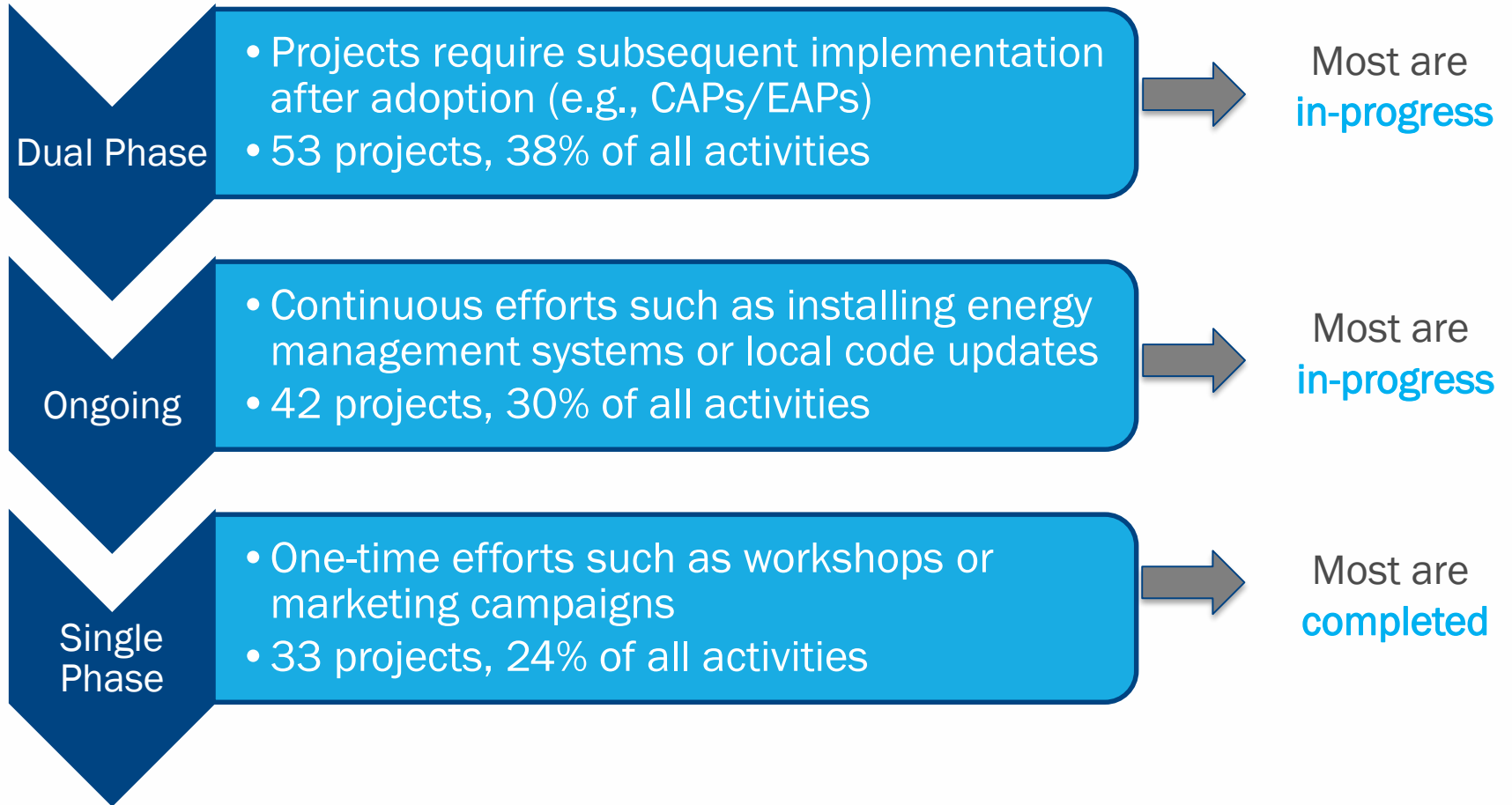




# Findings: Accomplishments and Barriers to Completion

# Survey results indicate that 33% of projects are complete

## Types of Strategic Plan Projects (n=140)



Note: ~9% of projects could not be classified (“don’t know” responses)

# LGPs/LGs need engaged city staff, enough staff and budget, and access to technical expertise to successfully complete projects

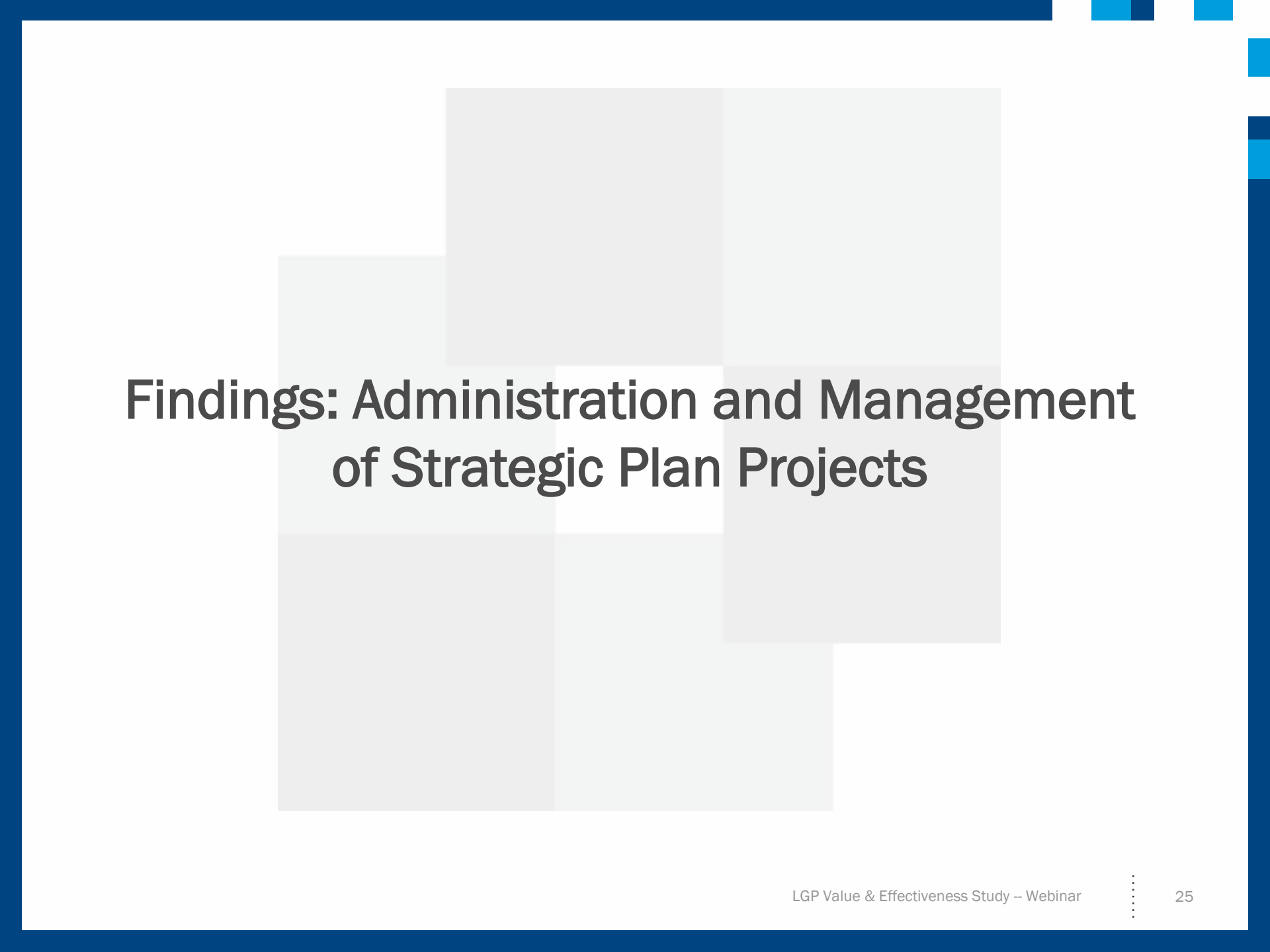
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Top Success Factors

- Engaged city officials and staff (62%)
- Appropriate staff resources (57%)
- Technical/subject matter expertise (55%/51%)
- Sufficient budget (48%)
- Lack of staff resources (49%)
- Disengaged city officials and staff (30%)
- Insufficient budget (29%)
- Technical/subject matter expertise (25% each)

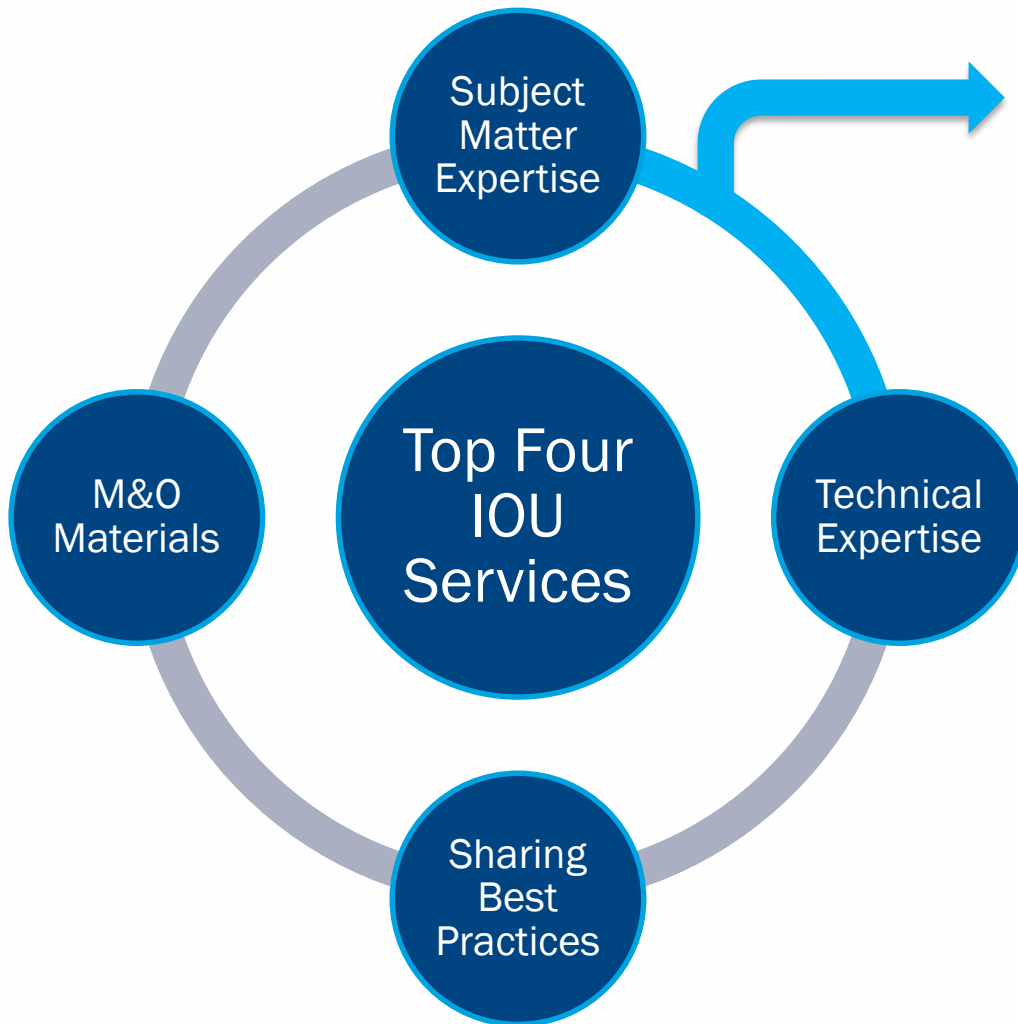
Top Barriers





# Findings: Administration and Management of Strategic Plan Projects

# The IOUs have aligned their services with the greatest needs of Strategic Plan Projects, but may need to provide more support



Key factors for completing projects

But many LGs still face these barriers

Average Importance Score for Services

**7.7** out of 10

# Strategic Plan Projects and IOU services provide capacity building to local governments

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## People



## Knowledge



## Tools



Average Satisfaction  
with IOU Support for  
Capacity Building

**7.2** out of 10

# The IOUs and LGPs had high levels of communication



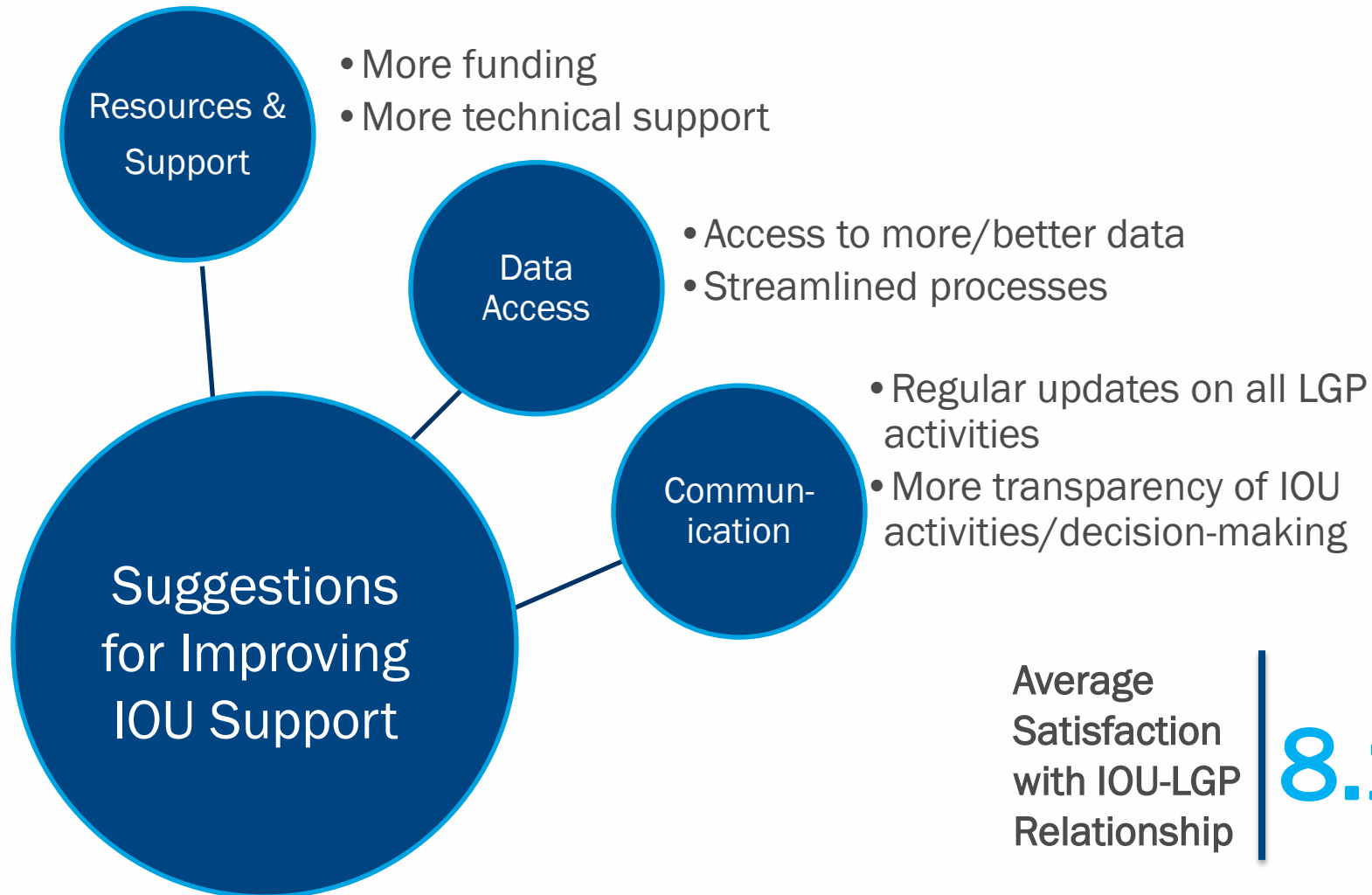
- IOU-LGP communication often occurred weekly or multiple times per month (44% of the time)
- PG&E communicated more frequently with the LGPs compared to other IOUs
- LGPs tended to communicate less often with their member governments (Once per month or less)

Average Satisfaction  
with Frequency of  
IOU Communication

**8.3** out of 10

# Overall, the IOUs provide quality oversight of the Strategic Plan Projects with some room for improvement.

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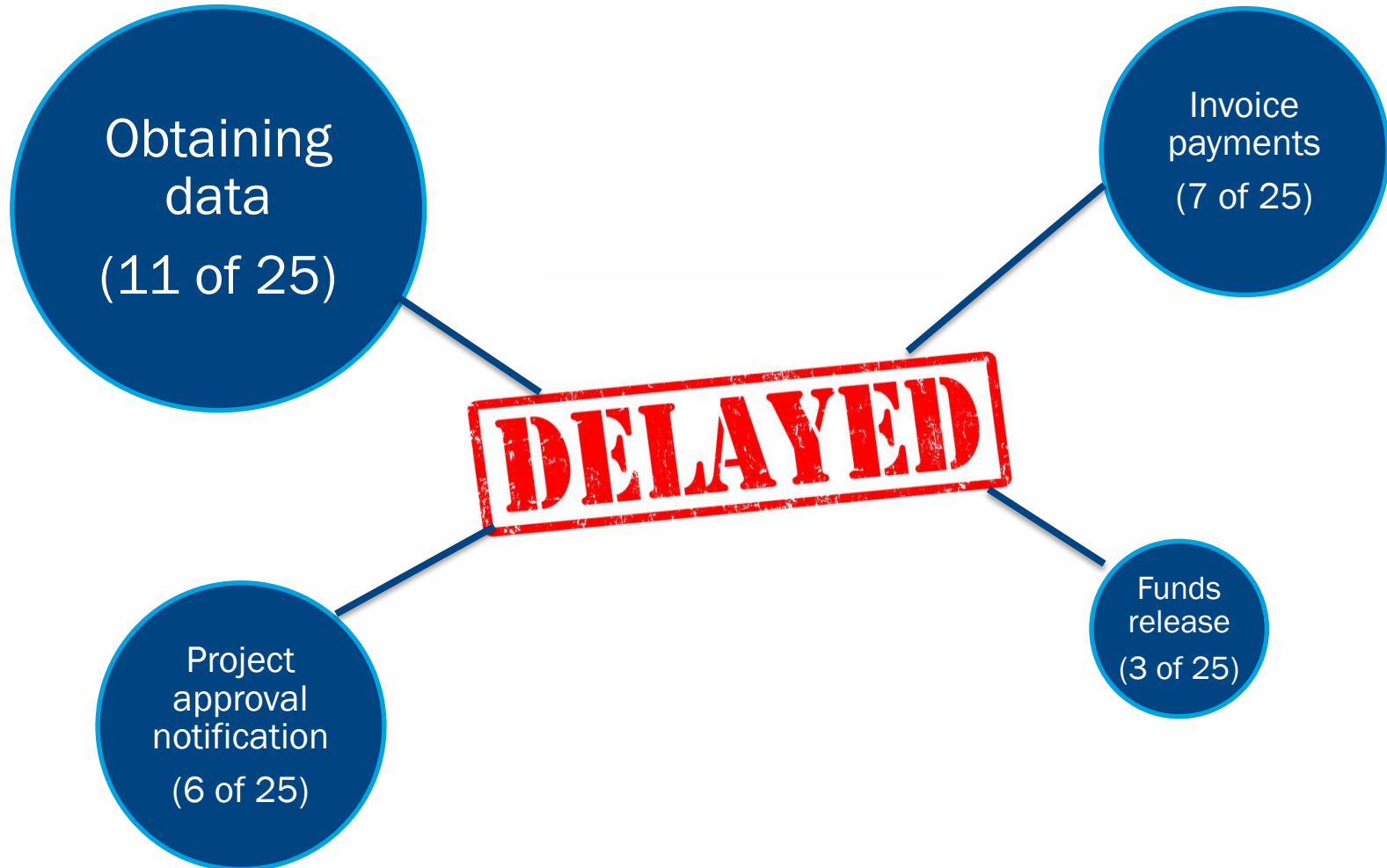


Average Satisfaction with IOU-LGP Relationship

**8.1** out of 10

## LG's frequently mentioned "delays" as a challenge when working with the IOUs.

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# Conclusions

# Conclusions on Value and Effectiveness

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## Strategic Plan Projects are Valuable

- Funding provides LGs with resources they need to meet CEESP goals
- All projects broadly support the CEESP, but some may not align with Menu items – their contribution is difficult to determine
- Incomplete projects are not contributing to their full potential yet

## IOU Administration is Effective

- LGPs are highly satisfied with their IOU relationship and communication
- The IOUs are providing important services to support Strategic Plan Projects
- There remains room for improvement, such as data access and communication of broad topics



# Policy Guidance

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Should prior EE performance be a pre-requisite for funding?

- **Does not always make sense**
- The projects are an early step in building LG abilities to meet CEESP goals
- However, the IOUs could review past performance for organizations that received funding for multiple projects

Can a predictive tool be developed to identify LGs that have the highest potential for success?

- **With the data available, it is not possible to develop a predictive tool**
- Limitations: the small number of complete projects and data quality

How does IOU program administration affect the LGs' ability to meet CEESP goals?

- **No evidence of the different IOU program administration affecting the LGs' ability to meet Strategic Plan goals**
- But the quantitative data did not support conclusive comparisons across IOUs (given the small sample size)

# Recommendations

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## Enhance the Funding Awards Process

- Strengthen the language in the Strategic Plan Menu and more clearly define appropriate activities for Strategic Plan Projects
- Discontinue competitive solicitation
- Develop tools and processes to better communicate funding approval status

## Enhance the Effectiveness of IOU Administration

- Find ways to connect local governments to additional technical resources within the IOUs
- Improve communication to LGP Implementers on broad topics
- Develop a process to overcome data transfer challenges

## Better Track and Understand the Value of Projects

- Improve reporting processes for semiannual updates (remove duplicates, add expenditures, etc.)
- Indicate size and scope of the project and adopt tiered reporting requirements based on project size and scope

# Provide Comments on the Report by 5 PM, October 2, 2015

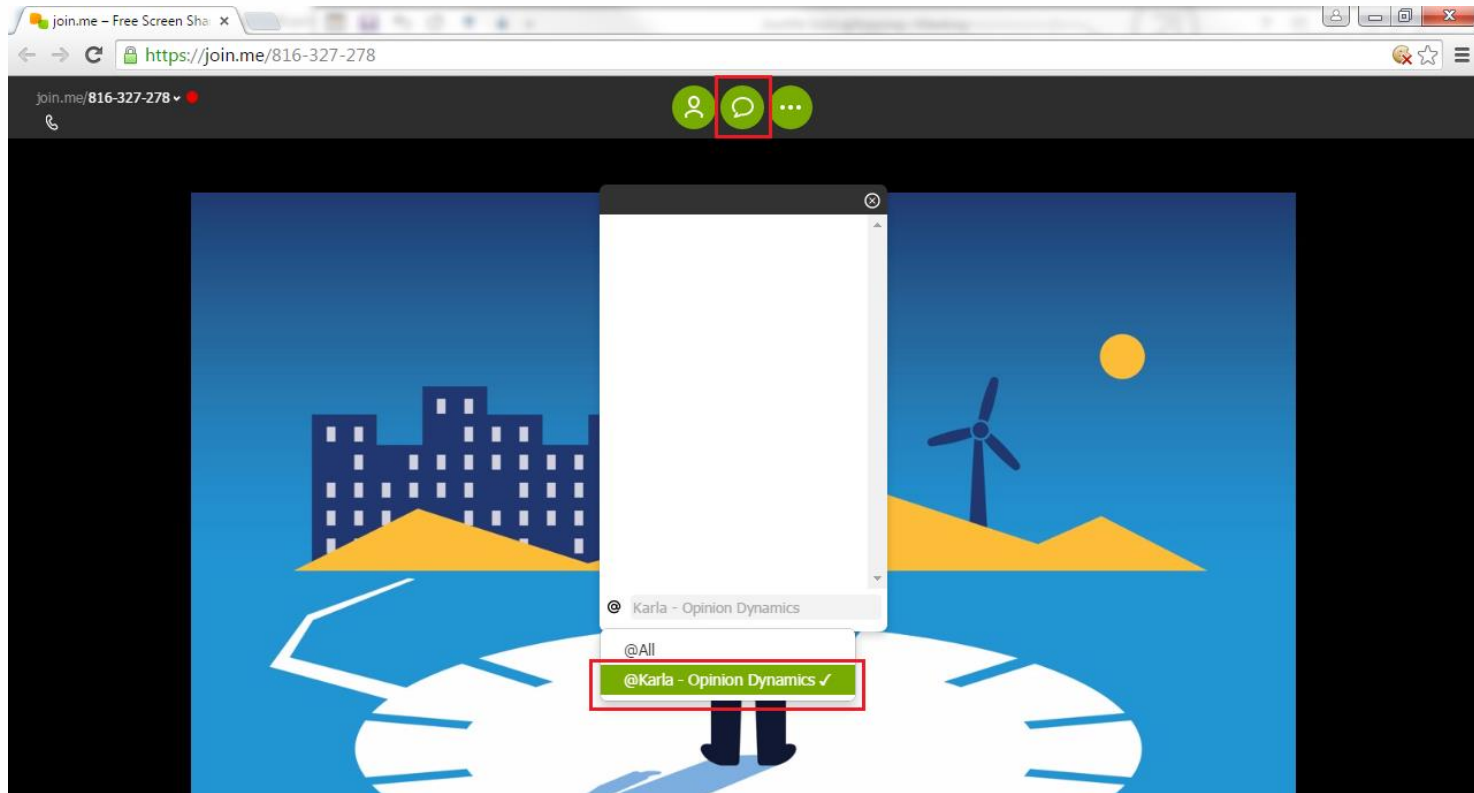
- Report can be accessed here: <http://www.energydataweb.com/cpuc/>  
To search, select “2013-2014” portfolio cycle, and search “LGP”.
- There are two volumes:
  - Volume I contains an executive summary, background of the study, findings, conclusions and recommendations
  - Volume II contains a suite of appendices that documents findings by research question and data collection instruments with frequencies where applicable
- Comments should be uploaded to the website by clicking “comment” on the report by 5 pm on October 2, 2015

The screenshot shows the Energy Data Web website interface. On the left, the main content area features a banner for '2006-2013 CALIFORNIA ENERGY EFFICIENCY ENERGY CONTRACTS' and a 'Public Document Area' with a welcome message and links to download Energy Efficiency EM&V Plans for 2013-2014 and 2010-2012. On the right, a search filter panel is visible. It includes a 'Portfolio Cycle' section with radio buttons for 'All', '2006-2008', '2009 (Bridge Year)', '2010-2012', '2013-2014' (which is selected), and '2015'. Below this is a 'Work Order' dropdown menu set to 'All'. The 'Publication Date' section has 'From:' and 'To:' input fields. The 'Search Text (exact match)' section has a text input field with the placeholder 'Value'. At the bottom of the search panel are 'Search' and 'Reset Search' buttons. Two blue arrows are overlaid on the image: one points to the search input field, and the other points to the '2013-2014' radio button.

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# Thank you!

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