



Western Riverside Council of Governments Executive Committee

AGENDA

**Monday, February 5, 2018
2:00 p.m.**

**County of Riverside
Administrative Center
4080 Lemon Street
1st Floor, Board Chambers
Riverside, CA 92501**

The following teleconference number is provided exclusively for members of the public wishing to address the Executive Committee directly during the public hearing portion of item 7.B on the agenda:

**Teleconference: (515) 739-1539
Access Code: 190831**

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in the Executive Committee meeting, please contact WRCOG at (951) 405-6703. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting. In compliance with Government Code Section 54957.5, agenda materials distributed within 72 hours prior to the meeting which are public records relating to an open session agenda item will be available for inspection by members of the public prior to the meeting at 3390 University Avenue, Suite 450, Riverside, CA, 92501.

The Executive Committee may take any action on any item listed on the agenda, regardless of the Requested Action.

- 1. CALL TO ORDER / ROLL CALL (Debbie Franklin, Chair)**
- 2. PLEDGE OF ALLEGIANCE**
- 3. SPECIAL PRESENTATION – JOHN ROSSI, WESTERN MUNICIPAL WATER DISTRICT**
- 4. PUBLIC COMMENTS**

At this time members of the public can address the Executive Committee regarding any items within the subject matter jurisdiction of the Executive Committee that are not separately listed on this agenda. Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion. No action may be taken on items not listed on the agenda unless authorized by law. Whenever possible, lengthy testimony should be presented to the Executive Committee in writing and only pertinent points presented orally.

- 5. MINUTES**

- A. **Summary Minutes from the January 8, 2018, Executive Committee Meeting are Available for Consideration** **P. 1**

Requested Action: 1. *Approve the Summary Minutes from the January 8, 2018, Executive Committee meeting.*

6. **CONSENT CALENDAR**

All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Executive Committee, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Executive Committee request specific items be removed from the Consent Calendar.

Action items:

- A. **Cajalco Road / I-15 Interchange Memorandum Of Understanding** **Christopher Gray** **P. 9**

Requested Action: 1. *Approve a Memorandum of Understanding with the City of Corona and the Riverside County Transportation Commission regarding a TUMF Improvement and Credit/Reimbursement Agreement for the Cajalco Road / I-15 Interchange.*

- B. **SB 1 Grant Resolution** **Andrea Howard** **P. 23**

Requested Action: 1. *Adopt Resolution Number 05-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments authorizing the Executive Director to execute agreements with the California Department of Transportation for the Regional Climate Adaptation Toolkit for Transportation Infrastructure Phase I Project.*

Information items:

- C. **Finance Department Activities Update** **Ernie Reyna** **P. 53**

Requested Action: 1. *Receive and file.*

- D. **Regional Streetlight Program Activities Update** **Tyler Masters** **P. 59**

Requested Action: 1. *Receive and file.*

- E. **Environmental Department Activities Update** **Dolores Sanchez Badillo** **P. 63**

Requested Action: 1. *Receive and file.*

- F. **Western Riverside Energy Partnership Activities Update** **Tyler Masters** **P. 65**

Requested Action: 1. *Receive and file.*

- G. **Western Community Energy Activities Update** **Barbara Spoonhour** **P. 101**

Requested Action: 1. *Receive and file.*

H. WRCOG Committees and Agency Activities Update *Rick Bishop* P. 157

Requested Action: 1. Receive and file.

I. Western Riverside County Active Transportation Plan Activities Update *Christopher Gray* P. 173

Requested Action: 1. Receive and file.

J. Santa Ana Watershed Project Authority One Water One Watershed Activities Update *Laura Roughton* P. 177

Requested Action: 1. Receive and file.

7. REPORTS / DISCUSSION

A. Presentation from the Fair Housing Council *Rose Mayes, Fair Housing Council of Riverside County* P. 187

Requested Action: 1. Receive and file.

B. PACE Programs Activities Update, and PACE Program Public Hearing, Revisions to Commercial Program Lender Requirements, and Updated Consumer Protections *Casey Dailey, WRCOG* P. 199

Requested Actions:

1. Receive WRCOG PACE Summary.
2. Conduct a Public Hearing regarding the inclusion of the City of Milpitas and the Town of Truckee for the purposes of considering the modification of the Program Report for the California HERO Program to increase the Program Area to include such additional jurisdictions and to hear all interested persons that may appear to support or object to, or inquire about, the Program.
3. Adopt WRCOG Resolution Number 03-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments confirming modification of the California HERO Program Report so as to expand the Program area within which contractual assessments may be offered.
4. Accept the City of Pleasanton as an Associate Member of the Western Riverside Council of Governments.
5. Adopt WRCOG Resolution Number 04-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments declaring its intention to modify the California HERO Program Report so as to increase the Program Area within which contractual assessments may be offered and setting a Public Hearing thereon.
6. Approve the revised WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report and Statewide SAMAS Commercial Program Handbook to change the existing lender consent requirements in these documents to a modified approach that would allow WRCOG's and SAMAS' legal counsels to analyze the mortgage documents and associated

terms, conditions, and covenants in order to determine if lender consent is necessary and that entering into the Assessment Contract would not violate the related mortgage terms.

7. *Adopt the updated WRCOG PACE Consumer Protections Policy.*

C. Transportation Uniform Mitigation Fee (TUMF) Program: Consideration of Recommendations from Ad Hoc Committee **Christopher Gray, WRCOG** **P. 347**

- Requested Actions:**
1. *Approve the TUMF Program Ad Hoc Committee's recommendation to maintain the current administration and management structure of the TUMF Program.*
 2. *Approve the TUMF Program Ad Hoc Committee's recommendation to maintain the current structure of the TUMF Zone process.*
 3. *Approve the TUMF Program Ad Hoc Committee's recommendation to have the Public Works Committee review the TUMF Network criteria and project type for future Nexus Study updates to address the following areas:*
 - a. *Expanding the types of projects that can be funded by TUMF, including active transportation projects.*
 - b. *Formalizing a process for each TUMF Zone to prioritize projects within the Zone.*
 - c. *Updating the criteria that is used to determine how projects are added to the Program through the Nexus Study update.*

D. Report from the League of California Cities **Erin Sasse, League of California Cities** **P. 351**

- Requested Action:**
1. *Receive and file.*

8. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR **Alex Diaz**

9. REPORT FROM COMMITTEE REPRESENTATIVES

SCAG Regional Council and Policy Committee representatives
SCAQMD, Ben Benoit
CALCOG, Brian Tisdale

10. REPORT FROM THE EXECUTIVE DIRECTOR **Rick Bishop**

11. ITEMS FOR FUTURE AGENDAS **Members**

Members are invited to suggest additional items to be brought forward for discussion at future Executive Committee meetings.

12. GENERAL ANNOUNCEMENTS **Members**

Members are invited to announce items / activities which may be of general interest to the Executive Committee.

13. CLOSED SESSION

**CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO
SECTION 54956.9(d)(1)**

- Case Number RIC 1800423

14. NEXT MEETING: The next Executive Committee meeting is scheduled for Monday, March 5, 2018, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.

15. ADJOURNMENT

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Western Riverside Council of Governments

5.A

Regular Meeting

~ Minutes ~

Monday, January 8, 2018

2:00 PM

County Administrative Center

1. CALL TO ORDER

The meeting was called to order by Chairwoman Debbie Franklin at 2:01 p.m. on January 8, 2018, at the Riverside County Administrative Center, 4080 Lemon Street, Riverside, CA.

Attendee Name	Member	Status	Arrived / Departed
City of Banning	Debbie Franklin	Present	1:58 PM
City of Beaumont		Absent	
City of Calimesa	Jeff Hewitt	Present	1:56 PM
City of Canyon Lake	Jordan Ehrenkranz	Present	2:05 PM
City of Corona	Eugene Montanez	Present	1:58 PM / 2:08 PM
City of Eastvale	Adam Rush	Present	2:06 PM
City of Hemet	Bonnie Wright	Present	1:58 PM
City of Jurupa Valley	Laura Roughton	Present	2:05 PM
City of Lake Elsinore	Brian Tisdale	Present	1:56 PM
City of Menifee	John Denver	Present	1:58 PM
City of Moreno Valley	Victoria Baca	Present	2:09 PM
City of Murrieta	Kelly Seyarto	Present	1:58 PM
City of Norco	Kevin Bash	Present	1:58 PM
City of Perris	Rita Rogers	Present	1:58 PM
City of Riverside		Absent	
City of San Jacinto	Crystal Ruiz	Present	1:58 PM
City of Temecula	Maryann Edwards	Present	1:58 PM
City of Wildomar		Absent	
District 1		Absent	
District 2		Absent	
District 3	Chuck Washington	Present	1:58 PM
District 5		Absent	
EMWD		Absent	
WMWD	Brenda Dennstedt	Present	1:58 PM
Morongo Band of Mission Indians	Robert Martin	Present	2:08 PM
Office of Education	Judy White	Present	1:57 PM
TAC Chair		Absent	
Executive Director	Rick Bishop	Present	1:57 PM

Note: Times above reflect when the member logged in; they may have arrived at the meeting earlier.

2. PLEDGE OF ALLEGIANCE

Committee member Brian Tisdale led members and guests in the Pledge of Allegiance.

3. SPECIAL PRESENTATION

John Rossi was unable to attend; therefore this presentation was re-scheduled for the next meeting.

4. PUBLIC COMMENTS

There were no public comments.

5. CONSENT CALENDAR

RESULT:	APPROVED AS RECOMMENDED [UNANIMOUS]
MOVER:	City of San Jacinto
SECONDER:	City of Murrieta
AYES:	Banning, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, San Jacinto, Temecula, District 1, District 2, District 5, WMWD
ABSENT:	Beaumont, Riverside, Wildomar, District 1, District 2, District 5, EMWD

A. Summary Minutes from the December 4, 2017, Executive Committee Meeting are Available for Consideration

Action: 1. *Approved the Summary Minutes from the December 4, 2017, Executive Committee meeting.*

B. Local Match for Riverside Food Systems Model Study

Action: 1. *Approved the recommendation from the Administration & Finance Committee to award a sponsorship of \$40,000 (\$10,000 per year over four years) to the Food Systems Model Study, led by the City of Riverside and University of California, Riverside.*

C. Finance Department Activities Update Including Agency Audit and Upcoming Annual TUMF Compliance Review by Agencies

Action: 1. *Received and filed.*

D. Regional Streetlight Program Activities Update

Action: 1. *Received and filed.*

E. Environmental Department Activities Update

Action: 1. *Received and filed.*

F. Western Riverside Energy Partnership Activities Update

Action: 1. *Received and filed.*

G. Western Community Energy Activities Update

Action: 1. Received and filed.

H. WRCOG Committees and Agency Activities Update

Action: 1. Received and filed.

I. BEYOND Team Application Update on Regional Homelessness

Action: 1. Received and filed.

J. Fiscal Year 2016/2017 Comprehensive Annual Financial Report

Action: 1. Received and filed.

K. Regional Transportation Summit Announcement

Action: 1. Received and filed.

L. Grant Writing Assistance Program

Action: 1. Received and filed.

M. Transportation Program Activities Update

Action: 1. Received and filed.

6. REPORTS / DISCUSSION**A. PACE Programs Activities Update**

Casey Dailey, WRCOG Director of Energy and Environmental Programs, reported that as of December 18, 2017, more than 82,000 projects have been completed, totaling more than \$1.7 billion. Solar and HVAC tend to be the most popular improvements.

Since October 2017, Greenworks Lending, WRCOG, and legal counsel have updated the required documents which will allow WRCOG to oversee Greenworks' Program.

Victor Vilaplana, Vice President of Marketing and Implementation for Renovate America, reported that in early 2017, Renovate America launched HERO Promotional Rates, which were lower than most others; the contractor essentially bought down the rate into paying points on a mortgage.

Under these rates, approximately 6,500 projects have launched, totaling approximately \$150 million in financing. This is approximately one-half of all assessments completed over that period of time. Contractors can also continue to use existing HERO rates and not utilize the buy-down financing. Homeowners who utilized these Rates are anticipated to save over \$60 million over the life assessments. Approximately 430 contractors, or one-third of the total active contractor base, are offering these Promotional Rates. For those homeowners who do utilize these Promotional Rates, the Compliance Department verifies that the dealer fee is not being passed on to the homeowner.

Mike Anderson, Senior Director of Compliance Operations, reported that projects in the contractor's pipelines constantly. Staff looks for any abnormalities in pricing which would suggest the dealer fee might be passed on to the consumer. Only a very few instances have occurred in which the dealer fee was passed on to the consumer; each instance has been remedied. Renovate America has worked with these contractors to reduce project costs on 15 projects.

Complaints on the HERO Program have been trending downward, to less than 1% when the number of complaints are compared to the number of applications received each month. The primary driver for that low number is enforcement activity. Over 100 contractors have been removed from the Program due to issues observed in their customer base.

A majority of complaints are closed within 30 days. Most complaints are workmanship issues. Confirmed terms calls were implemented approximately 1 ½ years ago; this has contributed to the reduction in complaints and the speed in which issues are resolved.

Committee member Maryann Edwards asked if, since those 100 contractors have been removed from the Program, any issue is falling through the cracks, and if checks are complaint-driven.

Mr. Anderson responded that extensive inline monitoring and testing is completed; there are a number of inline controls, including an asset verification process when projects are funded.

Committee member Brenda Dennstedt asked if there are any unresolved complaints.

Mr. Anderson responded that there are approximately 70 open complaints, which is an all-time low.

Committee member Adam Rush indicated that it appears costs are rising, and asked if that is anticipated to affect the work from a labor or equipment perspective.

Mr. Anderson responded that as far back as three years ago there have been issues with contractors searching for good labor resources, but there has not been an evident price trend that indicates costs are increasing or decreasing.

Committee member Jordan Ehrenkranz asked who determines satisfaction of workmanship.

Mr. Anderson responded that Renovate America contracts with a third party inspector for the asset verifications. The homeowner ultimately determines if the workmanship is satisfactory to them. The contractor is not paid until the homeowner executes a Completion Certificate that conveys the work has been completed to his/her satisfaction.

Committee member Jeff Hewitt asked if projects are bid upon by contractors.

Mr. Anderson responded that contractors do not bid on projects; homeowners are encouraged to obtain a minimum of three competitive bids.

Mr. Vilaplana added that contractors are offered five different rate sets, in addition to the non-dealer fee; the contractor determines which rates work best for them.

Committee member Bonnie Wright asked if there have been issues with the contractor providing a bid, and then when the project is done, the cost has increased.

Mr. Anderson responded that the Program has a Change Order option. If there is a change in the cost of the project, the homeowner and WRCOG executes on that assessment contract. Prior to the work being completed, another phone call is placed to the homeowner to confirm the terms of the revised contract.

Chair Franklin asked out of the 70 active complaints, what the total number of active files is.

Mr. Vilaplana responded that complaints can come in at any given time; some come in after a project has been completed. Staff can research that number and provide an update

Chairwoman Franklin opened the Public Hearing; there were no comments and the Public Hearing was closed.

- Actions:**
1. *Received the WRCOG PACE Program Summary.*
 2. *Accepted the City of Milpitas and the Town of Truckee as Associate Members of the Western Riverside Council of Governments.*
 3. *Adopted WRCOG Resolution Number 01-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments declaring its intention to modify the California HERO Program Report so as to increase the Program Area within which Contractual Assessments may be offered and setting a Public Hearing thereon.*
 4. *Adopted WRCOG Resolution Number 02-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments authorizing Greenworks Lending, LLC, to administer and finance eligible improvements to be installed on commercial properties located within the boundaries of both the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County and the California HERO Program, and in connection with such authorization, approving amendments to the Program Report for such programs and the forms of a Commercial Handbook, Assessment Contract, Administration Agreement, Master Assignment and Assumption Agreement, Depositary Agent Agreement, Master Indenture and Bond Purchase Agreement, and authorizing the issuance of bonds pursuant to such Master Indenture secured by assessments levied on commercial properties to finance the installation of authorized improvements on such commercial properties and approving other actions in connection thereto.*

RESULT:	APPROVED AS RECOMMENDED [UNANIMOUS]
MOVER:	City of San Jacinto
SECONDER:	City of Murrieta
AYES:	Banning, Calimesa, Canyon Lake, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, San Jacinto, Temecula, District 1, District 2, District 5, WMWD
ABSENT:	Beaumont, Corona, Riverside, Wildomar, District 1, District 2, District 5, EMWD

B. Report from the League of California Cities

Erin Sasse was unable to attend.

- Action:**
1. *This item was not heard.*

C. Carryover Revenue Proposal for Fiscal Year 2016/2017

Jennifer Ward, WRCOG Director of Government Relations, reported that there are approximately \$4 million in carryover revenues, of which \$1.2 million has already been allocated and approved by this Committee.

BEYOND funding for a third round has not yet been allocated, as first round projects are just now nearing completion, and second round projects are just now beginning.

This Committee previously approved allocations toward the Fellowship and Grant Writing Assistance Programs, both of which have been extremely successful.

This matter has been discussed several times with the Administration & Finance Committee, which recommends continued building of Agency reserves, with \$500,000 dedicated specifically towards a PACE Programs reserve.

Action: 1. *Approved the recommendation from the Administration & Finance Committee to allocate the remainder of the Fiscal Year 2016/2017 carryover revenues, totaling \$2.8 million,, to Agency reserves, which will include a specified PACE Programs reserve of \$500,000.*

RESULT:	APPROVED AS RECOMMENDED [UNANIMOUS]
MOVER:	City of Temecula
SECONDER:	City of Moreno Valley
AYES:	Banning, Canyon Lake, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, San Jacinto, Temecula, District 1, District 2, District 5, WMWD
NOES:	Calimesa
ABSENT:	Beaumont, Corona, Riverside, Wildomar, District 1, District 2, District 5, EMWD

7. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR

The Technical Advisory Committee Chairman was not in attendance.

8. REPORT FROM COMMITTEE REPRESENTATIVES

Debbie Franklin, Southern California Association of Governments' (SCAG) Community, Economic & Human Development Committee representative, reported SCAG's offices moved in December to 900 Wilshire Avenue, Suite 1700.

9. REPORT FROM THE EXECUTIVE DIRECTOR

Rick Bishop, Executive Director, reported that later this week the annual Southern California Energy Water and Green Living Summit is being held; registration is free for elected officials. WRCOG is partnering with the City of Moreno Valley to host a Transportation Summit on January 17, 2018, in the City of Moreno Valley; registration is free for WRCOG representatives. Lastly, WRCOG has moved its new office over the holidays. Executive Committee meetings will continue to be held here in the County Administrative Center.

10. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

11. GENERAL ANNOUNCEMENTS

Committee member Chuck Washington indicated that the iPads used during this meeting have been replaced with touch screen monitors in order to incorporate more functions during the meeting. Providing access to staff reports in the agenda packets for all agencies which utilize this system may be a bit challenging due to software differences.

12. NEXT MEETING

The next Executive Committee meeting is scheduled for Monday, February 5, 2018, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.

13. ADJOURNMENT

The meeting adjourned at 2:43 p.m. in memory of Barry McClellan.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Cajalco Road / I-15 Interchange Memorandum of Understanding

Contact: Christopher Gray, Director of Transportation, cgray@wrcog.us, (951) 405-6710

Date: February 5, 2018

The purpose of this item is to provide an update on a Memorandum of Understanding (MOU) with the City of Corona and the Riverside County Transportation Commission (RCTC) regarding a TUMF Improvement and Credit/Reimbursement Agreement for the Cajalco Road / I-15 Interchange.

Requested Action:

1. Approve a Memorandum of Understanding with the City of Corona and the Riverside County Transportation Commission regarding a TUMF Improvement and Credit/Reimbursement Agreement for the Cajalco Road / I-15 Interchange.

WRCOG's Transportation Uniform Mitigation Fee (TUMF) Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County. Each of WRCOG's member jurisdictions and the March Joint Powers Authority (JPA) participate in the Program through an adopted ordinance, collect fees from new development, and remit the fees to WRCOG. WRCOG, as administrator of the TUMF Program, allocates TUMF to RCTC, groupings of jurisdictions – referred to as TUMF Zones – based on the amount of fees collected in these groups, and the Riverside Transit Agency.

Cajalco Road / I-15 Interchange MOU

In December 2016, the Executive Committee approved a revision to the TUMF Administrative Plan to include language on a process through which credit is issued for developer monetary contributions to the implementation of a regional TUMF facility. The revision was in response to inquiries from member agencies regarding a developer providing the funding to construct TUMF improvements and the member agencies retaining the contractor and managing the project.

The Cajalco Road / I-15 Interchange will be the first project to fall under this category of a developer receiving TUMF credit for monetary contributions to the implementation of a TUMF facility. Due to state requirements, the City of Corona will act as the lead for the construction of the project, which will be constructed at the sole cost of the developer, and would therefore meet the criteria under this credit process.

The MOU, drafted by the City of Corona, RCTC, and WRCOG, outlines the process by which the developer will receive credit against the developer's TUMF obligation, and potential reimbursement from RCTC for any cost incurred above the developer's TUMF obligation, up to the maximum TUMF share in the 2016 TUMF Nexus Study. Since the Cajalco Road / I-15 project is a regional facility, RCTC will be providing any reimbursement to the developer from the TUMF regional revenues that WRCOG allocates to RCTC on a monthly basis. However, any reimbursement to the developer will not be made until all requirements outlined in the TUMF Administrative Plan have been met, including the completion and acceptance of the improvements and the exhaustion of all TUMF credits.

The MOU is currently scheduled in a Corona City Council agenda for review and action in February 2018. Implementation of any action taken by the WRCOG Administration & Finance and Executive Committees is contingent on the approval of the MOU by the Corona City Council.

Prior Actions:

January 18, 2018: The Technical Advisory Committee recommended that the Executive Committee approve a Memorandum of Understanding with the City of Corona and the Riverside County Transportation Commission regarding a TUMF Improvement and Credit/Reimbursement Agreement for the Cajalco Road / I-15 Interchange.

January 10, 2018: The Administration & Finance Committee recommended that the Executive Committee approve a Memorandum of Understanding with the City of Corona and the Riverside County Transportation Commission regarding a TUMF Improvement and Credit/Reimbursement Agreement for the Cajalco Road / I-15 Interchange.

Fiscal Impact:

This item is informational only; therefore, there is not fiscal impact.

Attachment:

1. Cajalco Road / I-15 Memorandum of Understanding.

Item 6.A

Cajalco Road / I-15 Interchange
Memorandum of Understanding

Attachment 1

Cajalco Road / I-15 Memorandum of
Understanding

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**MEMORANDUM OF UNDERSTANDING AMONG THE CITY OF CORONA, THE
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS, AND THE RIVERSIDE
COUNTY TRANSPORTATION COMMISSION REGARDING
IMPROVEMENT AND CREDIT / REIMBURSEMENT AGREEMENTS
FOR THE TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM**

CAJALCO / INTERSTATE 15 INTERCHANGE PROJECT

This **MEMORANDUM OF UNDERSTANDING** (“Agreement”) is entered into this ____ day of _____, 20____, by and among the City of Corona, a California municipal corporation (“AGENCY”), the Western Riverside Council of Governments, a Joint Powers Agency comprised of the County of Riverside and several cities in Western Riverside County (“WRCOG”), and the Riverside County Transportation Commission (“RCTC”). AGENCY, WRCOG, and RCTC are sometimes hereinafter referred to individually as “Party” and collectively as “Parties”.

RECITALS

WHEREAS, a developer (“Developer”) owns real property located within the AGENCY (“Property”) and has requested from AGENCY certain entitlements and/or permits for the construction of improvements on the Property (“Project”);

WHEREAS, the AGENCY is a member agency of WRCOG, the administrator for the Transportation Uniform Mitigation Fee (“TUMF”) Program;

WHEREAS, pursuant to the TUMF Program, the AGENCY requires Developer to pay the TUMF which covers the Developer’s fair share of the costs to deliver transportation improvements that help mitigate the Project’s traffic impacts and burdens on the Regional System of Highways and Arterials (also known as the “TUMF Network”), generated by the Project and that are necessary to protect the safety, health and welfare of persons that travel to and from the Project using the TUMF Network;

WHEREAS, the “Transportation Uniform Mitigation Fee Nexus Study: 2016 Update” (“2016 Nexus Study”) and the 5-year Transportation Improvement Program (“TIP”), as may be amended, designate the various TUMF Network improvement projects;

WHEREAS, as a condition to AGENCY’s approval of the Project, AGENCY has required Developer to pay for the construction of certain street and transportation system improvements of regional importance related to the interchange at Cajalco Road and Interstate 15 (“TUMF Improvements”) that will be constructed by AGENCY;

WHEREAS, AGENCY has entered into a separate agreement with the Developer for, among other things, the following purposes:

(1) to provide for the timely delivery of the TUMF Improvements as a cooperative process between AGENCY and the Developer,

(2) to ensure that delivery of the TUMF Improvements is undertaken as if the TUMF Improvements were constructed under the direction and authority of the AGENCY,

(3) to provide a means by which the Developer's costs for delivery of the TUMF Improvements and related rights-of-way are offset against Developer's obligation to pay the applicable TUMF for the Project in accordance with the TUMF Administrative Plan adopted by WRCOG, dated June 24, 2016, and

(4) to provide a means, subject to the approval of WRCOG and agreement by RCTC, for Developer to be reimbursed by RCTC to the extent the actual and authorized costs for the delivery of the TUMF Improvements exceeds Developer's TUMF obligation;

WHEREAS, the TUMF Improvements are designated in the 2016 Nexus Study as a Type 1 interchange with a maximum cost of \$44,251,000 available for credit against the TUMF owed by the Developer for the Project;

WHEREAS, RCTC is a county transportation commission created and existing pursuant to California Public Utilities Code Sections 130053 and 130053.5, which administers funding for an improved Regional Arterial System to be funded by Regional TUMF revenues;

WHEREAS, RCTC intends to distribute TUMF funds to the AGENCY to be used by the AGENCY to reimburse Developer for constructing the TUMF Improvements, per the TUMF Administrative Plan guidelines and a Reimbursement Agreement, and subject to the limitations set forth herein;

WHEREAS, the Parties intend to provide a means for allowing RCTC to distribute TUMF funds to AGENCY for reimbursement to the Developer for the TUMF Improvements based on the 2016 Nexus Study.

NOW, THEREFORE, for the purposes set forth herein, and for good and valuable consideration, the adequacy of which is hereby acknowledged, AGENCY, WRCOG, and RCTC hereby agree as follows:

TERMS

1.0 Incorporation of Recitals.

1.1 The Parties hereby affirm the facts set forth in the Recitals above and agree to the incorporation of the Recitals as though fully set forth herein.

2.0 Agreements.

- 2.1 The TUMF Administrative Plan is incorporated herein by reference. The Parties acknowledge and agree that TUMF credits and reimbursements shall be subject to the terms and conditions of the TUMF Administrative Plan, in addition to the terms of this Agreement. In the case of a conflict, the TUMF Administrative Plan shall govern.
- 2.2 The Parties acknowledge and agree that AGENCY may enter into a credit agreement with the Developer substantially in the form provided in Exhibit A attached hereto prior to construction of the TUMF Improvements.
- 2.3 The Parties acknowledge and agree that RCTC and AGENCY may enter into a reimbursement agreement substantially in the form provided in Exhibit B attached hereto after the completion and acceptance of the TUMF Improvements by AGENCY.
- 2.4 In accordance with the TUMF Administrative Plan, reimbursements from RCTC to AGENCY shall not commence until a reimbursement agreement as described above has been executed between RCTC and AGENCY, and until all credits have been exhausted by Developer. Exhaustion of the credits shall be determined in accordance with the TUMF Administrative Plan.
- 2.5 AGENCY shall provide written notification to WRCOG and RCTC of its determination that all credits have been exhausted, and shall provide any information and back-up documentation regarding such determination as requested by WRCOG or RCTC.
- 2.6 RCTC approved a ten percent set aside for developer credit reimbursements, and has established a TUMF developer credit reimbursement account (the “**Account**”). Payments to AGENCY shall be made based on the amount available in the Account, and may be allocated by RCTC amongst multiple RCTC member agencies, in RCTC’s sole discretion. Should the amount of credit reimbursement exceed the amount of available in the Account, AGENCY shall be paid in annual installment payments over multiple years until such time as the amount of the credit reimbursement is paid off in full. AGENCY understands and agrees that the amount of any annual installment payment may vary from year to year and may be reduced to zero based upon amounts available in the Account.

3.0 Miscellaneous.

- 3.1 Authority to Enter Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority make this Agreement and bind each respective Party.
- 3.2 Notices. All notices, demands, invoices, and written communications shall be in writing and delivered to the following addresses or such other addresses as the Parties may designate by written notice:

To AGENCY:
[INSERT]

To WRCOG:
[INSERT]

To RCTC:
[INSERT]

Depending upon the method of transmittal, notice shall be deemed received as follows: by facsimile, as of the date and time sent; by messenger, as of the date delivered; and by U.S. Mail first class postage prepaid, as of 72 hours after deposit in the U.S. Mail.

- 3.3 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate, or convenient to attain the purposes of this Agreement.
- 3.4 Construction; References; Captions. It being agreed the Parties or their agents have participated in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days, or period for performance shall be deemed calendar days and not work days. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.
- 3.5 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by all Parties.
- 3.6 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual right by custom, estoppel, or otherwise.

- 3.7 Assignment or Transfer. The Parties shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the other Parties. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.
- 3.8 Binding Effect. Each and all of the covenants and conditions shall be binding on and shall inure to the benefit of the Parties, and their successors, heirs, personal representatives, or assigns. This section shall not be construed as an authorization for any Party to assign any right or obligation.
- 3.9 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.
- 3.10 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- 3.11 Consent to Jurisdiction and Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any legal action or proceeding brought to interpret or enforce this Agreement, or which in any way arises out of the Parties' activities undertaken pursuant to this Agreement, shall be filed and prosecuted in the appropriate California State Court in the County of Riverside, California. Each Party waives the benefit of any provision of state or federal law providing for a change of venue to any other court or jurisdiction including, without limitation, a change of venue based on the fact that a governmental entity is a party to the action or proceeding, or that a federal right or question is involved or alleged to be involved in the action or proceeding.
- 3.12 Time is of the Essence. Time is of the essence in this Agreement, and the Parties agree to execute all documents and proceed with diligence to complete all covenants and conditions.
- 3.13 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.
- 3.14 Entire Agreement. This Agreement contains the entire agreement between Parties and supersedes any prior oral or written statements or agreements between Parties regarding the limited subject matter stated within this Agreement.

[SIGNATURES OF PARTIES ON NEXT PAGE]

**IN WITNESS WHEREOF, the Parties hereto have executed this Agreement
as of the day and year first above written.**

City of Corona

By: _____

Its: _____

Dated: _____

ATTEST:

By: _____

Its: _____

Western Riverside Council of Governments

By: _____

Its: _____

Dated: _____

ATTEST:

By: _____

Its: _____

Riverside County Transportation Commission

By: _____

Its: _____

Dated: _____

ATTEST:

By: _____

Its: _____

EXHIBIT “A”

DRAFT CREDIT AGREEMENT

[ATTACHED BEHIND THIS PAGE]

EXHIBIT “B”

DRAFT REIMBURSEMENT AGREEMENT

[ATTACHED BEHIND THIS PAGE]



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: SB 1 Grant Resolution

Contact: Andrea Howard, Senior Analyst, ahoward@wrcog.us, (951) 405-6751

Date: February 5, 2018

The purpose of this item is to notify Committee members of grant funding recently awarded to WRCOG and to request adoption of Resolution Number 05-18, authorizing the Executive Director to execute agreements with the California Department of Transportation for the Regional Climate Adaptation Toolkit for Transportation Infrastructure Phase I Project.

Requested Action:

1. Adopt Resolution Number 05-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments authorizing the Executive Director to execute agreements with the California Department of Transportation for the Regional Climate Adaptation Toolkit for Transportation Infrastructure Phase I Project.

Climate Adaptation Grant Program

On April 28, 2017, Governor Brown signed Senate Bill 1 (SB 1), the Road Repair & Accountability Act of 2017, which, effective November 1, 2017, imposed the first gasoline tax increase in 23 years, raising the per gallon base excise gasoline tax by \$0.12, and created an annual vehicle fee ranging from \$25 to \$175. SB 1 is projected to raise \$5.2 billion annually and includes strict accountability provisions to ensure the funds can only be spent on transportation projects, to be carried out by the California Department of Transportation (Caltrans) and local agencies.

In late 2017, Caltrans released a call for grant applications for both the traditional State and federal funding, as well as additional funding from SB 1, in order to distribute a total of \$40.8 million to local agencies through three funding streams: Sustainable Communities Grants, Strategic Partnerships Grants, and Adaptation Planning Grants.

Components of Regional Climate Adaptation Toolkit for Transportation Infrastructure

On October 20, 2017, WRCOG and its co-applicant, the San Bernardino County Transportation Authority (SBCTA), submitted a successful application to Caltrans for funding to prepare a Regional Climate Adaptation Toolkit for Transportation Infrastructure to assist local jurisdictions in preparing for potential climate related transportation infrastructure hazards. WRCOG's award letter is included as Attachment 2 to this report. The grant is for a total of \$683,431, of which \$582,376 will go toward project components benefiting the WRCOG subregion. The Toolkit would include the following components for Western Riverside County:

1. A newly established regional climate collaborative, the "Inland Empire Regional Climate Collaborative" (IERCC);
2. City-level, climate-related transportation hazards and evacuation maps;
3. A climate resilient transportation infrastructure guidebook; and

4. A regional climate adaptation and resiliency template general plan element

The Toolkit components would be developed in the first of a two-phase process. In the second phase, WRCOG would develop a web-based platform to host the Toolkit resources, WRCOG would need to seek additional funding to complete Phase II, as it is not included in the Caltrans grant budget. In addition to the components outlined above, the grant includes \$101,055 for SBCTA to perform a transportation and community vulnerability assessment, which WRCOG previously developed as a component of the Subregional Climate Action/Adaptation Plan, CAPtivate.

1. Inland Empire Regional Climate Collaborative: The Collaborative would be formed between WRCOG and SBCTA as a local branch of the Alliance of Regional Collaboratives for Climate Adaptation (ARCCA). ARCCA is a network of leading regional collaboratives from across California that work together to advance climate adaptation statewide and increase local capacity to build community resilience. Through the Collaborative, WRCOG and SBCTA would connect with peers across the state to exchange knowledge, engage in targeted problem-solving, and implement joint campaigns for climate resiliency, effectively breaking down silos across sectors and jurisdictions, with the express aim of increasing local efficiency.

2. Transportation Hazards and Evacuation Maps: The transportation hazards and evacuation maps would be developed for each WRCOG and SBCTA member agency and compiled into a portfolio of city-level maps that can be used for a variety of climate adaptation and resiliency planning efforts, including insertion into local hazard mitigation plans, safety elements of the General Plan, or local adaptation plans / strategies. Leveraging its considerable in-house resources and expertise, SBCTA will take the lead on this element of the project, though WRCOG will be involved throughout the process.

3. Climate Resilient Transportation Infrastructure Guidebook: With information from the existing WRCOG vulnerability analysis, and the SBCTA analysis to be developed as a component of this grant, the Guidebook will provide strategies using green streets infrastructure, which aims to harness the efficacy of natural processes to manage flooding and extreme heat, to mitigate identified risks and provide resiliency to climate change effects on the transportation system. For example, permeable pavement can be used to help reduce pavement temperatures by absorbing sunlight, mitigate the urban heat island effect, and slow flash flooding during flood and storm events.

4. Regional Climate Adaptation and Resiliency Template General Plan Element: The Regional Template Climate Adaptation & Resiliency Element will be a timely resource for jurisdictions to incorporate into their General Plans or use in other policy to meet newly enacted requirements under SB 379, which mandates that the safety elements of General Plans must now include climate adaptation and resiliency strategies, or that these strategies must otherwise be included in local hazard mitigation plans. This template element will build on work previously conducted in WRCOG's Subregional Climate Action/Adaptation Plan, and will provide the necessary framework for jurisdictions to comply with new SB 379 mandates.

Next Steps

Once authorized by the Executive Committee, WRCOG and Caltrans will execute an Agreement and WRCOG will issue a Request for Proposals (RFP) for consultants to complete the tasks outlined in the full Scope of Work, included as Attachment 3. Work on the Toolkit is scheduled to commence in May 2018 and be completed by February 2020.

Prior Action:

None.

Fiscal Impact:

WRCOG will receive a grant totaling \$683,431, which will be used to benefit both WRCOG and SBCTA. The Agencies are responsible for a local match, WRCOG's contribution will consist of previously approved staff

time in the FY 2017/2018 budget within the general fund of approximately \$44,829.

Attachments:

1. WRCOG Resolution Number 05-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments authorizing the Executive Director to execute agreements with the California Department of Transportation for the Regional Climate Adaptation Toolkit for Transportation Infrastructure Phase I Project.
2. Caltrans Award Letter.
3. Regional Climate Adaptation Toolkit Project Scope of Work.

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Item 6.B

SB 1 Grant Resolution

Attachment 1

WRCOG Resolution Number 05-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments authorizing the Executive Director to execute agreements with the California Department of Transportation for the Regional Climate Adaptation Toolkit for Transportation Infrastructure Phase I Project

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Western Riverside Council of Governments

County of Riverside • City of Banning • City of Beaumont • City of Calimesa • City of Canyon Lake • City of Corona • City of Eastvale • City of Hemet
City of Jurupa Valley • City of Lake Elsinore • City of Menifee • City of Moreno Valley • City of Murrieta • City of Norco • City of Perris • City of Riverside
City of San Jacinto • City of Temecula • City of Wildomar • Eastern Municipal Water District • Western Municipal Water District • Morongo Band of Mission
Indians • Riverside County Superintendent of Schools

RESOLUTION NUMBER 05-18

**A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AGREEMENTS WITH
THE CALIFORNIA DEPARTMENT OF TRANSPORTATION
FOR THE REGIONAL CLIMATE ADAPTATION TOOLKIT FOR TRANSPORTATION
INFRASTRUCTURE PHASE I PROJECT**

WHEREAS, after submitting a competitive application, the Western Riverside Council of Governments was awarded funding by the California Department of Transportation, through the Adaptation Planning Grant fund, in the amount of \$683,431, to prepare a Regional Climate Adaptation Toolkit for Transportation Infrastructure Phase 1.

WHEREAS, a Restricted Grant Agreement is needed to be executed with the California Department of Transportation before such funds can be claimed through the Transportation Planning Grant Programs

WHEREAS, the Western Riverside Council of Governments wishes to delegate authorization to execute these agreements and any amendments thereto;

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the Western Riverside Council of Governments, authorize the Executive Director, or designee, to execute all Restricted Grant Agreements and any amendments thereto with the California Department of Transportation:

PASSED AND ADOPTED at a meeting of the Executive Committee of the Western Riverside Council of Governments held on February 5, 2018.

Debbie Franklin, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Steven DeBaun
WRCOG Legal Counsel

AYES: _____ NOES: _____ ABSENT: _____ ABSTAIN: _____

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Item 6.B

SB 1 Grant Resolution

Attachment 2

Caltrans Award Letter

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DEPARTMENT OF TRANSPORTATION
DIVISION OF TRANSPORTATION PLANNING
P.O. BOX 942873, MS-32
SACRAMENTO, CA 94273-0001
PHONE (916) 654-2596
FAX (916) 653-0001
TTY 711
www.dot.ca.gov



*Making Conservation
a California Way of Life.*

January 4, 2018

Mr. Rick Bishop
Executive Director
Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor, MS 1032
Riverside, CA 92501

Dear Mr. Rick Bishop:

On behalf of the California Department of Transportation (Caltrans), Division of Transportation Planning, I am pleased to offer my congratulations to the Western Riverside Council of Governments for the recent award of the following State transportation planning grant for Fiscal Year (FY) 2017–18:

Grant Program: Road Maintenance & Rehabilitation Account – Adaptation Planning

Grant Title: Regional Climate Adaptation Toolkit for Transportation Infrastructure
Phase I
Sub-recipient: San Bernardino County Transportation Authority
Grant Award: \$683,431
Local Match: \$88,546
Total Project Amount: \$771,977

Please see the list below which identifies specific conditions for a grantee to accept grant funding, to program funds, and to begin work. Conditions one through four must be fulfilled no later than January 12, 2018 by submitting these items to Caltrans District staff for approval. Failure to fulfill these conditions will result in forfeiture of funds. Also note, final products must be completed and submitted to Caltrans no later than February 28, 2020. Final requests for reimbursements must be submitted to Caltrans no later than April 28, 2020.

Conditions of Grant Acceptance

These State grant funds cannot be expended or reimbursed until the following conditions are satisfied:

1. The revised final Scope of Work, Project Timeline with the earliest start date of May 1 2018, and Grant Application Cover Sheet are submitted to Caltrans District 8 Liaison for approval.

2. A Payee Data Record (STD. 204) is completed and submitted. Although the form indicates that government entities are not required to submit this form, it is needed to ensure payments are sent to the correct recipient.
3. If applicable, a Third Party In-kind Valuation Plan is submitted for the use of in-kind contributions to satisfy the minimum local match requirement. Third party in-kind contributions are goods and services donated from outside the grantee's agency, such as donated printing, facilities, interpreters, equipment, advertising, time and effort, staff time, and other goods and services.
4. If applicable, indirect costs must have been identified in the approved grant Scope of Work and project timeline.
5. A local resolution from the Western Riverside Council of Governments governing board stating the grant project title and title of the person authorized to enter into a contract with Caltrans must be provided no later than February 22, 2018.
6. The Western Riverside Council of Governments receives a fully executed contract and has been formally notified by Caltrans District staff to begin work.

The contracting process can begin once the first five conditions have been satisfied. For your convenience, a toolbox to aid you during this process is available on our website below:

<http://www.dot.ca.gov/hq/tpp/offices/orip/Grants/grants.html>.

A Quarterly Progress Report with a brief narrative of completed project activities will need to be submitted to the district grant manager once the project is under way. Request for reimbursement with the required minimum local match can be submitted monthly, but must be submitted quarterly.

As outlined in the 2017-18 Adaptation Planning Grant Guide, grantees are required to submit case studies for the Integrated Climate Adaptation and Resiliency Program (ICARP) Adaptation Clearinghouse as part of their reporting requirements. Grantees will develop two case studies during the life of the grant:

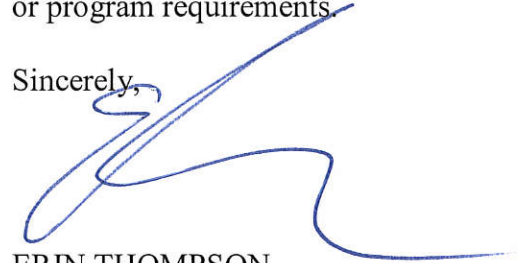
- The Initial Case Study will be due two weeks after reception of fully executed contract from Caltrans District staff.
- The Final Case Study will be due one quarter prior to project end date.

Caltrans Headquarters staff will provide a template and further instruction to the grantee in the coming weeks.

Mr. Rick Bishop
January 4, 2018
Page 3

Please contact Rebecca Forbes, District 8 Liaison, at (909) 388-7139 or Alison Nealon, Headquarters Liaison, at (916) 651-8202, if you have any questions concerning these grant funds or program requirements.

Sincerely,



ERIN THOMPSON
Chief, Office of Regional Planning

c: Andrea Howard, Senior Analyst, Southern California Association of Governments
Rebecca Forbes, Senior Transportation Planner, Caltrans, District 8
Ricky Rivers, Transportation Planner, Caltrans, District 8
Alison Nealon, Transportation Planner, Caltrans, Headquarters

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Item 6.B

SB 1 Grant Resolution

Attachment 3

Regional Climate Adaptation Toolkit
Project Scope of Work

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Scope of Work Checklist

The Scope of Work is the official description of the work that is to be completed during the contract. **The Scope of Work must be consistent with the Project Timeline. Applications with missing components will be at a competitive disadvantage.** Please use this checklist to make sure your Scope of Work is complete.

The Scope of Work must:

- ☐ Use the Fiscal Year 2017-18 template provided and in Microsoft Word format
- ☐ List all tasks and sub-tasks using the same title as stated in the project timeline
- ☐ Include task and sub-task numbers in accurate and proper sequencing; consistent with the project timeline
- ☐ List the responsible party for each task and subtask and ensure that it is consistent with the project timeline (i.e. applicant, sub-applicant, or consultant)
- ☐ Include a thorough Introduction to describe the project and project area demographics, including a description of the disadvantaged community involved with the project, if applicable
- ☐ Include a thorough and accurate narrative description of each task and sub-task
- ☐ Include a task for a kick-off meeting with Caltrans at the start of the grant
- ☐ Include a task for procurement of consultants, if consultants are needed
- ☐ Include a task for invoicing
- ☐ Include a task for quarterly reporting to Caltrans
- ☐ Include detailed public participation and services to diverse communities
- ☐ Include project implementation/next steps
- ☐ List the project deliverable for each task in a table following each task and ensure that it is consistent with the project timeline
- ☐ EXCLUDE environmental, complex design, engineering work, and other ineligible activities

SCOPE OF WORK: Regional Climate Adaptation Toolkit for Transportation Infrastructure

PHASE I

INTRODUCTION

The Western Riverside Council of Governments (WRCOG) and the San Bernardino County Transportation Authority (SBCTA) propose to develop a comprehensive, online Regional Climate Adaptation Toolkit (Toolkit) to assist local jurisdictions in developing climate adaptation resiliency and adaptation plans for transportation infrastructure and overall community resilience at the local level. The two agencies will team up to expand upon their collaborative expertise in Western Riverside and San Bernardino Counties, a service area that covers over 20,000 square miles and includes over 3.5 million Californians. The Toolkit is a two-phase project; this proposal represents a grant-funding request to complete Phase I. The project is necessary to address two key deficiencies and gaps in planning in the region: 1) capacity and resource constraints to local transportation climate adaptation planning efforts; and 2) unique geographic and economic factors regarding climate resiliency, particularly as it relates to transportation. The project aligns directly with Caltrans' goal to "support planning actions at local and regional levels that advance climate change adaptation efforts on the transportation system, especially efforts that serve the communities most vulnerable to climate change impacts."

WRCOG and SBCTA serve 45 jurisdictions in the Inland Empire (Western Riverside and San Bernardino Counties), where a large percentage of the local population are disadvantaged communities (DACs) with high rates of unemployment and poverty. In multiple census tracts in Western Riverside County, over 70% of residents are identified as low-income (Cal OEHHHA 2014), 45% of households in the county earn less than \$50,000 per year (significantly lower than the state average of \$61,818), and 16.8% of the county live below the poverty level (US Census). And, in San Bernardino County, approximately 650,000 residents live in locales ranked by the CalEnviroScreen 3.0 as among the top 10% most disadvantaged communities statewide. (Please see DAC Maps for both counties included in this application.) These DACs are the most vulnerable to the effects of climate change, including increased wildfires, droughts, landslides, floods, severe storms, and heat waves. The perils of climate change have been modeled across California by the recent wildfires. Adaptation and resiliency planning can both protect from the spread of wildfire and mitigate its impacts, which have included the loss of more than 40 lives, melting roadside signage along critical highways, degradation of air quality, and destruction of water sheds. Many victims of these fires were given just minutes to evacuate, and while some might have fled the fires in their cars, that is simply not an option for many vulnerable populations which depend on public transportation. Wildfires blocked sidewalks, trails, bike paths, and roadways, and some residents were not able to leave in time. A spokesperson from CalFire said, "One of the wettest winters on record, followed by the hottest summer on record, has created possibly the worst potential for fire in Napa County that the state has seen," leading to an amount of dry fuel in the fire's path larger than he had witnessed in 26 years. (Los Angeles Times, Nelson, October 16, 2017) A wetter winter (melting snowpack and rains) and hotter summer were climate change impacts that converged to set the stage for this massive devastation.

The proposed project is the first phase of the team's plan to develop a dynamic "plug-n-play" web dashboard, in the same vein as CalAdapt 2.0, that presents the deliverables proposed in this application. The dashboard (Phase II) will be an easy-to-use resource for San Bernardino and Western Riverside local jurisdictions, enabling them to prepare city-level transportation climate resiliency strategies and plans to help prevent the loss of life and destruction witnessed in recent weeks. Many communities have already invested in resiliency strategies, and the dashboard we develop in Phase II will leverage these investments

by sharing lessons learned and best practices with the rest of the region. Jurisdictions will be able to use the portal to share model ordinances, provide best practices for government operations, and coordinate subregional activities. The final online Toolkit of climate impact and resiliency resources will serve as a model for other jurisdictions and regions throughout the state for climate resiliency. This proposed effort (Phase I) includes the following elements and milestones:

1. Form Regional Climate Collaborative (High-Level Milestone 1)

The project will kick-off with community outreach and engagement conducted by the Local Government Commission (LGC), a non-profit organization governed by local elected officials across the state, which specializes in outreach and technical assistance regarding environmental and climate-related policy. Step one of this process will be to form a Regional Climate Collaborative between WRCOG and SBCTA (and additional stakeholders) as a local branch of the Alliance of Regional Collaboratives for Climate Adaptation (ARCCA). ARCCA is a network of leading regional collaboratives from across California that work together to advance climate adaptation statewide and increase local capacity to build community resilience. Through the “Inland Empire Regional Climate Collaborative (IERCC),” local and regional representatives will connect with peers across the state to exchange knowledge, engage in targeted problem-solving, and implement joint campaigns for climate resiliency, particularly as it pertains to the transportation system, effectively breaking down silos across sectors and jurisdictions. The IERCC’s first order of business, with guidance from LGC, will be to support outreach to public/stakeholders (public agency staff, Caltrans district staff, representatives from businesses, school district staff, representatives from service organizations, neighborhood leaders, residents, and other interest groups) regarding climate resiliency as it relates to the following high-level milestones:

2. San Bernardino County Transportation and Community Vulnerability Assessment (High-Level Milestone 2)

In 2014, SBCTA (formerly the San Bernardino Associated Governments or SANBAG), finalized the San Bernardino County Regional Greenhouse Gas Reduction Plan for their 25 member agencies that includes a host of tools including regional and city-level greenhouse gas summaries, emission reduction strategies, reporting mechanisms, and climate adaptation implementation strategies. In effect, it is the first chapter of the region’s Climate Adaptation Plan (CAP). The next step is to develop a Vulnerability Assessment to rank and identify vulnerable assets, including transportation assets, in San Bernardino County. The assessment will also review vulnerability of populations, structures, public health, and biological resources, and recommend strategies for climate resilience. The result will be a comprehensive document, which will support consistency in planning documents and data sources among the cities, for local use, allowing jurisdictions to avoid duplicative efforts. If the Greenhouse Gas Reduction Plan is Chapter One of

2-PHASE PROJECT

PHASE I (Current Grant Request)

Regional Climate Collaborative

San Bernardino County
Transportation and Community
Vulnerability Assessment

City-Level Climate-Related
Transportation Hazards and
Evacuation Maps

Climate Resilient
Transportation Infrastructure
Guidebook

Regional Climate Adaptation
and Resiliency Template

PHASE II (Future Grant Request)

Plug-n-Play Web-Based
Dashboard

a regional Climate Adaptation Plan for San Bernardino County, the Vulnerability Assessment can be seen as Chapter Two. This, and all other products developed in Phase I, will be immediately available upon final approval from Caltrans on our agencies' websites.

Importantly, WRCOG already has a five-element Climate Action Plan (CAPtivate: A Subregional Climate Action/Adaptation Plan (CAP) and Public Health Framework for Western Riverside County), that includes a comprehensive review of vulnerabilities in Riverside County (e.g., populations, public health, structures, biological resources, and transportation vulnerabilities). The WRCOG Vulnerability Assessment specifically provides 12 transportation-related sensitivities and assessments, including airports; Arizona crossings; bridges/bridge capacity; emergency systems; evacuation routes; fueling infrastructure and pipelines; railways; road drainage systems/storm drainage; road signals/traffic control centers; roads and highways; sidewalks, bikeways, and trails; and transit-supporting infrastructure.

Both the San Bernardino County Transportation and Community Vulnerability Assessment and the WRCOG Vulnerability Assessment will be included on the web-based dashboard that will be developed in Phase II, and will be/are compliant with SB 379 Vulnerability Assessment requirements. These two Assessments will directly support the next proposed project deliverables: *City-Level Climate-Related Hazards for Transportation and Evacuation Maps*, and a *Climate Resilient Transportation Infrastructure Guidebook*. The Project Team will include both counties in these elements, for a collaborative, cross-regional set of tools. These are described further below.

3. City-Level Climate-Related Transportation Hazards and Evacuation Maps (High-Level Milestone 3)

SBCTA will take the lead for this element, but both agencies will collaborate throughout development of this mapping feature. The result will be a portfolio of city-level maps that can be used for a variety of climate adaptation and resiliency planning efforts, including insertion into local hazard mitigation plans, safety elements of the General Plan, or local adaptation plans/strategies. Both regions' transportation Vulnerability Assessments will provide an integral piece for this deliverable. These maps will be immediately available on our individual websites (WRCOG and SBCTA), as with all products developed during Phase I. During Phase II, the Project Team will work with a consultant to develop the maps into an interactive "plug-n-play" online feature. The result will be easy-to-read and manipulatable maps with relevant routes and hazard analysis for each city to lift and add to their own planning documents.

4. Climate Resilient Transportation Infrastructure Guidebook (High-Level Milestone 4)

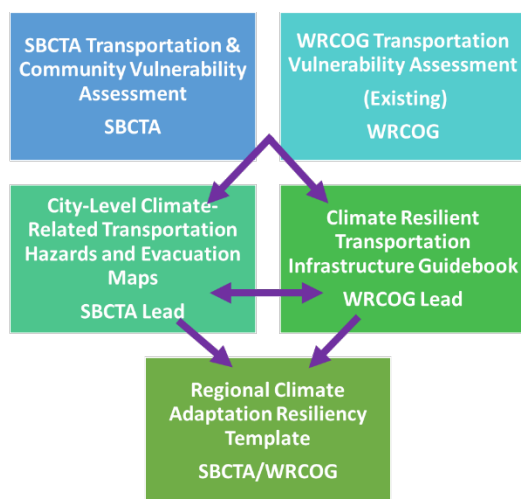
WRCOG will lead this item, but, as above, both agencies will collaborate to produce a Guidebook with bi-regional significance. Using the Vulnerability Analyses from both regions as building blocks, this item will include opportunities for green infrastructure planning, address the challenges local and regional agencies often face (e.g., funding challenges, parking and roadway requirements, site design issues, etc.), and provide strategies for overcoming those challenges (including funding options). WRCOG is currently developing an Alternative Compliance Program for storm water management, an effort that will be leveraged to provide an additional building block for this item. This sustainable "green streets" infrastructure guide will complement the City-Level Climate-Related Transportation Hazards and Evacuation Maps, utilizing data from hazard "hot spots" for priority project areas. Climate resilient green infrastructure/low impact development projects like bioswales and permeable pavement can be used to help reduce pavement temperatures by absorbing sunlight, mitigate the urban heat island effect, and slow "flash flooding" during flood and storm events. The Guidebook will provide strategies using green streets infrastructure to mitigate and provide resiliency to climate change effects on the transportation system. The Guidebook will first be hosted on our agencies' websites, and then be hosted on the web dashboard developed in Phase II, and along with the City-Level Hazards and Evacuation Maps, it will provide a

comprehensive city-by-city view of climate-related hazards, alternative routes, and green infrastructure mitigation and resiliency options for the transportation system for Western Riverside and San Bernardino Counties.

5. Regional Climate Adaptation & Resiliency Template (High-Level Milestone 5)

WRCOG and SBCTA, together with the hired consultant, will develop this template element. All previous high-level deliverables will feed into this ultimate, final task for Phase I, as demonstrated in Figure 1, below. The Project Team will develop a Regional Template Climate Adaptation & Resiliency Element document that jurisdictions can incorporate into their General Plans or for other policy applications. The Regional Template will be a sample document that will be Senate Bill 379-compliant. SB 379 requires the safety elements of General Plans to be reviewed and updated to include climate adaptation and resiliency strategies. The proposed document will include transportation resiliency strategies and language, and will also address state-required climate adaptation resiliency for land use, housing, conservation, open space, safety, and environmental justice. The Template will be available on our agencies' websites upon approval from Caltrans, and on the dashboard developed in Phase II for broad use and adoption, eliminating the need for duplicative efforts across the 45 jurisdictions.

Figure 1. Project Flow Chart



As mentioned previously, the WRCOG and SBCTA service areas cover over 20,000 square miles and include over 3.5 million Californians. WRCOG and SBCTA are voluntary associations that represent member local governments, and seek to provide cooperative planning, coordination, and technical assistance on issues of mutual concern that cross jurisdictional lines. In this sense, the agencies serve to develop consensus on many issues that need to be addressed in a subregional or regional context. The proposed project will leverage efforts at the regional level to facilitate local jurisdiction planning efforts regarding climate resiliency, particularly as it relates to the transportation system, including, but not limited to roads, railways, bikeways, trails, bridges, ports, and airports. The agencies hold an important role, especially for those jurisdictions that cannot accomplish sophisticated planning efforts without financial and technical assistance. The proposed project will assist all of the WRCOG and SBCTA member agencies, but will be of special importance to those cities that are identified as disadvantaged and especially vulnerable to the impacts of climate change. The project will provide local jurisdictions with a comprehensive set of tools to enhance the resiliency of their communities and transportation system to help protect against climate impacts.

BUILDING FROM A ROBUST FOUNDATION

WRCOG and SBCTA will draw on a multitude of existing resources as a foundation for the project, and work collaboratively to maximize the effort and prevent duplication between the agencies. For example, in 2014, WRCOG and its 18 member jurisdictions completed one of the nation's earliest multi-jurisdictional climate planning efforts, CAPtivate: A Healthy Western Riverside County: A Subregional Climate Action/Adaptation Plan (CAP) and Public Health Framework. Additional key documents, which will provide a foundation for the Climate Resilient Transportation Infrastructure Guidebook, are WRCOG's Alternative Compliance Program for storm water management, mentioned above, a Caltrans-funded multi-jurisdictional, multi-modal transportation corridor study, and their Non-Motorized Transportation Plan. Also mentioned above, SBCTA has an existing Regional Greenhouse Gas Reduction Plan that is a stepping stone to this project and will be included in the final Phase II web portal.

The Regional Transportation Plan (RTP) is the cornerstone of transportation planning and programming activities in the Southern California Association of Governments (SCAG) region. WRCOG and SBCTA were both actively engaged in development of the RTP through various policy and technical advisory committees maintained by SCAG, and through the coordination and preparation of local and subregional input to the RTP. Much of SBCTA's input to the RTP was created through development of the Countywide Transportation Plan and various other planning activities and data collection efforts, including the following: Congestion Management Plan; County-wide Transportation Plan; Long-Range Transit Plan; Non-Motorized Transportation Plan; Regional Greenhouse Gas Reduction Plan; Transportation Coordination Plan; and the Transit Access Plan. These plans will help inform the City-Level Transportation Hazards and Evacuation Maps, the Climate Resilient Transportation Infrastructure Guidebook, and the SBCTA Transportation Vulnerability Assessment.

A key project partner is LGC, which supports local policymakers through technical assistance and policy guidance on climate change, energy, water, and community design. LGC provides technical assistance to community leaders and jurisdictions who wish to advance livable community policies and planning efforts, and has particular expertise in climate resiliency and adaptation. LGC provides workshops, trainings, forums, presentations, design charrettes, community image surveys, and policy development assistance. LGC is deeply connected at the state level regarding policy decisions and tools to facilitate adaptation strategies at regional and local levels. LGC is integral to outreach and public engagement during the project's planning process and beyond, and they will also bring an existing portfolio of helpful tools, including a matrix of transportation adaptation measures and planning activities to share on the web-based dashboard in Phase II, and a local adaptation capability maturity model described further in the "Responsible Parties" section.

PLANNING AREA AND DISADVANTAGED COMMUNITIES

San Bernardino County is the largest county in the United States and the 12th most populous. It contains roughly 2.1 million residents and 630,000 enrolled students across 24 cities/towns and 33 school districts of highly diverse character. A significant proportion of San Bernardino County residents live in community areas considered disadvantaged. Approximately 650,000 county residents and 170,000 students live in locales ranked by the CalEnviroScreen 3.0 as among the top 10% most disadvantaged communities statewide. The county's Community Vital Signs (CVS) initiative measured the proportion of county residents less than 18 years of age living in poverty as 26.1%, slightly higher than the California statewide average of 22.8%. Riverside County has a similar profile, as the 11th-most populous county in the United States.

Riverside County encompasses a total of 7,303 square miles in Southern California. The estimated population of Riverside County is over 2.3 million people, including over 1.7 million people served by the Western Riverside Council of Governments. As noted earlier, in multiple census tracts in WRCOG's service area, 70% of residents are identified as low-income. The county's poverty levels are higher than the state level, and median income is lower than the state average. The region is marked by its diverse population, with varied income levels, access issues, transit-dependency, and levels of vulnerability.

San Bernardino and Riverside counties remain two of the fastest growing areas in California and the United States. The proposed project will analyze all of the existing factors in the region, and ensure that the highest-need communities are provided with compelling and advanced data and tools to develop adaptation resiliency plans and strategies, that will promote sustainability and resilience for even the most vulnerable residents. As fires rage in northern California and fatality numbers rise, we are reminded of the extreme impacts climate factors can have on our residents. Low-income and vulnerable populations can suffer the worst in these disasters, with the longest paths to recovery. The proposed project aims to level the playing field among all jurisdictions, and provide the best, easy-to-use, quality data and tools for our member agencies.

RESPONSIBLE PARTIES

WRCOG

WRCOG, with the assistance of SBCTA and a consulting firm, will be responsible for project management, overall project performance, and overseeing all aspects of the proposed project (Tasks 1-5). WRCOG will be involved in all tasks, and will take the lead on Task 3.3 – Develop the Climate Resilient Infrastructure Guidebook, and work collaboratively with SBCTA on Task 3.4 - Develop Regional Climate Adaptation & Resiliency Template. Both agencies will be involved in Task 1 – Project Initiation, Task 2 – Community Outreach, Task 3.5 - Presentation of Draft Toolkit Elements, and Task 4 – Final Toolkit Phase I.

SBCTA

SBCTA will assist WRCOG in management and overseeing project performance. SBCTA will be involved in all tasks, and will take the lead on Task 3.1 - Develop SBCTA Transportation and Community Vulnerability Assessment for Climate Resiliency, and Task 3.2 - Prepare City-Level Climate-Related Transportation Hazards and Evacuation Maps, and will work collaboratively with WRCOG on Task 3.4 - Develop Regional Climate Adaptation & Resiliency Template. Both agencies will be involved in Task 1 – Project Initiation, Task 2 – Community Outreach, Task 3.5 - Presentation of Draft Toolkit Elements, and Task 4 – Final Toolkit Phase I.

Local Government Commission (LGC)

LGC will be the nonprofit organization responsible for Task 2 – Community Outreach and Engagement, and brings expertise in both community engagement and technical assistance in adaptation strategies. The group is developing a matrix of transportation adaptation measures and planning activities to share with agencies like WRCOG and SBCTA as they work to support local compliance of SB 379. LGC is also working with ICF International to develop a local adaptation capability maturity model, and will share the model with local government participants as part of the proposed project. This will include a city self-assessment feature that will tailor strategies and funding opportunities to each city. The model aims to enhance the capacity of local and regional entities to anticipate and plan for climate risks by investigating practical opportunities to fund adaptation and strategies to overcome barriers to adaptation. The goal of the maturity model is to help local governments overcome financial and organizational barriers to adaptation. LGC has been instrumental in helping to outline the tasks and strategies named in this proposal, and will

be an integral partner in the proposed effort. Please see LGC's Letter of Support, included in this application.

Consultants/Subconsultants (TBD)

During Task 1 – Project Initiation, WRCOG and SBCTA will write and approve an RFP for consultant services to develop the proposed Regional Climate Adaptation Toolkit for Transportation Infrastructure, Phase I. The qualified consultant/consulting firm, will be responsible for all action items included in Task 3 – Development of Toolkit, and Task 4 – Final Toolkit Phase I. WRCOG and SBCTA will issue one RFP for the entire consultant scope of work. There will be one contract with the lead project consultant, and the lead consultant will have a team of sub-consultants working under their supervision on the various tasks. Consultants will assemble a team to meet all the project needs.

Team Readiness

WRCOG and SBCTA have an impeccable record of completing progressive and innovative grant-funded plans to serve their member jurisdictions, including WRCOG's Subregional Climate Action Plan (CAP), CAPtivate, and SBCTA's Regional Greenhouse Gas Reduction Plan. CAPtivate includes the following elements: Sustainability Framework; Subregional Climate Action Plan; Climate Adaptation and Resilience Strategy; Technical Appendix (includes Vulnerability Assessment); the CAP Implementation Model Book; and an implementation and monitoring tool to track performance. These five elements represent approximately the same, or a higher, level of effort as the elements in Phase I of the proposed Toolkit, and the major components were completed with a limited grant budget in under 24 months, including extensive public engagement. Twelve of the 18 WRCOG member jurisdictions adopted the Subregional CAP; the remaining jurisdictions had already adopted or were in the process of developing local CAPs. This also shows the readiness of the local jurisdictions to utilize planning frameworks and documents/strategies provided by the COG. Likewise, the Greenhouse Gas Reduction Plan has been adopted locally by multiple jurisdictions, and is being widely used. Agencies consistently utilize their frameworks and planning strategies.

The Project Team acknowledges that the proposed project has an aggressive scope of work, but is also confident in the project's feasibility. A regional approach uses consistent methodologies and allows jurisdictions to collaboratively implement regionally-effective strategies. This creates economies of scale and leads to lower administrative costs and greater publicity of incentives. It also demonstrates that WRCOG and SBCTA member jurisdictions can continue to work effectively towards common goals. Working together and eliminating duplicity will be important during this effort, and will help accomplish multiple deliverables within the allotted timeframe.

The Project Team anticipates that this effort will take 22 months to complete, with various pieces of the project being performed simultaneously. For instance, WRCOG will begin work on the Climate Resilient Transportation Infrastructure Guidebook (High-Level Milestone), concurrently as SBCTA develops the San Bernardino County Transportation Vulnerability Assessment for Climate Adaptation (High-Level Milestone). Information from existing documents can be populated into templates as ongoing community outreach occurs.

The Team is eager and more than capable of accomplishing the goals set forth in this proposal. Please see the detailed Scope of Work, below.

SCOPE OF WORK April 2018-February 2020

Task 1: Project Initiation

Task 1.1: Project Kick-Off Meeting

- Hold kick-off meeting with Caltrans, Western Riverside Council of Governments (WRCOG), San Bernardino County Transportation Authority (SBCTA). Meet to discuss grant procedures and project expectations, including invoicing, quarterly reporting, and all other relevant project information. Meeting summary will be documented.
 - Responsible Party: WRCOG, SBCTA, Caltrans

Task 1.2: RFP for Consultant Services

- Complete an RFP process for consultant services using proper procurement procedures for the development of the Toolkit, Phase I. RFP will be distributed and consultant interviews will be conducted. A consultant(s) will be selected and contracts will be negotiated.
 - Responsible Party: WRCOG, SBCTA, Caltrans

Task 1.3: Memorandum of Understanding

- Conduct Project Team meeting to sign Memorandum of Understanding (MOU) between SBCTA and WRCOG; issue a Task Order and MOU between WRCOG and LGC; and finalize project schedule and milestones.
 - Responsible Party: WRCOG, SBCTA, Caltrans, LGC, Consultant

Task	Deliverable
1.1	Meeting summary
1.2	Final RFP and consultant distribution list, finalized consultant(s) agreement(s)
1.3	Meeting agenda, sign-in sheet, meeting summary, copy of MOUs

Task 2: Community Outreach & Engagement

Task 2.1: Form Regional Climate Collaborative

- Conduct scoping activities with key stakeholders to assess interest in forming a regional climate collaborative to enhance regional coordination and information sharing.
- Organize and facilitate exploratory meetings with stakeholders.
- Establish formation, governance, and funding structure.
- Launch Inland Empire Regional Climate Collaborative (IERCC).
- Promote IERCC through various outreach mechanisms (e.g., WRCOG/SBCTA/LGC websites, partner websites, email blasts, social media posts, informal announcements at relevant stakeholder meetings, etc.).
 - Responsible Party: WRCOG, SBCTA, LGC

Task 2.2: Community Outreach

- **2.2A. Assemble an Advisory Committee (AC).** The AC will provide input on community engagement strategies as the project moves forward. The AC will include public agency staff, Caltrans district staff, representatives from businesses, school district staff, representatives from service organizations, neighborhood leaders, residents, and other interest groups that reflect the demographics and perspectives of the community. The AC of 8-12 representatives will discuss key issues, identify additional stakeholders, determine strategies to engage all segments of the community, and help maximize community participation. An important goal of the AC will be to include specific strategies for outreach and participation to and by Disadvantaged Communities (DACs) in the project area. Both WRCOG and SBCTA have existing partnerships with DAC representatives, formed during multiple planning efforts by the agencies. The SBCTA Regional Greenhouse Gas Reduction Plan includes city-level population and demographic data for each member agency (2014), and WRCOG's CAPtivate (regional CAP) also includes census data at the census tract level (2014). The Project Team and AC will also utilize CalEnviroScreen (DAC maps included in this application), US Census data, and Southern California Association of Governments (SCAG) data, among other sources, to identify and engage DACs in the project area.
 - The AC will meet a minimum of 2 occasions during this project.
 - The first AC meeting will be to determine the schedule and location of future community meetings, key stakeholders to invite, problem areas to study, and strategies for engaging underserved populations.
 - The second AC meeting will focus on outreach and planning for the community meetings.
 - A third AC meeting may be convened following the community meetings to discuss transferrable lessons learned and opportunities to improve community engagement.
- **2.2B. Community Outreach Plan.** With input from the AC meetings, the Project Team will develop a Community Outreach Plan that outlines the steps to engage community members. The Outreach Plan will emphasize outreach to lower-income, disadvantaged residents through locally trusted institutions including churches, health centers, schools, etc., and through existing partnerships with DAC representative agencies. The plan will include a schedule with timing for release, distribution, and placement of publicity items, and a list of potential co-sponsors and co-promoters to assist with outreach and organizing of festive activities (e.g., donated local food and entertainment) to maximize participation and positive input at community events. WRCOG will send the Outreach Plan to Caltrans for review and approval.
 - Produce Materials. LGC, in coordination with WRCOG and SBCTA, will produce flyers and posters publicizing events for community-wide distribution. All materials will be produced in both English and Spanish.
 - Distribute Materials. WRCOG, SBCTA, cities (member agencies), local businesses, and religious and service organizations will be solicited to distribute flyers and information about the events through their networks. Elementary and middle/junior high schools will also be solicited to send flyers home with students. Information about the project will also be circulated via social media.
 - Media Outreach. Announcements and press releases will be distributed to local media. The project partners will work on scheduling changeable message signs and/or banners announcing events. Cities and school districts will be requested to post information on their websites and through their newsletters.
- **2.2C. Community Design Workshops/Charrettes.** The Project Team will conduct at least four community design charrettes, informational workshops and webinars, and/or community

meetings. LGC will travel to community event locations and work with WRCOG and SBCTA on all aspects of event logistics and facilitation.

- An opening community event will be held in the evening to ensure as broad a range of participation as possible.
- Each community event will include an overview or update of project goals and activities and interactive exercises to gather community input.
- A closing community event will share final plans and resources, as well as additional opportunities for community members to engage in climate change adaptation planning.
- Responsible Party: WRCOG, SBCTA, LGC

Task 2.3: Local Agency Support/Additional Outreach

- Conduct local government capability assessment activities, leveraging the local adaptation capability maturity model currently being developed by LGC for the Fourth Assessment. The model is an assessment tool that investigating practical opportunities to fund adaptation and strategies to overcome barriers to adaptation.
 - Recruit local government participants to conduct the online self-assessment survey
- Conduct at least two workshops or webinars to share capability maturity model and provide guidance to help local government staff identify key actions and resources to advance adaptation capabilities.
- Responsible Party: WRCOG, SBCTA, LGC

Task	Deliverable
2.1	Meeting summaries, participant lists, formation documents, promotional materials
2.2	Meeting materials, summaries, and notes for 2-3 AC meetings and 4 outreach meetings, list of Advisory Committee members, Community Outreach Plan, copies of outreach announcements and collateral in English and Spanish, photos of workshops and design charrettes
2.3	Copies of workshop/webinar materials, copies of outreach announcements

Task 3: Development of Regional Climate Adaptation Toolkit for Transportation Infrastructure Phase I

Task 3.1: Develop SBCTA Transportation and Community Vulnerability Assessment

- Identify, evaluate, analyze, and integrate climate adaptation and resiliency strategies as they relate to land use, housing, conservation, open space, safety, environmental justice, and in particular, to the transportation system for San Bernardino County. SBCTA will use WRCOG's CAPtivate Vulnerability Assessment as a model. SBCTA and the consultant will review local and regional plans, conduct stakeholder interviews, consult maps and spatial data, review scholarly research and case studies, and review and utilize state and federal guidance and data.
- Develop a subregional climate resiliency strategy for vulnerable assets in San Bernardino County, including transportation assets. The strategies will address potential impacts to community members, local economies, and local environments resulting from climate change impacts to the transportation system and other assets including, but not limited to: an increased risk of wildfire, flooding, and reduction in agricultural productivity; increased occurrence of heat waves; and a decrease in water supply due to drought.
- The Vulnerability Assessment document will include:

- A Vulnerability Assessment with hazards identified;
- Subregional transportation hazard profiles;
- A collection of existing adaptation programs; and
- Adaptation measures and strategies for the transportation system in San Bernardino County.
- Responsible Party: SBCTA, Consultant

Task 3.2: Prepare City-Level Climate-Related Transportation Hazards and Evacuation Maps. The Project Team will utilize the SBCTA Transportation Vulnerability Assessment (grant-funded) and WRCOG CAPtivate Vulnerability Assessment (existing) as building blocks for this proposed task. Tasks 3.2 and 3.3 will be performed in concert. SBCTA and the consultant will lead this proposed task with collaboration from WRCOG.

- Produce city-level transportation hazard and evacuation maps for member jurisdictions of WRCOG and SBCTA that include the entire bi-regional area.
- Identify communities and individuals with inadequate access to transportation (e.g., survey to determine number and location of transit dependent residents, and build upon information from SBCTA and WRCOG Non-Motorized Transportation Plans).
- Identify alternate transportation routes and methods during climate-related hazards.
- Create a library of maps that can be used for a variety of climate adaptation and resiliency planning efforts including insertion into local hazard mitigation plans, safety elements of the General Plan or local adaptation plans/strategies.
- Responsible Party: WRCOG, SBCTA, Consultant

Task 3.3: Develop Climate Resilient Transportation Infrastructure Guidebook. The Project Team will utilize the SBCTA Transportation Vulnerability Assessment (grant-funded) and WRCOG CAPtivate Vulnerability Assessment (existing) as building blocks for this proposed task. Tasks 3.2 and 3.3 will be performed simultaneously. WRCOG and the consultant will lead this proposed task with collaboration from SBCTA. This guidebook will offer support to municipalities interested in planning, designing, and constructing “green streets” to build resiliency to climate-related transportation vulnerabilities. It will complement and aid in implementing WRCOG’s Alternative Compliance Program for storm water management which is currently under development.

- Identify opportunities for green infrastructure planning and to address the challenges that local and regional planning agencies face, such as funding shortfalls, parking requirements, and site design constraints.
- Provide direction on how these agencies can move forward with plans by strategically leveraging funding and identifying the right options and designs to meet their objectives.
- Specify green streets techniques with demonstrated success, appropriate for Inland Southern California’s unique characteristics, including:
 - Bioretention/bioswales: areas or channels utilizing vegetation to clean storm water runoff);
 - Native plant grow zones: vegetation areas that improve water quality, habitat, and reduce storm water runoff; and
 - Permeable pavement: porous surface that drains water into a storage reservoir to facilitate storm water infiltration.
- Identify example case studies of roadways projects that utilize green infrastructure methods to improve water quality and reduce storm water runoff.
- Responsible Party: WRCOG, SBCTA, Consultant

Task 3.4: Develop Regional Climate Adaptation & Resiliency Template

- Develop a Regional Climate Adaptation & Resiliency Template that jurisdictions can incorporate into their General Plans or for other policy applications. The Regional Template will address Senate Bill 379, which requires the safety elements of General Plans to be reviewed and updated to include climate adaptation and resiliency strategies. The Template will include a sample vulnerability assessment that includes assessments related to the regional transportation system; adaptation and resiliency goals, policies and objectives based on information specified in the vulnerability assessment; and a sample set of feasible implementation measures designed to carry out the goals, policies and identified objectives. The Template will include City-Level Climate-Related Transportation Hazards and Evacuation Maps, and strategies pulled from the Climate Resilient Transportation Infrastructure Guidebook. The Template will be a model for local jurisdictions to lift and modify for use in their own local planning efforts, and will make local compliance with SB 379 attainable for all jurisdictions, including cities that have barriers to comprehensive plan development like financial and capacity stressors.
- Responsible Party: WRCOG, SBCTA, Consultant

Task 3.5: Presentation of Draft Toolkit Elements

- Present draft Toolkit elements to local and regional groups including the IERRC, and WRCOG and SBCTA standing committees (Elected Officials, City Managers, Public Works and Planning Directors).
- Collect local government feedback to improve toolkit.
- Responsible Party: WRCOG, SBCTA, LGC, Consultant

Task	Deliverable
3.1	SBCTA Transportation Vulnerability Assessment for Climate Resiliency
3.2	Library of hazard and evacuation maps
3.3	Climate Resilient Transportation Infrastructure Guidebook
3.4	Regional Climate Adaptation & Transportation Resiliency Template Element
3.5	PowerPoint presentation, participant lists, meeting notes, summary of feedback

Task 4: Final Toolkit Phase I**Task 4.1: Prepare Final Toolkit Elements for Phase I**

- Prepare, based on IERCC and local government agency input, the Final Regional Climate Adaptation Toolkit for Transportation Infrastructure Phase I
- Responsible Party: WRCOG, SBCTA, Consultant

Task 4.2: Presentation of Final Toolkit Elements for Phase I to WRCOG and SBCTA

Present final Toolkit Phase I to WRCOG and SBCTA groups

Task 4.3: Presentation of Final Toolkit Elements for Phase I to Caltrans

- Implement edits from WRCOG and SBCTA Toolkit Presentation (Task 4.2)
- Present final Toolkit Phase I to Caltrans.
 - Responsible Party: WRCOG, SBCTA, Consultant

Task	Deliverable
4.1	Final Toolkit Elements
4.2	Participant lists, PowerPoint presentation, meeting notes
4.3	Final Toolkit, PowerPoint presentation, meeting notes

Task 5: Administration

Task 5.1: Project Monitoring & Contract Management

- Oversee all aspects of contract management throughout duration of the grant period.
- Conduct regular meetings with core project team.
- Responsible Party: WRCOG, SBCTA

Task 5.2: Fiscal Management

- Act as fiscal manager for the project, including invoicing and ensuring proper documentation of expenditures and timely use of funds.
- Responsible Party: WRCOG

Task 5.3: Report Milestone Progress

- Report quarterly on milestone completion to Caltrans' District Project Manager.
- Responsible Party: WRCOG

Task	Deliverable
5.1	Meeting notes
5.2	Invoices
5.3	Quarterly reports, Final Report



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Finance Department Activities Update

Contact: Ernie Reyna, Chief Financial Officer, ereyna@wrcog.us, (951) 405-6740

Date: February 5, 2018

The purpose of this item is to provide an update on the 2nd Quarter Budget Amendment review schedule for Fiscal Year (FY) 2017/2018, the annual TUMF compliance review for FY 2016/2017, the FY 2016/2017 carryover funds allocated to reserves, and the Agency financial report summary through November 2017.

Requested Action:

1. Receive and File.

2nd Quarter Budget Amendment Schedule

December 31, 2017, marked the end of the second quarter for FY 2017/2018. The Finance Directors Committee received the report on January 25, 2018, the Administration & Finance Committee will receive the budget amendment report on February 14, 2018, the Technical Advisory Committee will receive the report on February 15, 2018, and the Executive Committee will receive the report on March 5, 2018.

Annual TUMF Review of Participating Agencies

WRCOG has completed reviews of TUMF collections by participating agencies for FY 2016/2017. The reviews provide WRCOG an opportunity to meet with jurisdictional staff who are assigned to TUMF matters, including planning, public works, and finance staff. During the reviews, WRCOG randomly selects remittance reports to review and verify that the correct land use type has been used and that fees have been calculated properly. The reviews concluded in December 2017 and reports were issued to City Managers / agency heads during the week of January 22, 2018.

FY 2016/2017 Carryover Funds Allocated to Reserves

WRCOG realized a total of \$4 million in FY 2016/2017 carryover revenues (Agency net revenues) for the General Fund, of which \$700,000 was previously allocated by the Executive Committee to continue the Public Service Fellowship Program (which places students from the University of California, Riverside and California Baptist University, at WRCOG member agencies for long-term work opportunities), and \$500,000 was previously allocated to expand the Grant Writing Assistance Program, which provides a bench of consultants to provide members with expert assistance in seeking grant funding for projects of interest. On January 8, 2018, the Executive Committee approved allocating the remaining \$2.8 million to General Fund Agency reserves, bringing the total amount of General Fund Agency reserves to \$4.6 million. The Executive Committee also approved that \$500,000 of these Agency reserves will be specifically set aside for a PACE Program reserve.

Financial Report Summary through November 2017

The Agency Financial Report summary through November 2017, a monthly overview of WRCOG's financial statements in the form of combined Agency revenues and costs, is provided as Attachment 1.

Prior Actions:

January 18, 2018: The Technical Advisory Committee received and filed.

January 10, 2018: The Administration & Finance Committee received and filed.

Fiscal Impact:

This item is informational only; therefore, there is no fiscal impact.

Attachment:

1. Financial Report summary – November 2017.

Item 6.C

Finance Department Activities Update

Attachment 1

Financial Report summary – November 2017

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Western Riverside Council of Governments
Monthly Budget to Actuals
For the Month Ending November 30, 2017

	Approved 6/30/2018 Budget	Thru 11/30/2017 Actual	Remaining 6/30/2018 Budget
Revenues			
General Assembly	300,000	18,800	281,200
WRCOG HERO Residential Revenue	816,771	478,369	338,402
CA HERO Residential Revenue	7,639,575	1,811,919	5,827,656
The Gas Company Partnership	50,000	6,521	43,479
SCE WREP Revenue	75,000	21,302	53,698
WRCOG HERO Residential Recording Revenue	182,775	93,060	89,715
CA HERO Residential Recording Revenue	1,508,036	307,725	1,200,311
CA First Residential Revenue	167,000	17,034	149,966
CA First Residential Recording Revenue	86,000	5,832	80,168
Other Misc Revenue	-	5,921	(5,921)
Solid Waste	117,100	22,837	94,263
Active Transportation Revenue	150,000	80,567	69,433
RIVTAM Revenue	25,000	25,000	-
Air Quality-Clean Cities	137,500	26,000	111,500
Commercial/Service - Admin Portion	101,097	36,255	64,842
Retail - Admin Portion	118,867	69,266	49,602
Industrial - Admin Portion	249,133	257,713	(8,580)
Residential/Multi/Single - Admin Portion	1,045,779	554,433	491,345
Multi-Family - Admin Portion	129,787	58,073	71,714
Commercial/Service - Non-Admin Portion	2,426,945	870,116	1,556,829
Retail - Non-Admin Portion	2,852,820	1,731,645	1,121,175
Industrial - Non-Admin Portion	5,979,195	6,442,833	(463,637)
Residential/Multi/Single - Non-Admin Portion	25,098,070	13,758,616	11,339,454
Multi-Family - Non-Admin Portion	3,114,890	1,451,823	1,663,067
Total Revenues	63,021,435	28,151,661	34,869,774
Expenditures			
Wages & Salaries	2,584,095	1,096,710	1,487,385
Fringe Benefits	739,956	298,492	441,463
Total Wages and Benefits	3,384,051	1,395,203	1,988,848
			-
Overhead Allocation	2,219,371	805,493	1,413,878
General Legal Services	590,233	256,075	334,158
Audit Fees	27,500	10,200	17,300
Bank Fees	29,000	23,835	5,165
Commissioners Per Diem	62,500	21,750	40,750
Office Lease	427,060	147,228	279,832
WRCOG Auto Fuel	750	200	550
WRCOG Auto Maintenance	100	16	84
Parking Validations	4,775	2,410	2,365
Event Support	112,600	59,343	53,257
General Supplies	66,536	5,134	61,402
Computer Supplies	12,500	1,943	10,557
Computer Software	18,000	21,453	(3,453)
Rent/Lease Equipment	35,000	12,695	22,305
Membership Dues	31,950	14,136	17,814

Subscriptions/Publications	6,500	279	6,221
Meeting Support/Services	12,100	2,802	9,298
Postage	8,155	2,641	5,514
Other Household Expenditures	4,880	1,125	3,756
Storage	1,000	6,052	(5,052)
Computer Hardware	1,000	1,692	(692)
Misc. Office Equipment	-	688	(688)
Communications-Regular	1,000	4,381	(3,381)
Communications-Long Distance	500	95	405
Communications-Cellular	12,677	3,633	9,044
Communications-Comp Sv	75,000	24,338	50,662
Communications-Web Site	5,600	6,427	(827)
Equipment Maintenance - General	11,000	5,265	5,735
Equipment Maintenance - Computers	25,000	8,654	16,346
Insurance - General/Business Liason	72,950	65,271	7,679
PACE Recording Fees	1,862,811	488,568	1,374,243
Seminars/Conferences	24,550	6,000	18,550
General Assembly Expenditures	304,200	8,154	296,046
Travel - Mileage Reimbursement	15,700	9,410	6,290
Travel - Ground Transportation	13,100	876	12,224
Travel - Airfare	28,704	4,426	24,278
Lodging	17,850	2,645	15,205
Meals	10,419	1,799	8,620
Other Incidentals	13,358	5,588	7,770
Training	14,321	8,060	6,261
Supplies/Materials	35,117	281	34,836
Ads	47,370	17,525	29,845
Consulting Labor	4,159,928	497,764	3,662,164
Consulting Expenses	72,865	2,243	70,622
TUMF Project Reimbursement	39,000,000	6,676,690	32,323,310
BEYOND Expenditures	2,052,917	217,819	1,835,098
Computer Equipment Purchases	41,204	14,608	26,596
Office Furniture Purchases	315,000	173,286	141,714
Total General Operations	61,741,206	9,650,993	52,090,213
Total Expenditures	65,125,257	11,046,196	54,079,060



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Regional Streetlight Program Activities Update

Contact: Tyler Masters, Program Manager, tmasters@wrcog.us, (951) 405-6732

Date: February 5, 2018

The purpose of this item is to provide the Committee with an update on the Western Riverside County Streetlight acquisition process schedule and Light Emitting Diode (LED) Procurement Request for Quotation (RFQ) process.

Requested Action:

1. Receive and file.
-

WRCOG's Regional Streetlight Program will assist member jurisdictions with the acquisition and retrofit of their Southern California Edison (SCE)-owned and operated streetlights. The Program has three phases: 1) streetlight inventory; 2) procurement and retrofitting of streetlights; and 3) ongoing operations and maintenance. The overall goal of the Program is to provide cost savings to member jurisdictions.

Background

At the direction of the Executive Committee, WRCOG developed a Regional Streetlight Program that will allow jurisdictions (and Community Service Districts) to purchase streetlights within their boundaries that are currently owned and operated by SCE. Once the streetlights are owned by the member jurisdiction, the lamps will be retrofitted to Light Emitting Diode (LED) technology to provide more economical operations (i.e., lower maintenance costs, reduced energy use, and improvements in public safety). Local control of the streetlight system provides jurisdictions with opportunities for future revenue generation such as digital-ready networks and telecommunications and information technology strategies.

The Program seeks to provide cost-efficiencies for local jurisdictions through the purchase, retrofit, and maintenance of streetlights within jurisdictional boundaries, without the need of additional jurisdictional resources. As a regional Program, WRCOG is working with participating jurisdictions to move through the acquisition process, develop financing recommendations, develop and update regional and community-specific streetlight standards, and implement a regional operations & maintenance (O&M) agreement that will enhance the level of service currently provided by SCE.

Regional Streetlight Acquisition Update

11 jurisdictions (listed below) have decided to move forward and have signed Purchase and Sales Agreements to acquire current SCE-owned streetlights within their jurisdictional boundaries. Collectively, these account for nearly 48,000 streetlights within Western Riverside County. Once each Agreement is signed by the jurisdiction, SCE will transmit the Agreement to the California Public Utilities Commission (CPUC) for review and approval.

In 2017, three jurisdictions (Cities of Eastvale, Murrieta, and Temecula) Streetlight applications entered the CPUC's review process. The Cities of Eastvale (approved 12/8/17) and Murrieta (approved 10/10/17) have received CPUC approval on their applications. The City of Temecula will receive their approval in the first and/or second quarter of 2018. The reasoning for the longer approval process is that the City of Temecula has an acquisition cost of over \$5 million which requires a formal filing process within the CPUC.

Staff will continue to keep WRCOG Committees updated as jurisdictions progress through the acquisition process.

Acquisition Process Schedule: The table below provides the status for each jurisdiction participating in the Program. While the Cities of Eastvale, Murrieta, and Temecula have advanced to the CPUC for approval of streetlight acquisition, the eight remaining jurisdictions are awaiting SCE's submission of the Agreements to the CPUC. Staff estimates the next group of WRCOG cities will advance to the CPUC in early 2018. The timeline of acquisition approval activities below is subject to change as SCE and CPUC progress through the approval processes. WRCOG staff will continue to update the progress as jurisdictions reach each milestone.

	City approves agreement to purchase streetlights	SCE executes agreement	SCE sends to CPUC	CPUC approves streetlight transfer	City approves program participation
Eastvale	4/12/2017	✓	✓	12/8/2017	Est. 2/28/18
Hemet	3/14/2017	✓			
JCSD	3/13/2017	✓			
Lake Elsinore	1/24/2017	✓			
Menifee	2/15/2017				
Moreno Valley	3/21/2017	✓			
Murrieta	3/7/2017	✓	✓	9/29/2017	12/19/2017
Perris	3/28/2017	✓			
San Jacinto	3/28/2017	✓			12/19/2017
Temecula	2/28/2017	✓	✓	Est. Q1 / Q2 2018	
Wildomar	3/8/2017	✓			

The City of Eastvale is in the process of taking an item to its City Council on the Program participation on February 28, 2018. Prior to this action for Program participation, WRCOG staff provided a Streetlight Program update to the City of Eastvale's City Council at its January 24, 2018, meeting to convey information on the status of the regional Program and the information on the RFQ analysis for LED fixture selection.

WRCOG staff is available to provide updates at public, board, and city council meetings upon request.

Streetlight Request for Quotation (RFQ) LED Procurement

On September 21, 2017, WRCOG released an RFQ to solicit suppliers interested in providing WRCOG's member jurisdictions with LED lights for the replacement of jurisdiction-owned streetlights. The release of the RFQ for LED Procurement is the next step within the Regional Streetlight Program as many of the jurisdictions are in the process of acquiring their streetlights from SCE. One of the goals of the Program is to assist jurisdictions with the identification and installation of new LED technology, and this RFQ meets that goal. The RFQ for LED Procurement went through several phases of addendums in order to provide interested proposers with enough time and information on the region's lighting specifications so that it can meet the needs of the Program.

On December 21, 2017, the RFQ closed and WRCOG staff received proposals from 11 different lighting vendors expressing interest in providing lighting products for this regional program. Upon closing of the RFQ,

staff formed an Evaluation Committee consisting of WRCOG's financial consultant (PFM), O&M contractor (Siemens), and interested jurisdictions involved in the Program.

On January 16, 2018, the Evaluation Committee met for the review / analysis of LED lighting fixtures. The goal was to discuss and determine the best qualified LED lighting fixture(s) that meet the region's street lighting needs. Per the conclusion of the meeting, staff began compiling scores per each Committee member and will report out with the findings to identify which proposals have met the lighting criteria set forth in the RFQ. Staff also provided an update on the findings from the Evaluation Committee at the January 18, 2018, Technical Advisory Committee meeting. Once the Evaluation Committee has developed a recommendation, WRCOG staff will take the recommendation through the Public Works Committee and the Administration & Finance Committee for consideration and action before the recommendation is presented to the Executive Committee for consideration.

Prior Actions:

January 18, 2018: The Technical Advisory Committee received and filed.

January 11, 2018: The Public Works Committee received and filed.

Fiscal Impact:

This item is informational only; therefore, there is no fiscal impact.

Attachment:

None.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Environmental Department Activities Update

Contact: Dolores Sanchez Badillo, Senior Analyst, dbadillo@wrcog.us, (951) 405-6735

Date: February 5, 2018

The purpose of this item is to provide an update on the Used Oil and Filter Exchange Program and events, and the status of community outreach activities.

Requested Action:

1. Receive and file.

WRCOG's Solid Waste Program assists member jurisdictions with addressing state mandates, specifically Assembly Bill (AB) 939 (1989), which requires diversion of waste from landfills. Each year, a jurisdiction must file an Electronic Annual Report (EAR) with CalRecycle on the jurisdictions' achievements in meeting and maintaining the diversion requirements. The Solid Waste Program also has a Regional Used Oil component designed to assist member jurisdictions in educating and promoting the proper recycling and disposal of used oil, oil filters, and Household Hazardous Waste (HHW).

Used Oil and Filter Exchange Events

WRCOG's Used Oil and Oil Filter Exchange events help educate and facilitate the proper recycling of used motor oil and used oil filters. The primary objective is to educate "Do It Yourself" (DIY) individuals who change their own oil, as well as promote recycling of used oil and oil filters to avoid these contaminants being disposed directly into the environment; therefore, an auto parts store is a great venue for these events. In addition to promoting used oil / oil filter recycling, staff provides information about the County-wide HHW Collection Program, which allows residents to drop-off other automotive and household hazardous products for free. Staff are now utilizing an electronic survey on an iPad to interact with residents at these events and collect information to help better inform community members of future opportunities to recycle used oil. Staff recently conducted the following Used Oil events in the subregion:

Date	Event	Location
1/6/2018	City of Murrieta Used Oil Event	AutoZone 40950 California Oaks
1/20/2018	City of Banning Used Oil Event	AutoZone 3453 W Ramsey Street
1/27/2018	City of San Jacinto Used Oil Event	AutoZone 1540 S. San Jacinto Ave
2/3/2018	City of Norco Used Oil Event	AutoZone 1404 Hamner Ave

The following is a list of upcoming Used Oil Outreach and Oil Filter Exchange Events:

Date	Event	Location	Time
2/17/2018	City of Riverside Used Oil Event	AutoZone 7315 Indiana Ave	9:00 a.m. – 1:00 p.m.
3/3/2018	City of Corona Used Oil Event	AutoZone 501 North McKinley	9:00 a.m. – 12:00 p.m.
3/17/2018	City of Perris Used Oil Event	AutoZone 1675 North Perris Blvd	9:00 a.m. - 12:00 p.m.
3/31/2018	City of Riverside Used Oil Event	AutoZone 4195 Van Buren Blvd	9:00 a.m. – 1:00 p.m.

Social Media Campaign Launched

The Used Oil and Filter Exchange Program relies on marketing and promotion efforts to attract residents to various events throughout the region. These events educate and increase awareness about local used oil collection and disposal resources. WRCOG staff recently launched a digital advertising campaign for the Program that will focus on driving Facebook event registrations to upcoming Used Oil Recycling Program events in January and February 2018. The lessons learned from this campaign can be applied to future outreach initiatives, either online or offline. A report on its effectiveness will be provided to the Committee once the campaign has concluded.

Meetings and Conferences

Staff periodically attend and host meetings that focus on how agencies can promote and educate residents and businesses on the environmental and health benefits of recycling, legislation pertaining to waste and recycling, and best practices.

SoCal Energy Water + Green Living Summit: In January, staff participated in the ninth annual Summit held in the Coachella Valley. Presenters discussed the region's environmental issues and provided solutions and proposals. Among the presenters, Southern California Edison introduced a plan to decarbonize the electric sector with a goal of 80% carbon free resources by 2030. New legislation to bring SB 100 (SB 100 will transition California to 100% fossil-free electricity) forward was discussed, with a target goal of 100% renewable energy resources by the year 2045. The Salton Sea, with its receding shorelines, was a hot topic. This brings new environmental concerns to the surrounding ecosystems as well as the communities' environmental health.

Household Hazardous Waste Information Exchange: Staff attended a CalRecycle-sponsored Exchange on January 24, 2018. The Exchange is a forum of HHW professionals that share program ideas and exchange information among the industry. In general, products like oil, paint, pesticides, household cleaners, building materials, and other special wastes found around a home are required to be disposed of or recycled properly to protect the public health and environment. Meetings take place every few months in northern and southern California, rotating locations hosted by different jurisdictions. This quarter's event was hosted by the City of Anaheim.

Prior Action:

January 18, 2018: The Technical Advisory Committee received and filed.

Fiscal Impact:

This item is informational only; therefore, there is no fiscal impact.

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Western Riverside Energy Partnership Activities Update

Contact: Tyler Masters, Program Manager, tmasters@wrcog.us, (951) 405-6732

Date: February 5, 2018

The purpose of this item is to provide the Committee with information on WREP's 2017 Programmatic overview.

Requested Action:

1. Receive and file.

The Western Riverside Energy Partnership (WREP) responds to Executive Committee direction for WRCOG, Southern California Edison (SCE), and SoCal Gas to seek ways to improve marketing and outreach to the WRCOG subregion regarding energy efficiency. WREP is designed to help local governments set an example for their communities to increase energy efficiency, reduce greenhouse gas emissions, increase renewable energy usage, and improve air quality.

2017 Programmatic Overview

2017 City Tier Level Updates: During 2017, five WREP member jurisdictions progressed to new tiers in the Partnership, achieving energy and utility cost savings, and unlocking additional rebates / incentives for future energy efficiency projects. In total, the following five cities saved over 1.9 million kWh in municipal energy savings to reach their next tier level:

- City of Canyon Lake advanced from Silver to Gold
- City of Norco advanced from Silver to Gold
- City of Perris advanced from Gold to Platinum
- City of Temecula advanced from Gold to Platinum
- City of Wildomar advanced from Value to Silver

This progression has been achieved as jurisdictions implement various energy efficiency projects within their municipal facilities. The SCE tier structure is comprised of four levels: Value, Silver, Gold, and Platinum. All participating jurisdictions start at Value level; in order to move on up in tier level status, member cities must complete several community requirements and implement energy efficiency projects to help reach their goal of kWh saved. While SoCal Gas does not operate a tier structure, it does provide member jurisdictions enhanced incentives for qualified energy efficiency projects as well. Projects can include, but are not limited to, boilers, water heaters, pool covers, and gas appliances (stoves and dryer).

One of the main goals of the Partnership is to help participating member jurisdictions move up in their tier levels in order to achieve higher incentives on energy efficiency projects from SCE and SoCal Gas. WREP will continue to work with jurisdictional staff in 2018 to identify / implement energy projects as well as assist with community outreach programs to help each member move up the SCE tier level in order to receive higher incentives.

CPUC Recognition: In February 2017, WREP received recognition from the California Public Utilities Commission (CPUC). The CPUC released a report noted as the Nonresidential Energy Efficiency Depth of Retrofit and Cost Effectiveness Analysis Report (DORCE). The purpose of the CPUC creating this report was to provide a performance indicator to highlight the various energy efficiency programs throughout the State of California. The Governor's Executive Order B-30-15 establishes a California greenhouse gas emissions reduction target of 40% below 1990 levels by the year 2030.

The DORCE examined 1) cost effectiveness of energy projects, 2) savings achieved (kWh), and 3) depth of the energy retrofit. Upon completion of this Analysis, the CPUC listed WREP as 6th out of the 166 energy programs in the State of California (Attachment 1).

Direct Install: During the summer of 2017, SCE allocated over \$2 million in funding to provide energy efficiency audits and installation of LED Tubes for their ongoing Direct Install (DI) Program. Direct Install is a no cost energy program offered by SCE that provides both commercial and municipalities with a no cost energy audit and installation of identified energy measures through an SCE certified consultant. In order for either commercial or municipalities to be eligible to participating in DI, a list of facilities under SCE accounts (account number) and service addresses are needed to enroll into the Program. In the past, SCE's Direct Install Program has installed energy efficient lighting, plug load occupancy sensor, open / close LED signage, and lighting occupancy sensor (wall mounted). The table below demonstrates the estimated energy savings and incentives (2013 - 2016) that member jurisdictions received through participation in DI:

WREP jurisdiction	Gross kWh savings	Gross kW savings
Calimesa	6,966	1.65
Canyon Lake	10,239	2.44
Hemet	142,863	33.87
Lake Elsinore	62,267	14.69
Menifee	2,568	1
Murrieta	73,569	16.82
Perris	50,576	12.03
Temecula	50,012	9.17
Wildomar	18,781	6.4
Total	417,841	98.07

For 2017, the Cities of Canyon Lake, Hemet, Moreno Valley, Murrieta, and Wildomar participated in the Direct Install Program for their municipal facilities and, as a result of their participation, these jurisdictions have saved an estimated total of over 140,000 kWh.

WREP jurisdiction	Gross 2017 kWh savings	Gross 2017 kW savings
Canyon Lake	10,222.7	3.53
Hemet	58,061.68	18.3
Moreno Valley	50,234.8	17.66
Murrieta	11,491.92	3.41
Wildomar	19,322.88	6
Total	149,333.78	48.9

Prior Action:

January 18, 2018: The Technical Advisory Committee received and filed.

Fiscal Impact:

This item is information only; therefore, there is no fiscal impact.

Attachment:

1. CPUC Program Ranking.

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Item 6.F

Western Riverside Energy
Partnership Activities Update

Attachment 1

CPUC Program Ranking

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A.4 PROGRAM RANKING

TABLE A-4: PROGRAM SCORE AND RESIDUAL RANKINGS



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SCE-TP-033	Automatic Energy Review for Schools Program	1	5	30	31	33	5	3	24	92	6
SCG3716	SW-IND-Deemed Incentives	2	1	135	133	104	1	1	134	136	110
SCG3715	SW-IND-Calculated Incentives	3	2	115	112	89	22	18	86	54	98
SDGE3118E/ SDGE3222	SW-COM-Savings by Design	4	14	16	9	51	124	65	125	127	94
SCE-13-SW-002G	Savings by Design	5	22	10	32	11	25	50	17	25	22
SCE-13-L-002R	Western Riverside Energy Leader Partnership	6	149	1	113	1	3	68	2	117	1
PGE21019	Enhanced Automation Initiative	7	3	146	157	111	4	2	143	162	61
PGE21029	Refinery Energy Efficiency Program	8	4	159	126	162	8	6	124	64	144
PGE210118	Furniture Store Energy Efficiency	9	97	2	69	3	7	24	4	16	5
SCE-13-TP-005	Lodging EE Program	10	61	8	14	19	12	34	8	17	4
SDGE3117E	Energy Savings Bid (Encumbered)	11	7	112	99	103	51	13	130	114	133
SCE-13-TP-012	Refinery Energy Efficiency Program	12	13	66	56	69	14	16	21	21	32
PGE2110014	Department of Corrections and Rehabilitation	13	42	31	6	87	70	38	94	37	129
PGE210113	Energy Fitness Program	14	62	11	45	9	13	9	55	68	41
PGE21035	Dairy Energy Efficiency Program	15	55	15	20	24	9	21	5	8	7
SCE-13-L-002D	City of Santa Ana Energy Leader Partnership	16	115	5	105	2	41	78	27	99	29
SCE-13-SW-003C	Industrial Deemed Energy Efficiency Program	17	23	53	100	20	75	73	62	124	38
SDGE3226	SW-COM Direct Install	18	133	4	10	13	94	144	43	90	21



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE210114	Energy Savers	19	87	9	67	4	78	85	90	61	91
SCE-13-L-003B	California Dept. Of Corrections and Rehabilitation EE Partnership	20	98	7	2	114	36	81	34	42	93
PGE210115	Rightlights	21	100	6	40	5	109	143	56	78	36
PGE210120	Monitoring-Based Commissioning	22	6	136	157	90	2	4	64	116	37
PGE21031	Agricultural Calculated Incentives	23	20	68	111	30	16	80	3	30	3
SCE-13-L-003F	State OF California Energy Efficiency Partnership	24	86	12	35	12	62	110	38	84	14
PGE211010	Fresno	25	71	32	58	17	37	19	65	75	51
SCG3710	SW-COM-Calculated Incentives	26	12	110	131	57	38	96	10	22	15
SCE-13-TP-006	Food & Kindred Products	27	24	73	43	98	53	30	54	62	62
PGE210122	Casino Green	28	60	34	7	95	100	17	149	143	134
SCE-13-L-002B	City of Long Beach Energy Leader Partnership	29	101	17	57	10	17	22	32	111	10
PGE210141	Lincus Commercial Mid-Market Program	30	164	3	2	62	56	103	51	129	8
PGE211025	Savings by Design (SBD)	31	18	103	117	58	45	42	93	57	122
PGE211012	Madera	32	84	26	52	16	39	25	50	48	64
SCE-13-L-003G	UC/CSU Energy Efficiency Partnership	33	88	28	4	140	136	83	148	160	114
SCG3719	SW-AG-Calculated Incentives	34	10	120	136	68	131	133	107	146	73
PGE211014	Mendocino County	35	132	13	62	6	49	88	44	72	42
SCE-TP-027	Monitoring-Based Commissioning	36	8	153	157	135	10	5	161	159	138
SCE-13-L-002T	West Side Energy Leader Partnership	37	135	14	13	38	90	102	48	43	50
PGE210111	Lodgingsavers	38	74	36	12	86	153	128	154	140	156
PGE211019	San Mateo County	39	114	22	39	21	76	64	69	89	43



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE21021	Industrial Calculated Incentives	40	9	139	102	163	68	92	71	7	159
SDGE3220	SW-COM-Calculated Incentives-Calculated	41	11	126	121	107	54	46	75	34	108
PGE2110011	California Community Colleges	42	65	48	11	118	107	115	96	36	126
SCE-13-SW-002B	Commercial Calculated Program	43	25	90	82	84	71	59	98	52	103
PGE21032	Agricultural Deemed Incentives	44	15	119	110	106	31	7	141	100	150
SDGE3223	SW-COM-Deemed Incentives-Commercial Rebates	45	35	75	76	73	20	23	26	40	34
PGE2110051	Local Government Energy Action Resources (LGEAR)	46	138	19	41	15	47	97	28	49	33
PGE21022	Industrial Deemed Incentives	47	26	89	106	55	32	33	18	59	19
SCE-13-TP-014	Commercial Utility Building Efficiency	48	31	81	89	63	33	43	19	23	31
SCE-13-SW-002C	Commercial Deemed Incentives Program	49	39	74	92	53	44	26	84	80	74
SCE-13-L-002Q	Ventura County Energy Leader Partnership	50	143	18	65	8	74	120	41	77	28
PGE211021	Sierra Nevada	51	125	27	64	14	58	67	59	102	39
SCE-13-L-002G	Community Energy Leader Partnership	52	110	33	28	37	61	29	77	63	54
SCE-13-SW-003B	Industrial Calculated Energy Efficiency Program	53	21	108	85	116	110	132	68	19	117
SCE-13-SW-002D	Commercial Direct Install Program	54	140	21	24	28	128	141	114	44	132
SCE-13-L-002J	Desert Cities Energy Leader Partnership	55	134	24	23	34	117	136	78	31	107
PGE211022	Sonoma County	56	99	37	66	23	86	79	89	71	87
PGE2110012	University of California/California State University	57	54	61	26	97	139	91	135	123	106
PGE21038	Wine Industry Efficiency Solutions	58	70	54	27	72	77	94	63	51	60



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SCE-TP-015	Industrial Gasses	59	58	59	15	124	34	49	29	15	100
PGE21027	Heavy Industry Energy Efficiency Program	60	41	78	37	130	108	130	23	14	77
PGE211023	Silicon Valley	61	109	35	46	32	73	69	73	96	48
SCE-13-L-003D	County of Riverside Energy Efficiency Partnership	62	137	29	91	7	83	162	9	45	16
PGE210310	Dairy Industry Resource Advantage Pgm	63	72	56	30	75	65	48	91	93	71
SCE-TP-031	Management Affiliates Program	64	107	39	21	54	93	111	83	50	85
PGE21018	Energysmart Grocer	65	28	102	73	117	30	20	101	125	58
SCE-13-TP-007	Primary and Fabricated Metals	66	38	91	60	112	69	89	39	39	76
PGE2227	Cement Production and Distribution Energy Efficiency	67	152	23	2	165	66	125	15	4	160
PGE210311	Process Wastewater Treatment EM Pgm For Ag Food Processing	68	44	83	118	43	21	44	13	28	11
PGE211015	Napa County	69	105	45	70	25	103	82	106	86	104
PGE21011	Commercial Calculated Incentives	70	32	101	86	94	59	86	25	10	56
SCE-13-L-002S	City of Adelanto Energy Leader Partnership	71	158	20	5	99	148	142	159	161	152
PGE211007	Association of Monterey Bay Area Governments (AMBAG)	72	113	43	54	35	52	45	53	73	44
PGE211016	Redwood Coast	73	121	40	42	39	114	104	99	60	101
SCE-13-TP-009	Comprehensive Chemical Products	74	53	72	48	93	96	123	52	47	86
SCE-TP-028	Monitoring-Based Persistence Commissioning Program	75	79	58	25	88	85	149	6	3	65
SCE-13-TP-018	School Energy Efficiency Program	76	92	51	79	31	146	139	137	131	136



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE211020	Santa Barbara	77	123	42	18	61	72	72	95	55	128
SCE-13-SW-004B	Agriculture Calculated Energy Efficiency Program	78	45	84	139	26	80	113	31	147	13
PGE211011	Kern	79	130	38	22	52	88	95	104	70	120
SCE-13-L-002P	South Santa Barbara County Energy Leader Partnership	80	157	25	16	42	19	61	22	41	20
SCE-TP-037	Private Schools and Colleges Program	81	119	47	51	46	40	98	16	26	17
SCE-13-L-003E	County of San Bernardino Energy Efficiency Partnership	82	129	44	19	64	84	77	81	87	75
SCE-TP-0608	Coin Operated Laundry Program	83	136	41	71	22	152	151	131	121	97
SCE-13-L-003A	California Community Colleges Energy Efficiency Partnership	84	112	50	8	139	46	60	36	35	66
SCG3793	3P-IDEEA365-Instant Rebates! Point-Of-Sale Foodservice Rebate Program	85	52	82	157	18	119	100	119	109	119
PGE21017	Boiler Energy Efficiency Program	86	47	93	128	41	28	40	11	148	2
SCG3766	3P-SAVEGAS	87	16	143	157	108	87	41	136	132	137
PGE211009	East Bay	88	80	67	97	40	97	53	110	122	95
PGE21012	Commercial Deemed Incentives	89	34	114	96	109	15	14	46	38	84
PGE211024	San Francisco	90	118	55	87	27	130	114	109	115	88
SCE-13-TP-008	Nonmetallic Minerals and Products	91	48	94	47	146	113	117	85	33	140
SCG3711	SW-COM-Deemed Incentives	92	43	105	135	48	116	129	79	79	57
SCG3758	3P-Preps	93	91	64	36	92	6	56	1	1	18
PGE21026	Energy Efficiency Services For Oil Production	94	17	150	145	127	43	55	57	139	12
SCE-13-L-002L	Orange County Cities Energy Leader Partnership	95	85	71	109	36	145	66	157	88	162



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SDGE3231	SW-IND-Calculated Incentives-Calculated	96	30	123	94	152	122	146	49	29	111
SDGE3233	SW-IND-Deemed Incentives	97	57	92	90	83	91	31	126	145	68
PGE211018	San Luis Obispo County	98	145	49	34	59	104	107	113	66	135
SCE-13-L-003C	County of Los Angeles Energy Efficiency Partnership	99	77	77	103	49	147	109	138	135	116
PGE210112	School Energy Efficiency	100	96	69	38	100	48	76	42	83	46
PGE211013	Marin County	101	124	60	72	47	121	84	127	113	124
SCE-13-TP-003	Healthcare EE Program	102	63	96	59	126	18	15	87	101	79
PGE210116	Small Business Commercial Comprehensive	103	49	109	114	79	129	135	103	138	53
SDGE3162	3P-NRes02 - SaveGas - Hot Water Control	104	19	147	157	115	26	37	47	104	27
SCG3757	3P-Small Industrial Facility Upgrades	105	40	122	122	91	158	161	121	157	52
PGE210126	K-12 Private Schools And Colleges Audit Retro	106	144	57	33	74	120	108	128	110	125
SCE-13-TP-011	Oil Production	107	27	134	116	137	79	75	60	56	82
PGE2110013	State of California	108	67	95	104	67	81	74	61	98	40
PGE2189	Cool Controls Plus	109	66	97	74	102	133	150	45	9	123
PGE210110	Monitoring-Based Persistence Commissioning	110	51	107	95	101	98	126	33	32	45
SDGE3221	SW-COM-Calculated Incentives-RCX	111	33	131	115	133	29	11	108	154	30
SCE-13-L-002E	City of Simi Valley Energy Leader Partnership	112	142	62	17	113	134	62	142	103	153
SCE-13-L-002K	Kern County Energy Leader Partnership	113	159	52	29	65	55	57	37	11	112
SCE-13-L-002C	City of Redlands Energy Leader Partnership	114	139	65	78	50	67	87	66	120	23



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE21042	Lighting Innovation	115	37	130	147	81	11	8	20	46	26
SCE-13-L-002N	San Joaquin Valley Energy Leader Partnership	116	102	80	81	76	89	12	147	95	154
PGE21016	Air Care Plus	117	78	100	68	122	27	52	14	6	115
PGE21036	Industrial Refrigeration Performance Plus	118	50	121	101	129	154	137	160	137	158
SCE-13-L-002H	Eastern Sierra Energy Leader Partnership	119	165	46	49	45	42	90	30	24	59
SCE-13-L-002M	San Gabriel Valley Energy Leader Partnership	120	104	87	93	70	137	36	158	69	163
SCE-13-L-002F	Gateway Cities Energy Leader Partnership	121	156	63	63	56	112	131	88	67	83
PGE21025	California Wastewater Process Optimization	122	69	111	119	77	106	124	67	27	55
PGE21028	Industrial Compressed Air Program	123	29	149	157	121	95	121	76	155	9
SCE-TP-025	Retail Energy Action Program	124	93	99	132	44	57	28	92	134	67
SCE-13-TP-021	Enhanced Retrocommissioning	125	83	104	61	151	63	112	12	2	146
SCE-13-TP-017	Energy Efficiency for Entertainment Centers	126	131	79	44	119	82	70	102	85	102
PGE2183	Comprehensive Retail Energy Management	127	82	106	75	132	24	10	82	12	141
PGE2201	California High Performance Lighting Program	128	103	98	157	29	159	157	139	165	78
PGE210125	California Preschool Energy Efficiency Program	129	154	70	53	85	138	148	120	106	118
PGE2198	Data Centers Cooling Controls Program	130	64	124	88	154	35	32	58	18	105
PGE2214	Energy Efficiency Program for Entertainment Centers	131	141	88	50	125	64	119	7	5	72
SCE-13-L-002O	South Bay Energy Leader Partnership	132	153	76	84	60	141	93	152	82	161



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SCE-13-SW-004C	Agriculture Deemed Energy Efficiency Program	133	89	116	129	66	135	106	140	156	113
PGE210124	Ozone Laundry Energy Efficiency	134	59	129	157	80	115	118	72	107	47
PGE210131	PECI Aercx	135	151	85	55	110	99	140	35	76	25
SCE-13-TP-004	Data Center Energy Efficiency	136	90	118	98	128	127	71	146	105	147
PGE21039	Comprehensive Food Process Audit & Resource Efficiency Pgm	137	56	138	107	159	162	153	164	74	166
SDGE3239	SW-AG-Deemed Incentives	138	111	113	77	147	143	147	112	20	155
PGE2191	Medical Building Tune-Up	139	75	128	108	149	60	35	80	58	69
PGE210117	Energy-Efficient Parking Garage	140	76	132	134	96	150	155	115	108	90
SCG3720	SW-AG-Deemed Incentives	141	68	137	124	131	102	54	132	97	131
PGE2220	Assessment, Implementation, and Monitoring (AIM) Program	142	36	165	157	161	101	39	155	151	99
SCE-13-L-002A	City of Beaumont Energy Leader Partnership	143	161	86	80	82	123	101	133	144	96
SCE-13-SW-005B	Lighting Innovation Program	144	95	125	143	71	92	51	117	152	49
PGE210123	Healthcare Energy Efficiency Program	145	128	117	83	150	140	145	97	94	92
SCE-TP-008	Comprehensive Beverage Manufacturing & Resource Efficiency	146	46	161	157	155	126	58	162	150	149
PGE210133	Staples Low Pressure Irrigation Di	147	116	127	142	78	118	99	105	81	121
PGE210129	Nexant Aercx	148	120	133	120	123	50	63	40	13	109
PGE2204	SmartVent for Energy-Efficient Kitchens	149	73	157	157	143	23	27	70	128	24



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE210128	Enovity Smart	150	94	151	140	136	144	158	116	126	81
SCE-13-TP-010	Comprehensive Petroleum Refining	151	126	140	126	144	155	160	118	119	80
SCE-13-SW-002F	Nonresidential HVAC Program	152	122	141	130	142	142	127	145	149	127
SDGE3224	SW-COM-Deemed Incentives-HVAC Commercial	153	117	145	123	153	125	122	111	65	142
PGE210119	LED Accelerator	154	106	154	146	138	165	163	165	164	164
PGE210210	Industrial Recommissioning Program	155	81	162	138	166	160	156	156	141	145
SCE-TP-018	Chemical Products Efficiency Program	156	108	152	157	134	151	138	129	153	63
SCE-13-TP-013	Cool Schools	157	146	144	127	148	105	47	123	91	139
SCE-13-TP-020	IDEEA365 Program	158	150	142	157	105	111	105	100	118	70
PGE21006/PGE21015	Commercial HVAC	159	127	158	137	156	161	164	144	112	143
SDGE3237	SW-AG-Calculated Incentives-Calculated	160	148	156	157	141	132	159	74	53	89
PGE2242	Cool Cash	161	155	148	157	120	156	165	122	158	35
PGE21037	Light Exchange Program	162	160	155	144	145	166	154	166	166	165
PGE210130	RSG AERCX	163	147	163	157	158	157	134	151	130	148
SCE-L-004D	Energy Leader Partnership Program	164	162	164	157	160	149	116	150	133	151
SCE-13-SW-001E	Residential HVAC Program	165	163	160	141	157	163	152	163	163	157
SCG3712	SW-COM-Nonres HVAC	166	166	166	157	164	164	166	153	142	130



A.4 PROGRAM RANKING

TABLE A-4: PROGRAM SCORE AND RESIDUAL RANKINGS



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SCE-TP-033	Automatic Energy Review for Schools Program	1	5	30	31	33	5	3	24	92	6
SCG3716	SW-IND-Deemed Incentives	2	1	135	133	104	1	1	134	136	110
SCG3715	SW-IND-Calculated Incentives	3	2	115	112	89	22	18	86	54	98
SDGE3118E/ SDGE3222	SW-COM-Savings by Design	4	14	16	9	51	124	65	125	127	94
SCE-13-SW-002G	Savings by Design	5	22	10	32	11	25	50	17	25	22
SCE-13-L-002R	Western Riverside Energy Leader Partnership	6	149	1	113	1	3	68	2	117	1
PGE21019	Enhanced Automation Initiative	7	3	146	157	111	4	2	143	162	61
PGE21029	Refinery Energy Efficiency Program	8	4	159	126	162	8	6	124	64	144
PGE210118	Furniture Store Energy Efficiency	9	97	2	69	3	7	24	4	16	5
SCE-13-TP-005	Lodging EE Program	10	61	8	14	19	12	34	8	17	4
SDGE3117E	Energy Savings Bid (Encumbered)	11	7	112	99	103	51	13	130	114	133
SCE-13-TP-012	Refinery Energy Efficiency Program	12	13	66	56	69	14	16	21	21	32
PGE2110014	Department of Corrections and Rehabilitation	13	42	31	6	87	70	38	94	37	129
PGE210113	Energy Fitness Program	14	62	11	45	9	13	9	55	68	41
PGE21035	Dairy Energy Efficiency Program	15	55	15	20	24	9	21	5	8	7
SCE-13-L-002D	City of Santa Ana Energy Leader Partnership	16	115	5	105	2	41	78	27	99	29
SCE-13-SW-003C	Industrial Deemed Energy Efficiency Program	17	23	53	100	20	75	73	62	124	38
SDGE3226	SW-COM Direct Install	18	133	4	10	13	94	144	43	90	21



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE210114	Energy Savers	19	87	9	67	4	78	85	90	61	91
SCE-13-L-003B	California Dept. Of Corrections and Rehabilitation EE Partnership	20	98	7	2	114	36	81	34	42	93
PGE210115	Rightlights	21	100	6	40	5	109	143	56	78	36
PGE210120	Monitoring-Based Commissioning	22	6	136	157	90	2	4	64	116	37
PGE21031	Agricultural Calculated Incentives	23	20	68	111	30	16	80	3	30	3
SCE-13-L-003F	State OF California Energy Efficiency Partnership	24	86	12	35	12	62	110	38	84	14
PGE211010	Fresno	25	71	32	58	17	37	19	65	75	51
SCG3710	SW-COM-Calculated Incentives	26	12	110	131	57	38	96	10	22	15
SCE-13-TP-006	Food & Kindred Products	27	24	73	43	98	53	30	54	62	62
PGE210122	Casino Green	28	60	34	7	95	100	17	149	143	134
SCE-13-L-002B	City of Long Beach Energy Leader Partnership	29	101	17	57	10	17	22	32	111	10
PGE210141	Lincus Commercial Mid-Market Program	30	164	3	2	62	56	103	51	129	8
PGE211025	Savings by Design (SBD)	31	18	103	117	58	45	42	93	57	122
PGE211012	Madera	32	84	26	52	16	39	25	50	48	64
SCE-13-L-003G	UC/CSU Energy Efficiency Partnership	33	88	28	4	140	136	83	148	160	114
SCG3719	SW-AG-Calculated Incentives	34	10	120	136	68	131	133	107	146	73
PGE211014	Mendocino County	35	132	13	62	6	49	88	44	72	42
SCE-TP-027	Monitoring-Based Commissioning	36	8	153	157	135	10	5	161	159	138
SCE-13-L-002T	West Side Energy Leader Partnership	37	135	14	13	38	90	102	48	43	50
PGE210111	Lodgingsavers	38	74	36	12	86	153	128	154	140	156
PGE211019	San Mateo County	39	114	22	39	21	76	64	69	89	43



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE21021	Industrial Calculated Incentives	40	9	139	102	163	68	92	71	7	159
SDGE3220	SW-COM-Calculated Incentives-Calculated	41	11	126	121	107	54	46	75	34	108
PGE2110011	California Community Colleges	42	65	48	11	118	107	115	96	36	126
SCE-13-SW-002B	Commercial Calculated Program	43	25	90	82	84	71	59	98	52	103
PGE21032	Agricultural Deemed Incentives	44	15	119	110	106	31	7	141	100	150
SDGE3223	SW-COM-Deemed Incentives-Commercial Rebates	45	35	75	76	73	20	23	26	40	34
PGE2110051	Local Government Energy Action Resources (LGEAR)	46	138	19	41	15	47	97	28	49	33
PGE21022	Industrial Deemed Incentives	47	26	89	106	55	32	33	18	59	19
SCE-13-TP-014	Commercial Utility Building Efficiency	48	31	81	89	63	33	43	19	23	31
SCE-13-SW-002C	Commercial Deemed Incentives Program	49	39	74	92	53	44	26	84	80	74
SCE-13-L-002Q	Ventura County Energy Leader Partnership	50	143	18	65	8	74	120	41	77	28
PGE211021	Sierra Nevada	51	125	27	64	14	58	67	59	102	39
SCE-13-L-002G	Community Energy Leader Partnership	52	110	33	28	37	61	29	77	63	54
SCE-13-SW-003B	Industrial Calculated Energy Efficiency Program	53	21	108	85	116	110	132	68	19	117
SCE-13-SW-002D	Commercial Direct Install Program	54	140	21	24	28	128	141	114	44	132
SCE-13-L-002J	Desert Cities Energy Leader Partnership	55	134	24	23	34	117	136	78	31	107
PGE211022	Sonoma County	56	99	37	66	23	86	79	89	71	87
PGE2110012	University of California/California State University	57	54	61	26	97	139	91	135	123	106
PGE21038	Wine Industry Efficiency Solutions	58	70	54	27	72	77	94	63	51	60



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SCE-TP-015	Industrial Gasses	59	58	59	15	124	34	49	29	15	100
PGE21027	Heavy Industry Energy Efficiency Program	60	41	78	37	130	108	130	23	14	77
PGE211023	Silicon Valley	61	109	35	46	32	73	69	73	96	48
SCE-13-L-003D	County of Riverside Energy Efficiency Partnership	62	137	29	91	7	83	162	9	45	16
PGE210310	Dairy Industry Resource Advantage Pgm	63	72	56	30	75	65	48	91	93	71
SCE-TP-031	Management Affiliates Program	64	107	39	21	54	93	111	83	50	85
PGE21018	Energysmart Grocer	65	28	102	73	117	30	20	101	125	58
SCE-13-TP-007	Primary and Fabricated Metals	66	38	91	60	112	69	89	39	39	76
PGE2227	Cement Production and Distribution Energy Efficiency	67	152	23	2	165	66	125	15	4	160
PGE210311	Process Wastewater Treatment EM Pgm For Ag Food Processing	68	44	83	118	43	21	44	13	28	11
PGE211015	Napa County	69	105	45	70	25	103	82	106	86	104
PGE21011	Commercial Calculated Incentives	70	32	101	86	94	59	86	25	10	56
SCE-13-L-002S	City of Adelanto Energy Leader Partnership	71	158	20	5	99	148	142	159	161	152
PGE211007	Association of Monterey Bay Area Governments (AMBAG)	72	113	43	54	35	52	45	53	73	44
PGE211016	Redwood Coast	73	121	40	42	39	114	104	99	60	101
SCE-13-TP-009	Comprehensive Chemical Products	74	53	72	48	93	96	123	52	47	86
SCE-TP-028	Monitoring-Based Persistence Commissioning Program	75	79	58	25	88	85	149	6	3	65
SCE-13-TP-018	School Energy Efficiency Program	76	92	51	79	31	146	139	137	131	136



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE211020	Santa Barbara	77	123	42	18	61	72	72	95	55	128
SCE-13-SW-004B	Agriculture Calculated Energy Efficiency Program	78	45	84	139	26	80	113	31	147	13
PGE211011	Kern	79	130	38	22	52	88	95	104	70	120
SCE-13-L-002P	South Santa Barbara County Energy Leader Partnership	80	157	25	16	42	19	61	22	41	20
SCE-TP-037	Private Schools and Colleges Program	81	119	47	51	46	40	98	16	26	17
SCE-13-L-003E	County of San Bernardino Energy Efficiency Partnership	82	129	44	19	64	84	77	81	87	75
SCE-TP-0608	Coin Operated Laundry Program	83	136	41	71	22	152	151	131	121	97
SCE-13-L-003A	California Community Colleges Energy Efficiency Partnership	84	112	50	8	139	46	60	36	35	66
SCG3793	3P-IDEEA365-Instant Rebates! Point-Of-Sale Foodservice Rebate Program	85	52	82	157	18	119	100	119	109	119
PGE21017	Boiler Energy Efficiency Program	86	47	93	128	41	28	40	11	148	2
SCG3766	3P-SAVEGAS	87	16	143	157	108	87	41	136	132	137
PGE211009	East Bay	88	80	67	97	40	97	53	110	122	95
PGE21012	Commercial Deemed Incentives	89	34	114	96	109	15	14	46	38	84
PGE211024	San Francisco	90	118	55	87	27	130	114	109	115	88
SCE-13-TP-008	Nonmetallic Minerals and Products	91	48	94	47	146	113	117	85	33	140
SCG3711	SW-COM-Deemed Incentives	92	43	105	135	48	116	129	79	79	57
SCG3758	3P-Preps	93	91	64	36	92	6	56	1	1	18
PGE21026	Energy Efficiency Services For Oil Production	94	17	150	145	127	43	55	57	139	12
SCE-13-L-002L	Orange County Cities Energy Leader Partnership	95	85	71	109	36	145	66	157	88	162



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SDGE3231	SW-IND-Calculated Incentives-Calculated	96	30	123	94	152	122	146	49	29	111
SDGE3233	SW-IND-Deemed Incentives	97	57	92	90	83	91	31	126	145	68
PGE211018	San Luis Obispo County	98	145	49	34	59	104	107	113	66	135
SCE-13-L-003C	County of Los Angeles Energy Efficiency Partnership	99	77	77	103	49	147	109	138	135	116
PGE210112	School Energy Efficiency	100	96	69	38	100	48	76	42	83	46
PGE211013	Marin County	101	124	60	72	47	121	84	127	113	124
SCE-13-TP-003	Healthcare EE Program	102	63	96	59	126	18	15	87	101	79
PGE210116	Small Business Commercial Comprehensive	103	49	109	114	79	129	135	103	138	53
SDGE3162	3P-NRes02 - SaveGas - Hot Water Control	104	19	147	157	115	26	37	47	104	27
SCG3757	3P-Small Industrial Facility Upgrades	105	40	122	122	91	158	161	121	157	52
PGE210126	K-12 Private Schools And Colleges Audit Retro	106	144	57	33	74	120	108	128	110	125
SCE-13-TP-011	Oil Production	107	27	134	116	137	79	75	60	56	82
PGE2110013	State of California	108	67	95	104	67	81	74	61	98	40
PGE2189	Cool Controls Plus	109	66	97	74	102	133	150	45	9	123
PGE210110	Monitoring-Based Persistence Commissioning	110	51	107	95	101	98	126	33	32	45
SDGE3221	SW-COM-Calculated Incentives-RCX	111	33	131	115	133	29	11	108	154	30
SCE-13-L-002E	City of Simi Valley Energy Leader Partnership	112	142	62	17	113	134	62	142	103	153
SCE-13-L-002K	Kern County Energy Leader Partnership	113	159	52	29	65	55	57	37	11	112
SCE-13-L-002C	City of Redlands Energy Leader Partnership	114	139	65	78	50	67	87	66	120	23



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE21042	Lighting Innovation	115	37	130	147	81	11	8	20	46	26
SCE-13-L-002N	San Joaquin Valley Energy Leader Partnership	116	102	80	81	76	89	12	147	95	154
PGE21016	Air Care Plus	117	78	100	68	122	27	52	14	6	115
PGE21036	Industrial Refrigeration Performance Plus	118	50	121	101	129	154	137	160	137	158
SCE-13-L-002H	Eastern Sierra Energy Leader Partnership	119	165	46	49	45	42	90	30	24	59
SCE-13-L-002M	San Gabriel Valley Energy Leader Partnership	120	104	87	93	70	137	36	158	69	163
SCE-13-L-002F	Gateway Cities Energy Leader Partnership	121	156	63	63	56	112	131	88	67	83
PGE21025	California Wastewater Process Optimization	122	69	111	119	77	106	124	67	27	55
PGE21028	Industrial Compressed Air Program	123	29	149	157	121	95	121	76	155	9
SCE-TP-025	Retail Energy Action Program	124	93	99	132	44	57	28	92	134	67
SCE-13-TP-021	Enhanced Retrocommissioning	125	83	104	61	151	63	112	12	2	146
SCE-13-TP-017	Energy Efficiency for Entertainment Centers	126	131	79	44	119	82	70	102	85	102
PGE2183	Comprehensive Retail Energy Management	127	82	106	75	132	24	10	82	12	141
PGE2201	California High Performance Lighting Program	128	103	98	157	29	159	157	139	165	78
PGE210125	California Preschool Energy Efficiency Program	129	154	70	53	85	138	148	120	106	118
PGE2198	Data Centers Cooling Controls Program	130	64	124	88	154	35	32	58	18	105
PGE2214	Energy Efficiency Program for Entertainment Centers	131	141	88	50	125	64	119	7	5	72
SCE-13-L-002O	South Bay Energy Leader Partnership	132	153	76	84	60	141	93	152	82	161



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SCE-13-SW-004C	Agriculture Deemed Energy Efficiency Program	133	89	116	129	66	135	106	140	156	113
PGE210124	Ozone Laundry Energy Efficiency	134	59	129	157	80	115	118	72	107	47
PGE210131	PECI Aercx	135	151	85	55	110	99	140	35	76	25
SCE-13-TP-004	Data Center Energy Efficiency	136	90	118	98	128	127	71	146	105	147
PGE21039	Comprehensive Food Process Audit & Resource Efficiency Pgm	137	56	138	107	159	162	153	164	74	166
SDGE3239	SW-AG-Deemed Incentives	138	111	113	77	147	143	147	112	20	155
PGE2191	Medical Building Tune-Up	139	75	128	108	149	60	35	80	58	69
PGE210117	Energy-Efficient Parking Garage	140	76	132	134	96	150	155	115	108	90
SCG3720	SW-AG-Deemed Incentives	141	68	137	124	131	102	54	132	97	131
PGE2220	Assessment, Implementation, and Monitoring (AIM) Program	142	36	165	157	161	101	39	155	151	99
SCE-13-L-002A	City of Beaumont Energy Leader Partnership	143	161	86	80	82	123	101	133	144	96
SCE-13-SW-005B	Lighting Innovation Program	144	95	125	143	71	92	51	117	152	49
PGE210123	Healthcare Energy Efficiency Program	145	128	117	83	150	140	145	97	94	92
SCE-TP-008	Comprehensive Beverage Manufacturing & Resource Efficiency	146	46	161	157	155	126	58	162	150	149
PGE210133	Staples Low Pressure Irrigation Di	147	116	127	142	78	118	99	105	81	121
PGE210129	Nexant Aercx	148	120	133	120	123	50	63	40	13	109
PGE2204	SmartVent for Energy-Efficient Kitchens	149	73	157	157	143	23	27	70	128	24



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE210128	Enovity Smart	150	94	151	140	136	144	158	116	126	81
SCE-13-TP-010	Comprehensive Petroleum Refining	151	126	140	126	144	155	160	118	119	80
SCE-13-SW-002F	Nonresidential HVAC Program	152	122	141	130	142	142	127	145	149	127
SDGE3224	SW-COM-Deemed Incentives-HVAC Commercial	153	117	145	123	153	125	122	111	65	142
PGE210119	LED Accelerator	154	106	154	146	138	165	163	165	164	164
PGE210210	Industrial Recommissioning Program	155	81	162	138	166	160	156	156	141	145
SCE-TP-018	Chemical Products Efficiency Program	156	108	152	157	134	151	138	129	153	63
SCE-13-TP-013	Cool Schools	157	146	144	127	148	105	47	123	91	139
SCE-13-TP-020	IDEEA365 Program	158	150	142	157	105	111	105	100	118	70
PGE21006/PGE21015	Commercial HVAC	159	127	158	137	156	161	164	144	112	143
SDGE3237	SW-AG-Calculated Incentives-Calculated	160	148	156	157	141	132	159	74	53	89
PGE2242	Cool Cash	161	155	148	157	120	156	165	122	158	35
PGE21037	Light Exchange Program	162	160	155	144	145	166	154	166	166	165
PGE210130	RSG AERCX	163	147	163	157	158	157	134	151	130	148
SCE-L-004D	Energy Leader Partnership Program	164	162	164	157	160	149	116	150	133	151
SCE-13-SW-001E	Residential HVAC Program	165	163	160	141	157	163	152	163	163	157
SCG3712	SW-COM-Nonres HVAC	166	166	166	157	164	164	166	153	142	130



A.4 PROGRAM RANKING

TABLE A-4: PROGRAM SCORE AND RESIDUAL RANKINGS



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SCE-TP-033	Automatic Energy Review for Schools Program	1	5	30	31	33	5	3	24	92	6
SCG3716	SW-IND-Deemed Incentives	2	1	135	133	104	1	1	134	136	110
SCG3715	SW-IND-Calculated Incentives	3	2	115	112	89	22	18	86	54	98
SDGE3118E/ SDGE3222	SW-COM-Savings by Design	4	14	16	9	51	124	65	125	127	94
SCE-13-SW-002G	Savings by Design	5	22	10	32	11	25	50	17	25	22
SCE-13-L-002R	Western Riverside Energy Leader Partnership	6	149	1	113	1	3	68	2	117	1
PGE21019	Enhanced Automation Initiative	7	3	146	157	111	4	2	143	162	61
PGE21029	Refinery Energy Efficiency Program	8	4	159	126	162	8	6	124	64	144
PGE210118	Furniture Store Energy Efficiency	9	97	2	69	3	7	24	4	16	5
SCE-13-TP-005	Lodging EE Program	10	61	8	14	19	12	34	8	17	4
SDGE3117E	Energy Savings Bid (Encumbered)	11	7	112	99	103	51	13	130	114	133
SCE-13-TP-012	Refinery Energy Efficiency Program	12	13	66	56	69	14	16	21	21	32
PGE2110014	Department of Corrections and Rehabilitation	13	42	31	6	87	70	38	94	37	129
PGE210113	Energy Fitness Program	14	62	11	45	9	13	9	55	68	41
PGE21035	Dairy Energy Efficiency Program	15	55	15	20	24	9	21	5	8	7
SCE-13-L-002D	City of Santa Ana Energy Leader Partnership	16	115	5	105	2	41	78	27	99	29
SCE-13-SW-003C	Industrial Deemed Energy Efficiency Program	17	23	53	100	20	75	73	62	124	38
SDGE3226	SW-COM Direct Install	18	133	4	10	13	94	144	43	90	21



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE210114	Energy Savers	19	87	9	67	4	78	85	90	61	91
SCE-13-L-003B	California Dept. Of Corrections and Rehabilitation EE Partnership	20	98	7	2	114	36	81	34	42	93
PGE210115	Rightlights	21	100	6	40	5	109	143	56	78	36
PGE210120	Monitoring-Based Commissioning	22	6	136	157	90	2	4	64	116	37
PGE21031	Agricultural Calculated Incentives	23	20	68	111	30	16	80	3	30	3
SCE-13-L-003F	State OF California Energy Efficiency Partnership	24	86	12	35	12	62	110	38	84	14
PGE211010	Fresno	25	71	32	58	17	37	19	65	75	51
SCG3710	SW-COM-Calculated Incentives	26	12	110	131	57	38	96	10	22	15
SCE-13-TP-006	Food & Kindred Products	27	24	73	43	98	53	30	54	62	62
PGE210122	Casino Green	28	60	34	7	95	100	17	149	143	134
SCE-13-L-002B	City of Long Beach Energy Leader Partnership	29	101	17	57	10	17	22	32	111	10
PGE210141	Lincus Commercial Mid-Market Program	30	164	3	2	62	56	103	51	129	8
PGE211025	Savings by Design (SBD)	31	18	103	117	58	45	42	93	57	122
PGE211012	Madera	32	84	26	52	16	39	25	50	48	64
SCE-13-L-003G	UC/CSU Energy Efficiency Partnership	33	88	28	4	140	136	83	148	160	114
SCG3719	SW-AG-Calculated Incentives	34	10	120	136	68	131	133	107	146	73
PGE211014	Mendocino County	35	132	13	62	6	49	88	44	72	42
SCE-TP-027	Monitoring-Based Commissioning	36	8	153	157	135	10	5	161	159	138
SCE-13-L-002T	West Side Energy Leader Partnership	37	135	14	13	38	90	102	48	43	50
PGE210111	Lodgingsavers	38	74	36	12	86	153	128	154	140	156
PGE211019	San Mateo County	39	114	22	39	21	76	64	69	89	43



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE21021	Industrial Calculated Incentives	40	9	139	102	163	68	92	71	7	159
SDGE3220	SW-COM-Calculated Incentives-Calculated	41	11	126	121	107	54	46	75	34	108
PGE2110011	California Community Colleges	42	65	48	11	118	107	115	96	36	126
SCE-13-SW-002B	Commercial Calculated Program	43	25	90	82	84	71	59	98	52	103
PGE21032	Agricultural Deemed Incentives	44	15	119	110	106	31	7	141	100	150
SDGE3223	SW-COM-Deemed Incentives-Commercial Rebates	45	35	75	76	73	20	23	26	40	34
PGE2110051	Local Government Energy Action Resources (LGEAR)	46	138	19	41	15	47	97	28	49	33
PGE21022	Industrial Deemed Incentives	47	26	89	106	55	32	33	18	59	19
SCE-13-TP-014	Commercial Utility Building Efficiency	48	31	81	89	63	33	43	19	23	31
SCE-13-SW-002C	Commercial Deemed Incentives Program	49	39	74	92	53	44	26	84	80	74
SCE-13-L-002Q	Ventura County Energy Leader Partnership	50	143	18	65	8	74	120	41	77	28
PGE211021	Sierra Nevada	51	125	27	64	14	58	67	59	102	39
SCE-13-L-002G	Community Energy Leader Partnership	52	110	33	28	37	61	29	77	63	54
SCE-13-SW-003B	Industrial Calculated Energy Efficiency Program	53	21	108	85	116	110	132	68	19	117
SCE-13-SW-002D	Commercial Direct Install Program	54	140	21	24	28	128	141	114	44	132
SCE-13-L-002J	Desert Cities Energy Leader Partnership	55	134	24	23	34	117	136	78	31	107
PGE211022	Sonoma County	56	99	37	66	23	86	79	89	71	87
PGE2110012	University of California/California State University	57	54	61	26	97	139	91	135	123	106
PGE21038	Wine Industry Efficiency Solutions	58	70	54	27	72	77	94	63	51	60



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SCE-TP-015	Industrial Gasses	59	58	59	15	124	34	49	29	15	100
PGE21027	Heavy Industry Energy Efficiency Program	60	41	78	37	130	108	130	23	14	77
PGE211023	Silicon Valley	61	109	35	46	32	73	69	73	96	48
SCE-13-L-003D	County of Riverside Energy Efficiency Partnership	62	137	29	91	7	83	162	9	45	16
PGE210310	Dairy Industry Resource Advantage Pgm	63	72	56	30	75	65	48	91	93	71
SCE-TP-031	Management Affiliates Program	64	107	39	21	54	93	111	83	50	85
PGE21018	Energysmart Grocer	65	28	102	73	117	30	20	101	125	58
SCE-13-TP-007	Primary and Fabricated Metals	66	38	91	60	112	69	89	39	39	76
PGE2227	Cement Production and Distribution Energy Efficiency	67	152	23	2	165	66	125	15	4	160
PGE210311	Process Wastewater Treatment EM Pgm For Ag Food Processing	68	44	83	118	43	21	44	13	28	11
PGE211015	Napa County	69	105	45	70	25	103	82	106	86	104
PGE21011	Commercial Calculated Incentives	70	32	101	86	94	59	86	25	10	56
SCE-13-L-002S	City of Adelanto Energy Leader Partnership	71	158	20	5	99	148	142	159	161	152
PGE211007	Association of Monterey Bay Area Governments (AMBAG)	72	113	43	54	35	52	45	53	73	44
PGE211016	Redwood Coast	73	121	40	42	39	114	104	99	60	101
SCE-13-TP-009	Comprehensive Chemical Products	74	53	72	48	93	96	123	52	47	86
SCE-TP-028	Monitoring-Based Persistence Commissioning Program	75	79	58	25	88	85	149	6	3	65
SCE-13-TP-018	School Energy Efficiency Program	76	92	51	79	31	146	139	137	131	136



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE211020	Santa Barbara	77	123	42	18	61	72	72	95	55	128
SCE-13-SW-004B	Agriculture Calculated Energy Efficiency Program	78	45	84	139	26	80	113	31	147	13
PGE211011	Kern	79	130	38	22	52	88	95	104	70	120
SCE-13-L-002P	South Santa Barbara County Energy Leader Partnership	80	157	25	16	42	19	61	22	41	20
SCE-TP-037	Private Schools and Colleges Program	81	119	47	51	46	40	98	16	26	17
SCE-13-L-003E	County of San Bernardino Energy Efficiency Partnership	82	129	44	19	64	84	77	81	87	75
SCE-TP-0608	Coin Operated Laundry Program	83	136	41	71	22	152	151	131	121	97
SCE-13-L-003A	California Community Colleges Energy Efficiency Partnership	84	112	50	8	139	46	60	36	35	66
SCG3793	3P-IDEEA365-Instant Rebates! Point-Of-Sale Foodservice Rebate Program	85	52	82	157	18	119	100	119	109	119
PGE21017	Boiler Energy Efficiency Program	86	47	93	128	41	28	40	11	148	2
SCG3766	3P-SAVEGAS	87	16	143	157	108	87	41	136	132	137
PGE211009	East Bay	88	80	67	97	40	97	53	110	122	95
PGE21012	Commercial Deemed Incentives	89	34	114	96	109	15	14	46	38	84
PGE211024	San Francisco	90	118	55	87	27	130	114	109	115	88
SCE-13-TP-008	Nonmetallic Minerals and Products	91	48	94	47	146	113	117	85	33	140
SCG3711	SW-COM-Deemed Incentives	92	43	105	135	48	116	129	79	79	57
SCG3758	3P-Preps	93	91	64	36	92	6	56	1	1	18
PGE21026	Energy Efficiency Services For Oil Production	94	17	150	145	127	43	55	57	139	12
SCE-13-L-002L	Orange County Cities Energy Leader Partnership	95	85	71	109	36	145	66	157	88	162



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SDGE3231	SW-IND-Calculated Incentives-Calculated	96	30	123	94	152	122	146	49	29	111
SDGE3233	SW-IND-Deemed Incentives	97	57	92	90	83	91	31	126	145	68
PGE211018	San Luis Obispo County	98	145	49	34	59	104	107	113	66	135
SCE-13-L-003C	County of Los Angeles Energy Efficiency Partnership	99	77	77	103	49	147	109	138	135	116
PGE210112	School Energy Efficiency	100	96	69	38	100	48	76	42	83	46
PGE211013	Marin County	101	124	60	72	47	121	84	127	113	124
SCE-13-TP-003	Healthcare EE Program	102	63	96	59	126	18	15	87	101	79
PGE210116	Small Business Commercial Comprehensive	103	49	109	114	79	129	135	103	138	53
SDGE3162	3P-NRes02 - SaveGas - Hot Water Control	104	19	147	157	115	26	37	47	104	27
SCG3757	3P-Small Industrial Facility Upgrades	105	40	122	122	91	158	161	121	157	52
PGE210126	K-12 Private Schools And Colleges Audit Retro	106	144	57	33	74	120	108	128	110	125
SCE-13-TP-011	Oil Production	107	27	134	116	137	79	75	60	56	82
PGE2110013	State of California	108	67	95	104	67	81	74	61	98	40
PGE2189	Cool Controls Plus	109	66	97	74	102	133	150	45	9	123
PGE210110	Monitoring-Based Persistence Commissioning	110	51	107	95	101	98	126	33	32	45
SDGE3221	SW-COM-Calculated Incentives-RCX	111	33	131	115	133	29	11	108	154	30
SCE-13-L-002E	City of Simi Valley Energy Leader Partnership	112	142	62	17	113	134	62	142	103	153
SCE-13-L-002K	Kern County Energy Leader Partnership	113	159	52	29	65	55	57	37	11	112
SCE-13-L-002C	City of Redlands Energy Leader Partnership	114	139	65	78	50	67	87	66	120	23



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE21042	Lighting Innovation	115	37	130	147	81	11	8	20	46	26
SCE-13-L-002N	San Joaquin Valley Energy Leader Partnership	116	102	80	81	76	89	12	147	95	154
PGE21016	Air Care Plus	117	78	100	68	122	27	52	14	6	115
PGE21036	Industrial Refrigeration Performance Plus	118	50	121	101	129	154	137	160	137	158
SCE-13-L-002H	Eastern Sierra Energy Leader Partnership	119	165	46	49	45	42	90	30	24	59
SCE-13-L-002M	San Gabriel Valley Energy Leader Partnership	120	104	87	93	70	137	36	158	69	163
SCE-13-L-002F	Gateway Cities Energy Leader Partnership	121	156	63	63	56	112	131	88	67	83
PGE21025	California Wastewater Process Optimization	122	69	111	119	77	106	124	67	27	55
PGE21028	Industrial Compressed Air Program	123	29	149	157	121	95	121	76	155	9
SCE-TP-025	Retail Energy Action Program	124	93	99	132	44	57	28	92	134	67
SCE-13-TP-021	Enhanced Retrocommissioning	125	83	104	61	151	63	112	12	2	146
SCE-13-TP-017	Energy Efficiency for Entertainment Centers	126	131	79	44	119	82	70	102	85	102
PGE2183	Comprehensive Retail Energy Management	127	82	106	75	132	24	10	82	12	141
PGE2201	California High Performance Lighting Program	128	103	98	157	29	159	157	139	165	78
PGE210125	California Preschool Energy Efficiency Program	129	154	70	53	85	138	148	120	106	118
PGE2198	Data Centers Cooling Controls Program	130	64	124	88	154	35	32	58	18	105
PGE2214	Energy Efficiency Program for Entertainment Centers	131	141	88	50	125	64	119	7	5	72
SCE-13-L-002O	South Bay Energy Leader Partnership	132	153	76	84	60	141	93	152	82	161



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SCE-13-SW-004C	Agriculture Deemed Energy Efficiency Program	133	89	116	129	66	135	106	140	156	113
PGE210124	Ozone Laundry Energy Efficiency	134	59	129	157	80	115	118	72	107	47
PGE210131	PECI Aercx	135	151	85	55	110	99	140	35	76	25
SCE-13-TP-004	Data Center Energy Efficiency	136	90	118	98	128	127	71	146	105	147
PGE21039	Comprehensive Food Process Audit & Resource Efficiency Pgm	137	56	138	107	159	162	153	164	74	166
SDGE3239	SW-AG-Deemed Incentives	138	111	113	77	147	143	147	112	20	155
PGE2191	Medical Building Tune-Up	139	75	128	108	149	60	35	80	58	69
PGE210117	Energy-Efficient Parking Garage	140	76	132	134	96	150	155	115	108	90
SCG3720	SW-AG-Deemed Incentives	141	68	137	124	131	102	54	132	97	131
PGE2220	Assessment, Implementation, and Monitoring (AIM) Program	142	36	165	157	161	101	39	155	151	99
SCE-13-L-002A	City of Beaumont Energy Leader Partnership	143	161	86	80	82	123	101	133	144	96
SCE-13-SW-005B	Lighting Innovation Program	144	95	125	143	71	92	51	117	152	49
PGE210123	Healthcare Energy Efficiency Program	145	128	117	83	150	140	145	97	94	92
SCE-TP-008	Comprehensive Beverage Manufacturing & Resource Efficiency	146	46	161	157	155	126	58	162	150	149
PGE210133	Staples Low Pressure Irrigation Di	147	116	127	142	78	118	99	105	81	121
PGE210129	Nexant Aercx	148	120	133	120	123	50	63	40	13	109
PGE2204	SmartVent for Energy-Efficient Kitchens	149	73	157	157	143	23	27	70	128	24



Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE210128	Enovity Smart	150	94	151	140	136	144	158	116	126	81
SCE-13-TP-010	Comprehensive Petroleum Refining	151	126	140	126	144	155	160	118	119	80
SCE-13-SW-002F	Nonresidential HVAC Program	152	122	141	130	142	142	127	145	149	127
SDGE3224	SW-COM-Deemed Incentives-HVAC Commercial	153	117	145	123	153	125	122	111	65	142
PGE210119	LED Accelerator	154	106	154	146	138	165	163	165	164	164
PGE210210	Industrial Recommissioning Program	155	81	162	138	166	160	156	156	141	145
SCE-TP-018	Chemical Products Efficiency Program	156	108	152	157	134	151	138	129	153	63
SCE-13-TP-013	Cool Schools	157	146	144	127	148	105	47	123	91	139
SCE-13-TP-020	IDEEA365 Program	158	150	142	157	105	111	105	100	118	70
PGE21006/PGE21015	Commercial HVAC	159	127	158	137	156	161	164	144	112	143
SDGE3237	SW-AG-Calculated Incentives-Calculated	160	148	156	157	141	132	159	74	53	89
PGE2242	Cool Cash	161	155	148	157	120	156	165	122	158	35
PGE21037	Light Exchange Program	162	160	155	144	145	166	154	166	166	165
PGE210130	RSG AERCX	163	147	163	157	158	157	134	151	130	148
SCE-L-004D	Energy Leader Partnership Program	164	162	164	157	160	149	116	150	133	151
SCE-13-SW-001E	Residential HVAC Program	165	163	160	141	157	163	152	163	163	157
SCG3712	SW-COM-Nonres HVAC	166	166	166	157	164	164	166	153	142	130



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Western Community Energy Activities Update

Contact: Barbara Spoonhour, Director of Community Choice Aggregation Development,
bspoonhour@wrco.org, (951) 405-6760

Date: February 5, 2018

The purpose of this item is to provide the Committee with an update on the status of implementing Western Community Energy (WCE), a Community Choice Aggregation Program for participating jurisdictions in the subregion.

Requested Action:

1. Receive and file.

Community Choice Aggregation (CCA) allows cities and counties to aggregate their buying power to secure electrical energy supply contracts on a region-wide basis. In California, CCA (Assembly Bill 117) was chaptered in September 2002 and allows for local jurisdictions to form a CCA for this purpose. Several local jurisdictions throughout California are pursuing the formation of CCAs as a way to provide local control in rate-making, and potentially lower energy costs and/or provide a “greener” energy supply. WRCOG’s Executive Committee has directed staff to pursue a separate agency, Western Community Energy (WCE), for the implementation of a CCA for Western Riverside County.

California Public Utilities Commission Draft Resolution E-4907 Update

On December 8, 2017, WRCOG staff received notification that the California Public Utilities Commission (CPUC) had scheduled Draft Resolution E-4907 for consideration at its January 11, 2018; consideration of the Resolution has been extended until the February 8, 2018 meeting. The Draft Resolution proposes a process of review of CCA Implementation Plans with coordinated timelines of the mandatory forecast filings of the CPUC’s Resource Adequacy Program to ensure that newly launched and expanding CCAs comply with Resource Adequacy requirements before providing service to customers. Due to the timelines outlined in the Draft Resolution, Western Community Energy **would be prohibited from serving customers until 2020.**

WRCOG staff has requested meetings and held conference calls to discuss the Draft Resolution with CPUC Commissioners and staff to request that the Draft Resolution be withdrawn from the agenda, or to encourage Commissioners to vote against it. The following provides an update of WRCOG staff’s coordinated efforts, potential impacts to the timelines, as well as communication and meetings staff has been having with other interested agencies.

Coordinated Efforts: Staff worked with Los Angeles County (L.A. County) and the Coachella Valley Association of Governments (CVAG) to submit joint formal comments (Attachment 1), which were due January 11, 2018, and Reply Comments (Attachment 3), which were due January 18, 2018. Within the joint formal comments, WRCOG, L.A. County, and CVAG provided potential solutions that staff hopes the CPUC staff will take under consideration. There were a number of Formal Comment letters submitted to the CPUC by various

CCAs, energy providers, and other agencies; our consultant (EES Consulting) has provided a Summary Memorandum (Attachment 2).

The joint Reply Comments were directed at the Formal Comment letter provided by the Investor Owned Utilities (IOUs) (Attachment 4) on January 11, 2018. Staff is also providing a copy of the Joint IOUs Reply Comments dated January 18, 2018 (Attachment 5), which continues to show support for the Draft Resolution but includes language requesting a deviation from the Process so that IOUs could potentially find workarounds with their respective CCAs. It is unclear that if the CPUC staff make any revisions to the Draft Resolution, whether or not it would need go through another 30-day review process. Staff will continue to keep Executive Committee members apprised if any changes occur between the time WRCOG's staff report is distributed and the CPUC Commissions Agenda is released.

Finally, staff has been working with its consultants in having constructive conversations with SCE to determine if an agreement can be reached regarding Resource Adequacy requirements and the proposed timeline.

Timeline and Draft Resolution Impacts: In discussions with our consultants, it is deemed that the most cost effective way to establish the initial Western Community Energy Governing Board is to have a few jurisdictions (Phase 1) join WCE, instead of waiting for all eligible jurisdictions to determine whether or not they wish to participate. These jurisdictions would represent approximately 160,000 accounts, or 2.2 million MWs of energy need. It was anticipated that there was a potential to have these jurisdictions join in early 2018 and begin servicing customers by fall of 2018. This approach would also allow other jurisdictions to join WCE at any time, and then those jurisdictions would begin servicing load approximately six months later.

The Draft CPUC Resolution, if approved, jeopardizes this timeline. Under the Draft Resolution, if WCE forms and submits its Implementation Plan to the CPUC for certification after February 1, 2018, WCE would not be able to serve customers until 2020. In addition, if any jurisdictions joined WCE after it has submitted its initial Implementation Plan, those jurisdictions would not be able to launch until 2021. This is a huge setback for the Program.

Communications Efforts: The following is a listing of communications WRCOG has participated in regarding the Draft Resolution:

- January 10, 2018: WRCOG staff and its consultants held a conference call with SCE Procurement staff. CPUC staff indicated that they would try to hold a public meeting after all Formal Comments and Reply to Comments have been received, and prior to the CPUC Commissioner meeting. Staff will notify Committee members if this public meeting gets scheduled.
- January 10, 2018: WRCOG staff, along with Mayor Ben Benoit (City of Wildomar) and Councilmember Kelly Seyarto (City of Murrieta) had a conference call with the CPUC's Division Head.
- January 10, 2018: WRCOG Executive Committee Chair Debbie Franklin created an SCE Negotiations Ad Hoc Committee to work through the Draft Resolution issues with SCE.
- January 24, 2018: WRCOG staff, along with Mayor Ben Benoit (City of Wildomar), Councilmember Kelly Seyarto (City of Murrieta), and Councilmember Brian Tisdale (City of Lake Elsinore) had productive conference calls with President Picker's Chief of Staff and Commissioner Rechtschaffen.

Jurisdictional Meetings: Staff continues to meet one-on-one with Councilmembers throughout the subregion to provide presentations on the Program. Once these meetings conclude, staff is requesting to provide presentations at either a Working Group, Study Session, and/or City Council meeting to gain comments from the community and to determine whether the Council wants to direct its staff to come back with an action.

- December 19, 2017: Staff provided a presentation to the Murrieta City Council. It is anticipated that the item will return to a February 2018 Council meeting for some type of action.
- January 22 and 24, 2018: Staff provided a presentation at a Norco Town Hall meeting and to the Norco City Council, respectively.
- February 2018: Staff is working to schedule a presentation to Beaumont City Council.

Power Charge Indifference Adjustment (PCIA) Update

Staff attended a two-day workshop regarding the PCIA, commonly referred to as “Exit Fees,” intended to provide a forum for a data-based discussion of cost responsibilities and going-forward solutions. There were a number of potential solutions presented by various groups on how the PCIA could be changed / modified to accurately address the cost-shifting issues raised by the IOUs; however, the data needed to complete analysis is still being shared. It is anticipated that once all the data is provided by the IOUs, independent consultants will be able to run various scenarios to see if any of the proposed solutions are viable. The next step in the process is for Parties to provide testimony on March 12, 2018, unless a time extension has been granted to provide consultants additional time to review the IOUs data and see if any of the proposed solutions are viable.

As background, on June 29, 2017, the CPUC opened a proceeding (R17-06-026, which WRCOG and CVAG are party to) to consider alternatives to the amount that CCA and Direct Access customers pay in order to keep remaining IOU customers financially unaffected by their departure, which is required by legislation. Legislation also requires that departing customers do not experience cost increases as a result of an allocation of costs that were not incurred on behalf of the departing load. The PCIA is the mechanism to ensure that customers who remain with the utility do not end up taking on the long-term financial obligations the utility incurred on behalf of now-departed customers. Examples of such financial obligations include utility expenditures to build power plants and, more commonly, long-term power purchase contracts with independent power producers.

Prior Actions:

January 18, 2018: The Technical Advisory Committee received and filed.

January 10, 2018: The Administration & Finance Committee created an SCE Negotiations Ad Hoc Committee to work through the Draft Resolution issues with Southern California Edison.

Fiscal Impact:

This item is information only; therefore, there is no fiscal impact.

Attachments:

1. Comment letter dated January 11, 2018, from WRCOG, LACCE, and DCE.
2. Summary of comment letters to the CPUC.
3. Reply comment letter dated January 18, 2018, from WRCOG, LACCE, and DCE.
4. Joint IOU comment letter dated January 11, 2018.
5. Joint IOU reply comments dated January 18, 2018.

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Item 6.G

Western Community Energy Activities Update

Attachment 1

Comment letter dated January 11,
2018, from WRCOG, LACCE, and
DCE

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January 11, 2018

VIA E-MAIL & OVERNIGHT MAIL

Edward Randolph
Director, Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

**Re: Comments of Los Angeles Community Choice Energy, Desert
Community Energy, and the Western riverside Council of
Governments on Draft Resolution E-4907**

Dear Mr. Randolph:

Los Angeles Community Choice Energy (LACCE), Desert Community Energy (DCE) and the Western Riverside Council of Governments (WRCOG) (collectively, SoCal CCAs) respectfully submit the following comments on Draft Resolution E-4907 (Draft Resolution), issued on the Commission's own initiative on December 8, 2017, proposing to implement a registration process for community choice aggregators (CCAs).

I. INTRODUCTION

The Draft Resolution proposes coordination with the timelines of the forecast filings of the Commission's Resource Adequacy program, as established by California Public Utilities Code § 380, and an informal process for review of CCA implementation plans under section 366.2.¹ The Draft Resolution purports to align CCA operation and launch with the Commission's year-ahead RA planning process by requiring a CCA to submit its Implementation Plan to the Commission on or before January 1 in order to serve load the following year and to participate in the Commission's annual load forecast.² The Draft Resolution proposes rigid start dates for when a CCA can provide new service. For those Implementation Plans received by January 1 of a given year,³ a CCA would be eligible to provide new or expanded service on or after January 1 of the following year. For plans submitted on or before December 8, 2017, the date the Draft Resolution was first circulated for public comment, service dates remain unaffected and subject to the Commission's existing certification and RA planning rules.

¹ All further references are to the California Public Utilities Code unless otherwise specified.

² Draft Resolution, pp. 5-8.

³ This deadline is extended to February 1 for 2018 only.

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For the reasons discussed herein, the SoCal CCAs respectfully oppose the Draft Resolution and request that it be withdrawn and that the Commission address RA and cost-shifting issues in its open RA and PCIA proceedings. The Commission should allow the SoCal CCAs to launch in 2018 and participate in the month-ahead and year-ahead RA planning process for 2018. The SoCal CCAs will work diligently with Energy Division staff and SCE to ensure a smooth transition and to procure sufficient RA either from the market or from the utility directly. Should the Commission adopt the Draft Resolution, then the SoCal CCAs request that the Commission permit waivers or deviations from this process on an individual CCA basis to allow procurement of necessary RA and that Implementation Plan timelines be extended until April 2018 with the ability to add provide new service on a six-month basis.⁴

II. STATUS OF SOCAL CCAs' PROGRAMS

LACCE, DCE and WRCOG are individual joint powers authorities ("JPAs") formed pursuant to the Joint Exercise of Powers Act at California Government Code section 6500 *et seq.* The following is an overview of the SoCal CCAs' program and development status, all of which are intending to launch this in 2018.

A. LACCE Will Begin Service in July 2018

LACCE has been planning a CCA program for several years, and its JPA was established more formally in June 2017. LACCE consists of 24 jurisdictions throughout southern California (currently Los Angeles and Ventura Counties).⁵ LACCE submitted its initial implementation plan to the Commission on August 15, 2017 and received certification on November 13, 2017.⁶ In its initial submittal, LACCE indicated to the Commission and SCE that the plan would be amended in January 2018 to reflect cities that joined during the course of 2017 subsequent to the initial plan filing. On December 29, 2017, LACCE submitted an addendum to its Implementation Plan seeking to update its program and add the additional members that have joined the JPA.⁷ Under the revised Implementation Plan, LACCE will serve approximately 750,000 accounts and an annual load of 10,500 GWh, which would be nearly 5 million residents

⁴ The SoCal CCAs also support the comments filed by CalCCA on the Draft Resolution.

⁵ LACCE member agencies include the Cities of Agoura Hills, Alhambra, Arcadia, Beverly Hills, Calabasas, Carson, Claremont, Culver City, Downey, Hawaiian Gardens, Hawthorne, Malibu, Manhattan Beach, Ojai, Paramount, Rolling Hills Estates, Santa Monica, Sierra Madre, South Pasadena, Temple City, Thousand Oaks, West Hollywood and the Counties of Los Angeles and Ventura (unincorporated areas).

⁶ LACCE's initial Implementation Plan covered the Cities of Rolling Hills Estates, South Pasadena and the unincorporated areas of Los Angeles County.

⁷ LACCE's addendum to its Implementation Plan covers the Cities of Agoura Hills, Alhambra, Arcadia, Beverly Hills, Calabasas, Carson, Claremont, Culver City, Downey, Hawaiian Gardens, Hawthorne, Malibu, Manhattan Beach, Ojai, Paramount, Santa Monica, Sierra Madre, Temple City, Thousand Oaks, West Hollywood and the unincorporated areas of Ventura County.



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in 24 jurisdictions. All of LACCE's members joined the program under the existing Commission certification process and Resource Adequacy rules with the express and reasonable expectation that they would receive electric service from LACCE in June 2018, as was previously discussed with the Commission and agreed to in writing by SCE. LACCE intends to begin serving its municipal, commercial and industrial accounts in June 2018 and its residential accounts in December 2018.⁸

LACCE has been actively engaging with its member agencies and diligently working with Commission staff and SCE on the phased launch of its program. LACCE staff has attended more than 100 city council meetings over the course of the last year, and has met with Commission staff since July 2016. LACCE has also met frequently with SCE's upper management and CCA implementation teams (monthly) starting in 2016 to discuss the LACCE program progress and launch. In total, the County of Los Angeles has expended more than \$1 million in building this program over the past three years, including costs for a feasibility study, JPA governance documents, member outreach, program development and consultant costs. The Los Angeles County Board of Supervisors has loaned LACCE \$10 million to fund these efforts and the initial operation of the LACCE program.

Under the proposed rules in the Draft Resolution, LACCE's program as described in its amended Implementation Plan would be delayed until at least January 1, 2019 contrary to both its Commission certified Implementation Plan of August 2017 and SCE's explicit written agreement.

B. DCE Will Begin Service in July 2018

DCE was formed in July 2017 and consists of three jurisdictions located in the Coachella Valley of Riverside County. DCE was formed by the Coachella Valley Association of Governments (CVAG), which works with its 13 member agencies throughout Central and Eastern Riverside County⁹ on regional coordination and collaboration of issues including transportation, energy and the environment. CVAG has been working on a CCA program since late 2015. DCE was formed and its governing board approved its Implementation Plan on December 4, 2017. This implementation plan was submitted to the Commission on December 11, 2017. Under its implementation plan, DCE will serve 93,000 accounts in three jurisdictions in the initial launch, with an annual load of 1,500 GWh. Other Coachella Valley jurisdictions may join at a later date. All of DCE's members joined the program under the existing Commission certification and Resource Adequacy rules with the reasonable expectation that

⁸ Phase 1 of LACCE's launch will commence February 1, 2018 consisting of load from Los Angeles County municipal facilities only.

⁹ CVAG's member agencies include the Cities of Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs and Rancho Mirage as well as the County of Riverside, the Agua Caliente Band of Cahuilla Indians and the Cabazon Band of Mission Indians.



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electric service would begin in July 2018, as was previously discussed with the Commission and SCE staff. Approximately \$350,000 has been spent on CCA start-up activities, including a feasibility study, JPA establishment and consultants. DCE has been actively meeting and working with SCE on a monthly basis and SCE has been kept informed of the launch schedule, and participating agencies, and has reviewed the DCE Implementation Plan.

Under the proposed rules in the Draft Resolution, DCE's program would be delayed until at least January 1, 2019.

C. WRCOG Will Begin Service in August 2018

WRCOG represents 23 member agencies throughout Western Riverside County¹⁰ by providing cooperative planning, coordination and technical assistance on issues of mutual concern its local government members. WRCOG is in the process of establishing a separate JPA, to be known as Western Community Energy, that would operate a CCA program. That program would serve up to 180,000 accounts within its first year at an average annual load of 2.2 MW. WRCOG has not yet submitted its Implementation Plan, but intends to do so by April 2018 with a projected launch date of August 2018. WRCOG's members are in the process of joining the JPA over the next few months under the existing Commission certification and Resource Adequacy rules with the reasonable expectation that electric service will begin in August 2018, as was previously discussed with Commission and SCE staff. WRCOG has met with Commission staff early on during the course of its feasibility study and continues to meet monthly with SCE's upper management and CCA implementation teams. In total, WRCOG expended \$400,000 in building this program over the past three years, including costs for a feasibility study, JPA governance documents, member outreach, program development and consultant costs.

Under the proposed rules in the Draft Resolution, WRCOG's program would be delayed until at least January 1, 2020.

III. THE DRAFT RESOLUTION TIMELINES ARE CONTRARY TO COMMISSION AND IOU FEEDBACK ON SOCAL CCA LAUNCH DATES AND WOULD DISRUPT PROGRAM IMPLEMENTATION

The Draft Resolution proposes that an emerging CCA be precluded from serving load unless it fully participates in the Commission's year-ahead RA planning process. That is, a CCA

¹⁰ WRCOG's member agencies include the Cities of Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula and Wildomar as well as the County of Riverside, the Morongo Band of Mission Indians, Eastern Municipal Water District, Western Municipal Water District and the Riverside County Superintendent of Schools as an ex-officio member.



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must file its Implementation Plan, or amendment thereto, by January 1 and participate in the April and August year-ahead RA forecast filings before it can begin serving new load January 1 of the following year. Other than certification of a CCA's Implementation Plan, there have been no Commission rules to date governing the timing of when a CCA may begin or expand service. As discussed above, the SoCal CCAs have been relying on the existing rules in developing their programs and launch dates for the past three years with absolutely no indication that a rule change was imminent.

A. Commission and SCE Staff Have Supported the SoCal CCAs' Projected Launch Dates

The SoCal CCAs have been in regular discussions with Commission staff and SCE for some time. There has been no indication from these discussions that the current planning efforts and SoCal CCA launch dates raised significant RA planning and stranded cost concerns warranting a proposed delay by at least one to two years.¹¹ DCE filed its implementation plan on December 11, 2017. Had DCE known of the impending deadline, it would have submitted its Implementation Plan just three days earlier, and would then not be subject to the proposed rules and would begin service in accordance with its July 2018 plan. LACCE filed its amended Implementation Plan on December 29, 2017, and WRCOG intends to submit a plan in April 2018. Had the SoCal CCAs been aware of the temporary freeze on implementation, all of them would have submitted plans prior to December 8, 2017 and avoided substantial program delays.

Notwithstanding the lack of outreach, Commission staff has been aware of and SCE has agreed to the implementation timelines of the SoCal CCAs, and therefore, the urgency to impose a delay seems arbitrary. In the case of LACCE, SCE supported its 2018 phased launch indicating, "Based on current information, SCE's goal is to implement Phase 2 in June 2018 and Phase 3 in December 2018, with the understanding that the scope of those phases will include all cities joining the Joint Powers Authority through December 2017."¹² Clearly, the Commission was on notice, with consensus by the affected utility, that LACCE would provide electric service in 2018 to the expanding membership base proposed in its amended Implementation Plan. In

¹¹ In its December 29, 2017 letter to Commissioner Randolph, SCE asserts that the CCA community was put on notice of Commission RA cost-shifting concerns in testimony by Director Edward Randolph to the California Legislature on August 23, 2017. A review of this testimony shows, however, that Director Randolph testified to the Energy Division's certification process and described the current PCIA proceeding and the issues being addressed therein. Director Randolph's did not testify to the issues raised in the Draft Resolution, and no CCA would have been put on notice of the proposed timelines by virtue of that testimony.

¹² Letter from Russel Worden, Managing Director, State Regulatory Operations, SCE, to Edward Randolph, Director, Energy Division, California Public Utilities Commission, *re SCE's Supplemental Comments on LACCE's Implementation Plan* (Sept. 25, 2017) .



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addition, DCE and WRCOG have both discussed their launch schedules with SCE and actively working with the utility to meet all of its requirements.

B. CCAs Have Been Complying with RA Procurement Requirements

The Draft Resolution's justification for imposing a rigid delay in CCA launch dates is that emerging CCAs are not participating in the year-ahead forecast prior to the year of their launch. SCE has also indicated in a recent letter to the Commission that CCAs are taking advantage of an "existing RA-related loophole."¹³ These characterizations are misleading and do not warrant the Commission driven timeline set forth in the Draft Resolution. It has been regular Commission practice for CCAs to participate in the month-ahead RA planning process prior to launch or expansion and then in the annual forecasting process thereafter.¹⁴ It is also not apparent from a review of the Commission's previous RA decisions that a non-IOU load serving entity (LSE) has ever been subjected to a one to two year freeze as proposed here.¹⁵ Thus, despite the statements that CCAs are somehow not participating in RA planning, emerging CCAs have been procuring RA sufficient to meet system needs with no reported issues from the Commission.

If the Draft Resolution is withdrawn, the SoCal CCAs will continue to ensure that capacity is procured prior to launch sufficient satisfy their loads and meet RA requirements. The SoCal CCAs commit to working with Energy Division staff and coordinating with SCE to prevent cost-shifting and guarantee a smooth transition for their respective 2018 launches.

C. The Draft Resolution Timelines Would Substantially Disrupt the SoCal CCAs' Programs

The delays proposed in the Draft Resolution are of sufficient magnitude as to have a disruptive impact on three large, southern California programs that are near the finish line for development and are ready to launch. The Draft Resolution timelines of one to two years are arbitrary and do not consider the development stage of each particular program. This in turn ignores the thousands of hours of staff time and the enormous amount of public funds that have

¹³ Letter from Caroline Choi, Senior Vice President, Regulatory Affairs, SCE, to Commissioner Liane M. Randolph, California Public Utilities Commission, *re Response to CCA Letters re Draft Resolution*, pg. 2, R.17-06-026 (Jan. 3, 2018) (*SCE Response Letter*)

¹⁴ For example, Peninsula Clean Energy submitted its Implementation Plan in March 2016 then launched service in October 2016 of the same year. In addition, a CCA that is providing new or expanded service is precluded from participating in the year-ahead RA planning process. The California Energy Commission would not accept a CCA's load forecast in either April or August of the year prior to launch if the Commission has not yet certified the Implementation Plan, and the CCA has subsequently filed its \$100,000 bond and IOU service agreement.

¹⁵ See e.g., D.03-12-015, *Opinion Regarding Assembly Bill 117's Expanded Registration Process of Electric Service Providers* (Dec. 4, 2003).



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gone into the careful planning and development of these programs. These new timelines would stop southern California CCA progress by ostensibly putting the concerns of IOU bundled ratepayers over those of CCA ratepayers¹⁶ by delaying choice in electric service and interfering with timely efforts to address regional environmental concerns through local climate change programs.¹⁷ It would also result in higher implementation costs and lost opportunity costs, and in the case of WRCOG, result in up to a two-year delay.¹⁸

In order to understand the magnitude of the proposed delay, the SoCal CCAs performed the following analysis of the Draft Resolution's impacts.

- LACCE – For 2018, LACCE would only serve 3 jurisdictions (not 24). This would result in an impact on revenue of \$19.8 million and an impact on a projected surplus of \$3.1 million (representing funds that could be used for new projects). Operating and administrative costs as a fraction of total costs are twice as high (207%) for a 3 jurisdiction scenario as compared with a 24 jurisdiction scenario.
- DCE/WRCOG – For DCE, this would result in foregone reserves of \$3.9 million plus interest costs on deferred payback of loans to cover start-up costs. DCE ratepayers would lose \$1.83 million in foregone net savings.
- WRCOG – For 2018 and 2019, WRCOG would not provide service to any jurisdiction. WRCOG would forego reserves and other revenue with an estimated impact of \$26.6 million.

Although the above losses represent program revenues, the numbers are really lost savings to the SoCal CCA ratepayers and the ability to add and enhance programs for CCA consumers.

IV. THE DRAFT RESOLUTION IS INCONSISTENT WITH SECTION 366.2 AND PRIOR COMMISSION DECISIONS

A. The Draft Resolution is Inconsistent With Section 366.2's *Earliest Possible Effective Date*

With the passage of Assembly Bill No. 117 (Migden) in 2002, the California Legislature provided that “[t]he Commission shall designate the *earliest possible effective date for implementation of a community choice aggregation program*, taking into consideration the

¹⁶ Letter from Tom Kirk, Executive Director, Coachella Valley Association of Governments, to Edward Randolph, Director, Energy Division, California Public Utilities Commission (Dec. 5, 2017).

¹⁷ Letter from Gary Gero, Chief Sustainability Officer, County of Los Angeles, to President Michael Picker and Commissioners, California Public Utilities Commission (Dec. 22, 2017).

¹⁸ Letter from Rick Bishop, Executive Director, Western Riverside Council of Governments, to President Picker and Commissioners, California Public Utilities Commission (Dec. 20, 2017).



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impact on any annual procurement plan of the electrical corporation that has been approved by the commission.”¹⁹ The Draft Resolution, on the other hand, does not do this. It sets a fixed and arbitrary effective date for CCA implementation whereby a CCA must file its Implementation Plan by January 1 in order to serve new load the following calendar year. Depending on the date the Implementation Plan is filed, this could result in an up to two-year delay prior to CCA launch or expansion.²⁰ This protracted timeline is unreasonable and is certainly not what was intended by the Legislature’s directive that the *earliest possible date* be designated.

In the *SCE Response Letter*, the utility contends that “earliest possible effective date” is subject to and clarified by section 366.2(j)(1) in that the Commission cannot certify a CCA Implementation Plan until it implements a “cost recovery mechanism consistent with the directives of the statute.”²¹ However, the Commission has implemented a cost recovery mechanism in prior decisions. And, at the request of the CCA community and IOUs, has an open proceeding on the PCIA to address the methodology regarding bundled customer indifference. The *SCE Response Letter* then essentially translates into a requested freeze.

The relevant statutory provision in this case is section 366.2(b)(5), which states that the Commission shall request cost recovery information in the context of the certification of the Implementation Plan.²² Therefore, while the Commission has addressed the broader cost recovery framework in previous proceedings, and continues to do so in the PCIA proceeding, the Commission can should address RA on an individual CCA basis. This is consistent with Section 366.2 and the Legislature’s directive to begin CCA service at the earliest possible effective date.

B. Prior Commission Decisions Have Provided Flexibility in CCA Implementation and Resource Planning Issues

In previous proceedings, the Commission has been circumscribed in its regulation of CCAs and flexible in considering whether and how to incorporate CCAs into its planning processes. In considering utility resource planning in D.04-12-046, the Commission noted that “. . . [r]esource planning will necessarily be an ongoing, interactive exercise,”²³ and declined to

¹⁹ Section 366.2(c)(8) (emphasis added).

²⁰ For example, a CCA filing an Implementation Plan after the January 1 during the same month could not begin serving new load for almost two years.

²¹ *SCE Response Letter* at 3.

²² Section 366.2(b)(5) (“In order to determine the cost-recovery mechanism to be imposed on the community choice aggregator pursuant to subdivisions (d), (e), and (f) that shall be paid by the customers of the community choice aggregator to prevent shifting of costs, the community choice aggregator shall file the implementation plan with the commission, and any other information requested by the commission that the commission determines is necessary to develop the cost-recovery mechanism in subdivisions (d), (e), and (f)”).

²³ D.04-12-046, *Order Instituting Rulemaking to Implement Portions of Ab 117 Concerning Community Choice Aggregation*, pg. 29 (Dec. 16, 2004).

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prescribe at that time specific rules that could be addressed individually in planning applications and related dockets.²⁴ In D.05-12-041, the Commission recognized that its authority over CCAs was generally permissive and limited to the following, “. . . we interpret AB 117’s requirements for the CCA to file an implementation plan, to register with the Commission, and to comply with program rules to be conditions of receiving related utility services.”²⁵

Although not exhaustive, these examples show that when the Commission has considered the direct regulation of CCAs, it has generally deferred to CCA implementation decisions, so long as general provisions were in place to protect utility customers. This does not suggest that the SoCal CCAs do not have to abide by Commission planning processes or that the Commission’s role in RA is diminished in any way. It means, though, that the Draft Resolution is inconsistent with the Commission’s prior approaches to CCA implementation by seemingly dictating a general start date or waiting period and “suspending progress toward implementation,”²⁶ rather than addressing the issues in an open proceeding or on an individual implementation basis. Given this backdrop of deference and flexibility, the SoCal CCAs encourage the Commission to work with them on their 2018 launch dates and not proscribe rigid start dates.

V. THE DRAFT RESOLUTION IS IN CONFLICT WITH BASIC PRINCIPLES OF ADMINISTRATIVE LAW

In addition to the inconsistencies with section 366.2 and prior Commission decisions, the findings and conclusions of the Draft Resolution appear arbitrary and are unsupported by the facts in the record. The Draft Resolution states that the Energy Division has confirmed the existence of stranded costs due to CCAs not participating in the year-ahead forecasting and designation process by virtue of staff’s review of PG&E data.²⁷ Based on its estimated scale of load migration in 2018, the Energy Division asserts that RA contracts of less than one year would not be captured by the PCIA, but that these IOU costs would be borne by bundled customers, “potentially resulting in millions of dollars annually of stranded costs and potentially in contravention of the indifference requirement of Section 366.2.”²⁸ There is, however, a lack of substantial evidence to support this conclusion.

The SoCal CCAs contend that the evidence in the record is limited and does not support the proposed implementation delays. There is no description of the specific information that was analyzed. The Draft Resolution only states that that PG&E data was reviewed and compared

²⁴ *Id.* at 30.

²⁵ D.05-12-041, *Order Instituting Rulemaking to Implement Portions of Ab 117 Concerning Community Choice Aggregation*, pg. 9 (Dec. 15, 2005).

²⁶ *Id.* at 16.

²⁷ Draft Resolution, pg. 7.

²⁸ *Id.*

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against “public information” regarding those CCAs planning to serve load in 2018, with a bald conclusion that stranded costs had been confirmed. The Draft Resolution does not discuss the various data points or factors that could be assessed in such an analysis, including but not limited to: what the PG&E data consisted of, what CCA service territories were examined, the time periods for analysis, or what “public information” of a 2018 CCA launch was reviewed.²⁹ The analysis also does not include data or discussion of cost shifting in SCE territory in which the SoCal CCAs will launch. Furthermore, the review of PG&E’s data has been done confidentially due to alleged market sensitive information. Without subjecting the data to public comment and review, the data is untested and unverifiable, and the record does not contain the evidence necessary on which to base a Commission decision that emerging CCAs across the state should be delayed for one to two years. It also does not support a finding that start dates of January 1, 2019 (LACCE, DCE) and January 1, 2020 (WRCOG) are the *earliest possible effective dates* for these programs.

While we recognize that Commission staff has reviewed data suggesting that changes to the Commission’s RA planning should be considered in an expedited manner, basic principles of administrative law require the Commission to provide additional data and analysis supporting the conclusions in the Draft Resolution as well as a meaningful opportunity for CCA review and comment. In cases where agencies have relied solely on confidential data to justify an administrative decision, courts have generally found there to be a lack of substantial evidence justifying the agency’s determination.³⁰ In addition, reliance on confidential information has been deemed to be an abuse of discretion because such information cannot be verified and rebutted.³¹ In this case, a properly constructed comment period should include the ability to review Energy Division data and analysis in a formal Commission proceeding, so that it can be properly reviewed along with the time and procedures necessary to submit comments, testimony and additional rebuttal evidence.

²⁹ In addition, the Draft Resolution only cites to “potential” stranded costs, not actual, and does not discuss whether the CAISO has actually had to procure back-stop capacity in CCA launch years.

³⁰ *Util. Reform Network v. Pub. Utilities Comm’n*, 223 Cal. App. 4th 945, 958 (2014) (holding that the Commission failed to proceed in a manner required by law when there was a finding of fact based solely on untested evidence that was in dispute).

³¹ Courts in various contexts have addressed the issue of administrative agencies relying on confidential data, and have generally concluded that such data lacks substantial evidence. *See generally, Wirtz v. Baldor Elec. Co.*, 337 F.2d 518, 528–29 (D.C. Cir. 1963) (“It does not follow, however, that courts will generally force the Government to reveal information it seeks to keep confidential. The Government, in situations of the present sort, has an option: it can hold back confidential material, and take the risk of not being able to prove its case, or it can produce the material and allow it to be the subject of direct and cross-examination.”); *Ethyl Corp. v. Env’tl. Prot. Agency*, 541 F.2d 1, 110–11 (D.C. Cir. 1976) (holding that an agency relying on untested data not available for public review was reversible error).



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Lastly, the only option offered by the Draft Resolution, and the only option that appears to have been considered, is that CCAs should begin service a year or more after an Implementation Plan is filed. As addressed by the SoCal CCAs below, however, there are other alternatives the Commission can and must consider. Without such consideration and analysis, adoption of the Draft Resolution is contrary to law.

VI. THE COMMISSION'S PCIA AND RA PROCEEDINGS ARE THE APPROPRIATE FORUMS TO ADDRESS THE ISSUES RAISED IN THE DRAFT RESOLUTION

The Draft Resolution proposes a substantial change to the Commission's existing rules regarding the timing of CCA implementation, RA planning and cost-shifting. The mechanism for this sweeping proposal is use of a resolution.³² Typically, the Commission uses a resolution outside of a formal proceeding for those matters that are inconsequential, such as minor, uncontested deviations from a tariff or rule, and where there is little public opposition. The resolution process only provides for limited written comment, and not for a full examination of the issues. In this case, written comment on the Draft Resolution, without the incorporation of other available administrative procedures, is insufficient, particularly when there are open proceedings that can address the concerns in the Draft Resolution and provide the necessary structure to test its facts and conclusions.³³ Resource Adequacy and cost-shifting are already being addressed, and should be addressed, in the open PCIA and RA proceedings.

The PCIA does not currently include RA contracts of less than one year. However, on June 29, 2017, the Commission opened R.17-06-026 to review, revise, and consider alternatives to the Power Charge Indifference Adjustment (PCIA). This proceeding includes a review of the existing PCIA methodology and the proper inputs and calculations for determining cost responsibilities and cost shifting from IOU bundled customers that take service with CCAs.³⁴ Although the Draft Resolution states, "It is not yet clear if the PCIA addresses this potential [RA] cost-shifting issue,"³⁵ the Scoping Memo for the PCIA proceeding (to which the SoCal CCAs are parties) sets forth the principles of bundled customer indifference and addresses broad issues that could, and will, include a review of RA cost recovery. The parties are in the early stages of reviewing data with workshops set to review and discuss potential changes to the PCIA.

On October 4, 2017, the Commission instituted R.17-09-020 that will examine changes and refinements to the Commission's RA program, including whether the "basic structure and

³² Rules 14.1 and 14.5.

³³ See e.g., *Cal. Trucking Ass'n v. Pub. Utilities Comm'n*, 19 Cal. 3d 240, 244 (1977) (overturning a Commission decision on administrative procedure grounds).

³⁴ R.17-06-026, *Order Instituting Rulemaking to Review, Revise, and Consider Alternatives to the Power Charge Indifference Adjustment* (filed June 29, 2017).

³⁵ Draft Resolution, pg. 8 (emphasis added).



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processes” should be re-examined.³⁶ If the Commission is concerned with CCA participation in the year-ahead RA process, then the RA proceeding is the appropriate place to address this issue. As previously noted by CalCCA in its comments to the Commission on the Draft Resolution and the RA proceeding,³⁷ this open proceeding would allow CCA parties to review IOU cost-shifting data, provide comment and testimony, submit formal evidence and provide alternatives³⁸ – most of which is not available through the structure of the Draft Resolution’s comment process. In that proceeding, the ALJ’s Scoping Memo has not yet been issued, and several parties seek to file motions to ask the Commission to formally address the Draft Resolution issues in the context of that proceeding.³⁹

In light of these two open proceedings, we request the Commission withdraw the Resolution and address the issues of concern using the procedural formalities of those forums.

VII. THE DRAFT RESOLUTION WOULD IMPROPERLY APPLY COMMISSION RULES RETROACTIVELY

As previously discussed, both DCE and LACCE submitted their respective Implementation Plans and amendments while the existing Commission certification and RA rules are in effect and prior to any changes proposed in the Draft Resolution. All three programs, DCE, LACCE and WRCOG, developed their programs and launch dates in accordance with those rules. The Draft Resolution ignores these development milestones and submission dates, and instead, proposes to regulate CCA Implementation Plan submissions retroactively. For instance, in the case of CCA start dates in 2018, plans must be submitted by December 8, 2017, a date two months prior to the Commission’s meeting date of February 8, 2018. For CCA start dates in 2019, plans must be submitted by February 8, 2018. Thus, the proposed timelines apply to plans that have been submitted to the Commission prior to the effective date of an adopted Resolution. As the Commission is aware, agency rules cannot by law be applied retroactively.⁴⁰ Regulations that are retroactively applied, such as the retroactive application of the Draft

³⁶ R.17-09-020, *Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Refinement, and Establish Annual Local and Flexible Procurement Obligations for the 2019 and 2020 Compliance Years* (filed Sept. 27, 2017).

³⁷ Letter from Dawn Weisz, President, CalCCA, to Commissioner Liane M. Randolph, California Public Utilities Commission (Dec. 21, 2017) (*CalCCA RA Letter*).

³⁸ See *People v. Western Air Lines, Inc.*, 42 Cal. 2d 621, 632 (1954) (describing Commission due process requirements).

³⁹ CalCCA RA Letter at 1.

⁴⁰ Section 728 (stating that rules enacted by the Commission are “thereafter observed and in force”).



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Resolution to Implementation Plans filed prior to the effective date, are considered arbitrary and capricious and unenforceable.⁴¹

VIII. THE COMMISSION SHOULD CONSIDER OTHER ALTERNATIVES OTHER THAN FREEZING THE SOCAL CCAs

For the reasons discussed herein, the SoCal CCAs request the Commission withdraw the Draft Resolution and address any RA planning and cost shifting issues in the open RA and PCIA proceedings. Should the Commission decline to take this approach, it should consider other alternatives that would allow the SoCal CCAs to begin service in 2018.

The Draft Resolution would regulate all emerging CCAs under the same timelines without consideration of both the *earliest possible effective date* of each program requirement and the previous agreement to serve. Rather than treating all CCA launch dates uniformly when each has different program implementation timelines and needs, the SoCal CCAs propose that the Commission allow individual CCAs to work with the Energy Division and SCE to procure the necessary RA for 2018 and allow launch consistent with the dates in their Implementation Plans. System RA is planned on a year-ahead and month-ahead basis. Changes in the monthly forecast naturally necessitate changes in the monthly compliance filing, and if load shifts from one provider to another, changes are addressed in the monthly filing. The Commission typically does not require entities to wait a whole year until they can be part of the year-ahead forecast of the new LSE. Other RA obligations could be handled the same way. Thus, when a CCA begins operations, the IOU losing the load could sell the excess RA it has procured into the market, and a SoCal CCA could buy the RA it needs from the IOU.

There is Commission precedent for this practice. In R.10-03-022, the Commission established this same practice when direct access was partially re-opened. An LSE with departing load could sell the new LSE the RA associated with those new customers. In this case, the Commission could calculate the RA obligations, possibly in the context of the SoCal CCA's Implementation Plans. This would avoid delaying the implementation beyond 2018 and address the Commission's RA planning concerns. Other structural RA and cost-shifting issues could still be addressed in the open RA and PCIA proceedings. Should the Commission be amenable to this alternative, but still wish CCAs participate in the annual RA filing, then the SoCal CCAs request that they be allowed to participate in the August RA filing, so that the current 2018 schedule can be retained and not be pushed to 2020. Under this scenario, LACCE, DCE and WRCOG could still launch in 2018 and satisfy Commission RA planning requirements.

Should the Commission adopt the Draft Resolution, the SoCal CCAs request that the Commission permit waivers or deviations from this process on an individual CCA basis to allow

⁴¹ *Nasim v. Los Robles Regional Med. Ctr.*, 165 Cal. 4th 1538, 1542-1544 (2008); *see e.g., Kennecott Corp. v. E. P. A.*, 684 F.2d 1007, 1019-20 (D.C. Cir. 1982).

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procurement of necessary RA. The Commission should then extend the Implementation Plan timeline for 2018 until April with the ability to serve new load thereafter on a six-month basis rather than on a year-ahead basis.

IX. CONCLUSION

For the reasons provided herein, the SoCal CCAs respectfully request the Commission withdraw the Draft Resolution and address RA and cost-shifting issues in its open proceedings. The Commission should allow the SoCal CCAs to launch in 2018 and participate in the month-ahead and year-ahead RA planning process for 2018, subject to working with Commission staff and SCE in procuring necessary RA. LACCE, DCE, and WRCOG are willing and available to work with Energy Division staff and SCE on solutions that will address the RA concerns in the near term, allowing the programs to proceed in 2018 as planned.

Sincerely,



Ryan M. F. Baron
for BEST BEST & KRIEGER LLP

Item 6.G

Western Community Energy
Activities Update

Attachment 2

Summary of comment letters to the
CPUC

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January 16, 2018

TO: Ryan Baron, Barbara Spoonhour, Gary Gero, Matt Skolnik, Bill Carnahan,
Katie Barrows, Rick Bishop, Tom Kirk

FROM: Gary Saleba

SUBJECT: Summary of Resolution E-4907 Comments

CC: Anne Falcon, Colin Cameron, Alison Levy

Introduction

The Draft Resolution “will require Community Choice Aggregators (CCAs) to submit to a process that includes a timeline for submission of Implementation Plans; a requirement to ‘meet and confer’ between the CCA and the incumbent utility that can be triggered by either the CCA or the utility; a registration packet including a CCA’s service agreement and bond; and a Commission authorized date to begin service.” This new process is driven by alleged concerns about the resource adequacy (“RA”) obligations for newly-formed CCAs and the potential for shifting of costs incurred by the Investor-Owned Utilities (“IOUs”) for procurement of RA under contracts that are less than one year.

Current Status

According to rumors, Ed Randolph will be meeting with parties prior to February 8. It sounds like the process used in D.10-03-022 will be the straw proposal. D.10.03-022 was the decision regarding the phasing-in and waiting periods for new applications for Direct Access Service. We should decide if we can support that process and then LACCE, WRCOG and CVAG will not have to give anything to SCE. The IOUs asked for a lot of additional requirements of CCAs in their comments. If LACCE, CVAG and WRCOG can support the process used in D. 10-03-022, then it would probably be advantageous to meet with Ed prior to February 8th.

Parties Commenting

Joint IOUs	CAISO
LACCE, WRCOG, DCE	CalCCA
Alliance for Retail Energy Markets	San Diego
City and County of San Francisco	Solana Beach
King City	Shell
Local Government Sustainable Energy Coalition	Pioneer
CUE	Sierra Club
Contra Costa Organization for Action	

Parties Comments

Protests:

CalCCA – Requests that the Resolution be withdrawn. It violated due process (no sufficient opportunity to be heard, no evidence to support the conclusion, no iterative feedback opportunity, harm to parties and California customers) and it is at odds with the Commission’s Rules and Procedures. It impinges on the statutory rights of local governments by impacting the “earliest possible effective date”, expanding authority to the Commission related to IP approval, develop multi-year implementation and launch process, requiring additional timelines and procedures, and requiring a blanket launch date of January 1 for all new CCA programs.

CalCCA offers the following solutions:

- Address the RA cost allocation and CCA timeline issue in the RA proceeding.
- For CCA programs intending to launch in 2018 or 2019 allocate a share of the IOU year-ahead costs through the first year similar to the Commission’s temporary treatment for RA obligations during the reopening to DA expressed in Appendix 3 of D.10-03-022.

City and County of San Francisco – States that the Draft Resolution makes substantial changes to existing Commission decisions without providing an opportunity to be heard and requests a hearing on the Draft Resolution pursuant to section 1708. The following issues were noted by CCSF:

- The Draft Resolution exceeds the Commission’s jurisdiction over CCAs and is contrary to Public Utilities Code section 366.2.
- The record supporting the Draft Resolution is inadequate to support the dramatic changes it proposes. The Commission relies on untested and undisclosed facts from PG&E to impose a de facto moratorium on CCA launch or expansion for at least one year.
- The circumstances surrounding the Draft Resolution do not justify the Commission’s failure to proceed as required by law. The Draft Resolution addresses allocation of certain Resource Adequacy costs. Cost-allocation, while important, ***does not itself implicate grid***

reliability or otherwise create an emergency or extraordinary situation that immediately threatens or impairs public health or safety.

CCSF further states that if the Commission adopts the Draft Resolution despite the significant flaws, the Commission should make the following modifications:

- Clarify the applicability of the Draft Resolution to expressly ***exclude*** existing CCAs that phase-in customers pursuant to Implementation Plans that have already been submitted and certified by the Commission.
- Defer the effective date of the Draft Resolution until January 1, 2019, in order to provide time for an appropriate review and more adequate notice to CCAs.

City of San Diego - The Commission should withdraw the Draft Resolution in favor of a more fair process to address the RA coordination and cost concerns it expresses

Alliance for Retail Energy Markets ("AReM") – The Draft Resolution should be withdrawn and the issue should be addressed in the RA proceeding. The Draft Resolution result in due process concerns and unduly burdens new CCAs. AReM supports the DA Decision methodology to address the cost issue.

King City – Description of program and timing impacts. Request that the Resolution replaces "December 8, 2017" with "the adoption of this Resolution" or similar language.

City of Solana Beach – Has filed their IP prior to December 8 so they would not be affected. However, they request that the new timelines be delayed a year to allow for new CCAs to meet the new rules without having disruption and additional costs incurred. Solana Beach also requests that the new rules are applied prospectively not retroactively.

Pioneer – Addressing servicing in multi utility service areas and requesting exemption for SMJU service area. In addition, Pioneer supports CalCCAs position.

Shell – Oppose and requests withdrawal of Draft Resolution. "The Draft Resolution reflects an utter disregard for due process". PG&E raised this issue in the RA proceeding R.17-09-020 and that should be venue for addressing the concern. In addition, Shell states that rather than "respond" to the Commission's directive in D.05-12-041, the Draft Resolution seeks to overturn the timeline and protocols upon which CCA-interested stakeholders have come to depend. Very feisty comments.

Sierra Club – proposes to create separate proceeding to address and possibly a short-term solution that allows CCAs to purchase a pro-rata share of RA (like Decision 10-03-022).

Contra Costa Organization for Action – opposing.

Local Government Sustainability Energy Coalition – oppose and express grave concerns over the lack of due process, potential harm to local governments and Community Choice Aggregations (CCAs), and risk of inappropriate cost recovery.

Agreeing

IOUs - support the resolution. They feel that the December 8 deadline is reasonable. The current growth of CCAs will cause significant cost shift to bundled customers. Additionally, the IOUs request that the Commission consider the following comments:

- Additional compliance requirements for CCAs – CCAs should file RPS compliance with Implementation Plans and the timeline attached to the Draft Resolution should clarify this requirement.
- Stating that expanding CCAs should file a supplemental IP and provide a format (using LACCE as an example.)
- Adjusting the timelines – Since the Resolution could potentially have multiple CCAs launch on January 1, allow the IOUs to negotiate delayed starting dates due to internal work load.
- Allow bilateral agreements between the IOU and CCAs for 2018 RA compliance and costs.
- Add stronger language regarding Implementation Plan (IP) certification – Require the Resolution to clarify that a new CCA is not permitted to serve if the IP has not demonstrated compliance with all statutory and Commission requirements (if this becomes a new requirement, then I think we need to go after SCE for not providing detailed data until the IP has been filed. PG&E provides detailed data as soon as the NDA is signed).
- Provide a timeline for IOU CCA Implementation Plan Comments.
- Allowing a cost recovery mechanism to handle the California Independent System Operator's (CAISO's) Capacity Procurement Mechanism (CPM) Cost Shift Provide a timeline for IOU comments for the IP.

Coalition of California Utility Employees - supports Draft Resolution E-4907.

Neither Agree or Disagree with the Resolution

CAISO – the following is their full statement:

The Draft Resolution should ensure that any process and timeline change is coordinated with the California Energy Commission (CEC) and the CAISO. The resource adequacy (RA) program is a critical and integral part of the CAISO's ability to operate the grid reliably. There are a variety of requirements and responsibilities that all LSEs must meet in order to participate in the CAISO markets. For example, all LSEs must be represented by a qualified Scheduling Coordinator to engage with the CAISO. Moreover, if the LSE has an RA obligation, such as the case with CCAs, there are additional requirements to ensure that this is appropriately reflected in CAISO's systems and coordinated with other

agencies. For example, the load migration information used by the CAISO comes from the CEC and must be entered into the CAISO system so that RA showings and must offer obligations are enforced.

Reply Comments

Reply comments are due on January 18, 2018. Based on the comments received, it appears reasonable to continue to support the withdrawal of the Resolution and propose that:

- RA compliance and cost shifts should be addressed in the RA proceeding including timelines and filing requirements.
- Short-term cost shifts should be addressed by a short-term solution that allows CCAs to purchase a pro-rata share of RA (like Decision 10-03-022).
- Support a process by which WRCOG can file their load forecast in August 2018 and meet its RA filing requirements.
- Object to the IOUs proposal for additional compliance requirements for CCAs.
- Object to the IOUs recommendation that expanding CCAs should file a supplemental IP and that the CPUC should provide a format.
- Object to the IOUs complaint that the Resolution could potentially have multiple CCAs launch on January 1, so the Commission should allow the IOUs to negotiate delayed starting dates due to work load. Our solution for the RA procurement should address this issue.
- Object to the IOUs recommendation that stronger language regarding IP certification is required.
- Emphasize and repeat the lack of due process concerns already expressed.
- Not sure if we need to comment on the IOUs wanting a timeline for CCA Implementation Plan comments. But I do think we need to comment that the “meet and confer” requirement is moot as that is already done. It is smart business.
- Not sure if we need to comment on the request for a cost recovery mechanism or if this should be handled in other proceedings.

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Attachment 3

Reply comment letter dated January
18, 2018, from WRCOG, LACCE,
and DCE

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File No. 20323.00039

January 18, 2018

VIA EMAIL & OVERNIGHT MAIL

Edward Randolph
Director, Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA

**Re: Joint Reply Comments of Los Angeles Community Choice Energy,
Desert Community Energy and the Western Riverside Council of
Governments on Draft Resolution E-4907**

Dear Mr. Randolph:

Los Angeles Community Choice Energy (LACCE), Desert Community Energy (DCE) and the Western Riverside Council of Governments (WRCOG) (collectively, SoCal CCAs) submit the following joint reply comments on Draft Resolution E-4907 (Draft Resolution), issued on the Commission's own initiative on December 8, 2017, proposing to implement a registration process for community choice aggregators (CCAs).

I. THERE IS GENERAL CONSENSUS FOR AN ALTERNATIVE TO THE DRAFT RESOLUTION

The opening commenters almost universally agree that there are alternatives to the Draft Resolution that would allow Resource Adequacy (RA) cost shifting to be addressed in a timely manner and which would allow the SoCal CCAs and other CCAs to provide new service in 2018. As noted by the SoCal CCAs and other parties, the Commission's decision in D.10-03-22 provides the necessary framework to allow capacity to be procured from the IOUs in the first year a CCA provides new service.¹ The IOUs also support an alternative through a waiver process.² It is clear from these comments then that significant legal issues associated with the Draft Resolution can be avoided by the Commission considering the alternative that RA be procured from the IOUs and CCAs provide service in 2018 in accordance with their

¹ See Comments of CalCCA, the City and County of San Francisco, King City, the Alliance for Retail Energy Markets and 350 Bay Area.

² Joint Comments of IOUs.
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Implementation Plans. The SoCal CCAs request the Energy Division hold a meeting with the affected stakeholders prior to February 8, 2018 in order to address these alternatives.

II. THE COMMISSION SHOULD NOT IMPOSE CCA START DATES OR NEW CERTIFICATION REQUIREMENTS

The IOUs support adoption of new CCA timelines and implementation procedures based on the same flawed assumptions and conclusions set forth in the Draft Resolution, such as the untested and unverified data regarding cost-shifting. For the reasons previously raised in the opening comments of the SoCal CCAs and by other commenters, the Commission should reject this reasoning and withdraw the Draft Resolution altogether. In addition, the IOUs request that the Commission expand the Draft Resolution to include additional prescriptive rules on CCA implementation. The IOUs' request in this regard is unwarranted as it would duplicate existing procedures and is generally beyond the scope of the Draft Resolution, which is limited to addressing RA cost-shifting and CCA coordination. Essentially, the IOUs seek to re-open the CCA registration issues that were settled in D.05-12-041 when the Commission acknowledged its limited role in reviewing Implementation Plans.³ Additionally, the IOUs propose this reopener through the informal resolution process, which is already laden with procedural flaws. This would only serve to create additional hurdles and delay to implementation, and should be rejected.

A. Additional Compliance Requirements are Unnecessary

The IOUs request the Commission clarify that the Draft Resolution timelines also apply to existing CCAs that are proposing to expand service to new members.⁴ The IOUs also request modification of the Commission's CCA certification rules to clarify that expanding CCAs must submit "supplemental Implementation Plans" prior to providing new service. They state that clarification is needed to avoid "ambiguity" in the Draft Resolution. Further clarification of the timelines and implementation process, however, is unnecessary. It is clear that the Draft Resolution is intended to apply to expanding CCAs by virtue of language in its Ordering Paragraphs referencing "prospective or expanding Community Choice Aggregators."⁵ It is also clear that the SoCal CCAs intend to file amended Implementation Plans upon service expansion, as evidenced by LACCE's December 29, 2017 submittal adding 21 new jurisdictions. LACCE's submittal is duly acknowledged in SCE's opening comments, and its implementation timelines were previously agreed to by the utility in their letter to the Commission dated September 25, 2017.⁶

³ See SoCal CCA Comments at 8-9.

⁴ IOU Comments, pp 3-4.

⁵ Draft Resolution E-4907, Ordering Paragraphs 2 and 4.

⁶ SoCal CCA Comments at 5.

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The SoCal CCAs intend to expand service on a rolling basis as new member agencies seek competitive choice in retail energy on behalf of their residents and businesses and vote to join their respective joint powers agencies (JPA). The process of public review and city council and board of supervisors' deliberation and financial planning and public outreach does not lend itself to a fixed, Commission imposed start date. LACCE, DCE and WRCOG all intend to expand service on a periodic basis as cities assess CCA and join their JPAs. Thus, the proposal to procure RA from the IOUs is more eloquent and more workable than incorporating rigid year-ahead start dates, as it solves alleged RA cost-shifting and allows CCAs to launch or expand in accordance with their community driven, development timelines without creating an arbitrary start date that would be burdensome to the IOUs themselves to accommodate.

B. The IOUs Request for Additional Timing Requirements Should Be Denied

The IOUs request the Commission add certain timing requirements to the Draft Resolution, including (1) authorization that the IOUs and the CCAs may agree on a particular month as a start date, (2) the Commission clarify local RA procurement requirements for those CCAs that provide new service beyond "January 1 of year 2," and (3) the Commission clarify that a CCA may not begin providing new service if it "has failed to demonstrate compliance with statutory and Commission requirements."⁷

First, the SoCal CCAs agree with the general concept of working with the utility, *albeit* informally, to coordinate CCA implementation and determine a mutually beneficial start date for both parties. The SoCal CCAs recognize that the IOUs have certain operational limitations and that a smooth transition for ratepayers includes billing and processing coordination. This is the exact reason why the SoCal CCAs have met with SCE on a monthly basis prior to filing their Implementation Plans in order to ensure operational synergies between the entities. As was discussed in opening comments, the SoCal CCAs have been working collaboratively with SCE; however, there is no evidence in the record suggesting that a formal meet and confer process is warranted. Furthermore, the SoCal CCAs oppose this clarification as it may be interpreted to mean that the utility has discretion to dictate CCA start dates based on its internal limitations. A CCA, like any business or government enterprise, should have the discretion to launch based on its sole consideration of financial, operational and market factors.

Secondly, the SoCal CCAs propose the Commission deal with local RA in the same manner proposed in opening comments. A CCA should be allowed to procure the necessary RA – system, flexible and local – from the IOU and not be subject to an arbitrary start date of one to two years after an Implementation Plan is filed with the Commission.

⁷ IOU Comments, pg. 4.
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Lastly, the Commission should not find that a CCA cannot provide new service “if it has failed to demonstrate compliance with statutory and Commission requirements.” The Commission has already addressed its circumscribed role in reviewing CCA Implementation Plans. In D.05-12-041, the Commission addressed the very comment the IOUs are making now, noting that the agency does not have authority to approve, disapprove or decertify a CCA or to otherwise regulate CCA implementation.⁸ As the Commission held in that decision, “Instead, we believe it is up to the CCA to comply with the statute.”⁹ Thus, the IOUs are attempting to take another bite at the apple by opening up a prior Commission decision that, as a matter of law, has been resolved.

C. The Commission Should Not Establish A New Cost Allocation Methodology

The IOUs support consideration of a new cost allocation methodology should CAISO tariff language not allow it to recoup back-stop capacity procured through its CPM to be reallocated.¹⁰ Consideration of this recommendation is premature, however, as the Commission should first consider the easier RA cost-shifting solution that has been put forward. More importantly, the comments submitted by the CAISO suggest that neither it nor the Energy Commission have been involved concerns regarding RA cost-shifting. The SoCal CCAs believe that it is better to work with the CAISO on addressing RA through the CCAs’ proposal than getting ahead of matters through arbitrary, Commission established rules.

E. The Commission Should Not Establish Formal Comment Period for Review of Implementation Plans

The IOUs advocate for a formal 45-day comment period when a CCA Implementation Plan is submitted.¹¹ As previously discussed, though, the Commission has recognized its limited role in reviewing CCA Implementation Plans and not interfering with the CCAs’ statutory authority to decide how to comply with state law. Therefore, it is not clear what purpose a 45-day comment period would serve if only to allow the IOUs the ability to challenge Implementation Plans and delay new service. In addition, an informal comment process is already in place. Prior to submitting the Implementation Plan to the Commission, both LACCE and DCE have provided their plans to SCE for its review. The utilities also receive a copy of an Implementation Plan from the Energy Division when it is filed and have every opportunity to review and comment on a plan thereafter, as has been done by SCE on the LACCE Implementation Plan. Additional procedural steps are unwarranted.

⁸ D.05-12-041, pp. 14-18.

⁹ *Id.* at 16.

¹⁰ IOU Comments at 5.

¹¹ *Id.* at 5 and 6.

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F. The Commission Should Not Impose a RPS Requirement in the Implementation Plan Certification Process

Lastly, the IOUs request that a CCA submit a RPS plan at the time the CCA's registration packet is submitted to the Commission. This request, again, seeks to add unnecessary roadblocks to a CCA's launch. The Commission already has a process in place for review of RPS compliance, and as previously discussed, additional certification requirements are outside the scope of the Commission's authority.

II. CONCLUSION

For the reasons discussed herein and set forth in the SoCal CCAs' opening comments, the Commission should consider alternatives that allow CCAs providing new service in 2018 to procure the necessary capacity from the IOUs.

Sincerely,

/s/ Ryan Baron

Ryan M. F. Baron
for BEST BEST & KRIEGER LLP

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Western Community Energy
Activities Update

Attachment 4

Joint IOU comment letter dated
January 11, 2018

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January 11, 2018

Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Joint Comments of Southern California Edison
Company, San Diego Gas & Electric Company, and
Pacific Gas and Electric Company on Draft Resolution
E-4907

Pursuant to Rule 14.5 of the Rules of Practice and Procedure (Rules) of the California Public Utilities Commission (Commission), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Pacific Gas and Electric Company (PG&E) (collectively, the investor-owned utilities (IOUs)) respectfully submit these joint comments on Draft Resolution E-4907 (Draft Resolution), issued by the Commission's Energy Division on December 8, 2017. The Draft Resolution proposes¹ to revise the timeline and procedures for the submission of Community Choice Aggregation (CCA) Implementation Plans, and would require new and expanding CCAs to submit Implementation Plans by January 1² in order to serve load in the following year. The Draft Resolution also would require new and expanding CCAs to participate in the Commission's year-ahead Resource Adequacy (RA) program prior to beginning service. The Draft Resolution's requirements apply to all CCA Implementation Plans submitted to the Commission after December 8, 2017, whether for new or expanded service.

The IOUs support the Draft Resolution's proposal to establish a timeline and procedures for CCA Implementation Plans, which will help ensure that newly launched and expanding CCAs comply with Public Utilities (P.U.) Code Section 380 RA program requirements before providing service to customers. The IOUs agree with the Draft Resolution's finding that the current lack of alignment between the CCA registration process and the RA program leads to additional costs being borne by bundled service customers, which results in an inequitable and unlawful cost subsidy.

Newly forming and expanding CCAs plan to serve a significant amount of load in 2018. As the Draft Resolution notes, existing and new CCAs that were not a part of the year-ahead 2018 RA process, but plan to serve load in 2018, would have been allocated a

¹ Pursuant to the requirements and directives of Public Utilities Code §366.2 and Decision (D.) 05-12-041.

² In accordance with Appendix A of the Draft Resolution, this deadline is extended until February 1, 2018, for plans submitted in 2018 to serve load in 2019.

system RA requirement of approximately 3,616 MW and a local RA requirement of approximately 1,793 MW. RA requirements for load that is not reflected in an existing or pre-operational CCA's RA load forecast effectively remains the obligation of the incumbent utility, and the incumbent utility's bundled service customers subsidize the CCA program by paying for RA capacity for those customers that are about to be served by the newly forming or expanding CCA.³

RA load forecast protocols and timelines are well established, and P.U. Code Section 380 is clear that CCAs are subject to all RA requirements. Despite this, CCA Implementation Plans have not adequately accounted for year-ahead RA requirements in advance of serving load, and participation in the year-ahead program appears to have been treated as optional for newly forming and expanding CCAs. As a result, utilities have had to make incremental purchases of RA to satisfy the year-ahead obligations for the load that is about to be served by a CCA. This timing problem causes an inequitable and unlawful cost shift from CCA customers to those customers who do not join CCAs and continue to receive power supply from the utility. P.U. Code Section 366.2(a)(4) (among other code provisions) prohibits such cost shifting due to the implementation of a CCA program.

Accordingly, the Draft Resolution takes the reasonable and necessary steps to ensure that CCAs comply with year-ahead RA requirements prior to serving load.⁴ Implementation Plans submitted after December 8, 2017,⁵ must comply with these requirements, whether for new or expanded load. Providing CCAs more time to begin serving customers without enforcing the year-ahead RA requirements in 2018 would unreasonably extend the uncertainty and burdensome cost shifts to bundled service customers associated with utilities' short-term RA purchases for CCAs in their launch or expansion year. A December 8, 2017 cut-off is reasonable because it provides sufficient notice to CCAs that the Commission will enforce year-ahead RA requirements before CCAs can serve load and ensures that going-forward implementation and expansion of CCA programs is consistent with California's procurement mandates and the prohibitions against cost shifting. Further, the amount of cost shift from new CCA customers to non-CCA customers was relatively minor when CCA formation was a small percentage of total customers. The current cumulative number of CCAs, however, is significant and would constitute a large cost burden on remaining bundled procurement service customers if RA cost obligations are not properly allocated from the commencement of CCA formation.

Additionally, the IOUs request that the Commission consider the following comments on (1) Compliance Requirements for Expanding CCAs, (2) Timelines, (3) Bilateral Agreements on 2018 RA Costs, (4) the California Independent System Operator's (CAISO's) Capacity Procurement Mechanism (CPM) Cost Shift, (5) Timing for CCA

³ See Draft Resolution, pp. 6-7.

⁴ *Id.*, p. 13.

⁵ See Draft Resolution, Ordering Paragraph 2.

Implementation Plan Comments, and (6) Additional CCA Requirements. Each of these is addressed below.

(1) Compliance Requirements for Expanding CCAs

Under Ordering Paragraphs 2 and 4 of the Draft Resolution, “[p]rospective or expanding Community Choice Aggregators who have not yet submitted an Implementation Plan as of December 8, 2017, shall file their Implementation Plans pursuant to the adopted timeline and procedures listed in Appendices A and B...”⁶ and “fulfill the Resource Adequacy portion of Appendices A and B prior to initiating service to customers.”⁷

These requirements are clearly directed at new CCAs (*i.e.*, CCAs that have not filed an implementation plan) and expanding CCAs (*i.e.*, CCAs that are seeking to expand their memberships) that have not yet submitted an Implementation Plan for the new or expanded service.⁸ However, expanding CCAs can be at various stages of their formation, operations, or expansion. Thus, to avoid any ambiguity, the final Resolution should clarify and confirm that, as of December 8, 2017, any CCA that submitted an Implementation Plan to the Commission, and subsequently expanded its member cities/counties, or customer groups within existing CCAs through phasing, beyond those identified and substantively addressed in the submitted Implementation Plan, is required to submit a Supplemental Implementation Plan(s) complying with the requirements in the final Resolution before providing service to any cities/counties not covered in the Implementation Plan(s) submitted as of December 8, 2017. The final Resolution should further clarify and confirm that the requirement for Supplemental Implementation Plans that conform to the final Resolution applies on a going-forward basis to any expanding CCAs.

For example, Los Angeles Community Choice Energy Authority (LACCEA) filed an addendum to its implementation plan on December 29, 2017, to include 21 additional jurisdictions. However, LACCEA’s Implementation Plan submitted to the Commission only included and substantively addressed service for LACCEA’s three member agencies: Los Angeles County (unincorporated), Rolling Hills Estates, and the City of South Pasadena. LACCEA recognized that it would need to update its Implementation Plan to reflect its expansion, as its Implementation Plan reads “LACCEA is continuing discussions with additional Cities regarding membership in the JPA. This [LACCEA’s] Implementation Plan will be updated as additional Cities become partners in the LACCEA.”⁹ The Commission in the final Resolution should clarify that CCAs that

⁶ Draft Resolution, p. 13.

⁷ *Id.*

⁸ The term “expanding CCA” could have multiple interpretations. Therefore, the Commission should clarify that the definition of “expanding CCA” includes any CCA entity expanding to a new geographical territory, or expanding service to new customers within its existing geographical territory through phasing, regardless of the size of expansion.

⁹ LACCEA Implementation Plan, p. 4.

expand their programs to include additional member agencies after submitting an Implementation Plan, such as LACCEA, are required to comply with the Draft Resolution's timeline and year-ahead RA requirements (as finalized) for load of any new member agencies not covered by the initial Implementation Plan submitted as of December 8, 2017, before they can begin serving that load.

(2) Timelines

In accordance with the Draft Resolution's Adopted Timeline, CCAs that submit an Implementation Plan on or before January 1 in Year 1 may begin serving load in January of the following year (Year 2).¹⁰ Although the IOUs generally support this Adopted Timeline, the IOUs request that the Commission clarify and confirm that the utilities and CCAs may work together to determine the specific month that service will begin in Year 2 during the mandated meet and confer sessions.¹¹ This will allow both parties to assess the operational support needed during the transition and to determine if a single- or multi-phased implementation is appropriate.

Specifically, as part of the customer transition to a CCA's service, SCE and SDG&E need to perform certain activities including processing pre-enrollment and opt-out requests. If multiple CCAs, with a significant number of customers, were to begin service during January of Year 2, the utilities would experience delays in processing times because SCE and SDG&E's operations and systems are not designed to accommodate large-scale transitions within a short period of time. Allowing the IOUs and the CCAs to determine an agreed-upon start date – which would not be sooner than January 1 of Year 2 – will allow for the consideration of operational requirements, while maintaining compliance with the RA requirements of concern in the Draft Resolution.

When the initiation of CCA service occurs later than January 1 of Year 2, the Commission in the final Resolution should clarify how the annual Local RA requirement should be addressed as there could be ambiguity as to whether Local RA should be covered by the CCA or the utility. If the utility must procure Local RA for the entire calendar year to facilitate the year-ahead compliance requirement, then the question becomes how the costs or contracts will be allocated to CCA customers during this period.

Additionally, the final Resolution should clarify that a new CCA is not permitted to begin service on or after January 1 in the year following the CCA's Implementation Plan filing, if the Commission determines that the CCA's Implementation Plan has failed to demonstrate compliance with all statutory and Commission requirements. No CCA should mistakenly assume that it is guaranteed to initiate service in the year following its Implementation Plan irrespective of any deficiencies that may exist.

¹⁰ Draft Resolution, Appendix B, p. 17.

¹¹ For RA program purposes, the start date would be limited to the first date of any given month.

Finally, the IOUs request that the Commission update the Adopted Timeline in Appendix B to reflect that the “CCA submits its registration packet...” on or before Day 90, as opposed to Day 120.¹² This revision will align the timeframe listed in Appendix B with the timeframe provided in Appendix A and the Draft Resolution’s discussion of this activity.¹³

(3) Bilateral Agreements on 2018 RA Costs

The utilities should be permitted to negotiate with CCAs mutually acceptable arrangements for the payment of 2018 RA costs, which if reached could clear the way for implementation in 2018 for some CCAs through a deviation from the final Resolution. Accordingly, the utilities recommend that the final Resolution include a provision that would permit, but not obligate, a utility to negotiate and reach a bilateral agreement with a CCA for payment of the CCA customers’ equitable share of the 2018 RA costs, and to file an advice letter seeking a deviation from the final Resolution in consideration of any such agreement. The advice letter must explain how the payment accounts for the CCA customers’ equitable share of the 2018 RA costs and reasonably address the cost-shifting the draft Resolution seeks to remedy.

(4) CPM Cost Shift

The Draft Resolution acknowledges that the CAISO’s tariff language may not allow the back-stop capacity procured through its CPM to be re-allocated, as load migrates between load serving entities, over the course of the RA year. Additionally, the Draft Resolution states, “It is not yet clear if the PCIA addresses this (the CPM) potential cost-shifting issue.”¹⁴

The IOUs appreciate the Commission’s recognition of this issue and suggest that the utilities continue to work with the CAISO to assess if its tariff can be modified to allow for a reallocation of costs based upon load migration. However, if the CAISO is unable to modify its tariff, the IOUs request that the Commission consider establishing a cost allocation mechanism that would ensure that costs are charged to the appropriate load serving entities’ customers.

(5) Timing for CCA Implementation Plan Comments

While not referenced in the Draft Resolution’s Adopted Timeline, SCE notes that it plans to continue to submit comments on the CCA Implementation Plans filed with the Commission, to inform the Commission’s review and certification process. SCE aims to submit comments after it meets and confers with the CCA, as directed by the Draft Resolution, and before the 90-day period ends. The Commission may wish to establish

¹² Draft Resolution, p. 17.

¹³ *Id.*, p 16.

¹⁴ *Id.*, p. 8.

a clear timeline for comments and reply comments, to ensure it has sufficient time to appropriately address any issues that are identified. For example, the Commission may want to consider including, in the Adopted Timeline, a requirement that interested parties submit comments to the Commission within 45 days of the submission of an Implementation Plan. This timeframe should give the utilities sufficient time to meet and confer with the CCA and submit comments that are informed by these discussions, which will assist the Commission in its review and certification process.

(6) The Draft Resolution Should Account for Additional CCA Commitments

The Draft Resolution is an essential first step in coordinating the timeline for prospective or expanding CCA implementation plans with the mandatory forecast filings in the RA program. However, the operation of a reliable grid, as well as compliance with all applicable laws and relevant Commission orders, is not dependent on RA requirements alone. The Commission should ensure that all relevant planning requirements are incorporated into the proposed timelines.

Using the RPS program, as an example, effective January 22, 2018, all new CCAs are required to file their RPS Procurement Plans (RPS Plans) upon the earlier of registration with the Commission or 90 days prior to the initiation of service.¹⁵ In combination with the Draft Resolution's proposed timeline, this would create a requirement that a CCA must submit its RPS Plan as part of its registration packet, and the timeline attached to the Draft Resolution should clarify this requirement.

Conclusion

CCA parties may argue that the Commission should not adopt the Draft Resolution, and should instead initiate a rulemaking to consider this new timeline or push this to another proceeding. The IOUs disagree with any attempt to delay the effect of this important resolution. First, a rulemaking would take many months to conclude, which would leave important RA and other fundamental customer protections at risk for an indefinite amount of time. Second, a rulemaking is unnecessary. The Draft Resolution establishes a new procedure for evaluating CCA plans in line with direction provided in D.05-12-041; it does not change substantive requirements. The Commission has the authority to change procedures without formal rulemaking proceedings. Third, the Draft Resolution comment and reply process, including the multiple extensions granted by the Commission, affords parties appropriate due process consistent with the Commission's rules.

The IOUs appreciate the opportunity to provide these comments on the Draft Resolution and urge the Commission to promptly adopt a final Resolution with the IOUs' suggested changes on (1) Compliance Requirements for Expanding CCAs, (2) Timelines, (3) Bilateral Agreements on 2018 RA Costs, (4) the CAISO's Capacity Procurement

¹⁵ D. 17-12-007 at Ordering Paragraph 4.

Mechanism (CPM) Cost Shift, (5) Timing for CCA Implementation Plan Comments, and
(6) Additional CCA Requirements.

Sincerely,

/s/ Russell G. Worden
Russell G. Worden

RGW:mb:jm

cc: Edward Randolph, Director, CPUC Energy Division
Suzanne Casazza, CPUC Energy Division
Jonathan Tom, CPUC Energy Division
Service List for Draft Resolution E-4907
Service Lists R.03-10-003, R.17-06-026, R.17-09-020, and
R.16-02-007F

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Item 6.G

Western Community Energy
Activities Update

Attachment 5

Joint IOU reply comments dated
January 18, 2018

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January 18, 2018

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

Subject: Joint Reply Comments of Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company on Draft Resolution E-4907

Dear Energy Division Tariff Unit:

Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E), (collectively, the investor-owned utilities (IOUs)) respectfully submit these joint reply comments on Draft Resolution E-4907, entitled “Registration Process for Community Choice Aggregators” (Draft Resolution).

I. Comments

A. The Draft Resolution, Which Addresses Cost Shifting, Should Be Adopted

As the Draft Resolution notes, it addresses the current rapid growth of Community Choice Aggregator (CCA) programs and responds to the directive of D.05-12-041 instructing the Executive Director to publish steps for the submission of CCA implementation plans.¹ The Draft Resolution establishes specific requirements for the timeline for the CCA registration process and focuses on coordinating (1) the CCA registration timeline, and the associated initiation or expansion of CCA service, with (2) the Commission’s and the California Independent System Operator’s (CAISO’s) Resource Adequacy (RA) program.²

The underlying objective is compliance with the statutory requirement that the implementation of a CCA program shall not result in a shifting of costs between the CCA customers and the bundled service customers of an IOU.³ Without coordination

¹ Draft Resolution E-4907, p. 2.

² Draft Resolution E-4907, p. 2.

³ Draft Resolution E-4907, p. 4.

between the CCA registration timeline and the annual RA program timeline, if an existing or pre-operational CCA does not submit a load forecast in the annual RA process, then the CCA is not allocated a year-ahead RA obligation for the following year. In that case, the incumbent utility remains responsible for that load and procures RA for those customers, even if those customers are subsequently served by a CCA.⁴ The result is an unlawful cost shift. As the Draft Resolution observes, this scenario is most likely to occur if a CCA launches or expands service to customers after the RA annual load forecast deadlines, without having filed an annual load forecast.⁵

CCA commenters acknowledge the existence of this cost shift under the currently adopted CCA registration timeline. Commenters state:

King City understands and acknowledges the importance of aligning CCA launch dates with Commission programs and the prevention of cost shifting to bundled customers.⁶

San Francisco recognizes the importance of the concern raised by the Draft Resolution—that there is a potential discrepancy with current cost-recovery mechanisms that does not address the recovery of certain short-term costs.⁷

Some commenters, including the City and County of San Francisco, suggest that the issue of cost shifting does not require an immediate resolution, as it is not related to safety or reliability.⁸ This is simply not true. California law prohibits cost shifting, of any amount, due to departing load and requires that bundled service customers are kept indifferent to the movement of customers from IOU energy supply to CCA energy supply. The law explicitly states that the Commission may not certify a CCA until it implements a cost-recovery mechanism consistent with the directives of the governing statute.⁹ Considering the rapid growth and interest in CCAs, all cost shifting between CCA and bundled service customers, regardless of amount, must be immediately resolved in order to comply with existing California law.

The Draft Resolution is a reasoned response to address one aspect of the current, unlawful cost shift, which is exacerbated by the current rapid growth of CCA programs. The Draft Resolution complies with the framework established by D.05-12-041. Further, it does not modify the RA program. It simply aligns the CCA registration process with the current RA program timeline to minimize the cost shift that would otherwise occur.

⁴ Draft Resolution E-4907, pp. 6-7.

⁵ Draft Resolution e-49-7. P. 7.

⁶ King City Comments, page 5.

⁷ City and County of San Francisco Comments, p.1.

⁸ City and County of San Francisco Comments, p. 8.

⁹ PU Code, Section 366.2(j)(1)

Several commenters nonetheless argue that adopting Draft Resolution E-4907 is unlawful. As discussed below, those objections are not well-founded, and the IOUs urge the Commission to adopt Draft Resolution E-4907.

If, however, the Commission determines that this issue is more appropriately addressed within an existing, relevant proceeding, the utilities recommend that the Commission maintain the restriction on 2018 departures to ensure no incremental cost shifting occurs.¹⁰ Specifically, any CCA that wanted to implement service in 2018 would need to meet one of the following requirements: (1) IP was submitted prior to December 8,¹¹ or 2) bilateral agreement was reached with the IOU on an equitable arrangement for 2018 RA costs and a CPUC-approved deviation was granted as a result.

B. The Commission's Consideration Of The Draft Resolution Is Consistent With Due Process Requirements

Several commenters argue that the Commission's consideration of the Draft Resolution is inconsistent with due process.¹² That is simply not the case. The Commission has provided interested entities the opportunity to provide both comments and reply comments on the Draft Resolution, and the Commission granted two extensions on the comment deadline in response to requests from these parties. This provides a full opportunity for commenters to express any concerns that they might have with respect to the Draft Resolution. While those objecting to the Draft Resolution may prefer that the Commission not adopt it, the Commission is not denying an entity its due process rights simply because the Commission adopts the Draft Resolution over the entity's objection.

Many of the due process arguments revolve around the assertion that commenters have a due process right to examine the estimates of the unlawful cost shifting provided by PG&E to the Commission. This is not a denial of due process for several reasons. First, as noted above, any cost shifting is illegal. As also noted above, multiple CCA commenters acknowledge the existence of cost shifting.

Second, the Commission does not rely on the information provided by PG&E to justify its action. The Draft Resolution states:

...public information illustrates the scale of the load migration happening in the year-ahead RA program. Existing and new CCAs that were not a part of the year ahead 2018 RA process but plan to serve load in 2018 would have been allocated a System Peak RA requirement of approximately 3,616 MW and a local RA

¹⁰ The outcome of any such proceeding would be prospective and thus would not address the 2018 cost shift that the draft Resolution correctly identifies and addresses.

¹¹ See Draft Resolution, OP 2, page 13.

¹² See, e.g., CalCCA Comments, pp. 3-7.

requirement of approximately 1,793 MW. These year-ahead RA requirements were met by utilities that currently serve these customers.¹³

That significant shift in RA obligation results in an illegal cost shift, particularly with respect to Local RA. Those opposing the Commission taking steps to minimize this cost shift have no due process right to demand that the Commission determine, and publish, the exact amount of the cost shift before taking any corrective action.

Third, there is little or no difference, from a due process standpoint, between the process the Commission is following here, and a process that CalCCA cites with approval. CalCCA notes that following the release of D.05-12-041, the Energy Division obtained two rounds of comments on a document containing the timelines related to the CCA implementation process.¹⁴ CalCCA notes that this process “provided a meaningful opportunity to be heard.”¹⁵ One round of comments, which is the more typical process, also provides a meaningful opportunity to be heard, especially in light of the Commission granting two extensions to the time allowed to provide comments.

No commenter has asserted that the revisions to the CCA registration timeline would cause a CCA to bear more than its fair share of RA obligations and costs. The Commission proposes, after allowing for comments and reply comments to ensure that it has not overlooked something, to take action to modify the CCA registration timeline to minimize the illegal cost shift that is likely to occur under the current timeline. The Commission’s process fully meets the Commission’s due process responsibilities.

C. Contrary To The Arguments Of Some Commenters, The Commission Has The Jurisdiction To Modify The Timeline For The CCA Registration Process As Proposed In The Draft Resolution

Several parties argue that the Draft Resolution’s modification of the CCA registration timeline goes beyond the Commission’s authority.¹⁶

These arguments are not supported by the law. Even CalCCA appears to acknowledge that the Commission has the jurisdiction and authority to take action when “there is a factual and legal predicate for such action. . . .”¹⁷ Here, the factual predicate is that a cost shift is occurring under the currently adopted CCA registration timeline as new CCAs form and existing CCAs expand. The legal predicate is that the law prohibits this cost shift, and that the Commission has the authority, and the mandate, to address it.

¹³ Draft Resolution E-4907, p. 7.

¹⁴ CalCCA Comments, p. 6.

¹⁵ CalCCA Comments, p. 6.

¹⁶ See, e.g., CalCCA Comments, pp. 8-11.

¹⁷ CalCCA Comments, p. 10. The rest of the quoted sentence is “in a formal proceeding.”

This appears to be a reference back to CalCCA’s due process arguments, which are addressed above.

This authority exists under AB 117, which authorizes the Commission, among other things, to examine the CCA program elements to the extent that they affect utility operations and the rates and services to other customers.¹⁸

In sum, the Commission has clear jurisdiction to adopt the proposed CCA registration timeline proposed in the Draft Resolution. This action is a reasoned follow-up to the actions already taken by the Commission in D.05-12-041, taking into account the current rapid growth and expansion of CCAs.

D. The Deadline For Submitting Implementation Plans Is Appropriate; However, Based On The Timing Of Adoption Of The Draft Resolution, A One-Time Extension Of The Deadline Until March 1, 2018, As Proposed By TURN, Is Reasonable

The proposed CCA registration timeline requires a prospective or expanding CCA to submit its implementation plan by January 1 of the year before the CCA begins its new or expanded service.¹⁹ For 2018, the Draft Resolution moves the date for submission of the implementation plan to February 1 to begin serving load in 2019.²⁰

TURN supports the Draft Resolution, but with caveats. One of those is that the 2018 deadline for submission of implementation plans should be extended to March 1, 2018, which is expected to follow the Commission's action on the Draft Resolution, currently scheduled for February 8, 2018.²¹

The IOUs do not object to TURN's proposal to extend the 2018 submission date to March 1. The 2018 deadline should not be extended further, in light of the mid-April due date in the RA program for preliminary load forecasts for the following year.²²

E. It Is Appropriate, As Suggested By Several Commenters, To Adopt An RA Pricing Mechanism Specifically For CCAs Initiating Service Or Expanding In 2018

The Draft Resolution's modification to the CCA implementation timeline will affect CCAs that begin or expand service in 2019 and beyond. It will not, however, directly address the cost shifts that will occur with CCAs that seek to begin service or expand during 2018.

Commenters acknowledge this concern. CalCCA, for example suggests that CCA programs that plan to launch in 2018 could be assigned a share of the respective IOUs'

¹⁸ D.15-12-041, p. 15 (cited in CalCCA Comments, p. 9).

¹⁹ Draft Resolution E-4907, Appendix A.

²⁰ Draft Resolution E-4907, Appendix A, fn. 18.

²¹ TURN Comments, p. 2.

²² Draft Resolution E-4907, p. 6.

year-ahead RA at cost.²³ 350 Bay Area notes that the Commission faced a similar challenge with the partial reopening of direct access, and provided an option for “Energy Service Providers” to pay the IOUs directly for capacity for the first year.²⁴

Any procedural “RA transfer price” mechanism for 2018 should not be considered a replacement for the modified CCA registration timeline adopted by the Draft Resolution, which addresses CCAs that implement service or expand in 2019 and beyond. Further, any procedural “RA transfer price” should be based on actual RA costs and not determined through administrative pricing. It is, however, appropriate to consider this option to address the cost shift that will otherwise occur during 2018 (i.e., those that filed their implementation plans prior to December 8, 2017).

The IOUs propose, as described in their joint comments, that the final Resolution permit the incumbent utility to negotiate bilateral agreements with CCAs for payment of CCA customers’ equitable share of the 2018 RA costs, and to file advice letters seeking a deviation from the final Resolution in consideration of any such agreement.²⁵ The IOUs have already incurred the 2018 RA obligations and are in the best position to negotiate reasonable terms for payment from CCAs for their customers’ equitable share. This approach allows the parties a reasonable and expedient means of reaching agreement on the 2018 RA costs, and the Commission an appropriate means to review and approve any such agreements.

Should a utility and a CCA reach agreement on 2018 RA costs that is approved by the Commission, the Commission in its Resolution approving the deviation from the final Resolution could allow subsequent bilateral agreements using the same pricing, terms and conditions with other CCAs in the utility’s service area to be filed as a Tier 1 advice letter.

In short, as recognized by commenters, a compensation mechanism requiring CCAs initiating service or expanding in 2018, but that have not received a corresponding allocation of RA responsibility, to bear an appropriate amount of the RA costs they should have been responsible for, is appropriate and should be included in the final Resolution.

II. Conclusion

For the foregoing reasons, the IOUs respectfully urge the Commission to adopt the Draft Resolution with the recommended clarifications.

²³ CalCCA Comments, p. 11.

²⁴ 350 Bay Area Comments, p. 2.

²⁵ IOU Comments, p. 5.

Respectfully submitted,

/S/

Erik Jacobson
Director, Regulatory Relations

cc: Edward Randolph, Director, Energy Division
Suzanne Casazza, Public Utilities Regulatory Analyst, Energy Division
Jonathan Tom, Program and Project Supervisor, Energy Division
Russell G. Worden, Southern California Edison Company
Megan Caulson, San Diego Gas & Electric
Service List for R.17-09-020
Service List for R.03-10-003
Service List for R.17-06-026
Service List for R.16-02-007

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: WRCOG Committees and Agency Activities Update

Contact: Rick Bishop, Executive Director, rbishop@wrcog.us, (951) 405-6701

Date: February 5, 2018

The purpose of this item is to update the Executive Committee on noteworthy actions and discussions held in recent standing Committee meetings, and to provide general project updates.

Requested Action:

1. Receive and file.

Attached are summaries of actions and activities from recent WRCOG standing Committee meetings that have taken place since the last Executive Committee meeting.

Prior Action:

January 18, 2018: The Technical Advisory Committee received and filed.

Fiscal Impact:

This item is informational only; therefore there is no fiscal impact.

Attachments:

1. WRCOG Committees Activities Matrix (Action items only).
2. Summary recaps from recent Committee meetings.

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Item 6.H

WRCOG Committees and Agency
Activities Update

Attachment 1

WRCOG Committees Activities Matrix
(Action items only)

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<u>WRCOG Committees</u> <u>Activities Matrix</u> <u>(Action Items Only)</u>		<u>Executive</u> <u>Committee</u>	<u>Administration &</u> <u>Finance Committee</u>	<u>Technical Advisory</u> <u>Committee</u>	<u>Planning Directors</u> <u>Committee</u>	<u>Public Works</u> <u>Committee</u>	<u>Finance Directors</u> <u>Committee</u>	<u>Solid Waste</u> <u>Committee</u>
Date of Meeting:		1/8/18	1/10/18	1/18/18	1/11/18	1/11/18	1/25/18	Did not meet
Current Programs / Initiatives:								
	Regional Streetlights Program	Received and filed.	n/a	Received and filed.	n/a	Received and filed.	n/a	
	Property Assessed Clean Energy (PACE) Programs	1) Received WRCOG PACE Summary; 2) accepted the City of Milpitas and the Town of Truckee as Associate Members; 3) adopted WRCOG Resolution Number 01-18; 4) adopted WRCOG Resolution Number 02-18;	Recommended that the Executive Committee approve the revised WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report and the Statewide SAMAS Commercial Program Handbook to change the existing lender consent requirements in these documents to a modified approach that would allow WRCOG and SAMAS legal counsels to analyze the mortgage documents and associated terms, conditions and covenants to determine if lender consent is necessary and that entering into the Assessment Contract would not violate the related mortgage	Received and filed.	n/a	n/a	n/a	
	Community Choice Aggregation (CCA) / Western Community Energy	Received and filed.	n/a	Received and filed.	n/a	n/a	n/a	
	TUMF	n/a	1) Recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to maintain the current administration and management structure of the TUMF Program; 2) maintain the current structure of the TUMF Zone process; and 3) approve the TUMF Program Ad Hoc Committee's recommendation to have the PWC review the TUMF Network criteria and project type for future Nexus Study updates to address the following areas: a) expanding the types of projects that can be funded by TUMF, including active transportation projects; b) formalizing a process for each TUMF Zone to prioritize projects within the Zone; and c) updating the criteria that is used to determine how projects are added to the Program through the Nexus Study update.	1) Recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to maintain the current administration and management structure of the TUMF Program; 2) maintain the current structure of the TUMF Zone process; and 3) approve the TUMF Program Ad Hoc Committee's recommendation to have the PWC review the TUMF Network criteria and project type for future Nexus Study updates to address the following areas: a) expanding the types of projects that can be funded by TUMF, including active transportation projects; b) formalizing a process for each TUMF Zone to prioritize projects within the Zone; and c) updating the criteria that is used to determine how projects are added to the Program through the Nexus Study update.	Received and filed.	Requested five volunteers to participate in interviews regarding the existing communications strategies WRCOG utilizes for the TUMF Program.	n/a	
	Fellowship	n/a	n/a		n/a	n/a	n/a	
New Programs / Initiatives:								
	EXPERIENCE	n/a	n/a		n/a	n/a	n/a	

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Item 6.H

WRCOG Committees and Agency
Activities Update

Attachment 2

Summary recaps from recent
Committee meetings

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**Western Riverside Council of Governments
Administration & Finance Committee Meeting Recap
January 10, 2018**

27th Annual General Assembly & Leadership preparations underway

- The 2018 General Assembly & Leadership Address is scheduled for Thursday, June 21 at the Morongo Casino, Resort & Spa.
- Staff is working on securing a keynote speaker for the event, and once confirmed, will distribute additional information, invitations, and sponsorship information.

TUMF Update – Ad Hoc Committee recommendations

- The Committee discussed recommendations from the TUMF Ad Hoc Committee that has been meeting since April 2017 to review and provide recommendations on a variety of topics related to TUMF, including the administration and management of the Program, Zone process, fee calculations, and the types of projects that can be funded.
- The Committee supported the following Ad Hoc recommendations and forwarded them to be considered by the Executive Committee:
 - o Maintain the current administration and management structure of the TUMF Program.
 - o Maintain the current structure of the TUMF Zone process.
 - o Have the Public Works Committee review the TUMF Network criteria and project type for future Nexus Study updates to address the following areas:
 - Expanding the types of projects that can be funded by TUMF, including active transportation projects.
 - Formalizing a process for each TUMF Zone to prioritize projects within the Zone.
 - Updating the criteria that is used to determine how projects are added to the Program through the Nexus Study update.

PACE Update – changes to lender consent requirements for commercial projects

- The Committee recommended that the Executive Committee approve a 6-month pilot program for the WRCOG and Statewide SAMAS Commercial PACE Programs that explores a change related to the lender consent requirements currently observed.
- Currently, before a Commercial PACE assessment can be levied, lenders must sign a lender acknowledgement/consent letter for the PACE lien to be placed on the tax roll. However, not all mortgage holders have the requirement to obtain lender acknowledgement/consent for a PACE lien to be placed on the tax roll. The pilot will test the success of having PACE Programs simply follow established lender requirements.

Regional Transportation Summit

- On January 17, 2018, from 9:30 a.m. to 3:00 p.m. at the Moreno Valley Conference Center, WRCOG and the City of Moreno Valley are hosting a Regional Transportation Summit. Topics include future transportation trends, autonomous vehicles, alternative fuels and electric vehicles, transportation funding tools, and strategies for preparing for the future. Registration is free for WRCOG members, contact Chris Tzeng at ctzeng@wrcog.us to sign up.



**Western Riverside Council of Governments
Finance Director's Committee Meeting Recap
January 25, 2017**

Following is a summary of key items discussed at the last FDC meeting. To review the full agenda and staff reports for all items, click [here](#). To review the meeting PowerPoint presentations, click [here](#).

2nd Quarter Draft Budget Amendment for Fiscal Year 2017/2018

- Andrew Ruiz, WRCOG Program Manager, reported on the status of the Fiscal Year 2017 / 2018 budget.
- For each line item increased, there is a corresponding decrease in another expenditure and overall, there will be no net increase to the 2nd quarter's budget amendment for FY 17/18.

Pension Rate Stabilization Program

- Rachael Sanders of Public Agency Retirement Services (PARS) gave an overview of their Pension Rate Stabilization Program.
- Ms. Sanders explained that previously, the only way to reduce your agency's unfunded liability was to send additional contributions to your pension system such as CalPERS.
- There is new alternative to help reduce your pension liability, which is to set up a separate Section 115 trust account which would grow interest and is tax exempt. PARS is able to assist jurisdictions in setting up that Section 115 trust accounts.

Senate Bill (SB) 1 Update

- Rony Berdugo of the League of California Cities reported on SB 1 and provided the most recent information available.
- California is in need of major road repair due to failing infrastructure and weather conditions, which led to the creation of SB 1.
- There is \$70 billion in unmet funding needs and there will be a \$20 billion shortfall of road needs after 10 years.
- Cities will begin to see SB 1 monies trickle in this fiscal year (FY 17/18), but only partial amounts. Cities will receive full funding beginning next fiscal year (FY 18/19).

Report from WRCOG's Chief Financial Officer

- Ernie Reyna, WRCOG's Chief Financial Officer, indicated conference spaces are available at WRCOG's new offices for Member Agencies should they need to use for future meetings.

Items for Future Agenda

- The Finance Director's Committee expressed an interest in hearing a presentation on the topics of cannabis and housing. In addition, WRCOG staff will be bringing forward the draft budget for FY 2018/2019.



Western Riverside Council of Governments Planning Directors Committee Meeting Recap January 11, 2018

Following is a summary of key items discussed at the last PDC meeting. To review the full agenda and staff reports for all items, click [here](#). To review the meeting PowerPoint presentations, click [here](#).

TUMF Member Agency Development Agreement Review

- Prior to the TUMF Program, developers entered into Agreements with member agencies that protected the developments from regional impact fee program.
- WRCOG and consultants are conducting a review Development Agreements in an effort is to determine if any executed with the exemption of TUMF, continue to exist under the initial life of the Agreement.
- For the review, staff and consultants will collect information on expiration dates of Development Agreements which exempted TUMF, and identify whether TUMF is being imposed on any Development Agreements which have been amended.
- Staff will monitor Development Agreements with upcoming expiration dates to ensure that TUMF is imposed once an Agreement expires or is extended.
- For additional information, contact Daniel Ramirez-Cornejo dramirez-cornejo@wrcog.us at or (951) 405-6712.

Cannabis Regulatory Updates

- Members shared current policies in place or under consideration for their jurisdictions; the majority of WRCOG member jurisdictions have banned all activities, though a few have chosen to allow one or more cannabis related enterprises, such as commercial cultivation, testing, and sales.
- The major advantage of allowing cannabis related activities is that the jurisdiction is able to impose fees, typically in the form of taxes, on the business. Commonly these fees are in the form of taxes, though the City of Lake Elsinore is one jurisdiction which is using a negotiated fee approach (similar to a development agreement), in an effort to retain more control of cost off-setting revenues.
- Members present directed staff to explore a potential analysis of the implications of legalization and to bring the item to the Finance Directors Committee to discuss the fiscal impacts.
- For additional information, contact Cynthia Mejia at cmejia@wrcog.us or (951) 405-6752.

Affordable Housing

- WRCOG Consultant, Alexa Washburn, National Community Renaissance, provided insights on 15 bills Governor Brown signed into law to help increase the supply and affordability of housing in California. These bills took effect January 1, 2018, and include stipulations that will require careful monitoring by local jurisdictions.
- Three bills directly finance affordable housing production: SB 2, Building Homes and Jobs Act; SB 3, Veterans and Affordable Housing Bond Act; and AB 571, Farmworker Housing Assistance Tax Credit Program.
- Three bills act to facilitate private-market housing production by streamlining the local review process: SB 35 Housing Accountability and Affordability Act; SB 54, Workforce Housing Opportunity Zone; and AB 73, Housing Sustainability Districts.

- SB 35 stipulates that jurisdictions not meeting RHNA production goals must provide a streamlined review process upon request to all developers – the caveat to this is that developers would then be required to pay prevailing wage.
- Four bills increase local accountability for accommodating a fair share of new housing development: AB 72, Enforce Housing Element Law; AB 1397, Adequate Housing Element Sites; AB 879, Housing Element Reporting; and SB 166 No Net Loss.
 - AB 879 requires more robust reporting on the housing element to track progress towards RHNA goals (first reports are due April 1, 2018). Non-compliance would subject jurisdictions to the streamlining requirements of SB 35 and leave the jurisdiction ineligible for some funding opportunities.
- Other bills included in the package work to: (1) strengthen the Housing Accountability Act; (2) decreases cities' judgement on certain interpretations and allows a reasonable person to conclude that the housing development project or emergency shelter is consistent, compliant, or in conformity; (3) allow jurisdictions to harness private funding to pay for affordable housing developments through inclusionary zoning, and (4) addresses the perseveration of affordable housing.
- Tips for local jurisdictions:
 - Practice careful recordkeeping and understanding of the jurisdiction's current RHNA attainment by both staff and decision makers as land use applications are processed.
 - Include developments that exceed the RHNA minimum requirements or will otherwise be subject to updating housing elements more frequently.
- Members present directed staff to bring a similar presentation to the Finance Directors Committee, to focus on the fiscal implications of the housing package and to the Public Works Committee, with a similarly tailored presentation.
- For additional information, contact Andrea Howard at ahoward@wrcog.us or (951) 405-6751.

Announcement: Join us on Wednesday, January 17, for the 2018 Transportation Summit

- Join Western Riverside Council of Governments Clean Cities Coalition and the City of Moreno Valley in a conversation about the future of transportation in Western Riverside County. Through discussion with experts and industry professionals, we will explore the questions of "Where are we going?" and "How do we get there?" Come learn about new transportation technologies, best practices, and funding for the future, and take advantage of the opportunity to network with transportation industry leaders.
- Registration is free for WRCOG Clean Cities Members. To register, visit: <https://transportationsummit2018.eventbrite.com>.
- For questions, contact Taylor York at tyork@kearnswest.com or (951) 405-3405.

Next Meeting

- The next meeting of the WRCOG Planning Directors Committee will convene on Thursday, February 8, 2018 at WRCOG's office, located at 3390 University Avenue, Suite 450, Riverside.



Western Riverside Council of Governments Public Works Committee Meeting Recap January 11, 2018

Following is a summary of key items discussed at the last PDC meeting. To review the full agenda and staff reports for all items, click [here](#). To review the meeting PowerPoint presentations, click [here](#).

Regional Streetlight Program

- Tyler Masters, WRCOG Program Manager, provided an activities update on the Regional Streetlight Program. The Regional Streetlight Program will assist member jurisdictions with the acquisition and retrofit of their Southern California Edison-owned and operated streetlights. Eleven of the WRCOG member agencies have decided to move forward and have signed Purchase and Sales Agreements to acquire current SCE-owned streetlights within their jurisdictional boundaries. In September 2017, WRCOG released a Request for Quotations solicit suppliers interested in providing WRCOG's member agencies with LED lights for the replacement of jurisdiction-owned streetlights. WRCOG received 11 proposals from lighting vendors and staff is in the process of developing an evaluation committee to review and determine the best qualified LEF fixtures for the subregions street lighting needs.
- For more information, please contact Tyler Masters at tmasters@wrcog.us.

Diverging Diamond Interchanges

- Jason Pack, Fehr & Peers, and Mark Hagar, HDR, provided a presentation on an innovated diamond interchange design. The Diverging Diamond Interchange (DDI) design is relatively new to California and is characterized by its method of increasing capacity while minimizing costs. Costs of these projects are minimized by utilizing the existing footprint of an interchange overcrossing and implementing ramp improvements in which there is local street crossover at ramp terminals. Two examples of projects that are evaluating DDI's are University Avenue/I-215 Interchange in the City of San Bernardino and Central Avenue/I-15 in the City of Lake Elsinore.
- For more information, please contact Jason Pack at j.pack@fehrandpeers.com or Mark Hagar at mark.hagar@hdrinc.com

Big Data Examples

- Sal Akhter, StreetLight Data, Inc., provided a presentation on the type of data WRCOG can acquire for transportation related issues, including traffic control measures, identifying where traffic improvements are needed, and the effects of transportation improvements on commuting times. The data is gathered through purchase of location service information from cellular phone applications and the US Census American Community Survey. Public Works Committee members were shown how the data through the vendors interface if WRCOG determines that the purchase of the data is beneficial to the region.
- For more information, please contact Sal Akhter at sal.akhter@streetlightdata.com

Coachella Valley Association of Governments (CVAG) Transportation Project Prioritization Study (TPPS)

- Eric Cowle, CVAG Transportation Program Manager, provided a presentation on the methodology and approach utilized for identifying and prioritizing transportation projects for the region. The TPPS reviews a number of criteria to score and rank transportation projects, including roadway surface

conditions, system continuity, level of service, and accident rates. The TPPS cost services as a basis for the CVAG TUMF. This presentation was in response to Public Works Committee members requesting information on the process utilized by other agencies for prioritizing and programming transportation projects for funding.

- For more information please contact Eric Cowle at ecowle@cvag.org
- The Public Works Committee requested that staff provide an overview of the transportation project prioritization approach utilized by other agencies at a future Public Works Committee meeting.

Regional Transportation Summit

- The WRCOG Clean Cities Coalition is partnering with the City of Moreno Valley to host a Regional Transportation Summit on January 17, 2018 to feature latest trends in alternative fuels, transportation infrastructure, autonomous vehicles, funding for local jurisdictions, and other topics! Registration is free for WRCOG members and is available online [here](#).



Western Riverside Council of Governments Technical Advisory Committee Meeting Recap January 18, 2018

Following is a summary of key items discussed at the last TAC meeting. To review the full agenda and staff reports for all items, click [here](#). To review the meeting PowerPoint presentations, click [here](#).

TUMF Ad Hoc Committee Recommendations

- The TAC discussed recommendations from the TUMF Ad Hoc Committee that has been meeting since April 2017 to review a variety of topics related to TUMF, including the administration and management of the Program, Zone process, fee calculations, and the types of projects that can be funded. The TAC made the following recommendations to be considered by the Executive Committee:
 - o Maintain the current administration and management structure of the TUMF Program.
 - o Maintain the current structure of the TUMF Zone process.
 - o Have the Public Works Committee review the TUMF Network criteria and project type for future Nexus Study updates to address the following areas:
 - Expanding the types of projects that can be funded by TUMF, including active transportation projects.
 - Formalizing a process for each TUMF Zone to prioritize projects within the Zone.
 - Updating the criteria that is used to determine how projects are added to the Program through the Nexus Study update.

Western Riverside County Active Transportation Plan (ATP)

- In May 2015, WRCOG received funding from Caltrans to complete a comprehensive update to its regional Active Transportation Program.
- The primary product of the ATP is a list of high priority trails, pathways, and routes for walking and biking that WRCOG member agencies can implement to increase mobility options within the region, along with detailed descriptions of each facility with cost estimates.
- Committee members emphasized the importance of focusing on tangible, implementable actions from the ATP, and WRCOG staff intends to move proposed projects forward and implement components of the regional network.
- WRCOG will continue to assist member agencies in the implementation of the ATP through grant writing assistance for the California Transportation Commission's Active Transportation Program application and the Caltrans Sustainable Transportation Planning Grant.
- The goal of the Western Riverside County ATP is to focus the regional ATP on a subset of high priority, regional projects, of which the Plan enables local jurisdictions to be better positioned to apply for project funding.

Western Riverside Energy Partnership (WREP)

- WREP is WRCOG's partnership with Southern California Edison (SCE) and SoCal Gas to seek ways to improve marketing and outreach to the subregion, and is designed to help local governments increase energy efficiency, reduce greenhouse gas emissions, increase renewable energy usage, and improve air quality.

- During 2017, five WREP member cities progressed to new tiers in the Partnership, unlocking additional savings and rebates.
- WREP's 4th Annual LED Holiday Light Exchange and Energy Efficiency Starter Kit Giveaways, took place at five holiday community events where staff provided over 900 LED holiday lights and over 80 energy efficiency kits, which represents assistance for over 450 households.
- WREP has been ranked as the 6th best energy program out of 166 total programs statewide by the California Public Utilities Commission (CPUC).

Western Community Energy (WCE) Community Choice Aggregation (CCA)

- The CPUC is going to hear an item on Draft Resolution E-4907 at its February 8, 2018 meeting which has potential negative ramifications for WRCOG's developing CCA Program, WCE. If the Draft Resolution is adopted by the CPUC, WCE would be prohibited from serving customers until 2020, whereas it is currently on track to provide service to customers in late 2018.
- WRCOG staff are working with its southern California CCA counterparts in Los Angeles County and the Coachella Valley Association of Governments to reconcile these issues with the CPUC, and will continue to keep WRCOG's Committees updated on this progress.
- WRCOG staff continue to work with jurisdictions interested in joining WCE and have provided several reports to City Councils across the subregion.

Regional Streetlight Program Activities Update

- Eleven member jurisdictions are confirmed to acquire streetlights from Southern California Edison (SCE).
- WRCOG released an RFQ to solicit suppliers interested in retrofitting jurisdiction-owned streetlights to LED technology, and on January 16, 2018, the RFQ evaluation committee reviewed 11 proposals and determined the most effective products for this transition in the subregion.
- WRCOG also contracted with Siemens to perform retrofitting of the streetlight lamps to LED and to perform ongoing maintenance.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Western Riverside County Active Transportation Plan Activities Update

Contact: Christopher Gray, Director of Transportation, cgray@wrcog.us, (951) 405-6710

Date: February 5, 2018

The purpose of this item is to provide an update to the Committee members on the Western Riverside County Active Transportation Plan (ATP).

Requested Action:

1. Receive and file.

The ATP identifies challenges to and opportunities for creating a safe, efficient, and complete active transportation network that will expand the availability of active modes of transportation (walking and biking) for users both within the region and between neighboring regions.

Background

In 2010, WRCOG received funding from Caltrans to complete a regional Active Transportation Program. In May 2015, Caltrans awarded WRCOG a second round of funds through the Active Transportation Program in update the Plan. In early 2016, a contract was awarded to a consultant team led by Fehr & Peers to prepare this update.

The primary product of the ATP is a list of high priority trails, pathways, and routes for walking and biking that WRCOG member agencies can implement to increase mobility options within the region. The ATP is undergoing extensive analyses and incorporating certain aspects in order to meet the requirements of the grant funding. However, the main objective of the ATP is to be a valuable resource to WRCOG member agencies. For example, the ATP will contain detailed descriptions of each facility with cost estimates that agencies can submit as part of grant applications completed with assistance from the WRCOG Grant Writing Program.

Development of the ATP

Existing Conditions: The first step of ATP development was an existing conditions analysis of the subregion for a review of local plans and projects planned / underway that provided more of an understanding of regional trends.

A key element of the Existing Conditions was a review of bicycle and pedestrian collisions. This collision analysis looked at trends, both in terms of number of collisions and locations. Some key takeaways from this analysis include:

- Collisions tend to occur most often around freeway interchanges.
- Significant clusters of activity occur in Corona, Riverside, Hemet, and Moreno Valley.

- Collisions tend to involve those under 18 and those older than 65.
- Over the five years analyzed (January 2009 through December 2013), over 26,000 traffic collisions were reported in Western Riverside County (14 per day). Of those, 1,452 involved a pedestrian, with 197 pedestrian fatalities and 312 pedestrians severely injured; 1,365 involved a bicyclist, with 48 bicyclists killed and 161 bicyclists severely injured.

This information was previously shared with WRCOG's Planning Directors, Public Works, and Technical Advisory Committees in 2017.

Regional Active Transportation Facilities Network: The focus of the regional facilities network is to develop a robust bicycle and pedestrian network, so that residents and visitors of Western Riverside County will have more choices in where and how to get to their desired destinations.

WRCOG and the project team worked closely with member agencies through an iterative process to develop a regional active transportation facility list and map. The team looked at important regional destinations, opportunities, and constraints existing in the region, and involved stakeholders, decision makers, and the community throughout to help develop the final recommendations. The result is a proposal for 24 regional active transportation facilities, supported by 44 local routes.

Each of the 24 regional facilities are supported by a comprehensive summary of the proposed route. These summaries include information on the facility type, length, design and statistics on existing conditions such as collisions along and near the route, demographics, and percent disadvantaged population that has access to the facility. The summaries also provide information on estimated construction costs, strategies for implementation, and funding opportunities.

The project team and WRCOG anticipate that these regional facility summaries will be a critical part of project implementation steps such as educating stakeholders on the project, obtaining support from residents, and, most importantly, applying for funding. The project team has been working with member agency staff, through the Planning Directors and Public Works Committees, as well as the Riverside County Active Transportation Network stakeholder group, to develop a Regional Network. The Regional Network projects were determined with input from prior local and regional plans, collision review, regional destinations analysis, and agency guidance. The goal of the Western Riverside County ATP is to focus on a subset of high priority, regional projects, of which the summaries enable local jurisdictions to be better positioned to apply for project funding.

Bicycle and Pedestrian Safety Education Workshops: In addition to development of the ATP, WRCOG also conducted Bicycle and Pedestrian Safety Education workshops to provide cyclists with knowledge of roadway laws and traffic cycling problem solving. To achieve this, the workshops focused on bike handling and traffic skills. The goal of these workshops is to educate bicyclists with the traits for successful bicycle transportation. The workshops were initially offered through the Riverside Community College District (RCCD) and workshops were conducted at Moreno Valley College (fall 2016) and Riverside City College (spring 2017). However, RCCD experienced some departmental changes, so WRCOG reached out to staff at the University of California, Riverside (UCR) to provide the workshops on-campus; workshops were held in fall 2017, and additional workshops are scheduled for winter 2018.

In addition to workshops on campuses, workshops were also offered to stakeholder groups. One workshop was held in fall 2017 with the Riverside Bicycle Club. WRCOG is also gauging the interest of the Eastside HEAL Zone in the City of Riverside as a potential venue for another workshop. The HEAL Zone is an initiative through Kaiser Permanente designed to help combat obesity by making healthy choices accessible to more people through sustained policies and enhanced by education and promotion in underserved communities across Southern California. WRCOG will continue to work with the Eastside HEAL Zone so these workshops can be offered in that Zones.

Outreach: Throughout the development of the ATP, WRCOG and the project team have conducted outreach to provide updates and incorporate input from member agencies and stakeholders through WRCOG's Committee structure and stakeholder groups. WRCOG has provided updates to the following WRCOG Committees and the following months:

- Planning Directors Committee
 - o 2016: February, April, July
 - o 2017: February, May
- Public Works Committee
 - o 2016: April, June, November
 - o 2017: February, April, May, June, September
- Technical Advisory Committee
 - o 2016: May, July
 - o 2017: October
- Executive Committee
 - o 2016: February, April, May, June, July, October
 - o 2017: November

Next Steps

WRCOG is currently reviewing the final ATP report and anticipates the final report will be presented through its Committee structure beginning in March 2018. As noted, the success of the ATP will rely on member agencies continuing to move the proposed projects forward and implementing components of the regional network. WRCOG will continue to assist member agencies in the implementation of the ATP through its existing methods and any innovative ways that may be brought forth. Currently, WRCOG offers grant writing assistance for the California Transportation Commission's Active Transportation Program application and the Caltrans Sustainable Transportation Planning Grant. The goal of the Western Riverside County ATP is to focus the regional ATP on a subset of high priority, regional projects, of which the Plan enables local jurisdictions to be better positioned to apply for project funding.

Prior Actions:

January 18, 2018: The Technical Advisory Committee received and filed.

November 6, 2017: The Executive Committee received report as part of Transportation Department Activities Update.

Fiscal Impact:

This item is informational only; therefore, there is no fiscal impact.

Attachment:

None.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Santa Ana Watershed Project Authority One Water One Watershed Activities Update

Contact: Laura Roughton, Committee Representative, lroughton@jurupavalley.org, (951) 332-6464

Date: February 5, 2018

The purpose of this item is to inform the Committee of activities occurring on the Santa Ana Watershed Project Authority One Water One Watershed (OWOW) Steering Committee.

Requested Action:

1. Receive and file.

Laura Roughton, Councilmember, City of Jurupa Valley, serves as the WRCOG representative on the Santa Ana Watershed Project Authority OWOW Steering Committee. Attached are the meeting recaps for the meetings held on September 28, 2017, and November 16, 2017.

Prior Action:

September 11, 2017: The Executive Committee received and filed.

Fiscal Impact:

This item is informational only; therefore, there is no fiscal impact.

Attachments:

1. OWOW meeting recap of September 28, 2017.
2. OWOW meeting recap of November 16, 2017.

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Item 6.J

Santa Ana Watershed Project
Authority One Water One Watershed
Activities Update

Attachment 1

OWOW meeting recap of
September 28, 2017

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OWOW Steering Committee Meeting
Sept. 28, 2017

- Received and filed a presentation on timing of Proposition 1 Implementation Grant disbursement and directed SAWPA Staff to invite Carmel Brown, Chief of DWR (Dept. of Water Resources) Financial Assistance Branch to attend and present to the OWOW Steering Committee at a future meeting.
- Received and reviewed version 4 of the draft goals and objectives for the OWOW Plan Update 2018. Discussed and provided direction to SAWPA Staff to bring back as a workshop to include the Pillar Chairs. The Committee felt it was important to clarify the goals in order to give clear direction to the Pillars as they develop their chapters moving forward.
- Approved an allocation not to exceed \$6,000 from within the Project Development funding of the Disadvantaged Community Involvement (DCI) Program to support a second Homelessness Symposium. This amount will supplement the balance left from the first symposium of just under \$7,000. The first symposium was designed to start conversations within and between the social services sector and the water sector. The proposed second event will help expand these conversations and new partnerships to consider what practical things can be done in the short, middle and long terms, to align work within watershed management with the efforts to alleviate homelessness.
- Reviewed and provided direction and comments to SAWPA Staff about the upcoming Call for Projects for Prop. 1 IRWM (Integrated Water Resource Management) Implementation Round 1. Discussion included the possibility of a two-step application process and parameters for what would be acceptable as projects to be submitted.
- Received an update on the Disadvantaged Communities Involvement Program which began in Oct. 2016
- Reviewed and provided direction and comments to SAWPA Staff about the status of the OWOW Plan Update 2018.

The agenda and all supporting documents may be found on the SAWPA website at www.SAWPA.org

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Item 6.J

Santa Ana Watershed Project
Authority One Water One Watershed
Activities Update

Attachment 2

OWOW meeting recap of
November 16, 2017

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OWOW Steering Committee Meeting
Nov. 16, 2017

- Received a presentation from Carmel Brown, Chief of Department of Water Resources (DWR) Financial Assistance Branch on Dept. of Water Resources activity. Her job duties include oversight of the Integrated Regional Water Management (IRWM) Program which includes the Disadvantaged Community Involvement Program grants.
- Received a report from Larry McKenney regarding the OWOW Governance Policy, Process and Structure. This explained how the OWOW Steering Committee fits into the SAWPA Commission process as well as the make-up of the Committee.
- Conducted a joint Goals and Objectives Workshop for the OWOW Plan Update 2018 with the Pillar Chairs and Steering Committee to achieve consensus and approval of the OWOW Plan Update 2018 Goals and Objectives Final Draft. This discussion included input from a variety of stakeholders in addition to the OWOW Steering Committee and was important to give the Pillar groups clear direction as they move forward in writing their chapters of the Plan Update 2018.
- Received the OWOW Plan Update 2018 Status Report.

The agenda and all supporting documents may be found on the SAWPA website at www.SAWPA.org

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Presentation from the Fair Housing Council

Contacts: Rebecca Louie, Vice President and Chief Operating Officer, Wakeland Housing and Development Corporation, rlouie@wakelandhdc.com, (619) 235-2296

Rose Mayes, Executive Director, Fair Housing Council of Riverside County, rosemayes@fairhousing.net, (951) 682-6581

Date: February 5, 2018

The purpose of this item is to inform the Executive Committee of activities undertaken by the Riverside County Fair Housing Council.

Requested Action:

1. Receive and file.

This item is reserved for a presentation from the Fair Housing Council on the Mission Heritage Plaza.

Prior Action:

None.

Fiscal Impact:

This item is informational only; therefore, there is no fiscal impact.

Attachment:

1. PowerPoint presentation on the Mission Heritage Plaza.

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Item 7.A

Presentation from the Fair Housing
Council

Attachment 1

PowerPoint presentation on the
Mission Heritage Plaza

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Mission Heritage Plaza: A Vision to Bring New Resources to Downtown Riverside

Overview

\$35 Million Mixed Use Project:

- 72 units of 1, 2, and 3 bedroom affordable housing units by Wakeland Housing & Development Corporation, a creator of more than 6,500 units with a 20-year track record of success
- New offices for Fair Housing Council of Riverside County
- Civil Rights Institute of Inland Southern California



Mission Inn Avenue



Fairmount Blvd.



Development Schedule

Milestones	Anticipated Dates
Entitlements Approved	October 2017
Financing in Place	July 2018
Ground Breaking	December 2018
Grand Opening	March 2020



Civil Rights Institute—Corner of Mission Inn and Fairmount



Left to Right: Fair Housing Offices, Diversity Center, Plaza

Public programs, films, performances & meeting space

Civil rights original materials and incubator space for civil rights oriented non-profits

"Story Corps" style oral history project



Walk of Fame Nominees



**John W. North
1870**
Abolitionist, Lincoln appointee, founder of Riverside, based on equality, education, and shared opportunity.



**Eliza Tibbets
1871**
Suffragist, abolitionist; took women's suffrage to the Washington, DC Supreme Court.



**Dosan Ahn Chang Ho
1904**
Leader of the Korean Independence Movement.



**Jukichi and Ken Harada
1915**
Successful challengers of the 1913 California Alien Land Law.



**Rupert Costo
1930s**
Cahuilla tribal leader, lobbyist for Native American land rights, founder of American Indian Historical Society, scholar and author exploring Native American history under the mission system and the U.S. government.



Walk of Fame Nominees



**Mine Okubo
1942**
Artist and documentarian of life in Japanese internment camps during World War II.



**Jack Clarke, Sr.
1946**
One of the first full-time professionals hired at the California Youth Authority, he was an affirmative action pioneer. In 1981, he was the first African American elected to the Riverside County Office of Education, and in 1986 the first elected to the Riverside City Council.



**Barnett and Jean Grier
1951**
Barnett Grier was an equal employment advocate at the federal level while at the Corona Naval Ordnance Laboratories, and a fair housing and education desegregation leader regionally. Jean was one of the first African American teachers at a predominantly white school in the region.



**Dalip Singh Saund
1951**
Campaigner for the rights of people of South Asian descent, first Asian American to be elected to Congress.



**César Chávez
1962**
As a child, César Chávez followed the crops in the Salinas, Central, Imperial, and Coachella Valleys with his migrant parents, working in the fields and experiencing the unsafe working conditions and starvation wages that led him to found the United Farm Workers in 1962.

FUNDED

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Walk of Fame Nominees



John Sotelo
1963

Civil rights activist in the American GI Forum and the Junior Chamber of Commerce. Businessman and leader of coalition to elect the first minority member to Riverside city council.



Robert Bland
1965

Community leader of the 1965 effort to integrate Riverside schools on a voluntary basis.



Arthur L. Littleworth
1965

President of the Riverside Unified School District board, Littleworth led the school board to approve voluntary integration of Riverside schools, the first large school district in the nation to do so.



Edna Milan
1966

Edna Milan was a veteran of the civil rights movement starting in her hometown of Montgomery, Alabama, and later in the 1960s as a parishoner at Martin Luther King, Jr.'s Ebenezer Baptist Church. She was recruited as a teacher by Riverside Unified School District to assist with integration as a part of a model for voluntary integration nationwide.



Tim Hays
1967

Editor of Pulitzer-winning series of 100 plus articles exposing abuse of authority by conservator for the Agua Caliente. Freedom of information advocate in two winning cases before the U.S. Supreme Court in 1984 and 1986.

FUNDED

FUNDED

FUNDED

Walk of Fame Nominees



Tomás Rivera
1979

First minority chancellor of a University of California campus.



Richard Milanovich
1984

As tribal chairman of the Agua Caliente Band of Cahuilla Indians, Richard Milanovich negotiated ground breaking intergovernmental land use agreements that were models nationwide.



Kay Berryhill Smith and Carolyn Confer
1991

Carolyn Confer, as assistant city attorney for Riverside, defended the city in a lawsuit that sought to force the city to put a discriminatory measure against homosexuals and persons with AIDS on the ballot. Kay and Carolyn founded PACE, a regional gay and lesbian political action committee.



Judge Virginia A. Phillips
2010

Gave justice to homosexual members of the armed forces by ruling "Don't Ask, Don't Tell" unconstitutional.



Juan Felipe Herrera
2015

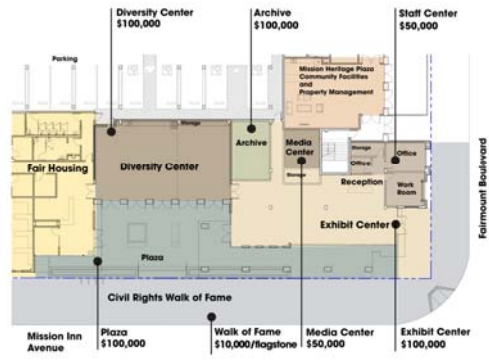
Child of farm workers, poet focusing on civil rights issues, nation's first Chicano Poet Laureate.

FUNDED

FUNDED

Naming Opportunities

Institute Recognition \$250,000



Total Campaign: \$2 million

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: PACE Programs Activities Update, and PACE Program Public Hearing, Revisions to Commercial Program Lender Requirements, and Updated Consumer Protections

Contact: Casey Dailey, Director of Energy & Environmental Programs, cdailey@wrcoq.us, (951) 405-6720

Date: February 5, 2018

The purpose of this item is to accept a new member agency into the California HERO Program, to hold a public hearing for the City of Milpitas and the Town of Truckee, to approve changes to the existing lender consent requirements for the WRCOG and Statewide SAMAS Commercial Programs, and to adopt the updated WRCOG PACE Consumer Protections Policy.

Requested Actions:

1. Receive WRCOG PACE Summary.
2. Conduct a Public Hearing regarding the inclusion of the City of Milpitas and the Town of Truckee for the purposes of considering the modification of the Program Report for the California HERO Program to increase the Program Area to include such additional jurisdictions and to hear all interested persons that may appear to support or object to, or inquire about, the Program.
3. Adopt WRCOG Resolution Number 03-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments confirming modification of the California HERO Program Report so as to expand the Program area within which contractual assessments may be offered.
4. Accept the City of Pleasanton as an Associate Member of the Western Riverside Council of Governments.
5. Adopt WRCOG Resolution Number 04-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments declaring its intention to modify the California HERO Program Report so as to increase the Program Area within which contractual assessments may be offered and setting a Public Hearing thereon.
6. Approve the revised WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report and Statewide SAMAS Commercial Program Handbook to change the existing lender consent requirements in these documents to a modified approach that would allow WRCOG's and SAMAS' legal counsels to analyze the mortgage documents and associated terms, conditions, and covenants in order to determine if lender consent is necessary and that entering into the Assessment Contract would not violate the related mortgage terms.
7. Adopt the updated WRCOG PACE Consumer Protections Policy.

Overall PACE Program Update

The following table provides a summary of all residential projects that have been completed under the WRCOG PACE Programs through January 22, 2018:

WRCOG Residential PACE Programs			
PACE Program	Projects Completed	Total Project Value	Product Type Installed
WRCOG HERO	25,700	\$507,296,754	HVAC: 16.7%; Solar: 27.9%; Windows / Doors: 16.7%; Roofing: 4.7%; Landscape: 6.1%
California HERO	58,414	\$1,262,630,959	HVAC: 28.2%; Solar: 31.4%; Windows / Doors: 14.1%; Roofing: 12.2%; Landscape: 6.1%
CaliforniaFIRST	107	\$3,428,003	HVAC: 14.1%; Solar: 45.0%; Windows / Doors: 15.2%; Roofing: 12.5%; Landscape: 7.5%
Total:	84,221	\$1,773,355,716	

The following table provides a summary of the total estimated economic and environmental impacts for projects completed in both the WRCOG and the California HERO Programs to date:

Economic and Environmental Impacts Calculations	
KW Hours Saved – Annually	863 GWh
GHG Reductions – Annually	192,761 tons
Gallons Saved – Annually	544 Million
\$ Saved – Annually	\$93 Million
Projected Annual Economic Impact	\$3 Billion
Projected Annual Job Creation/Retention	15,029 Jobs

Public Hearing and Related Resolution

On June 3, 2013, the Executive Committee, acting in accordance with Chapter 29 of the Part 3, Division 7 of the Streets and Highways Code, conducted a public hearing to consider formally establishing the Program. At the conclusion of the public hearing the Executive Committee adopted its Resolution Number 10-13 confirming the Program Report for the Program and establishing the Program.

The City of Milpitas and the Town of Truckee recently took action to become Associate Members of WRCOG, enabling the Executive Committee to undertake proceedings to increase the area within which voluntary contractual assessments may be offered pursuant to the Program (the “Program Area”) to include the jurisdiction of these new Associate Members.

Staff is bringing forward the revised Appendix B “Boundary Map” from the Program Report for consideration and potential approval, and is requesting the Executive Committee hold a public hearing to consider increasing the Program Area to include the City of Milpitas and the Town of Truckee and, following the closing of the public hearing, is requesting the adoption of WRCOG Resolution Number 03-18 (Attachment 4), approving the revised Appendix B “Boundary Map” from the Program Report (Attachment 5).

New Associate Members

The following jurisdiction has adopted, or will be adopting, resolutions consenting to the inclusion of such city in the California HERO Program and approving the “Amendment to Joint Powers Agreement Adding the City/County of XXX as an Associate Member of the Western Riverside Council of Governments to Permit the Provision of Property Assessed Clean Energy (PACE) Program Services within the City” (the “JPA Amendment”), by and between Authority and such City/County to as an Associate Member of WRCOG for the purposes of implementing the California HERO Program prior to the February 5, 2018, Executive Committee meeting.

Pleasanton – January 16, 2018

The next step in the California HERO Program is for the Executive Committee to adopt Resolution 04-18 (Attachment 6), which accepts the City of Pleasanton as an Associate Member of WRCOG for the purposes of participating in the Program and approve the execution of the Joint Powers Agreement Amendment for the City and set their public hearing for March 5, 2018.

At the March 5, 2018, Executive Committee meeting, staff will bring forward the revised Appendix B “Boundary Map” from Program Report for consideration and potential approval; the Executive Committee will hold the Program’s required public hearing and, following the closing of the public hearing, will be asked to consider the adoption of a WRCOG resolution approving the revised Appendix B “Boundary Map” from the Program Report.

SAMAS Commercial Update

Program Report Update: SAMAS Capital approached WRCOG staff in fall 2017 with a request to modify the underwriting criteria for the WRCOG and Statewide SAMAS Commercial PACE Programs. Through discussions amongst the Commercial PACE Team (WRCOG, SAMAS, Best, Best & Krieger, and David Taussig & Associates) it was agreed to implement a six-month pilot that would better reflect lender consent requirements for projects.

Currently, before a Commercial PACE assessment can be levied, the lender must sign a lender acknowledgement / consent letter for the PACE lien to be placed on the tax roll. However, not all mortgage holders have the requirement to obtain lender acknowledgement / consent for a PACE lien to be placed on the tax roll. The six-month pilot will implement and test a revision to the WRCOG and Statewide Commercial PACE Programs that follows established lender requirements instead of requiring all projects to have lender consent. On January 10, 2018, the Administration & Finance supported this six-month pilot and recommended that the Executive Committee approve the revised Program Report and Handbook (Attachments 7 & 8).

Consumer Protection Policy Update

Background: On December 7, 2015, the Executive Committee adopted a Consumer Protections Policy (CPP) for PACE providers. The policy serves as a set of comprehensive industry consumer protection standards that PACE providers are required to abide by in order to operate under the WRCOG PACE umbrella. The WRCOG CPP reflects legislative changes and consumer protection practices. On October 4, 2017, Governor Brown signed into law two PACE-related pieces of legislation: SB 242 and AB 1284. SB 242 establishes and codifies enhanced consumer protections for PACE Programs throughout the state, while AB 1284 creates a framework for statewide oversight of PACE providers and contractors through the California Department of Business Oversight (DBO).

WRCOG staff updated the current CPP to be consistent with AB 1284 and SB 242, and incorporated certain changes adopted by PACENation’s Consumer Protections Policy, Version 2.0. On January 10, 2018, the Administration & Finance Committee received an update on the final draft of the Consumer Protections Policy and is recommending that the Executive Committee adopt the updated WRCOG PACE Consumer Protections Policy.

Some Key Changes to the Consumer Protection Policy Include:

1. **Right to Cancel.** WRCOG’s CPP currently requires the property owner be given the right to cancel the contractual assessment on or before midnight of the third business day. With the addition of SB 242, if the financing is cancelled (unless the property owner waives their rights), the Home Improvement Contract between the property owner and the contractor will also be cancelled – effective January 1, 2018.
2. **Confirmed Terms Call.** If confirmation of terms was made in another language other than English, the provider will deliver in writing the disclosures, contract, and agreement including, but not limited to the following: assessment contract documents, financing estimate and disclosure, and right to cancel form – effective January 1, 2019. The legislation also adds additional verbal disclosures such as the Program is placing a lien on the property, and if the property owner misses their tax payment, the Program has a right to foreclose.

3. **Income verification and ability to pay.** A provider shall consider the monthly debt obligations of the property owner to determine a property owner's ability to repay the annual payment PACE assessment obligations – effective April 1, 2018.
4. **Prohibition on compensating contractors beyond the cost of a home improvement project.** Prohibits program administrator from providing direct / indirect cash payments or anything of a material value to a contractor or 3rd party that is in excess of the actual price charged. Additionally, the reimbursement is capped at \$100 per each salesperson – effective January 2, 2018.

Prior Actions:

- January 10, 2018: The Administration & Finance Committee recommended that the Executive Committee approve the revised WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report and the Statewide SAMAS Commercial Program Handbook to change the existing lender consent requirements in these documents to a modified approach that would allow WRCOG and SAMAS legal counsels to analyze the mortgage documents and associated terms, conditions and covenants to determine if lender consent is necessary and that entering into the Assessment Contract would not violate the related mortgage terms.
- January 8, 2018: The Executive Committee 1) received WRCOG PACE Program Summary; 2) accepted the City of Milpitas and the Town of Truckee as Associate Members of the Western Riverside Council of Governments; 3) adopted WRCOG Resolution Number 01-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring Its Intention to Modify the California HERO Program Report so as to Increase the Program Area within Which Contractual Assessments may be Offered and Setting a Public Hearing Thereon; and 4) adopted WRCOG Resolution Number 02-18; A Resolution of the Western Riverside Council of Governments Authorizing Greenworks Funding LLC to Administer and Finance Eligible Improvements to be Installed on Commercial Properties Located within the Boundaries of Both the WRCOG Energy Efficiency And Water Conservation Program for Western Riverside County and the California Hero Program, and in Connection with such Authorization, Approving Amendments To The Program Report for such Programs and the Forms of a Commercial Handbook, Assessment Contract, Administration Agreement, Master Assignment and Assumption Agreement, Depositary Agent Agreement, Master Indenture and Bond Purchase Agreement, and Authorizing the Issuance of Bonds Pursuant to such Master Indenture Secured by Assessments Levied on Commercial Properties to Finance the Installation of Authorized Improvements on Such Commercial Properties and Approving Other Actions in Connection Thereto.

Fiscal Impact:

This item is informational only; therefore, there is not fiscal impact.

Attachments:

1. WRCOG HERO Program Summary.
2. WRCOG HERO Snapshot.
3. CA HERO Snapshot.
4. WRCOG Resolution Number 03-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments confirming modification of the California HERO Program Report so as to expand the Program area within which contractual assessments may be offered.
5. Revised Exhibit B of the California HERO Program Report Revised February 5, 2018.
6. WRCOG Resolution Number 04-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments declaring its intention to modify the California HERO Program Report so as to

increase the Program Area within which contractual assessments may be offered and Setting a Public Hearing thereon.

7. Redlined WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report – Revised February 5, 2018.
8. Redlined Statewide SAMAS Commercial Program Handbook – Revised February 5, 2018.
9. WRCOG PACE Consumer Protections Policy, Version 2.0.

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Item 7.B

PACE Programs Activities Update,
and PACE Program Public Hearing,
Revisions to Commercial Program
Lender Requirements, and Updated
Consumer Protections

Attachment 1

WRCOG HERO Program Summary

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HERO Program Summary Update

(Launch through 1/22/18)

City	Approved Apps	Approved Amount
Banning	579	\$16,483,825
Calimesa	187	\$7,866,991
Canyon Lake	586	\$31,822,249
Corona	3,352	\$189,884,192
County	6,544	\$333,209,499
Eastvale	896	\$58,694,610
Hemet	1,275	\$34,464,330
Jurupa Valley	2,201	\$95,312,366
Lake Elsinore	1,542	\$62,640,411
Menifee	2,812	\$106,563,654
Moreno Valley	5,129	\$182,500,468
Murrieta	2,877	\$140,572,654
Norco	760	\$45,642,702
Perris	1,098	\$37,414,764
Riverside	6,381	\$280,859,441
San Jacinto	817	\$24,845,734
Temecula	2,691	\$143,785,502
Wildomar	982	\$40,473,680
	40,709	\$1,833,037,075

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PACE Programs Activities Update,
and PACE Program Public Hearing,
Revisions to Commercial Program
Lender Requirements, and Updated
Consumer Protections

Attachment 2

WRCOG HERO Snapshot

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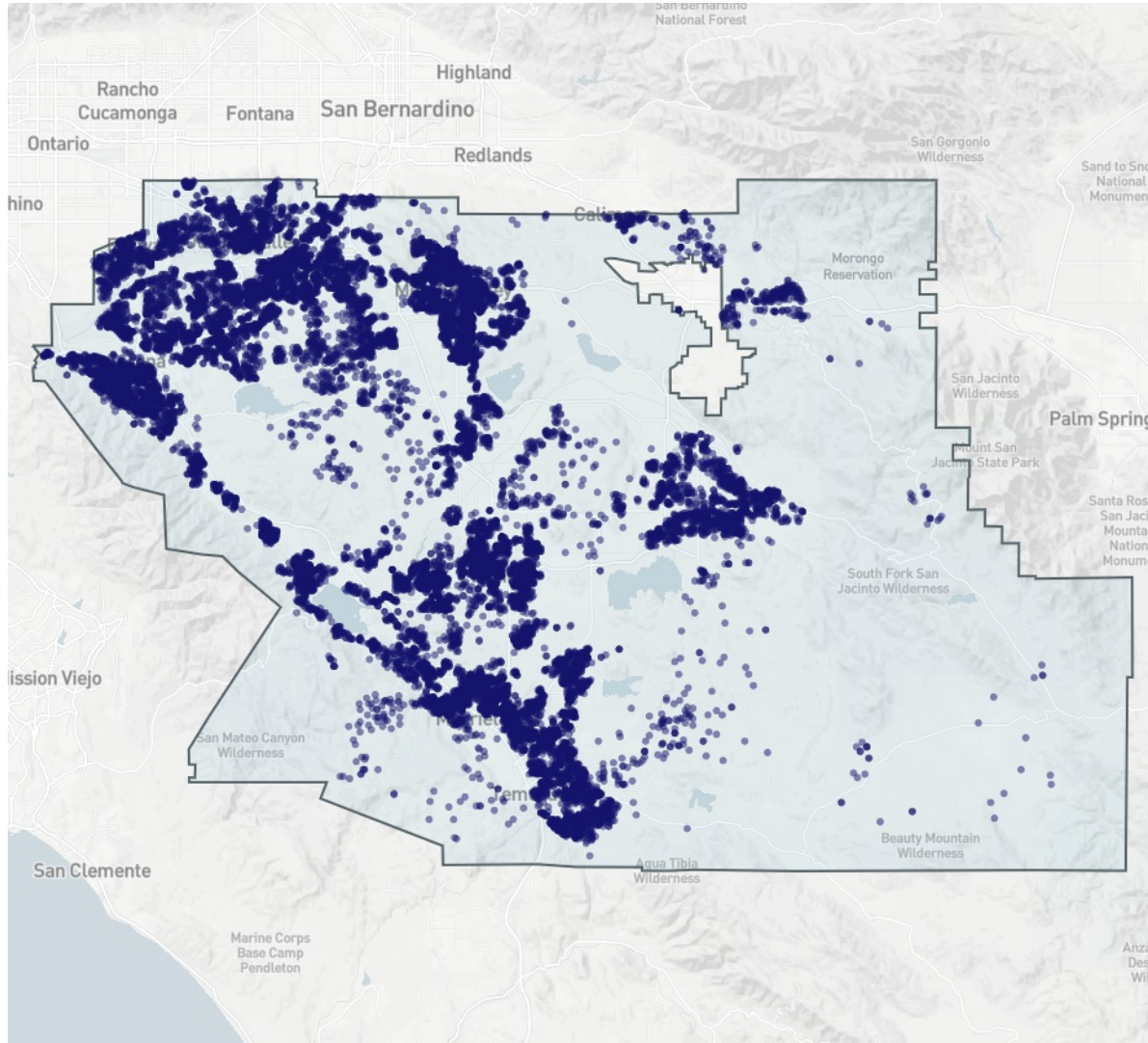
WRCOG - Western Riverside Council of Governments

21,835 Homes Improved

12/14/2011
HERO Launch Date

461,419
Housing Count

01/01/2011 - 01/22/2018
Report Range



Improvements

Type	Total Installed	Bill Savings
Energy	29.4K	\$336M
Solar	14.1K	\$600M
Water	2,171	\$19.0M

Lifetime Impact

Applications Submitted	59.7K
Applications Approved	40.7K
Funded Amount	\$507M
Economic Stimulus	\$879M
Jobs Created	4,308
Energy Saved	3.63B kWh
Emissions Reduced	983K tons
Water Saved	2.01B gal

Learn how these numbers are calculated at <https://www.herogov.com/faq>

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PACE Programs Activities Update,
and PACE Program Public Hearing,
Revisions to Commercial Program
Lender Requirements, and Updated
Consumer Protections

Attachment 3

CA HERO Snapshot

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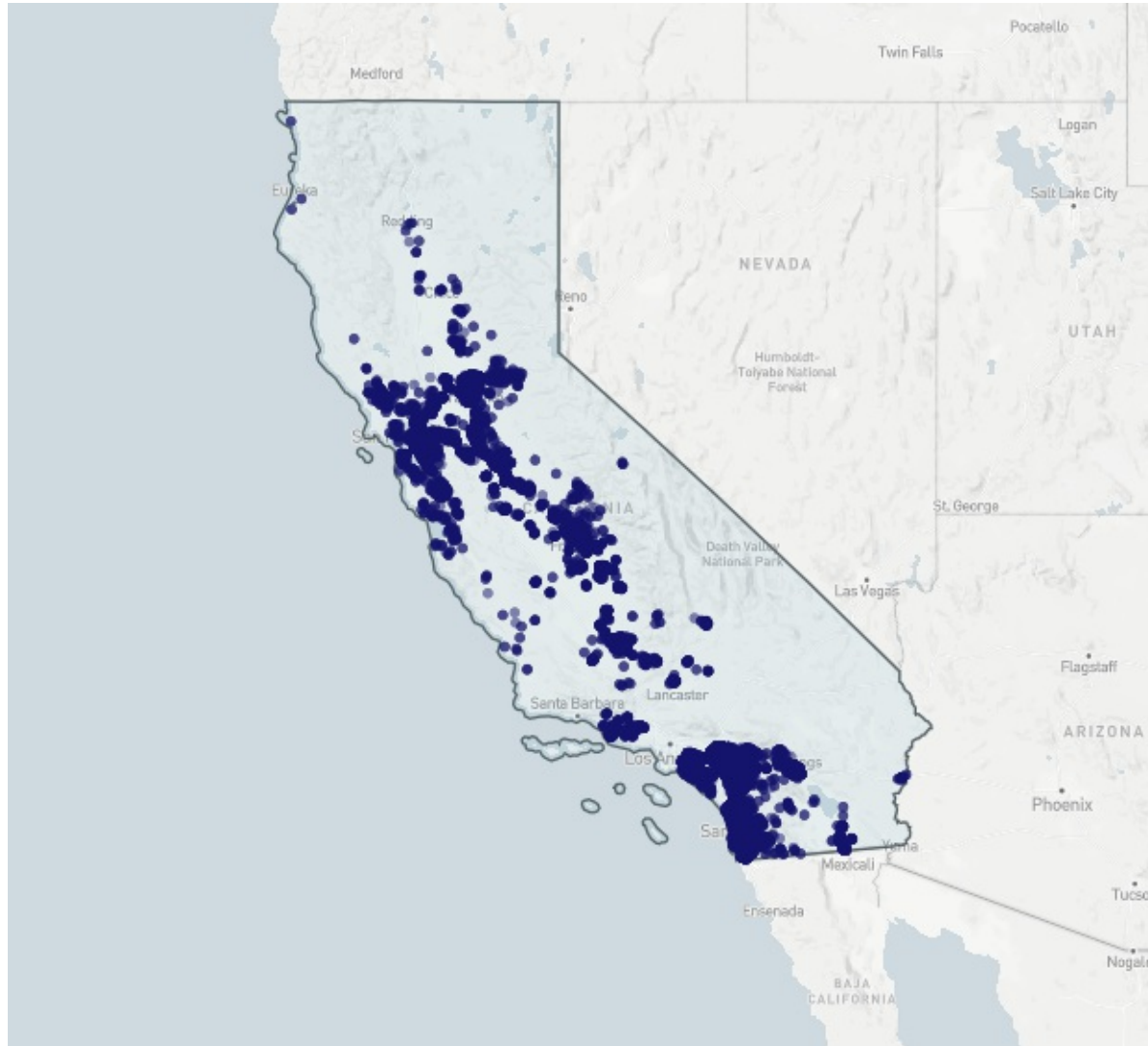
California - WRCOG Program

111,976 Homes Improved

12/14/2011
HERO Launch Date

8,879,384
Housing Count

12/14/2011 - 01/22/2018
Report Range



Improvements

Type	Total Installed	Bill Savings
Energy	170K	\$1.92B
Solar	60.2K	\$2.62B
Water	11.7K	\$108M

Lifetime Impact

Applications Submitted	314K
Applications Approved	224K
Funded Amount	\$2.79B
Economic Stimulus	\$4.84B
Jobs Created	23.7K
Energy Saved	17.2B kWh
Emissions Reduced	4.58M tons
Water Saved	11.2B gal

Learn how these numbers are calculated at <https://www.herogov.com/faq>

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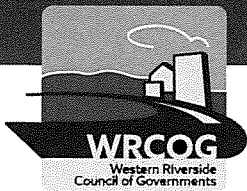
Item 7.B

PACE Programs Activities Update,
and PACE Program Public Hearing,
Revisions to Commercial Program
Lender Requirements, and Updated
Consumer Protections

Attachment 4

WRCOG Resolution Number 03-18;
A Resolution of the Executive
Committee of the Western Riverside
Council of Governments confirming
modification of the California HERO
Program Report so as to expand the
Program area within which contractual
assessments may be offered

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Western Riverside Council of Governments

County of Riverside • City of Banning • City of Beaumont • City of Calimesa • City of Canyon Lake • City of Corona • City of Eastvale • City of Hemet
City of Jurupa Valley • City of Lake Elsinore • City of Menifee • City of Moreno Valley • City of Murrieta • City of Norco • City of Perris • City of Riverside
City of San Jacinto • City of Temecula • City of Wildomar • Eastern Municipal Water District • Western Municipal Water District • Morongo Band of Mission
Indians • Riverside County Superintendent of Schools

RESOLUTION NUMBER 03-18

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS CONFIRMING MODIFICATION OF THE CALIFORNIA HERO PROGRAM REPORT SO AS TO EXPAND THE PROGRAM AREA WITHIN WHICH CONTRACTUAL ASSESSMENTS MAY BE OFFERED

WHEREAS, the Executive Committee of the Western Riverside Council of Governments (WRCOG) previously undertook proceedings pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "Chapter 29") to permit the provision of property assessed clean energy (PACE) services within those cities that had taken action to become Associate Members of WRCOG as of the date of the initiation of such proceedings, ordered the preparation of a report (the "Program Report") addressing all of the matters set forth in Section 5898.22 and 5898.23 of Chapter 29, held a public hearing on June 3, 2013, on the proposed PACE program and the Program Report and did, by the adoption of its Resolution Number 10-13 on such date (the "Resolution Confirming the Program Report") following such public hearing, approve and establish and order the implementation of a voluntary contractual assessment program to be known as the "California HERO Program" (the "Program") to assist property owners within the jurisdictional boundaries of such Associate Members with the cost of installing distributed generation renewable energy sources, energy and water efficient improvements and electric vehicle charging infrastructure that are permanently fixed to their properties ("Authorized Improvements"); and

WHEREAS, in approving the Program Report, the Executive Committee also established the jurisdictional boundaries of such Associate Members as the initial territory within which voluntary contractual assessments may be offered (the "Program Area") to provide for financing of the installation of Authorized Improvements on properties within such Program Area; and

WHEREAS, subsequent to the establishment of the Program, the Executive Committee has undertaken proceedings pursuant to Chapter 29 to expand the Program Area within which contractual assessments may be offered to include the jurisdictions of certain counties and additional cities that had taken action to become Associate Members of WRCOG since the establishment of the Program; and

WHEREAS, now the legislative bodies of the City of Milpitas and the Town of Truckee, have taken action to become Associate Members of WRCOG and thereby enable the Executive Committee to consider further modifying the Program Report by increasing the Program Area to include the jurisdictions of such new Associate Members so as to enable voluntary contractual assessments to be offered pursuant to the Program to the owners of properties within such jurisdictions to finance the installation of Authorized Improvements on such properties; and

WHEREAS, the Executive Committee did, by the adoption of its Resolution Number 01-18 (the "Resolution of Intention"), initiate proceedings pursuant to Chapter 29 to modify the Program Report to include the jurisdictions of the City of Milpitas and the Town of Truckee, ordered a public hearing to be held on February 5, 2018, for the purposes of affording all persons who are present an opportunity to comment upon, object to, or present evidence with regard to such proposed modification of the Program Report; and

WHEREAS, as required by Section 5898.24 of Chapter 29 and the Resolution of Intention, the Secretary of the Executive Committee caused publication of notice of public hearing for the purpose of allowing interested persons to comment upon, object to or inquire about the proposed modification of the Program Report; and

WHEREAS, on this date, the Executive Committee held the duly noticed public hearing as required by Chapter 29, at which the proposed modification of the Program Report so as to modify the Program Area to include the City of Milpitas and the Town of Truckee, was summarized and all persons who were present were given an opportunity to comment upon, object to, or present evidence with regard to the proposed modification of the Program Report.

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the Western Riverside Council of Governments as follows:

Section 1. Recitals. The above recitals are true and correct.

Section 2. Confirmation of Modification of the Program Report. The modification of the Program Report so as to modify the Program Area to the City of Petaluma, in the California HERO Program is hereby approved and confirmed.

Section 3. Effective Date of Resolution. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Executive Committee of the Western Riverside Council of Governments held on February 5, 2018.

Debbie Franklin, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Best Best & Krieger, LLP
WRCOG Bond Counsel

AYES: _____ NOES: _____ ABSENT: _____ ABSTAIN: _____

Item 7.B

PACE Programs Activities Update,
and PACE Program Public Hearing,
Revisions to Commercial Program
Lender Requirements, and Updated
Consumer Protections

Attachment 5

Revised California HERO
Program Report Revised
February 5, 2018

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PROGRAM REPORT

CITIES/TOWNS OF ALBANY, ALHAMBRA, ALISO VIEJO, AMADOR, AMERICAN CANYON, ANAHEIM, ANTIOCH, ARCADIA, ARCATA, ARVIN, ATHERTON, ATWATER, AVALON (COMMERCIAL ONLY), AVENAL, AZUSA, BAKERSFIELD, BALDWIN PARK, BEAUMONT, BELL GARDENS (COMMERCIAL ONLY), BELLFLOWER, BELMONT, BELVEDERE, , BENICIA, BERKLEY, BISHOP, BLUE LAKE, BLYTHE, BRADBURY, BRAWLEY, BREA, BRENTWOOD, BRISBANE, BUENA PARK, BURLINGAME, CALABASAS (COMMERCIAL ONLY), CALEXICO, CALIFORNIA CITY, CALIPATRIA, CALISTOGA, CAMARILLO, CAMPBELL, CAPITOLA, CARLSBAD, CARMEL, CARSON, CATHEDRAL CITY, CERES, CHICO, CHOWCHILLA, CHULA VISTA, CITRUS HEIGHTS, CLAREMONT, CLAYTON, CLOVERDALE, CLOVIS, COACHELLA, COALINGA, COLMA, COMMERCE, CONCORD, CORCORAN, CORNING, CORONADO, COSTA MESA, COTATI, COVINA, CRESCENT CITY, CUPERTINO, CYPRESS, DALY CITY, DANVILLE, DAVIS, DEL MAR, DEL REY OAKS, DELANO, DESERT HOT SPRINGS, DIAMOND BAR, DINUBA, DIXON, DORRIS, DOS PALOS, DUBLIN ,DUNSMUIR, EL CAJON, EL CENTRO, EL CERRITO, EL MONTE, EL SEGUNDO, ELK GROVE, ENCINITAS, ESCONDIDO, ETNA, EUREKA, EXETER, FAIRFAX, FAIRFIELD, FARMERSVILLE, FERNDALE, FILLMORE, FIREBAUGH, FORT BRAGG, FORTUNA, FOSTER, FOUNTAIN VALLEY, FOWLER, FREMONT, FRESNO, GALT, GARDEN GROVE, GARDENA, GILROY, GLENORA, GONZALES, GRASS VALLEY, GREENFIELD, GROVER BEACH, GUSTINE, HALF MOON BAY, HANFORD, HAWTHORNE, HAYWARD, HEALDSBURG, HERMOSA BEACH, HILLSBOROUGH, HOLTVILLE, HUGHSON, HUNTINGTON BEACH, HURON, IMPERIAL BEACH, IMPERIAL, INDIAN WELLS, INDIO, INDUSTRY, INGLEWOOD, IONE, IRWINDALE, ISLETON, JACKSON, KERMAN, KING CITY, KINGSBURG, LA CANADA FLINTRIDGE, LA HABRA, LA MESA, LA PALMA, LA QUINTA, LA VERNE, LAFAYETTE, LAGUNA BEACH, LAGUNA HILLS, LAKE FOREST, LANCASTER, LARKSPUR, LATHROP, LAWDALE, LEMON GROVE, LEMOORE, LINDSAY, LIVE OAK, LIVINGSTON, LODI, LOMITA, LOMPOC, LONG BEACH (COMMERCIAL ONLY), LOS BANOS, LOYALTON, MADERA, MALIBU, MAMMOTH LAKES, MANTECA, MARTINEZ, MARYSVILLE, MCFARLAND, MENDOTA, MENLO PARK, MERCED, MILL VALLEY, MILLBRAE, MILPITAS, MISSION VIEJO, MODESTO, MONROVIA, MONTEBELLO, MONTEREY PARK, MONTEREY, MOORPARK, MORAGA, MORGAN HILL, MORRO BAY, MOUNT SHASTA, MOUNTAIN VIEW, NAPA, NATIONAL CITY, NEVADA CITY, NEWARK, NEWMAN, NEWPORT BEACH, NOVATO, OAKDALE, OAKLAND, OAKLEY, OCEANSIDE, OJAI, ORANGE COVE, ORLAND, OROVILLE, OXNARD, PACIFIC GROVE, PACIFICA, PALM DESERT, PALM SPRINGS, PALMDALE, PARADISE, PARLIER, PASO ROBLES, PATTERSON, PETALUMA, PIEDMONT, PINOLE, PITTSBURG, PLACENTIA, PLACERVILLE, PLEASANT HILL, PLYMOUTH, POINT ARENA, POMONA, PORT HUENEME, PORTERVILLE, PORTOLA VALLEY, POWAY, RANCHO CORDOVA, RANCHO MIRAGE, RANCHO PALOS VERDES, RANCHO SANTA MARGARITA, REDDING, REDONDO BEACH, REDWOOD CITY, REEDLEY, RICHMOND, RIDGECREST, RIO VISTA, RIPON, RIVERBANK, ROHNERT PARK, ROLLING HILLS ESTATES, ROLLING HILLS, ROSEMEAD, SACRAMENTO, SALINAS, SAN ANSELMO, SAN BRUNO, SAN BUENAVENTURA, SAN CARLOS, SAN CLEMENTE, SAN DIEGO, SAN DIMAS, SAN FERNANDO, SAN GABRIEL, SAN JOAQUIN, SAN JOSE, SAN JUAN BAUTISTA, SAN LEANDRO, SAN LUIS OBISPO, SAN MARCOS, SAN MARINO, SAN MATEO, SAN PABLO, SAN RAFAEL, SAN RAMON, SAND CITY, SANGER, SANTA ANA, SANTA CLARA, SANTA CRUZ, SANTA MONICA, SANTA PAULA, SANTA ROSA, SANTEE, SAUSALITO, SCOTTS VALLEY, SEASIDE, SEBASTOPOL, SELMA, SHAFER, SHASTA LAKE, SIERRA MADRE, SIMI VALLEY, SOLANA BEACH, SONOMA, SOUTH EL MONTE, SOUTH LAKE TAHOE, SOUTH PASADENA, SOUTH SAN FRANCISCO, ST. HELENA, STANTON, STOCKTON, SUISUN CITY, SUSANVILLE, SUTTER CREEK, TAFT, TEHACHAPI, TEHAMA, TEMPLE CITY, THOUSAND OAKS, TIBURON, TORRANCE, TRACY, TRINIDAD, TRUCKEE, TULARE, TURLOCK, TUSTIN, UKIAH, UNION CITY, VACAVILLE, VALLEJO, VISALIA, VISTA, WALNUT, WALNUT CREEK, WASCO, WATERFORD, WATSONVILLE, WEED, WEST COVINA, WEST SACRAMENTO, WESTMINSTER, WHEATLAND, WINDSOR, WINTERS, WOODLAKE, WOODLAND, WOODSIDE, YORBA LINDA, YOUNTVILLE , YREKA, AND YUBA CITY, AND

THE UNINCORPORATED COUNTIES OF ALAMEDA, AMADOR, BUTTE, COLUSA, CONTRA COSTA, DEL NORTE, EL DORADO, FRESNO, GLENN, HUMBOLDT, IMPERIAL, KERN, KINGS, MADERA, MARIN, MARIPOSA, MENDOCINO, MERCED, MONO, MONTEREY, NAPA, NEVADA, RIVERSIDE, SACRAMENTO, SAN DIEGO, SAN FRANCISCO, SAN JOAQUIN, SAN LUIS OBISPO, SAN MATEO, SANTA CRUZ, SHASTA, SISKIYOU, SOLANO, SONOMA, TEHAMA, TULARE, YOLO, AND YUBA.

ADOPTED JUNE 3, 2013 - REVISED JULY 15, 2013 - REVISED AUGUST 5, 2013 - REVISED SEPTEMBER 9, 2013 – REVISED NOVEMBER 4, 2013 - REVISED DECEMBER 2, 2013 - REVISED JANUARY 6, 2014 REVISED FEBRUARY 3, 2014 - REVISED MARCH 3, 2014 - REVISED APRIL 7, 2014 - REVISED MAY 5, 2014 REVISED JUNE 2, 2014 – AMENDED JUNE 9, 2014 - REVISED JULY 7, 2014 – REVISED AUGUST 4, 2014 – REVISED SEPTEMBER 8, 2014 – REVISED OCTOBER 6, 2014 -REVISED NOVEMBER 3, 2014 REVISED DECEMBER 1, 2014 – REVISED JANUARY 5, 2015 - REVISED FEBRUARY 2, 2015, REVISED MARCH 2, 2015- REVISED APRIL 6, 2015 – REVISED MAY 4, 2015 – REVISED JUNE 1, 2015 – REVISED JULY 6, 2015 – REVISED AUGUST 3, 2015 – REVISED SEPTEMBER 14, 2015 – REVISED OCTOBER 5, 2015 – REVISED NOVEMBER 2, 2015 – REVISED DECEMBER 7, 2015 – REVISED JANUARY 4, 2016 – REVISED FEBRUARY 1, 2016 – REVISED MARCH 7, 2016 – REVISED APRIL 4, 2016 – REVISED MAY 2, 2016 – REVISED JUNE 6, 2016 – REVISED JULY 11, 2016 – REVISED AUGUST 1, 2016 – REVISED DECEMBER 5, 2016– REVISED JANUARY 9, 2017 – REVISED APRIL 3, 2017 – REVISED JUNE 5, 2017– REVISED JULY 10, 2017– REVISED AUGUST 7, 2017– REVISED SEPTEMBER 11, 2017— REVISED OCTOBER 2, 2017— REVISED DECEMBER 4, 2017– REVISED JANUARY 8, 2018– REVISED FEBRUARY 5, 2018

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PROGRAM INTRODUCTION

This California HERO Program Report (this "Program Report") provides an overview of a property assessed clean energy ("PACE") municipal financing program called the California HERO Program (the "California HERO Program", "HERO," "SAMAS Commercial", "Greenworks", or "Program") for cities and counties that elect to participate in the California HERO Program.

A Residential Program Handbook and a Commercial Program Handbook (collectively "Handbooks") are incorporated herein by reference into this Program Report and supplement and provide further details on the Program.

PURPOSE OF THE CALIFORNIA HERO PROGRAM

The Western Riverside Council of Governments ("WRCOG" or "Agent") is making the California HERO Program available to every city and county in California to encourage installation of distributed generation renewable energy sources, energy efficiency and water efficiency improvements and electric vehicle charging infrastructure for residential and commercial property owners. The Agent has partnered with Renovate America for residential and SAMAS Capital and Greenworks LLC for commercial to make HERO available throughout the State.

The California HERO Program is an economic development program available at no cost to participating cities and counties. HERO finances improvements which decrease energy, create clean renewable energy, or decrease water consumption. In addition to these direct benefits, HERO helps create local jobs, save money, increase property values and lower greenhouse gas emissions.

HERO first launched its residential program in western Riverside County in December 2011 and has received several awards across the state. The commercial Program launched in December 2012.



Southern California Association of Governments
2012 President's Award for Excellence (Highest Honor)
<http://www.compassblueprint.org/toolbox/videos/12awards/wrcog>



U.S. Green Building Council
2012 Best Residential Partnership Program in California
<http://www.usgbc.org/ShowFile.aspx?DocumentID=18852>



Urban Land Institute
2012 Best of the Best

HERO FINANCING

In July, 2008, the California Legislature approved Assembly Bill 811 amending Chapter 29 of the Improvement Act of 1911 (Streets and Highways Code Section 5898.12 and following) (“Chapter 29”), authorizing cities and counties to establish voluntary contractual assessment programs to fund an array of conservation and renewable energy projects proposed by property owners. Assembly Bill 474 was subsequently passed in October 2009 to further amend Chapter 29 to add water efficiency improvements to the list of eligible improvements. Finally, SB 1340 was enacted in 2010 to amend Chapter 29 to authorize the installation of electric vehicle charging infrastructure.

Under the California HERO Program, a contractual assessment is entered into between the property owner and the Agent. Participation by a property owner in such a contractual assessment is 100% voluntary. The contractual assessment is memorialized in a contract between the participating property owner and WRCOG (an “Assessment Contract”). The separate forms of Assessment Contract for Residential properties, i.e., a property developed for a single family home or fewer than three (3) residential dwelling units, or Commercial properties, i.e., all non-residential properties, including apartment buildings with four (4) units or more, are set forth in substantially the forms attached to this Program Report as Appendix E. The amount of the contractual assessment is equal to the cost to pay for the eligible improvements (“Eligible Products”), the costs to pay for the issuance of the bonds that will finance the Program, and the costs to administer the Program. Like most assessments, the amounts are billed and collected on the County property tax bill. If the property is sold, the obligation to make the remaining payments on the assessment may remain on the property or may be required to be paid off when the primary mortgage is refinanced or when the property is sold. Additionally, if a property owner fails to pay the annual contractual assessment installments, the Agent is obligated to strip the delinquent installments off the property tax bill and commence judicial proceedings to foreclose the lien of the delinquent installments. This is an expedited procedure that can result in the public sale of the property in less than a year. This process is disclosed to the property owner in the applicable Assessment Contract.

PURPOSE OF THE PROGRAM REPORT

This Program Report is prepared pursuant to Sections 5898.22 and 5898.23 of the California Streets and Highways Code in connection with the establishment of the California HERO Program. This Program Report is supplemented by separate handbooks prepared for the residential and the commercial programs (each, a “Handbook”) which are incorporated in this Program Report by reference. This is the document, together with the Handbooks, that establish the parameters of the Program and the requirements for property owner participation in the California HERO Program and fulfills the requirements of Sections 5898.22 and 5898.23. The California HERO Program is offered to property owners in participating Cities and Counties. Cities and the County can make HERO, SAMAS Commercial, and Greenworks available to their constituents by adopting a resolution and entering into an amendment to the WRCOG joint exercise of powers agreement (the “JPA Amendment”) pursuant to which such City or County becomes an Associate Member of WRCOG authorizing the Agent to offer the California HERO

Program within the respective boundaries of such Cities and Counties. The Associate Members within which the California HERO Program may be implemented are set forth in Exhibit "B" hereto which delineates the boundaries of the territory within which voluntary contractual assessments may be offered pursuant to the California HERO Program.

RESIDENTIAL AND COMMERCIAL PROGRAM REQUIREMENTS

This section identifies the California HERO Program requirements relating to improvements made on residential and commercial properties.

ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES

In order for properties to be eligible to participate in the California HERO Program, the applicant must meet the eligibility requirements listed below. The Handbooks provides additional detail on each criteria.

- a. Applicant. Applicant(s) must be the property owner(s) of record.
- b. Address. The applicant's property must be located within the boundaries of the California HERO Program. If a property is located in a city, the city must adopt a resolution and enter into the JPA Amendment authorizing the Agent to offer the California HERO Program within its boundaries. If a property is located within the unincorporated territory of a County, the County must adopt a resolution and enter into the JPA Amendment authorizing the Agent to offer the Program within its boundaries. A map showing the areas within which the California HERO Program may be offered is attached hereto as Appendix B.
- c. Property Taxes. The property owners must be current on their property taxes within the time period specified in the applicable Handbook.
- d. Involuntary Liens. The property must not be subject to involuntary liens, judgments or defaults or judgments in excess of the amount identified in the applicable Handbook.
- e. Mortgage Debt. The mortgage debt on the property must not exceed that certain percentage of the value of the property as set forth in the applicable Handbook.
- f. Annual Property Taxes. The total annual property tax and assessments, including the contractual assessment, on the property must not exceed 5% of the property's market value, as determined at the time of approval of the Assessment Contract.
- g. Bankruptcy. The property owner must not have declared bankruptcy within the time period specified in the applicable Handbook.

ELIGIBLE PRODUCTS, CONTRACTORS AND COSTS

Eligible Products

Property owners are responsible for installation, operation, and maintenance of the Eligible Products installed on their property. Property owners must address performance and other system-related issues directly with the contractor installing the Eligible Products according to the terms of the contract between the property owner and the contractor. The California HERO

Program is a financing program only. Neither the Agent or the City or the County in which the property is located, nor their employees or agents are responsible for the Eligible Products, their installation or their performance.

The California HERO Program affords property owners the opportunity to take advantage of a wide range of eligible renewable energy, energy-saving, and water conservation/efficiency products that are included among the Eligible Products, consistent with the following provisions:

- a. The California HERO Program is intended principally to encourage the adoption of renewable energy, energy efficiency and water efficiency measures.
- b. The California HERO Program provides financing only for Eligible Products that are permanently affixed to real property.
- c. The California HERO Program provides financing only for Eligible Products specified in Appendix A of the report. The list of Eligible Products will be updated from time to time and published in the Handbooks. Broadly, these include:
 - a. Water Conservation/Efficiency Products
 - b. Energy Efficiency Products
 - c. Renewable Energy Systems
 - d. Electric vehicle charging infrastructure
 - d. Custom Products
- d. The property owner must ensure that any and all permits and inspections required by the jurisdiction within which such property is located for the installation of the Eligible Products are obtained.
- e. Financing is also available for projects that combine Eligible Products, such as bundling of water conservation/efficiency, energy efficiency, and renewable energy improvements. For instance, a property owner may choose to replace an aging and inefficient furnace, install weather stripping, install low flow toilets, and install a photovoltaic system as part of a single project.

Contractors

The cost of installation of Eligible Products shall be eligible to be financed under the California HERO Program only if such installation is completed by a contractor that is registered with the Program or by the property owner if self-installing such Eligible Products. A list of contractors that are registered with the Program shall also be located on the Program website. Registration of a contractor with the Program is neither a recommendation of such contractor nor a guaranty of or acceptance of responsibility for work of such contractor by the Agent, Renovate America, Samas Capital, Greenworks LLC, or the City or County in which the property upon which the Eligible Products are installed is located or the officers, employees or agents of such entities. Neither the Agent, Renovate America, Samas Capital, Greenworks LLC or the City or County in which the property upon which the Eligible Products are installed is located, their officers, employees nor agents any have responsibility whatsoever for the selection by a property owner of a registered contractor or the work performed by such registered contractor.

Improvement Costs

Eligible costs of the improvements include the cost of equipment and installation of such equipment. Installation costs may include, but are not limited to, energy and water audit consultations, labor, design, drafting, engineering, permit fees, and inspection charges. Eligible costs do not include labor costs for property owners that elect to do the work themselves.

Property owners who elect to engage in broader projects – such as home or business remodeling – may only receive Program financing for that portion of the cost of retrofitting existing structures with Eligible Products. Repairs and/or new construction do not qualify except to the extent that the construction is required for the specific approved Eligible Products. Repairs to existing infrastructure, such as water and sewer laterals, are considered repairs and are not eligible.

Program staff will evaluate conditions in the construction and installation market for the proposed Eligible Products, including the pricing of Eligible Products, and may require the property owner to obtain additional bids to determine whether costs are reasonable. While the property owner may choose the contractor, the amount available for financing may be limited as set forth in the applicable Handbook.

Administrative Costs/Fees

The Program will cover all or a portion of its costs of establishing the Program; processing, reviewing and approving a property owner's application; processing the Assessment Contract and other related financing and contract documents and issuing the bonds that will finance the Program through an expense component to be added to the amount of the financing request as set forth in the applicable Handbook. In addition, there may be other costs that are not covered in the expense component and will be borne by the property owners as set forth in the applicable Handbook. These costs may include:

Application Fee. An application fee may be required. The owner may not include this cost in the financing request. Except as otherwise provided in applicable federal or state law, the application fee is nonrefundable, unless the property owner is deemed ineligible and the unused portion of the application fee may be prorated.

Title and Recording Costs. Title and recording costs, including title insurance, where required, may be paid by the property owner.

Permitting Costs. Property owners are required to verify whether or not a permit and/or inspections are required by the jurisdiction in which such owner's property is located. Any such permit and/or inspection costs will be paid by the property owner and are an eligible cost to include in the financing.

Ongoing Administration Costs. Annual assessment administration, collection, County treasurer-tax collector and auditor-controller and trustee costs will be added each year to the annual assessment on property tax bills and will be adjusted in subsequent years for cost of living increases using the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for the County or region.

Onsite Validation Fees. Onsite validation fees may be required for Program staff to confirm that approved Eligible Products were actually installed prior to funding; provided, however, such fee may not exceed the actual cost to undertake such validation.

Multiple Disbursement Fees. The Program may offer multiple disbursements for assessments if feasible. If multiple disbursements are offered, the partial disbursement funding requests may be subject to an additional processing fee per partial disbursement as set forth in the applicable Handbook; provided, however, that such fee may not exceed the actual cost of providing such service.

Capitalized Interest. Because each County has established a deadline for placing the contractual assessments on such County's property tax bill, the principal component of the contractual assessment may also include an amount equal to the first tax year's contractual assessment installments if the deadline cannot be met.

Deposit to a Debt Service Reserve Fund. The Agent or project investors may require property owners to fund a deposit to a debt service reserve fund as set forth in the applicable Handbook. The reserve fund would be used to pay debt service on bonds issued to finance the installation of Eligible Products in the event of contractual assessment installment delinquencies.

As required pursuant to Section 5898.22 of Chapter 29, the Agent has met and consulted with the staff of the Counties of the Alameda, Contra Costa, El Dorado, Fresno, Imperial, Kern, Los Angeles, Madera, Merced, Mono, Monterey, Napa, Orange, Riverside, Sacramento, San Diego, San Francisco, San Mateo, San Joaquin, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Tulare, Ventura, and Yolo Auditor's office concerning the additional fees, if any, that will be charged to the Agent for incorporating the proposed assessment installments into the assessments of the general taxes on real property. The payment of such fees shall be included as a part of ongoing administration costs which will be added each year to the annual assessment on property tax bills.

APPEAL PROCESS

The Program allows for property owners to go through an appeal process if their application is denied or if the property owner or property is deemed ineligible to participate in the Program. The process is set forth in the applicable Handbook.

TRACKS FOR PARTICIPATION

There are four categories of improvements under which property owners may participate in this Program. Minimum energy efficiency specifications are set at EnergyStar, California Title 24 and Title 20, and WaterSense standards, as applicable. Efficiency standards will "ratchet-up" with EnergyStar, WaterSense, California Title 24 and Title 20 standards, or other new standards as may be appropriate and as agreed upon by WRCOG Executive Committee. A complete list of Eligible Products can be found in Appendix A.

WATER CONSERVATION/EFFICIENCY

Water Conservation/Efficiency covers a wide range of water conserving fixtures, such as low flow toilets, low flow shower heads, and irrigation controllers.

ENERGY EFFICIENCY

Energy Efficiency covers a wide range of energy efficiency fixtures such as windows and doors, attic insulation, and HVAC equipment that are EnergyStar rated. Most Eligible Products in this category must meet specified minimum efficiencies.

RENEWABLE ENERGY

Solar Photovoltaic or Solar Thermal Systems provide for solar energy generation and solar hot water systems, respectively. Small wind turbines, fuel cell systems or geothermal systems may also be eligible under this category.

CUSTOM PROJECTS

The development of technologies is encouraged by the Program as a means of diversifying the region's energy and water sources. Custom Projects will be evaluated and provided funding, if appropriate, for either innovative projects or for more complex, larger projects that require additional review.

PROGRAM PARAMETERS

MINIMUM FINANCING AMOUNT AND DURATION OF ASSESSMENT

Assessment Contracts are available for varying terms as set forth in the applicable Handbook.

Minimum and maximum financing amounts are set forth in the applicable Handbook.

MAXIMUM PORTFOLIO

The maximum aggregate dollar amount of contractual assessments initially authorized under the California HERO Program is \$2 billion.

ASSESSMENT INTEREST RATE

Residential Properties: The interest rate for a contractual assessment on a residential property is set at the time that the Assessment Contract is delivered to the property owner. An estimated, current rate will always be available on the Program website and any variations from that estimated rate will be based solely on market fluctuations.

Commercial Properties: The interest rate for a contractual assessment on a commercial property is set at the time the Assessment Contract is entered into.

The Program interest rate(s) will be set with the intention of creating a self-sustaining Program at rates that are competitively priced to compare to financing options available through banking or other financial institutions, balanced with the ability to remarket the bonds issued to finance the installation of Eligible Products on participating properties and encourage the future liquidity of the Program.

PROPERTY ASSESSMENT LIEN

All property owners must sign, and return the Assessment Contract within the time period specified in the notice of approval of a property owner's application. Upon completion of the project and execution of the Assessment Contract, the Agent will place a lien for the full amount of the contractual assessment on the property that secures such assessment. If the lien is recorded before the first business day in July, the assessment installment will appear on the next tax bill. For liens recorded after the first business day of July, the assessment installment will not appear on the tax bill until the following tax year, but interest will accrue on the outstanding balance. A direct bill and/or additional tax bill or other method of payment (including capitalized interest) may be required, as determined by the Program, during the first tax year.

DELINQUENT ASSESSMENT COLLECTIONS

In general, it is expected that assessment installments will be collected on the *ad valorem* tax bills sent to property owners by the Treasurer-Tax Collector of the County in which such owner's property is located, and therefore delinquency information will generally be available from such the Treasurer-Tax Collector's office. In order to attract financing, the Agent will covenant to commence and pursue judicial foreclosure proceedings with respect to parcels that are delinquent in the payment of assessment installments. The precise terms of such a covenant will be determined at the time of bond issuance.

THE FINANCIAL STRATEGIES

The Program includes the following financial strategies.

Strategy One: The Program will, at launch, utilize Renovate America to fund installations of Eligible Products for Residential properties. Renovate America will provide a revolving credit line to finance the installation of Eligible Products for such Residential properties. Property and other eligibility requirements will be determined pursuant to the criteria set forth in Section II above and in the Residential Handbook. In consideration for funding the installation of such Eligible Products the Agent shall issue and deliver to Renovate America one or more municipal bonds secured by the contractual assessments payable by the Residential properties to be improved.

Strategy Two: The Program will, at launch, utilize the Samas Capital to fund installations of Eligible Products for Commercial properties, under SAMAS Commercial. Samas Capital will provide a revolving credit line to finance the installation of Eligible Products to Commercial properties. Property and other eligibility requirements will be determined pursuant to the criteria set forth in Section II above and the Commercial Handbook. In consideration for funding the installation of such Eligible Products the Agent shall issue and deliver to Samas Capital one or more municipal bonds secured by the contractual assessments payable by the Commercial properties to be improved.

Strategy Three: The Program will, at launch, utilize the Greenworks Lending, LLC to fund installations of Eligible Products for Commercial properties, under Greenworks Commercial. Greenworks will provide a revolving credit line to finance the installation of Eligible Products to

Commercial properties. Property and other eligibility requirements will be determined pursuant to the criteria set forth in Section II above and the Commercial Handbook. In consideration for funding the installation of such Eligible Products the Agent shall issue and deliver to Greenworks one or more municipal bonds secured by the contractual assessments payable by the Commercial properties to be improved.

Strategy Four: The Agent may establish the “Statewide PACE Financing Fund” (the “PACE Fund”) and may accept funds from any available source. Repayments will be made pursuant to Assessment Contracts between the property owners and the Agent and will be collected through the property assessment mechanism in the County property tax system in which the properties of such owners are located. The Agent will manage or cause the Trustee or other qualified third party administrator to manage the PACE Fund in one enterprise fund with multiple sub-funds.

Strategy Five: For additional financing, the Agent will continue to explore funding opportunities from a number of other potential funding sources, and combinations of sources, which may include but are not limited to additional funding from any funds under the control of the Agent, the issuance of notes, bonds, or agreements with utilities or public or private lenders, other governmental entities and quasi-governmental entities such as SCERA, CALPERS, Nationwide Retirement Solutions, funding from private entities, or any financing structure allowed by law.

GLOSSARY OF TERMS

ANNUAL FUEL UTILIZATION EFFICIENCY (AFUE): AFUE is the standard measurement of efficiency for gas and oil-fired furnaces. Given in percentages, this number tells you how much of your fuel is used to heat your home and how much fuel is wasted. The higher the AFUE rating, the greater the efficiency.

ASSEMBLY BILL 811: Approved in July 2008 by the California legislature, AB 811 amended Chapter 29 to authorize cities and counties to establish voluntary contractual assessment programs to fund an array of conservation and renewable energy projects proposed by property owners.

ASSEMBLY BILL 474: Approved in October 2009 by the California legislature, AB 474 amended Chapter 29 to authorize the funding of water conservation products through a voluntary contractual assessment program.

ASSESSMENT CONTRACT: A contract entered into between a property owner or property owners to provide financing for the installation of Eligible Improvements on property of such owner or owners under the California HERO Program.

BRITISH THERMAL UNITS (BTU): The amount of heat required to raise the temperature of one (1) pound of water one (1) degree Fahrenheit.

BUILDING PERFORMANCE INSTITUTE (BPI): BPI is a national standards development and credentialing organization for residential energy efficiency retrofit work – providing training through a network of training affiliate organizations, individual certifications, company accreditations and quality assurance programs. BPI certifications include building analysts (for energy audits) as well as building envelope professionals (envelope or manufactured housing) and mechanical professionals (heating or cooling).

BUILDING PERMITS: Formal approval of building plans by the designated government agency as meeting the requirements of prescribed codes. It is an authorization to proceed with the construction or reconfiguration of a specific structure at a particular site, in accordance with the approved drawings and specifications.

CALIFORNIA SOLAR INITIATIVE (CSI): The California Solar Initiative is part of the Go Solar California campaign and builds on 10 years of state solar rebates offered to customers in California's investor-owned utility territories: Pacific Gas & Electric (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E). The California Solar Initiative is overseen by the California Public Utilities Commission.

COEFFICIENT OF PERFORMANCE (COP): The COP is the basic parameter used to report efficiency of refrigerant based systems.

COMMERCIAL: Commercial entities are defined as all non-residential properties and include, but are not limited to, apartment buildings with five units or more, industrial and agricultural properties.

CONTRACTOR: A person or business entity who contracts to erect buildings, or portions of buildings, or systems within buildings.

COOL ROOF: A cool roof reflects and emits the sun's heat back to the sky instead of transferring it to the building below. "Coolness" is measured by two properties, solar reflectance and thermal emittance. Both properties are measured from zero (0) to one (1) and the higher the value, the "cooler" the roof

COOL ROOF RATING COUNCIL (CRRC): The CRRC is an independent, non-profit organization that maintains a third-party rating system for radiative properties of roof surfacing materials.

ENERGY AUDIT: An evaluation of energy consumption, as in a home or business, to determine ways in which energy can be conserved.

ENERGY EFFICIENCY RATIO (EER): EER is a measure of how efficiently a cooling system will operate when the outdoor temperature is at a specific level (95°F). The higher the EER, the more efficient the system.

ELIGIBLE PRODUCTS: All Eligible Products as specified in the applicable Program Handbook.

ENERGYSTAR: EnergyStar is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy helping us all save money and protect the environment through energy efficient products and practices.

EXPECTED PERFORMANCE-BASED BUY-DOWN (EPBB): Under CSI, EPBB provides that solar systems smaller than 30kW in capacity can receive a one-time, up-front incentive based on expected performance, and calculated by equipment ratings and installation factors (geographic location, tilt and shading). EPBB payments are provided on a \$ per watt basis. Systems eligible for EPBB can choose to opt-in to the PBI system.

EVAPOTRANSPIRATION (ET): ET is a term used to describe the sum of evaporation and plant transpiration from the Earth's land surface to atmosphere.

HEAT SEASONAL PERFORMANCE FACTOR (HSPF): HSFP is the most commonly used measure of a heat pumps heating efficiency. The higher the HSPF, the more efficient the heat pump.

HOME ENERGY RATING SYSTEM (HERS): Based on the home's plans, the Home Energy Rater uses an energy efficiency software package to perform an energy analysis of the home's design. This analysis yields a projected, pre-construction HERS Index. Upon completion of the plan review, the rater will work with the builder to identify the energy efficiency Eligible Products needed to ensure the house will meet ENERGY STAR performance guidelines. The rater then conducts onsite inspections, typically including a blower door test (to test the leakiness of the house) and a duct test (to test the leakiness of the ducts). Results of these tests, along with inputs derived from the plan review, are used to generate the HERS Index score for the home.

INTERCONNECTION AGREEMENT: A legal document authorizing the flow of electricity between the facilities of two electric systems. Under the CSI Program, eligible renewable energy systems must be permanently interconnected and operating in parallel to the electrical distribution grid of the utility serving the customer's electrical load. Portable systems are not eligible. Proof of interconnection and parallel operation is required prior to receiving an incentive payment.

INVESTOR-OWNED UTILITY (IOU): For purposes of the Program, this refers to Southern California Edison Company, Pacific Gas & Electric Company and San Diego Gas & Electric Company.

KILOWATT (kW): A unit of electrical power equal to 1,000 watts, which constitutes the basic unit of electrical demand. The watt is a metric measurement of power (not energy) and is the rate (not the duration over which) electricity is used. 1,000 kW is equal to 1 megawatt (MW).

KILOWATT HOUR (kWh): The use of 1,000 watts of electricity for one full hour. Unlike kW, kWh is a measure of energy, not power, and is the unit on which the price of electrical energy is based. Electricity rates are most commonly expressed in cents per kilowatt hour.

MARKET VALUE: Highest estimated price that a buyer would pay and a seller would accept for an item in an open and competitive market.

MANUAL J REPORT: A report that is the accepted industry standard for the proper sizing and selection of HVAC equipment in residential applications. Manual J outlines the accurate procedure which can be used to estimate the heat loss and heat gain for conventional residential structures

MEGAWATT (MW): Unit of electrical power equal to one million watts; also equals 1,000 kW.

NET OPERATING INCOME (NOI): Net operating income is rental income of a property after operating expenses. These expenses would include all operating expenses, including maintenance, janitorial, supplies, insurance, accounting, management, etc.

PARTICIPATING JURISDICTION: A city or county that has elected to participate in the California HERO Program.

PROGRAM: The California HERO Program.

PROGRAM ADMINISTRATOR: The WRCOG Executive Director and/or his designee are designated as the Program Administrator and are authorized to enter into contractual assessments.

REAL PROPERTY: A property in the County that is subject to a real property tax.

PERFORMANCE BASED INCENTIVE (PBI): All solar systems requesting incentive payments over 30 kW must take the PBI. Any sized system can elect to take PBI. The PBI pays out an incentive, based on actual kWh production, over a period of five years. PBI payments are provided on a \$ per kilowatt-hour basis.

POWER PURCHASE AGREEMENT (PPA): PPA's are contracts between two parties, one who generates electricity for the purpose of sale (the seller) and one who agrees to purchase electricity (the buyer). Financing for the project is delineated in the contract, which also specifies relevant dates of the project coming into effect, when the project will begin commercial operation, and a termination date for which the contract may be renewed or abandoned. All sales of electricity are metered to provide both seller and buyer with the most accurate information about the amount of electricity generated and bought. Rates for electricity are agreed upon in the contract between both parties.

RENEWABLE: Electricity supplied by energy sources that are naturally and continually replenished, such as wind, solar power, geothermal, small hydropower, and various forms of biomass.

RESIDENTIAL: Single family home, fewer than four (4) residential units.

R-VALUE: R-Value is a measure of thermal resistance used in the building and construction industry, usually for insulation. The higher the R-Value, the greater the insulation qualities of the product.

SEASONAL ENERGY EFFICIENCY RATIO (SEER): SEER is most commonly used to measure the efficiency of central air conditioners and air source heat pumps. SEER measures how efficiently a cooling system will operate over an entire season. The higher the SEER, the more efficient the system.

SOLAR HEAT GAIN COEFFICIENT (SHGC): SHGC measures how well a product blocks heat by sunlight. SHGC is expressed as a number between 0 and 1. The lower the SHGC, the less solar heat is transmitted into the building.

SOLAR RATING AND CERTIFICATION CORPORATION (SRCC): The CRCC currently administers a certification, rating, and labeling program for solar collectors and a similar program for complete solar water heating systems.

TITLE 20: CCR Title 20, California regulations intended to drive down electrical energy consumption in the state, is having a noticeable impact on manufacturers, importers and retailers who produce or sell portable lamps.

TITLE 24: California Code of Regulations (CCR), Title 24, also known as the California Building Standards Code, is a compilation of three types of building standards from three different origins:

- Building standards that have been adopted by state agencies without change from building standards contained in national model codes;
- Building standards that have been adopted and adapted from the national model code standards to meet California conditions;
- Building standards, authorized by the California legislature, that constitute extensive additions not covered by the model codes that have been adopted to address particular California concerns.

Water Audit: Water Audit is a qualitative and quantitative analysis of water consumption to identify means of reducing, reusing and recycling of water.

WATERSENSE: WaterSense is a partnership program sponsored by the U.S. Environmental Protection Agency (EPA) with the goal of protecting the future of the US's water supply. By promoting and enhancing the market for water efficient products and services, WaterSense makes every drop count by leveraging relationships with key utility, manufacturer and retail partners across the U.S.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (WRCOG): A joint powers authority representing its Associate Members in establishing the California HERO Program. WRCOG is serving as Agent to facilitate funding for owners of properties in jurisdictions of its Associate Members that meet the project approval and funding criteria provided herein for participation in the California HERO Program.

Appendix A

ELIGIBLE PRODUCTS

The California HERO Program offers financing for a number of eligible equipment types, energy efficiency measures, water efficiency/conservation improvements, solar systems, and other innovative, energy-saving, water saving, and energy generation custom products for residential and commercial property owners as specified in the applicable Handbook.

Minimum energy efficiency specifications are set at EnergyStar, California Title 24 and Title 20, and WaterSense standards, as applicable. Efficiency standards will “ratchet-up” with EnergyStar, WaterSense, California Title 24 and Title 20 standards, or other new standards as may be appropriate and as agreed upon by the Agent.

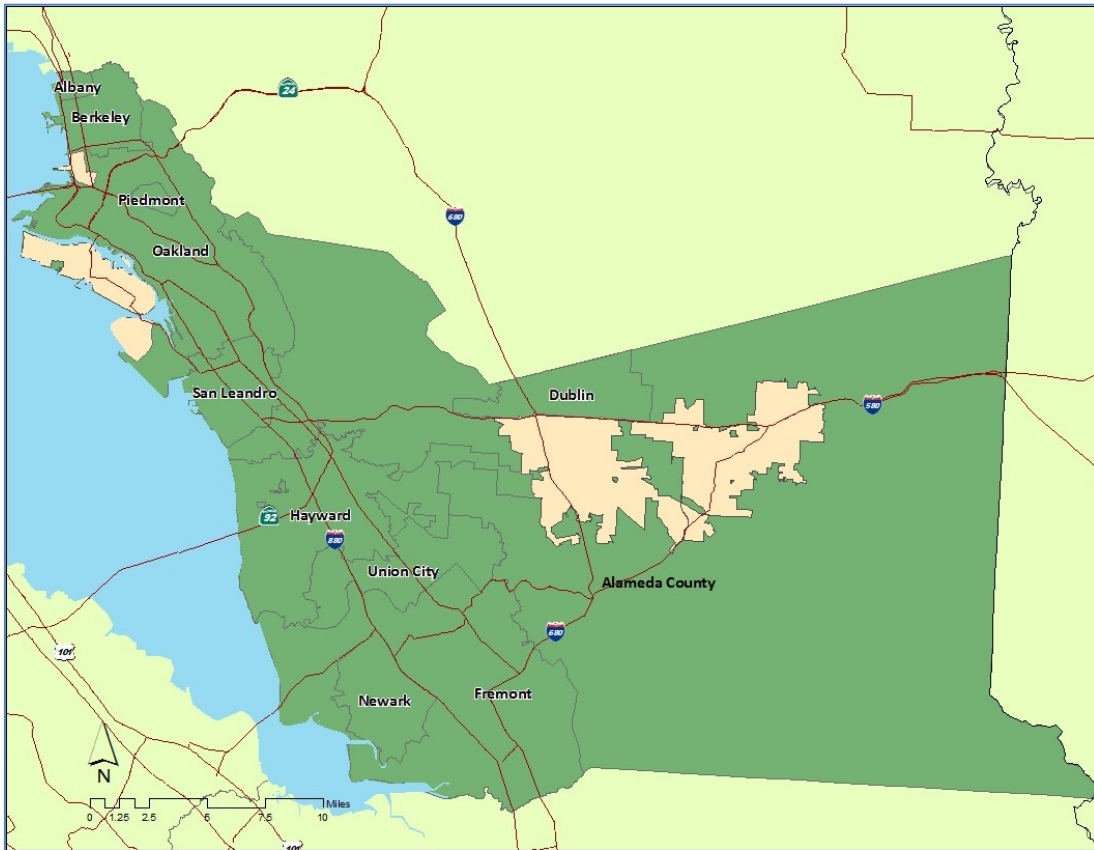
Any Solar PV system must be eligible for and participate in CSI or an equivalent utility rebate program, unless the property is not connected to the electricity grid, or such utility rebate program is not available.

Appendix B
**MAP OF PROGRAM AREA
(February 5, 2018)**

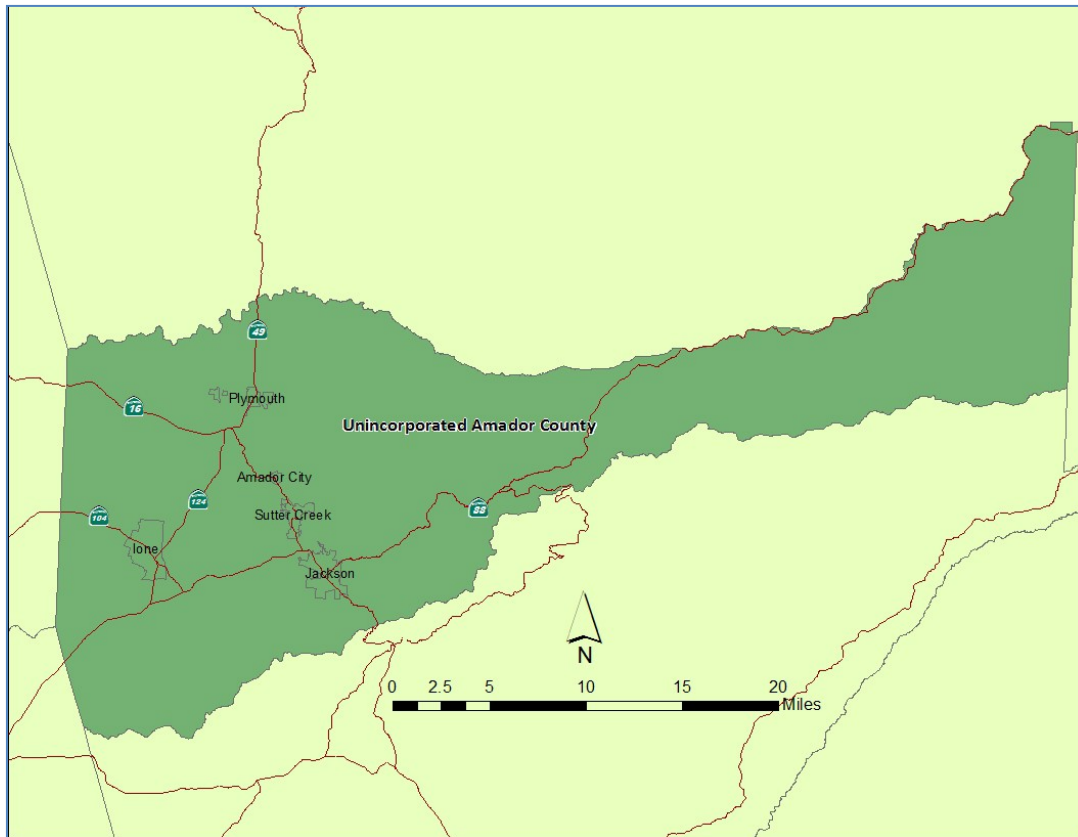
The territories within which voluntary contractual assessments are authorized to be offered pursuant to the California hero program are the jurisdictional boundaries of Albany, Alhambra, Aliso Viejo, Amador, American Canyon, Anaheim, Antioch, Arcadia, Arcata, Arvin, Atherton, Atwater, Avalon (Commercial Only), Avenal, Azusa, Bakersfield, Baldwin Park, Beaumont, Bell Gardens (Commercial Only), Bellflower, Belmont, Belvedere, Benicia, Berkley, Bishop, Blue Lake, Blythe, Bradbury, Brawley, Brea, Brentwood, Brisbane, Buena Park, Burlingame, Calabasas (Commercial Only), Calexico, California City, Calipatria, Calistoga, Camarillo, Campbell, Capitola, Carlsbad, Carmel, Carson, Cathedral City, Ceres, Chico, Chowchilla, Chula Vista, Citrus Heights, Claremont, Clayton, Cloverdale, Clovis, Coachella, Coalinga, Colma, Commerce, Concord, Corcoran, Corning, Coronado, Costa Mesa, Cotati, Covina, Crescent City, Cupertino, Cypress, Daly City, Danville, Davis, Del Mar, Del Rey Oaks, Delano, Desert Hot Springs, Diamond Bar, Dinuba, Dixon, Dorris, Dos Palos, Dublin, Dunsmuir, El Cajon, El Centro, El Cerrito, El Monte, El Segundo, Elk Grove, Encinitas, Escondido, Etna, Eureka, Exeter, Fairfax, Fairfield, Farmersville, Ferndale, Fillmore, Firebaugh, Fort Bragg, Fortuna, Foster, Fountain Valley, Fowler, Fremont, Fresno, Galt, Garden Grove, Gardena, Gilroy, Glendora, Gonzales, Grass Valley, Greenfield, Grover Beach, Gustine, Half Moon Bay, Hanford, Hawthorne, Hayward, Healdsburg, Hermosa Beach, Hillsborough, Holtville, Hughson, Huntington Beach, Huron, Imperial Beach, Imperial, Indian Wells, Indio, Industry, Inglewood, Ione, Irwindale, Isleton, Jackson, Kerman, King City, Kingsburg, La Canada Flintridge, La Habra, La Mesa, La Palma, La Quinta, La Verne, Lafayette, Laguna Beach, Laguna Hills, Lake Forest, Lancaster, Larkspur, Lathrop, Lawndale, Lemon Grove, Lemoore, Lindsay, Live Oak, Livingston, Lodi, Lomita, Lompoc, Long Beach (Commercial Only), Los Banos, Loyalton, Madera, Malibu, Mammoth Lakes, Manteca, Martinez, Marysville, McFarland, Mendota, Menlo Park, Merced, Mill Valley, Millbrae, Milpitas, Mission Viejo, Modesto, Monrovia, Montebello, Monterey Park, Monterey, Moorpark, Moraga, Morgan Hill, Morro Bay, Mount Shasta, Mountain View, Napa, National City, Nevada City, Newark, Newman, Newport Beach, Novato, Oakdale, Oakland, Oakley, Oceanside, Ojai, Orange Cove, Orland, Oroville, Oxnard, Pacific Grove, Pacifica, Palm Desert, Palm Springs, Palmdale, Paradise, Parlier, Paso Robles, Patterson, Petaluma, Piedmont, Pinole, Pittsburg, Placentia, Placerville, Pleasant Hill, Plymouth, Point Arena, Pomona, Port Hueneme, Porterville, Portola Valley, Poway, Rancho Cordova, Rancho Mirage, Rancho Palos Verdes, Rancho Santa Margarita, Redding, Redondo Beach, Redwood City, Reedley, Richmond, Ridgecrest, Rio Vista, Ripon, Riverbank, Rohnert Park, Rolling Hills, Rolling Hills Estates, Rosemead, Sacramento, Salinas, San Anselmo, San Bruno, San Buenaventura, San Carlos, San Clemente, San Diego, San Dimas, San Fernando, San Gabriel, San Joaquin, San Jose, San Juan Bautista, San Leandro, San Luis Obispo, San Marcos, San Marino, San Mateo, San Pablo, San Rafael, San Ramon, Sand City, Sanger, Santa Ana, Santa Clara, Santa Cruz, Santa Monica, Santa Paula, Santa Rosa, Santee, Sausalito, Scotts Valley, Seaside, Sebastopol, Selma, Shafter, Shasta Lake, Sierra Madre, Simi Valley, Solana Beach, Sonoma, South El Monte, South Lake Tahoe, South Pasadena, South San Francisco, St. Helena, Stanton, Stockton, Suisun City, Susanville, Sutter Creek, Taft, Tehachapi, Tehama, Temple City, Thousand Oaks, Tiburon, Torrance, Tracy, Trinidad, Truckee, Tulare, Turlock, Tustin, Ukiah, Union City, Vacaville, Vallejo, Visalia, Vista, Walnut, Walnut Creek, Wasco, Waterford, Watsonville, Weed, West Covina, West Sacramento, Westminster, Wheatland, Windsor, Winters, Woodlake, Woodland, Woodside, Yorba Linda, Yountville, Yreka, and Yuba City, And The Unincorporated Counties Of Alameda, Amador, Butte, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Imperial, Kern, Kings, Madera, Marin, Mariposa, Mendocino,

Merced, Mono, Monterey, Napa, Nevada, Riverside, Sacramento, San Diego, San Joaquin, San Luis Obispo, San Mateo, Santa Cruz, Shasta, Siskiyou, Solano, Sonoma, Tehama, Tulare, Yolo, and Yuba.

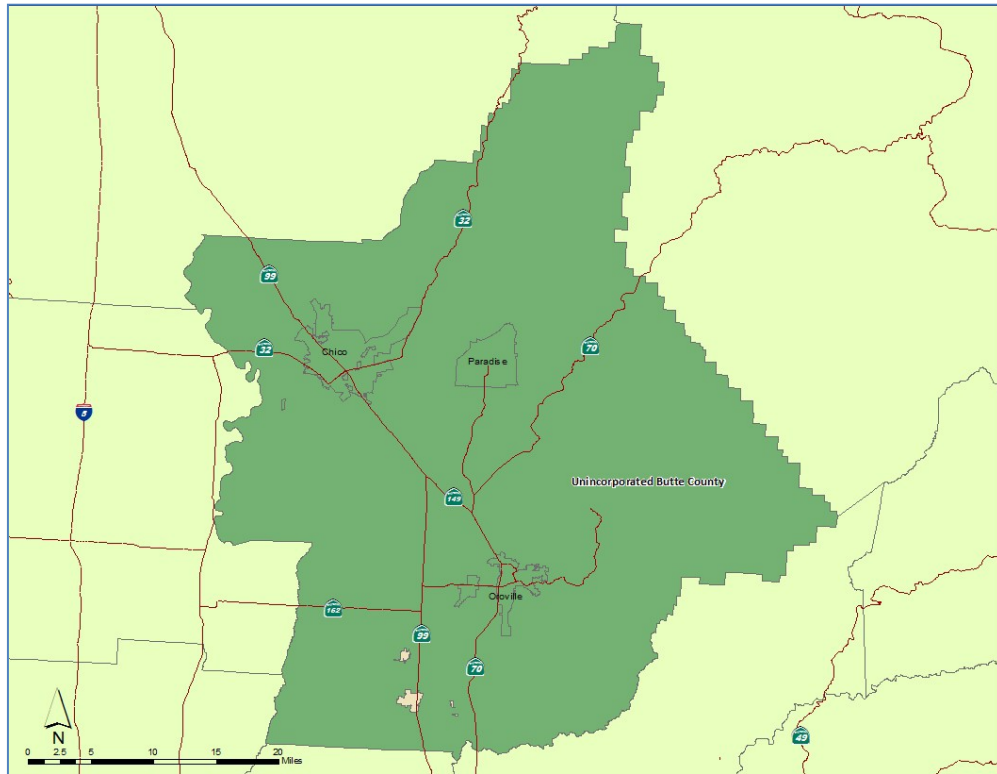
Cities of Albany, Berkeley, Dublin, Fremont, Hayward, Newark, Oakland, Piedmont, San Leandro, Union City, and Alameda County unincorporated areas located in Alameda County, California



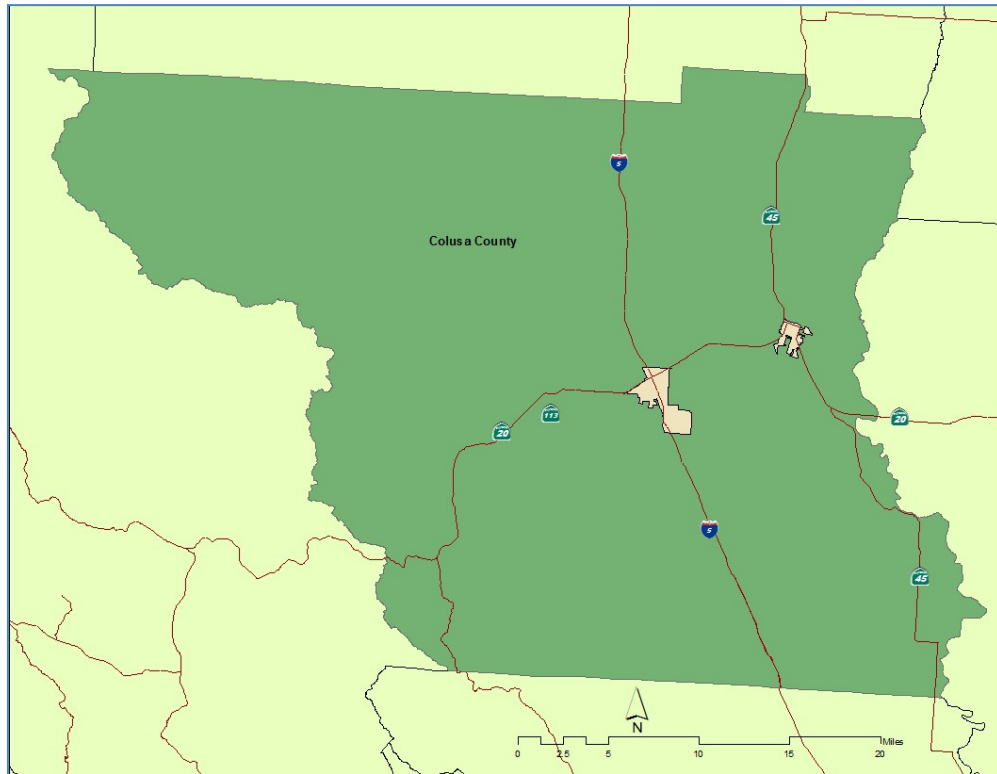
Cities of Amador, Lone, Jackson, Plymouth, and Sutter Creek, and Amador County unincorporated areas, in Amador County, California



**Cities of Chico, Paradise, Oroville, and Butte County unincorporated areas,
located in Butte County, California**



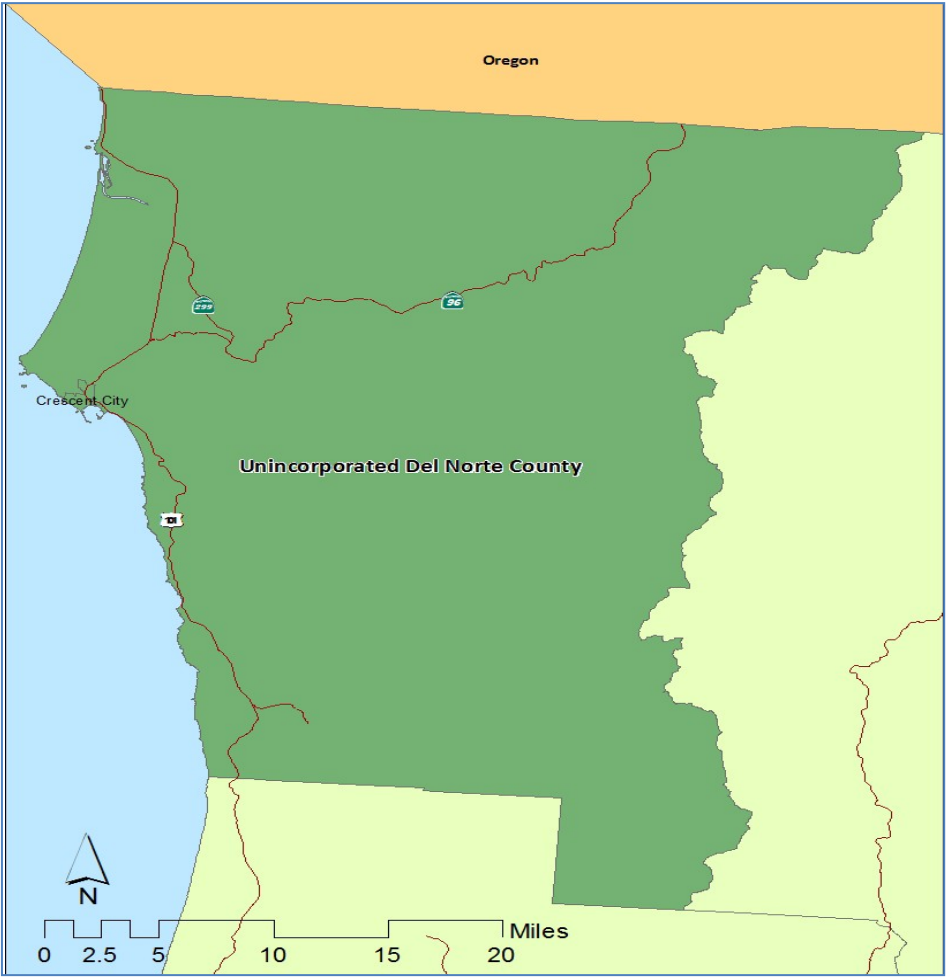
County of Colusa unincorporated areas in Colusa County, California



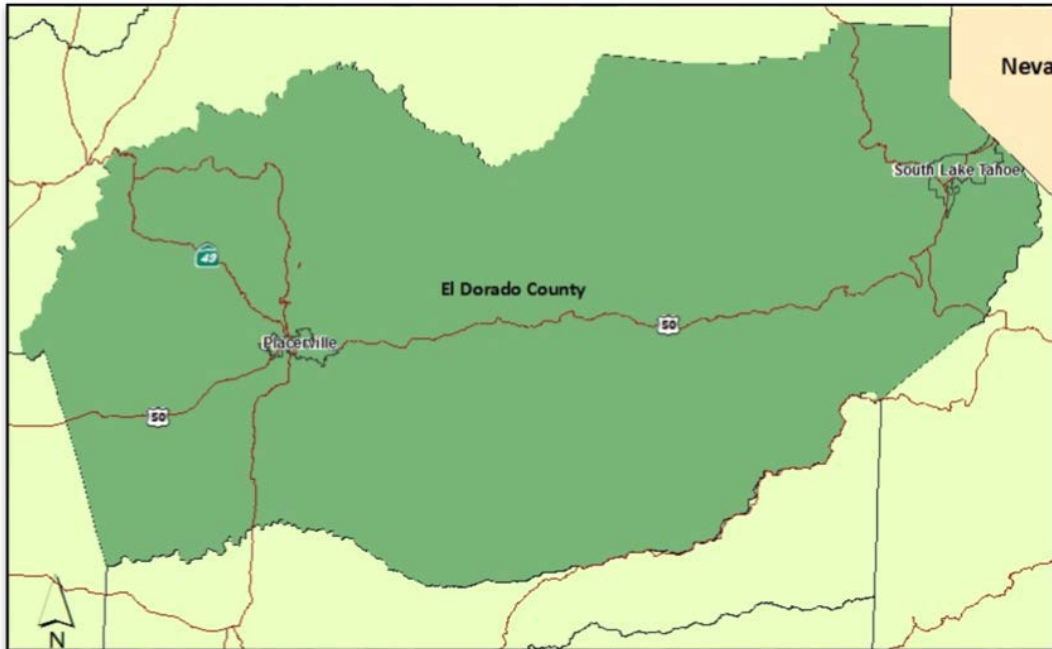
**Cities of Antioch, Brentwood, Clayton, Concord, Danville, El Cerrito, Lafayette,
Martinez, Town of Moraga, Oakley, Pinole, Pittsburg, Pleasant Hill, Richmond, San
Pablo, San Ramon, Walnut Creek, and Contra Costa unincorporated areas,
located in Contra Costa County, California**



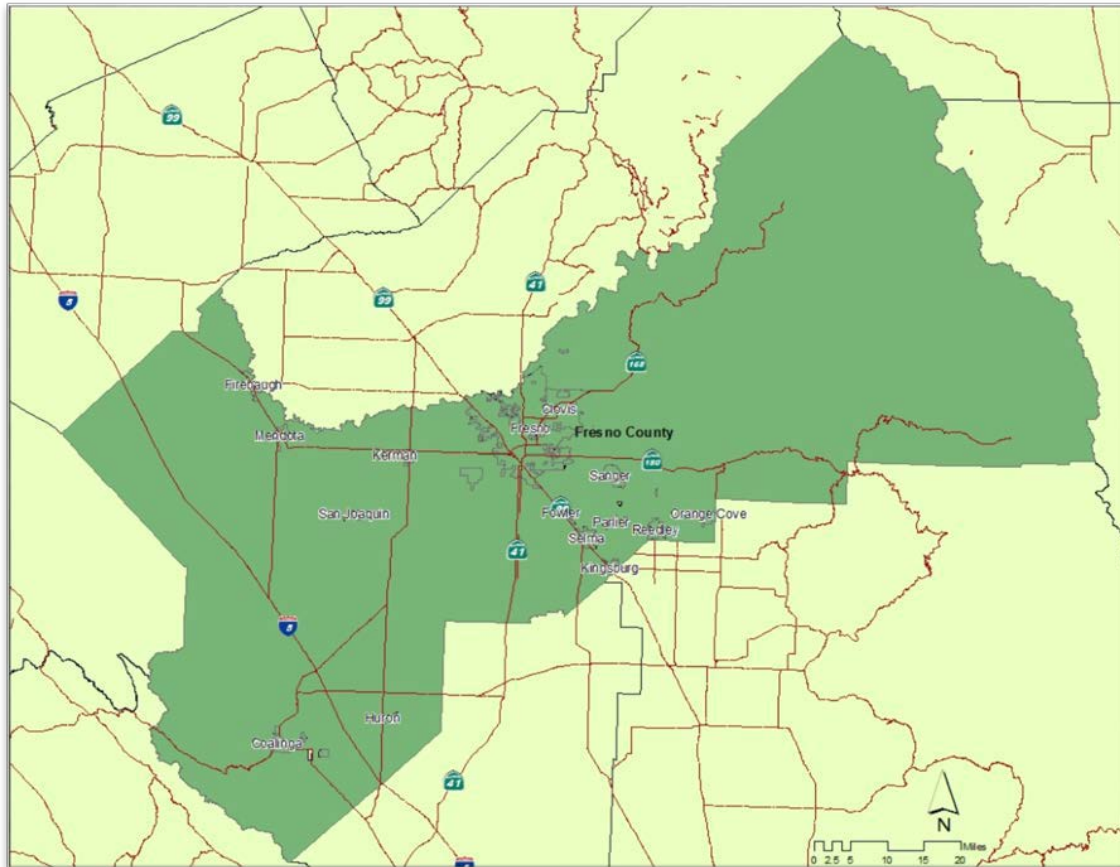
**City of Crescent City and County of Del Norte unincorporated areas, located in
Del Norte County, California**



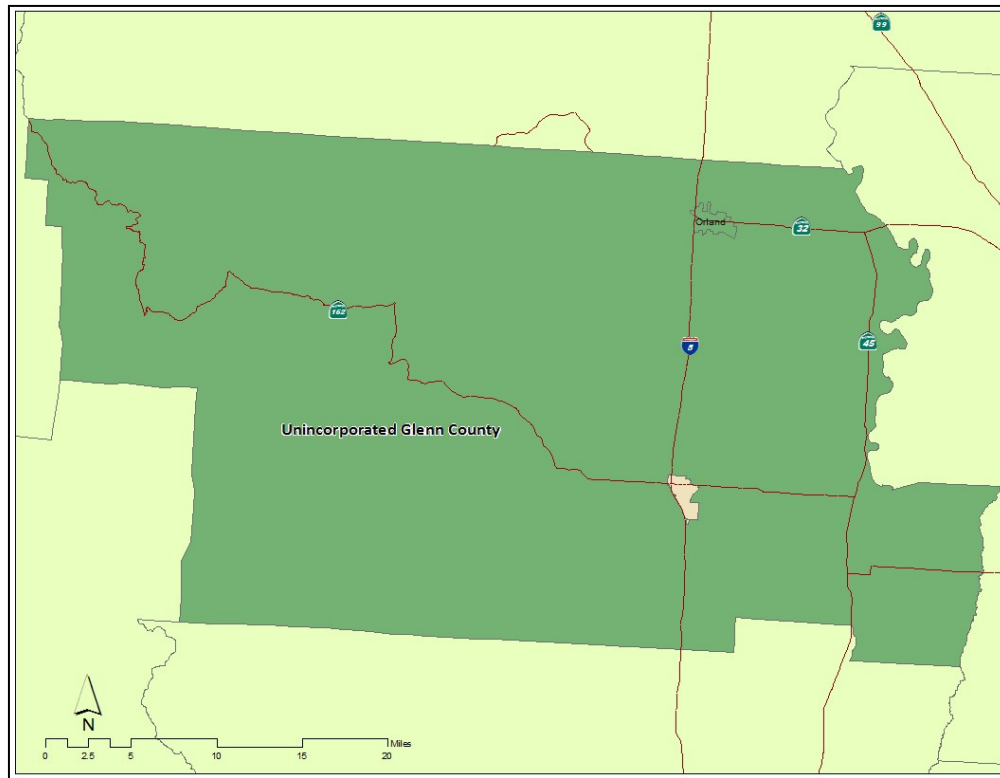
Cities of Placerville and South Lake Tahoe, and El Dorado County Unincorporated areas located in El Dorado County, California



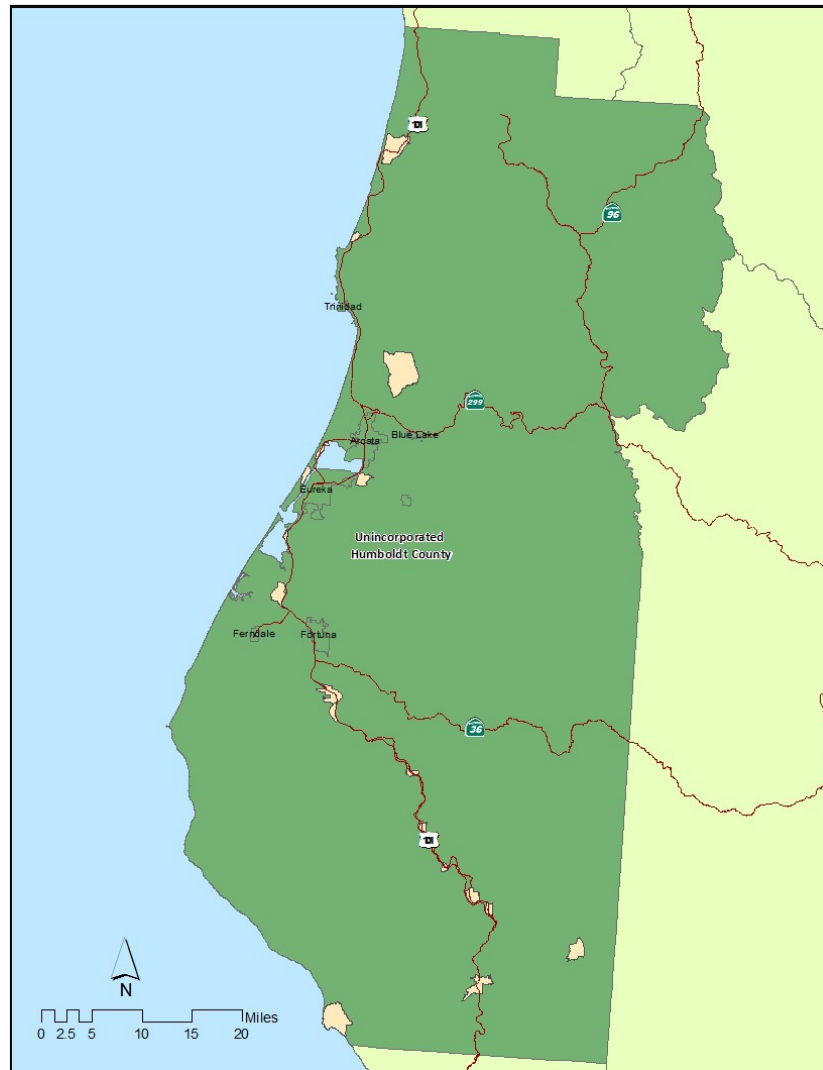
Cities of Clovis, Coalinga, Firebaugh, Fowler, Fresno, Huron, Kerman, Kingsburg, Mendota, Orange Cove, Parlier, Reedley, Sanger, San Joaquin, Selma, and Fresno County unincorporated areas, located in Fresno County, California



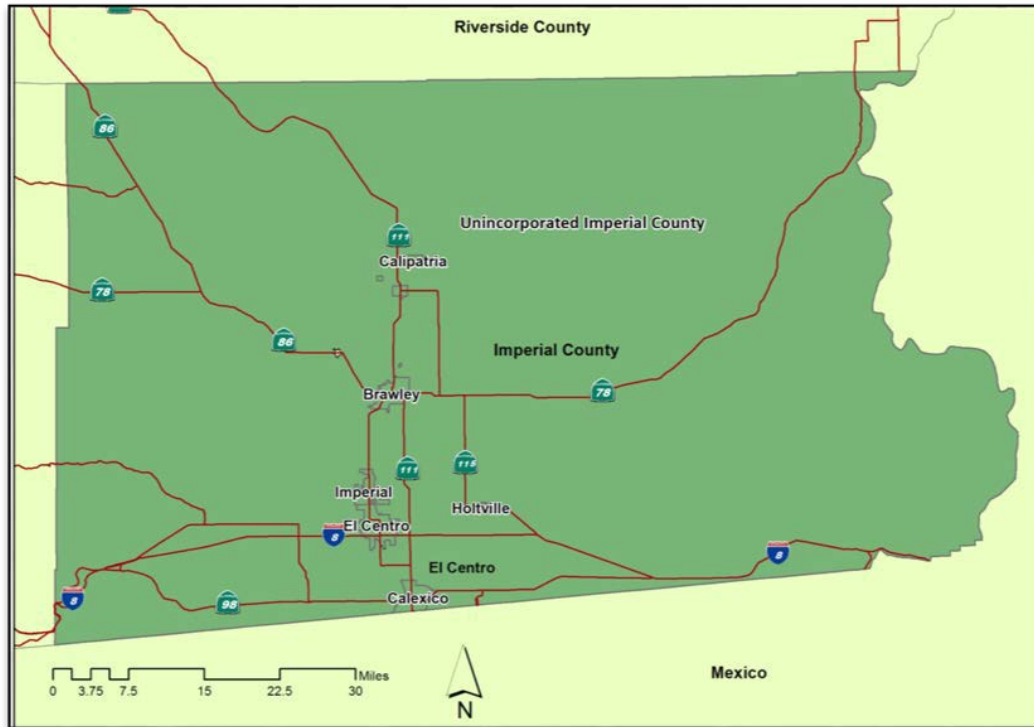
**City of Orland and Glenn County unincorporated areas located in Glenn County,
California**



Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Trinidad, and Humboldt County unincorporated areas, located in Humboldt County, California



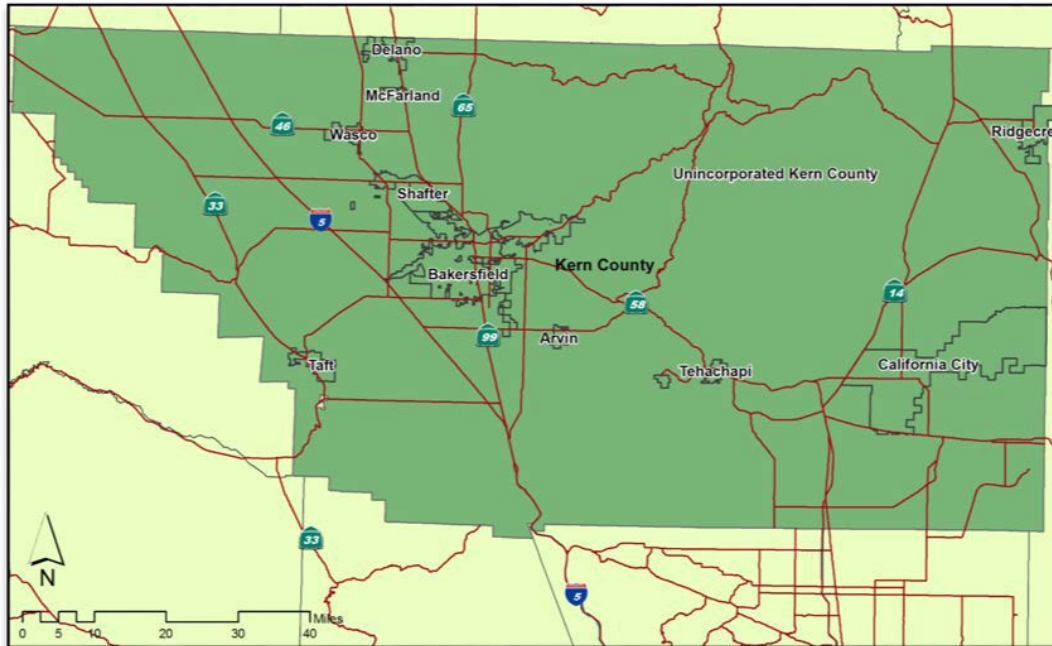
Cities of Brawley, Calexico, Calipatria, El Centro, Holtville, Imperial, and Imperial County unincorporated areas, located in Imperial County, California



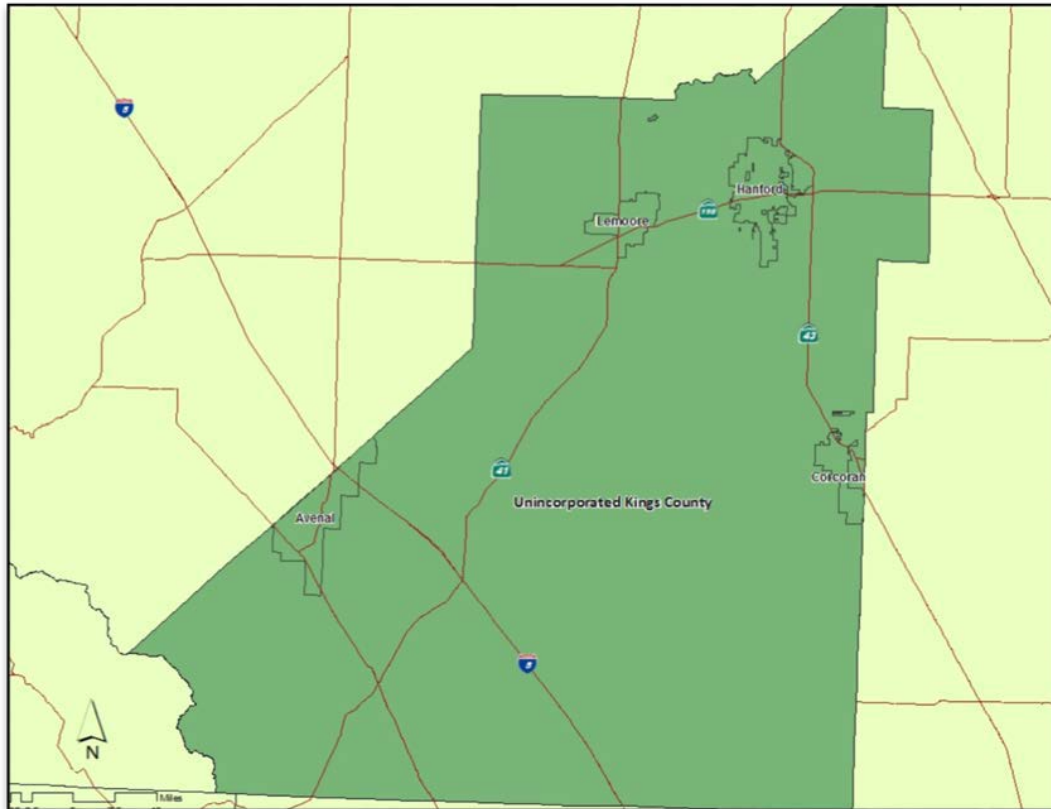
City of Bishop, located in Inyo County, California



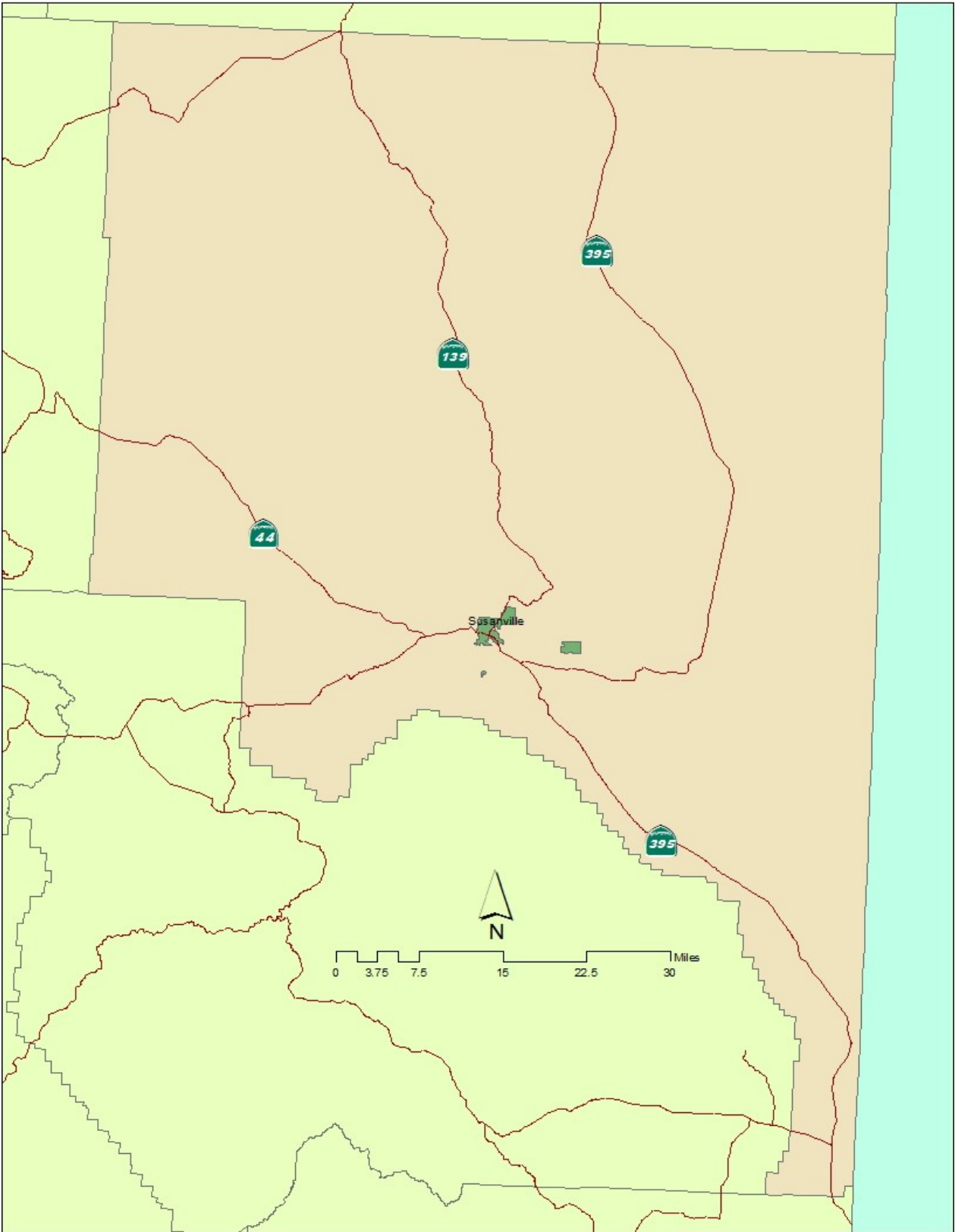
Cities of Arvin, Bakersfield, California City, Delano, McFarland, Ridgecrest, Shafter, Taft, Tehachapi, Wasco, and Kern County unincorporated areas, located in Kern County, California



Cities of Avenal, Corcoran, Hanford, Lemoore, and Kings County unincorporated areas, located in Kings County, California



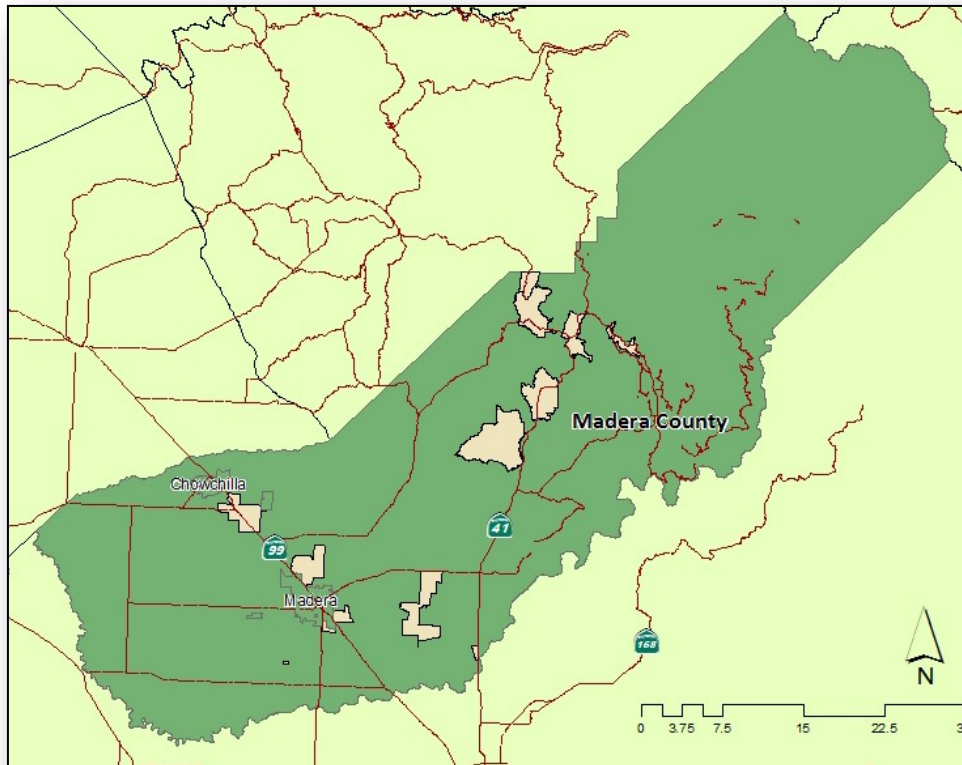
City of Susanville, located in Lassen County, California



Cities of Alhambra, Arcadia, Avalon (Commercial Only), Azusa, Baldwin Park, Bell Garden (Commercial Only), Bellflower, Bradbury, Calabasas (Commercial Only), Carson, Claremont, Commerce, Covina, Diamond Bar, El Monte, El Segundo, Gardena, Glendora, Hawthorne, Hermosa Beach, Industry, Inglewood, Irwindale, La Canada Flintridge, La Verne, Lancaster, Lawndale, Lomita, Long Beach (Commercial Only), Malibu, Monrovia, Montebello, Monterey Park, Palmdale, Pomona, Redondo Beach, Rolling Hills, Rolling Hills Estates, Rancho Palos Verdes, Rosemead, San Dimas, San Fernando, San Gabriel, San Marino, Santa Monica, Sierra Madre, South El Monte, South Pasadena, Temple City, Torrance, Walnut, and West Covina, located in Los Angeles County, California.



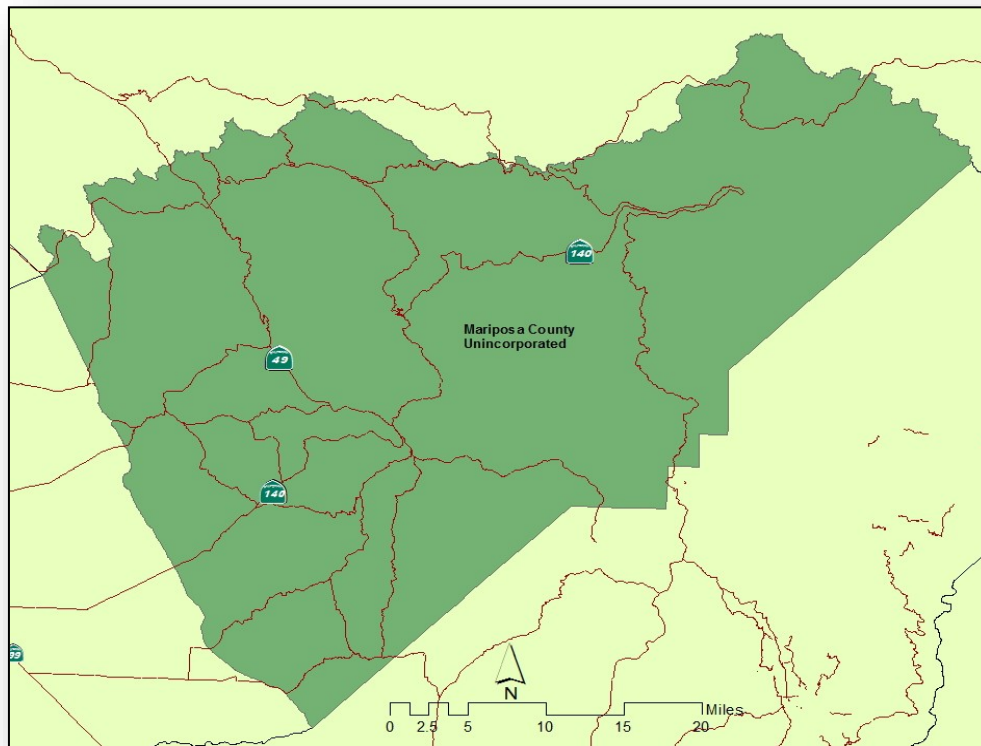
**Cities of Chowchilla, Madera and Madera County unincorporated areas, located
in Madera County, California**



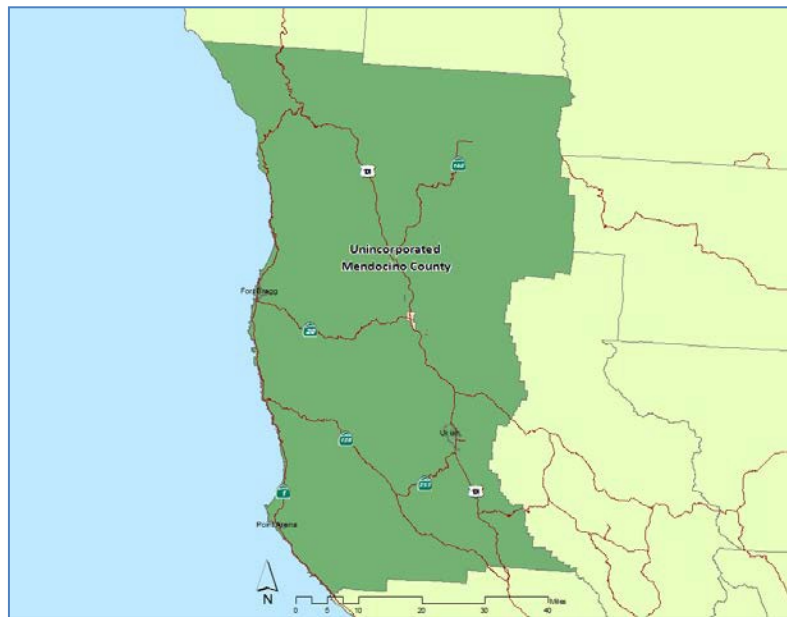
Cities of Belvedere, Larkspur, Mill Valley, Novato, San Anselmo, San Rafael, Sausalito, Tiburon, and County of Marin unincorporated areas, located in Marin County, California



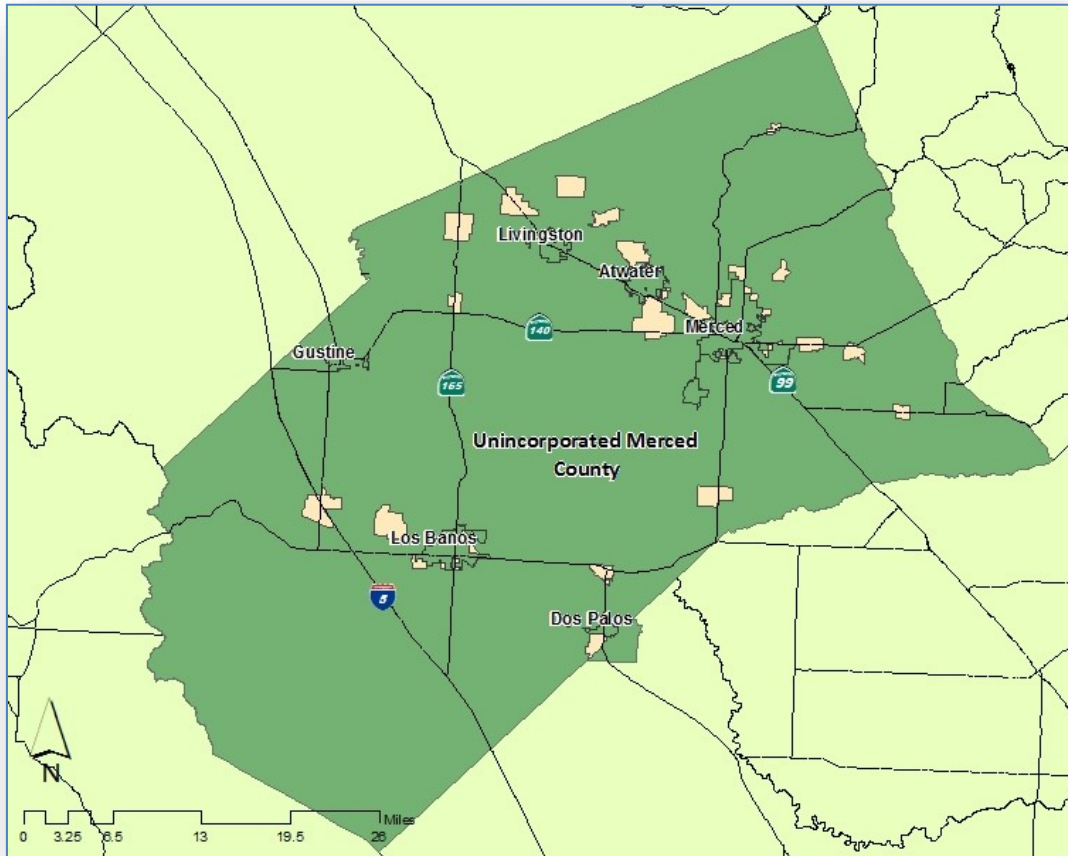
County of Mariposa unincorporated areas, located in Mariposa County, California



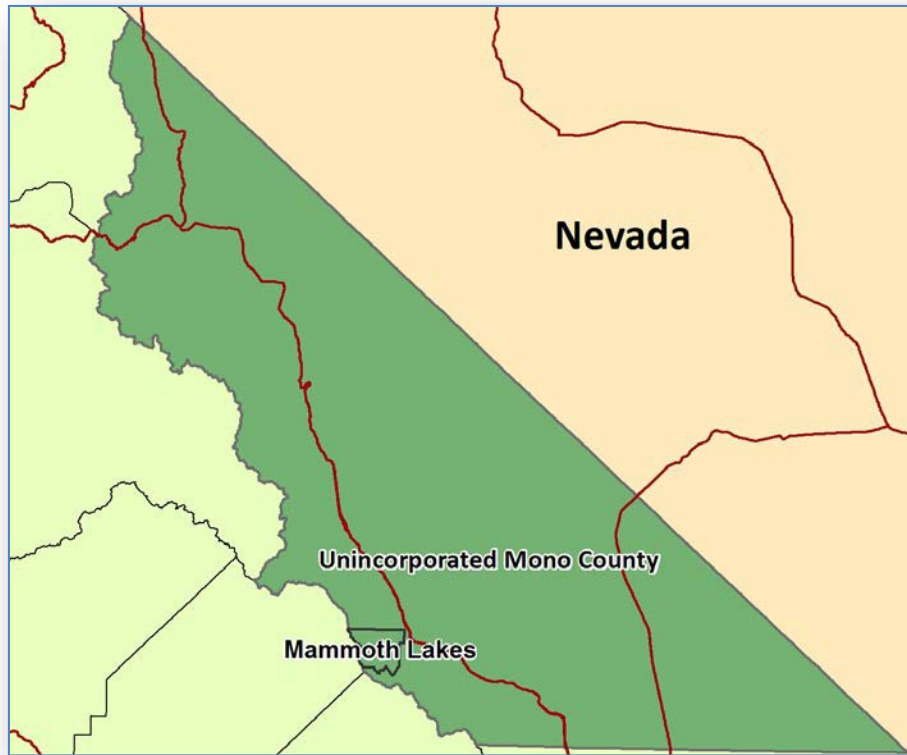
Cities of Fort Bragg, Point Arena, Ukiah, and Mendocino County unincorporated areas located in Mendocino County, California



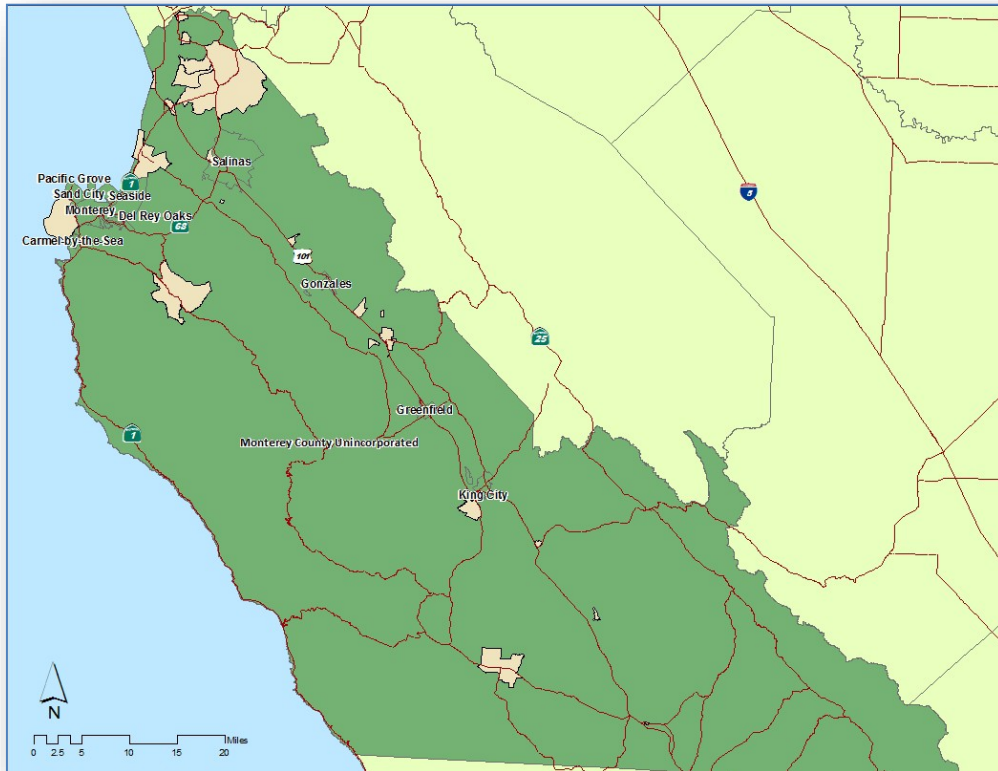
Cities of Atwater, Dos Palos, Gustine, Livingston, Los Banos, Merced, and Merced County unincorporated areas, located in Merced County, California



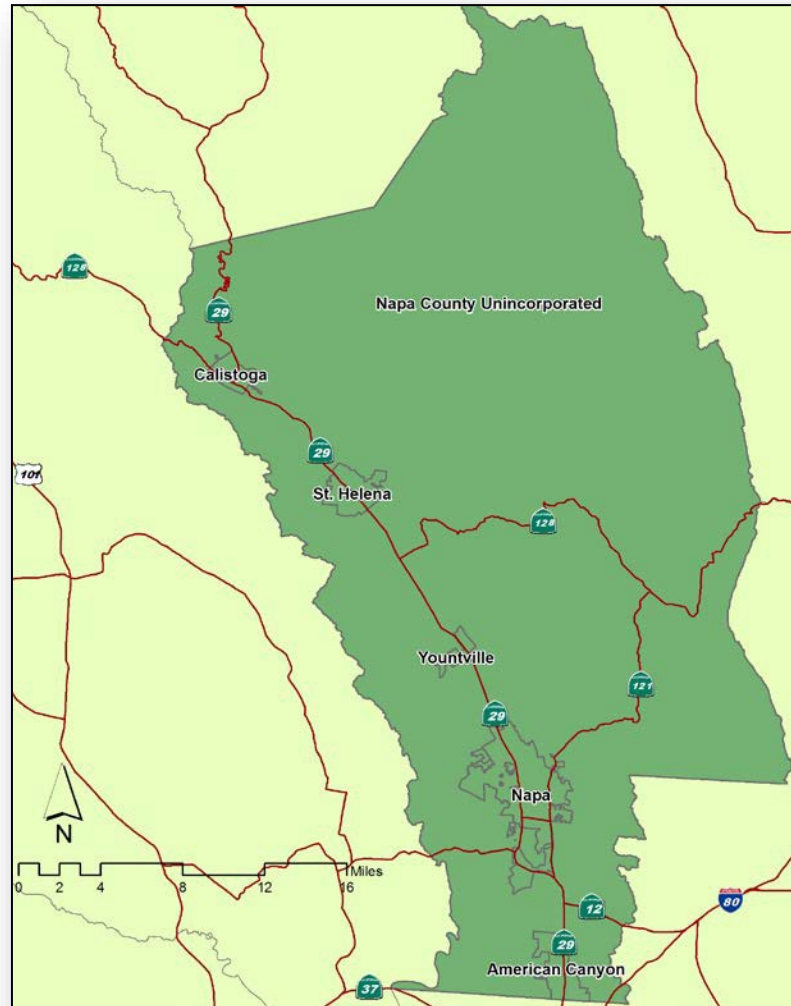
**Town of Mammoth Lakes and Mono County unincorporated areas, located in
Mono County, California**



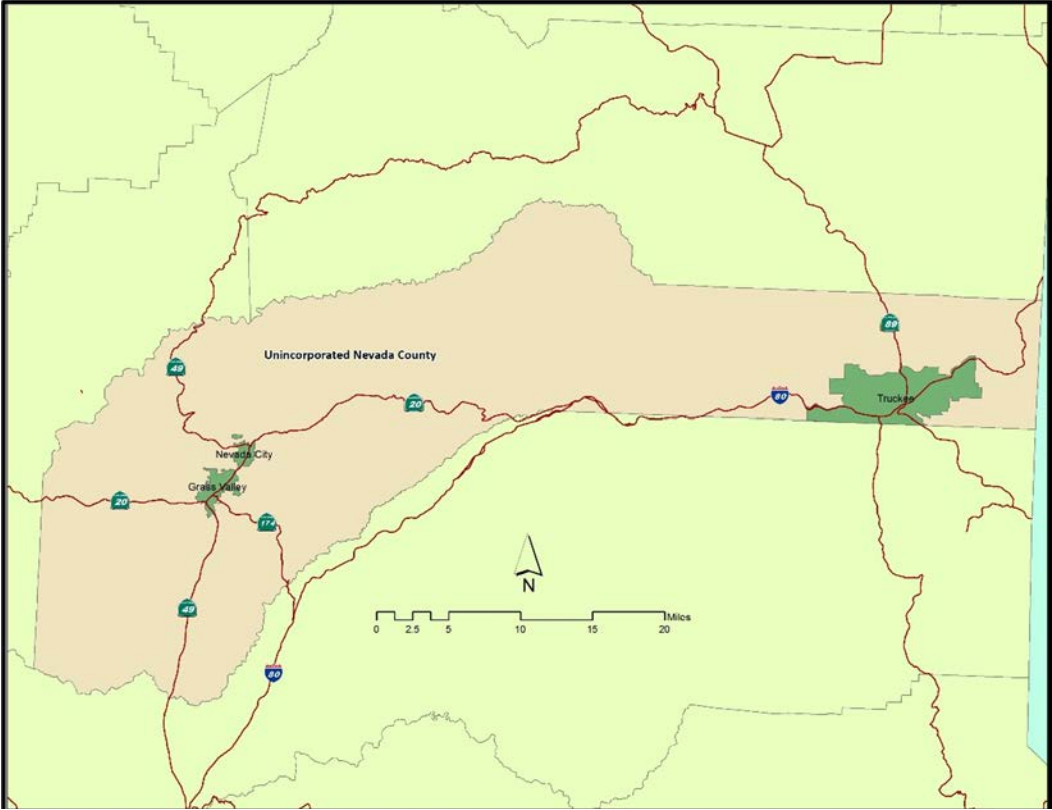
Cities of Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, Kings City, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Monterey County unincorporated areas, located in Monterey County, California



**Cities of American Canyon, Calistoga, Napa St. Helena, Yountville, and the
County of Napa unincorporated areas, located in Napa County, California**



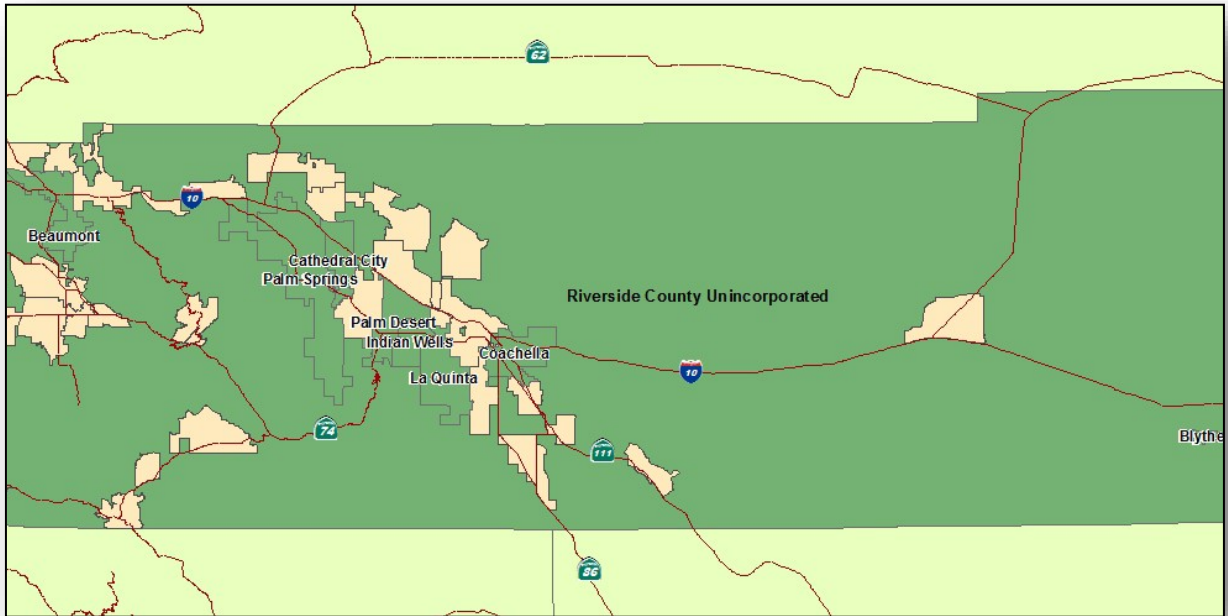
Cities of Grass Valley, Nevada City, and Town of Truckee, located in Nevada County, California



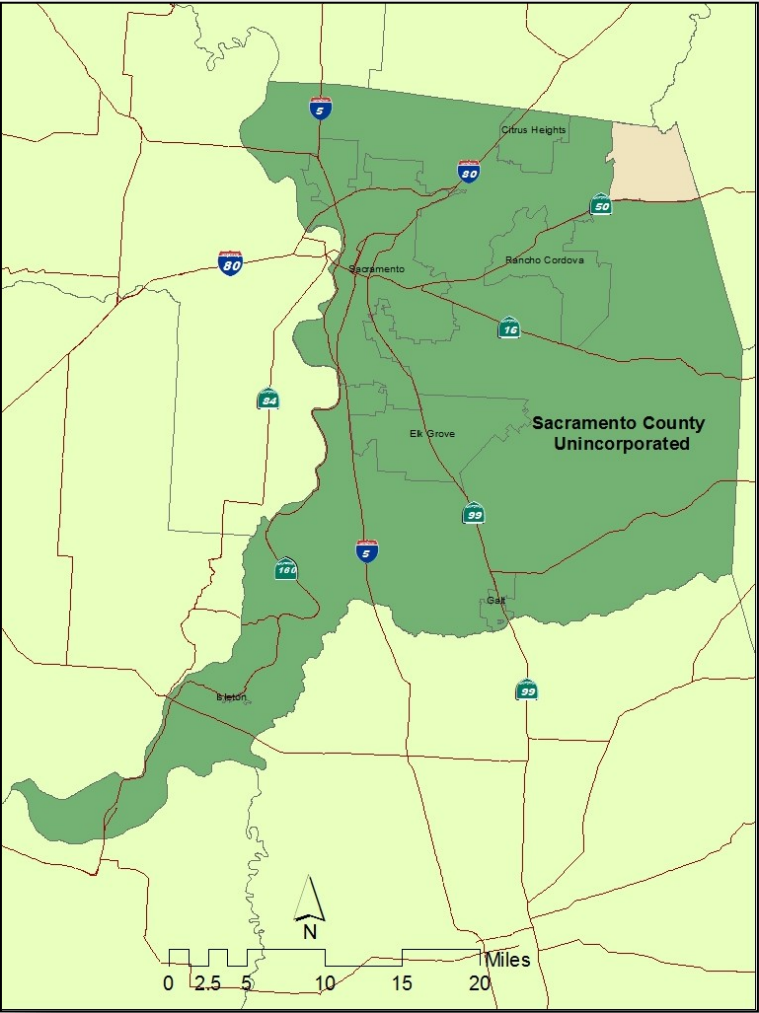
Cities of Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Fountain Valley, Garden Grove, Huntington Beach, La Habra, La Palma, Laguna Beach, Laguna Hills, Lake Forest, Mission Viejo, Newport Beach, Placentia, Rancho Santa Margarita, San Clemente, Santa Ana, Stanton, Tustin, Westminster, and Yorba Linda, located in Orange County, California.



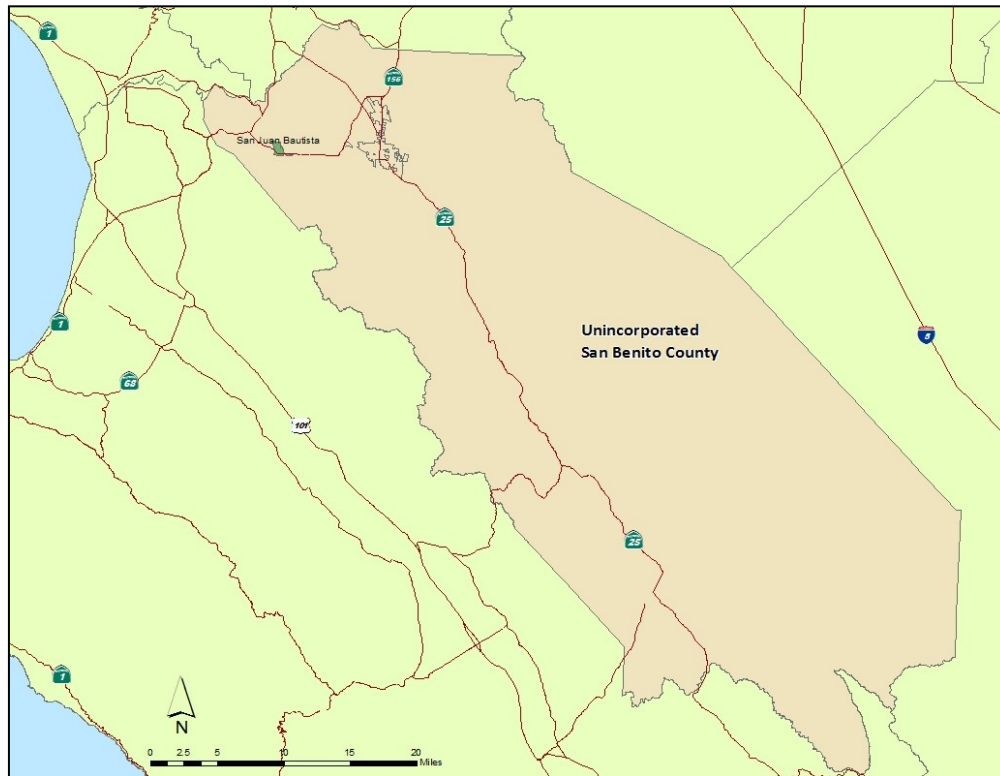
Cities of Beaumont, Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, Rancho Mirage, and Riverside County unincorporated areas located in Riverside County, California



Cities of Citrus Heights, Elk Grove, Galt, Isleton, Rancho Cordova, and Sacramento, and the County of Sacramento unincorporated areas located in Sacramento County, California



City of San Juan Bautista, located in San Benito County, California



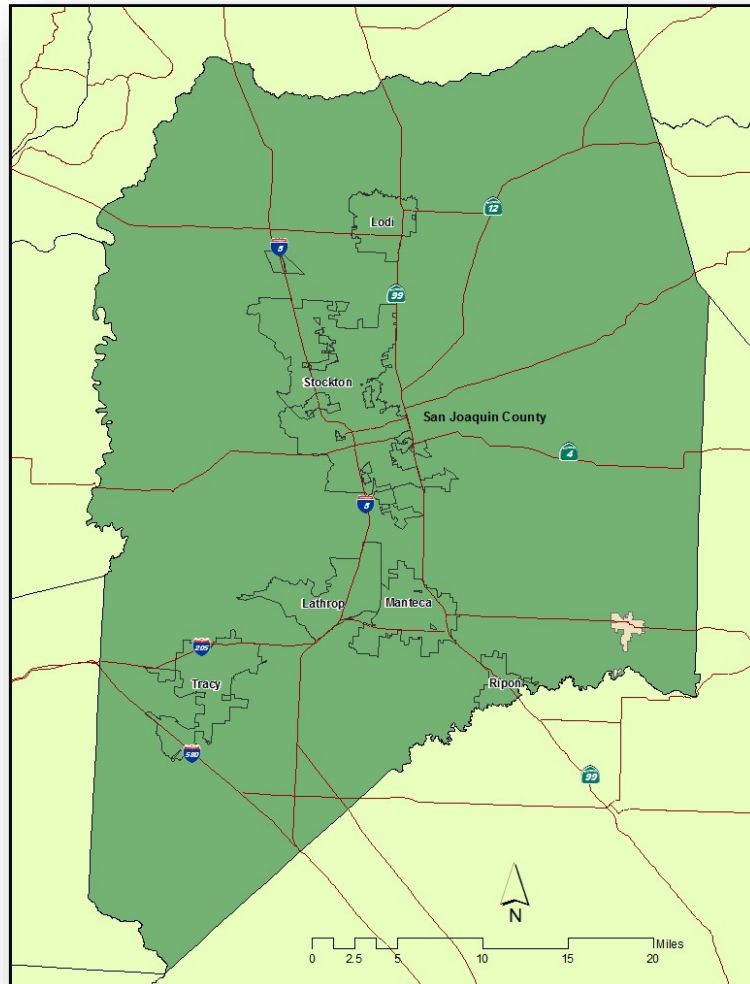
Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, and Vista, San Diego County unincorporated areas, located in San Diego County, California



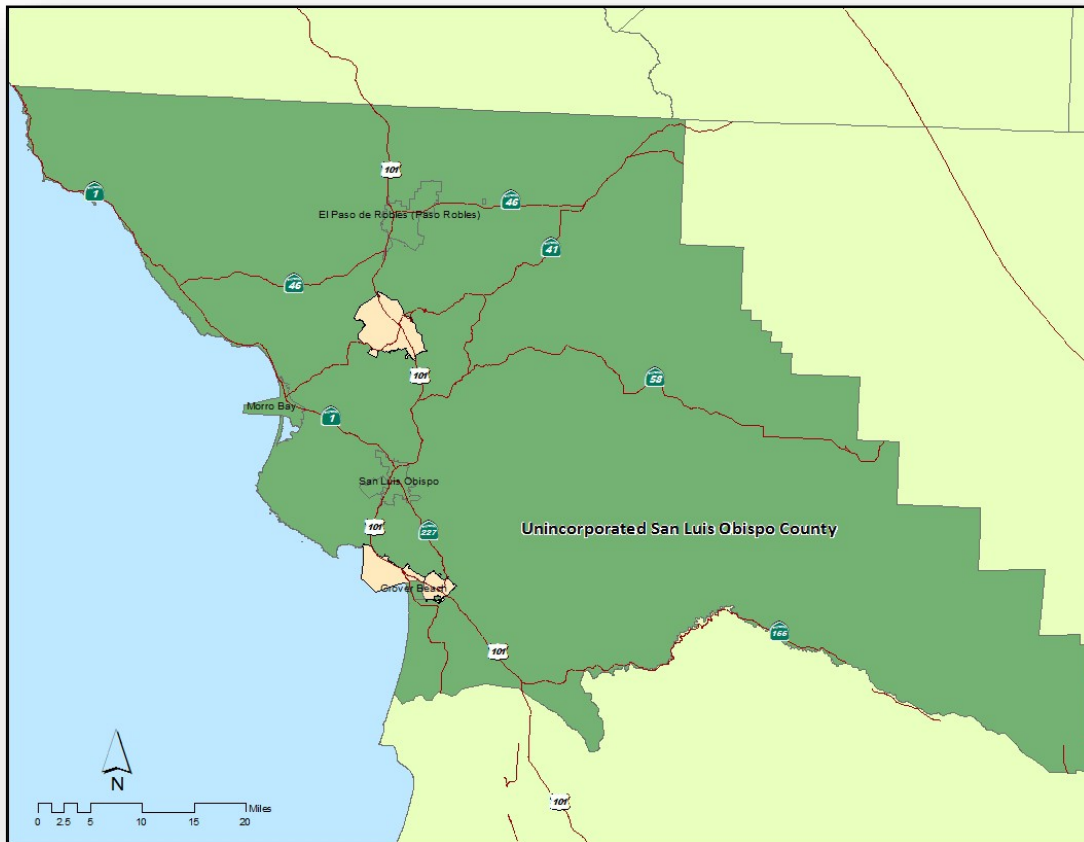
City/County of San Francisco, located in San Francisco County, California



Cities of Lathrop, Lodi, Manteca, Ripon, Stockton, and Tracy, and San Joaquin County unincorporated areas, located in San Joaquin County, California



Cities of Grover Beach, Morro Bay, Paso Robles, San Luis Obispo, and San Luis Obispo County unincorporated areas, located in San Luis Obispo County, California



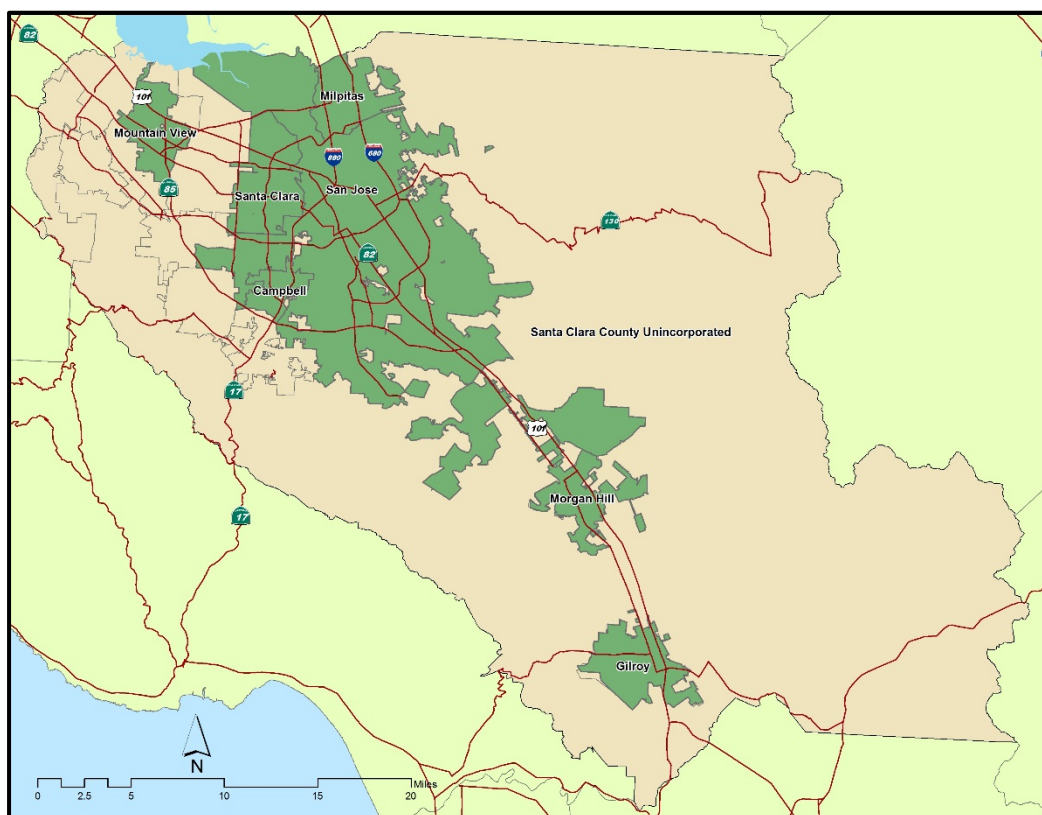
Cities/Towns of Atherton, Belmont, Brisbane, Burlingame, Colma, Daly City, Foster City, Half Moon Bay, Hillsborough, Menlo Park, Millbrae, Pacifica, Portola Valley, Redwood City, San Bruno, San Carlos, San Mateo, South San Francisco, and Woodside, and the County of San Mateo unincorporated areas, located in San Mateo County, California



City of Lompoc, located in Santa Barbara County, California



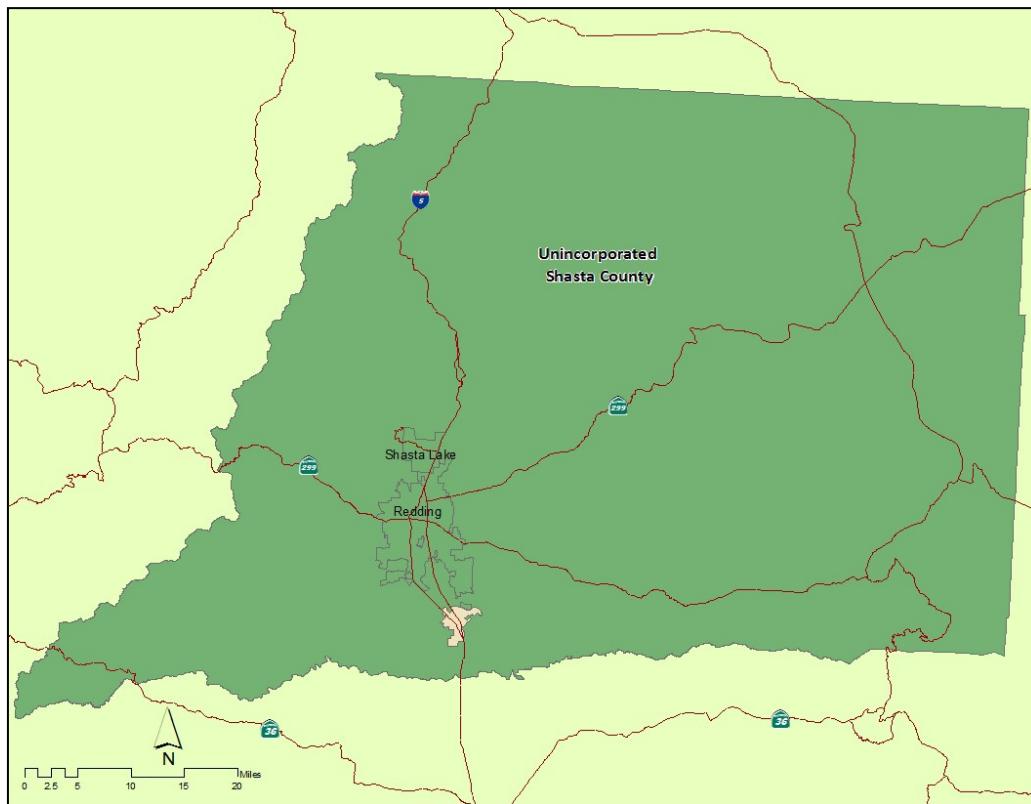
Cities of Campbell, Cupertino, Gilroy, Milpitas, Morgan Hill, Mountain View, San Jose, and Santa Clara, located in Santa Clara County, California



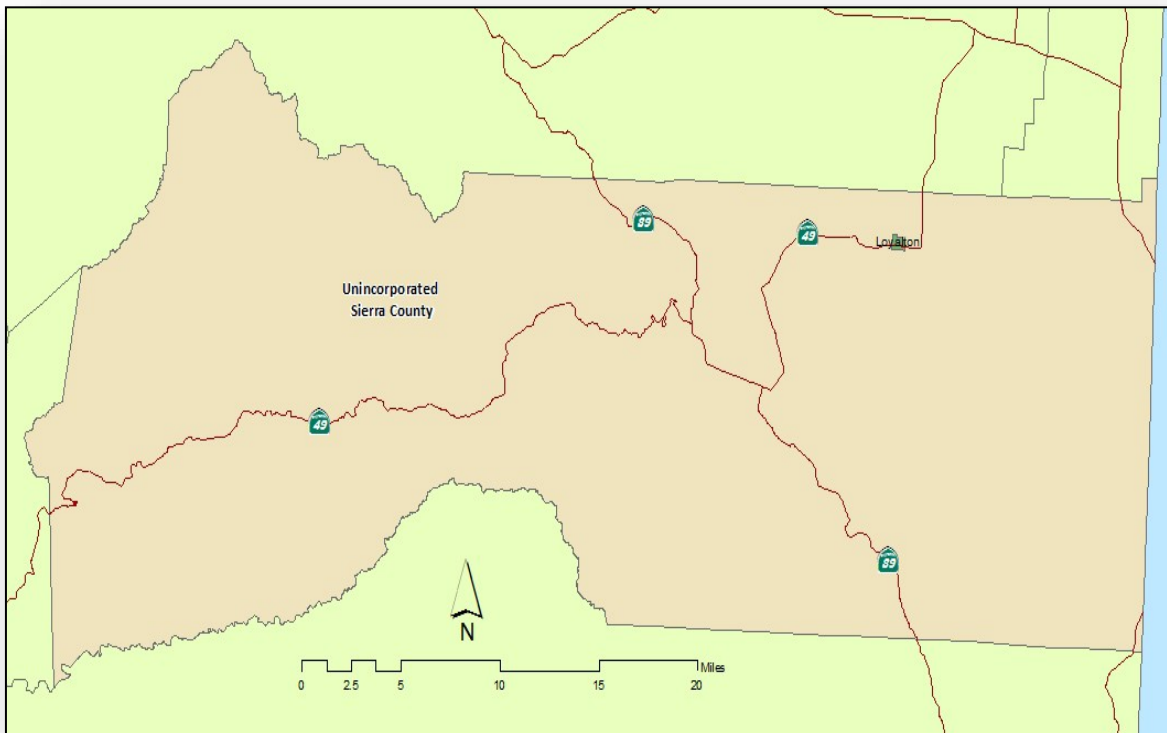
**Cities of Capitola, Santa Cruz, Scotts Valley, Watsonville, and Santa Cruz County
unincorporated areas, located in Santa Cruz County, California**



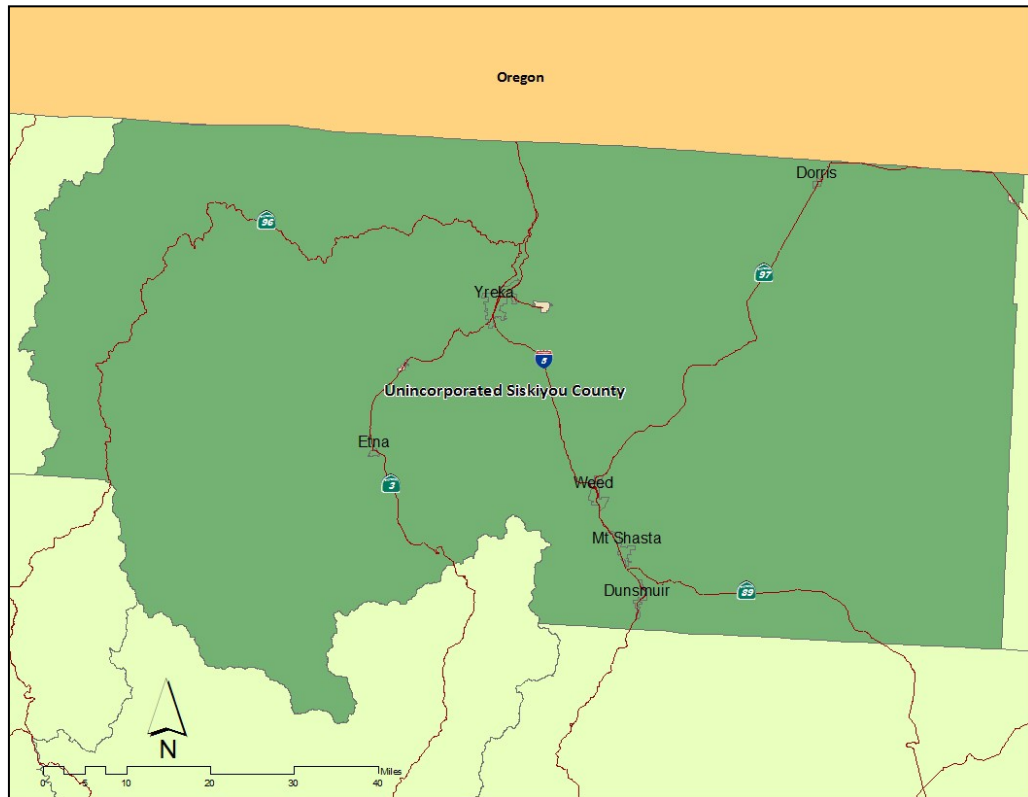
**Cities of Redding, Shasta Lake and County of Shasta unincorporated areas,
located in Shasta County, California**



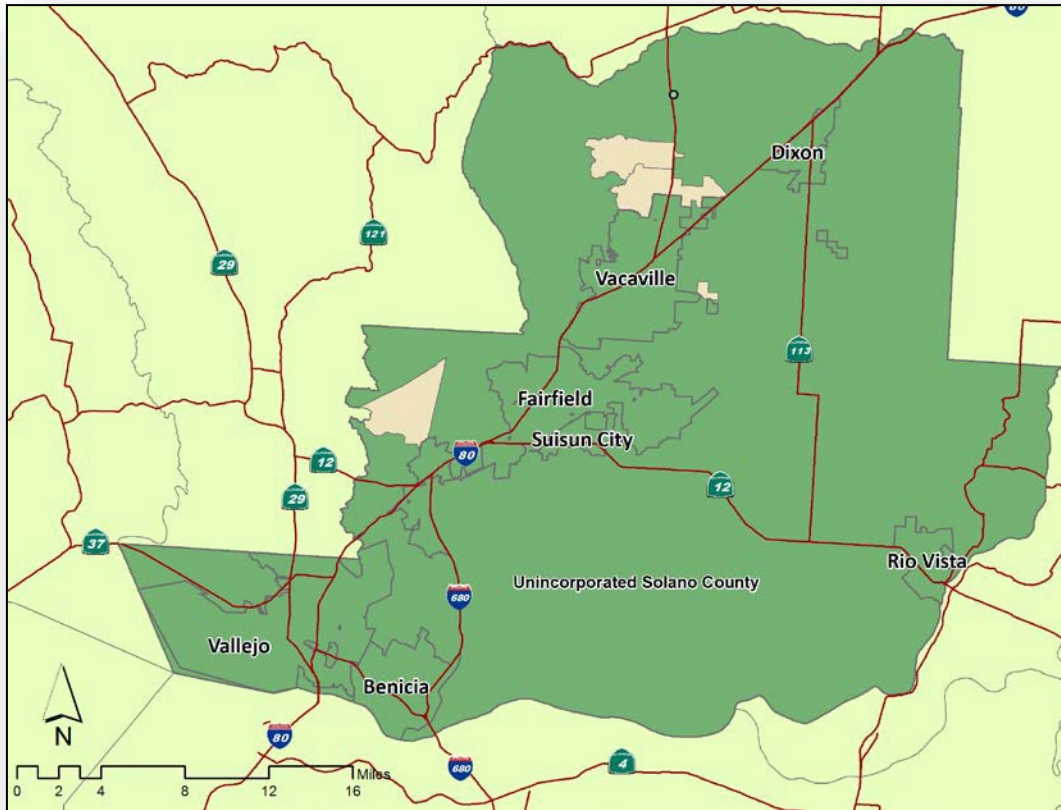
City of Loyalton, located in Sierra County, California



Cities of Dorris, Dunsmuir, Etna, Mount Shasta, Weed, Yreka, and County of Siskiyou unincorporated areas located in Siskiyou County, California



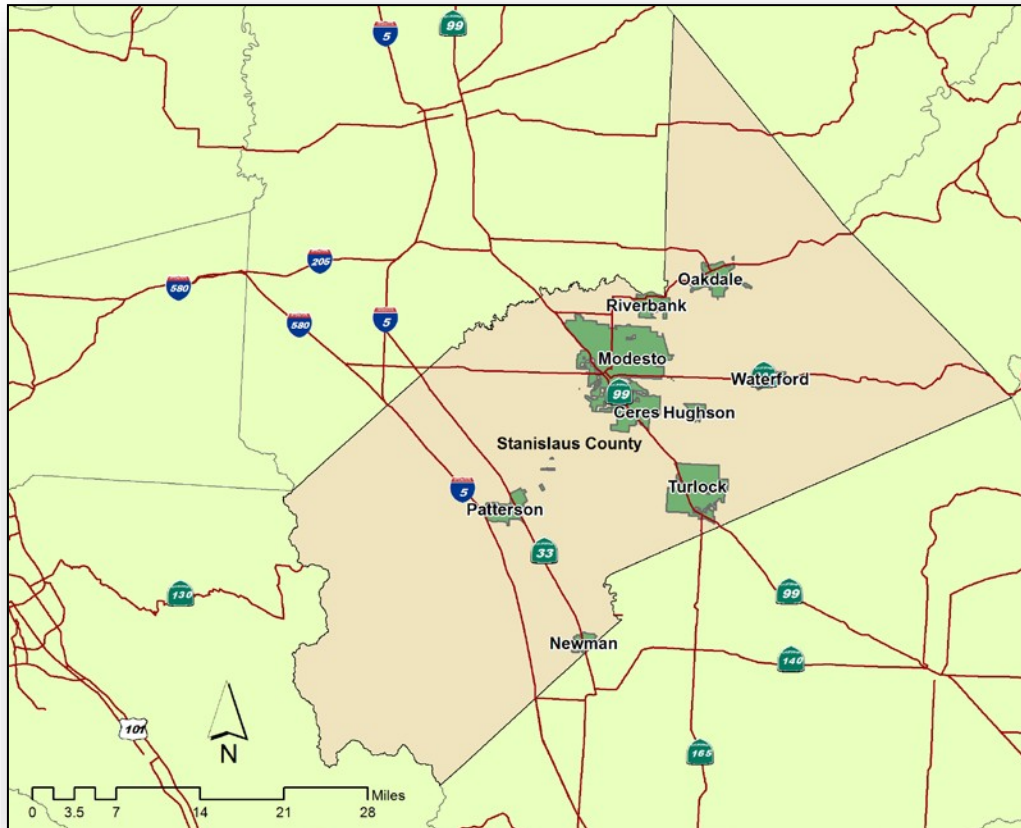
Cities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, Vallejo, and the Solano County unincorporated areas, located in Solano County, California



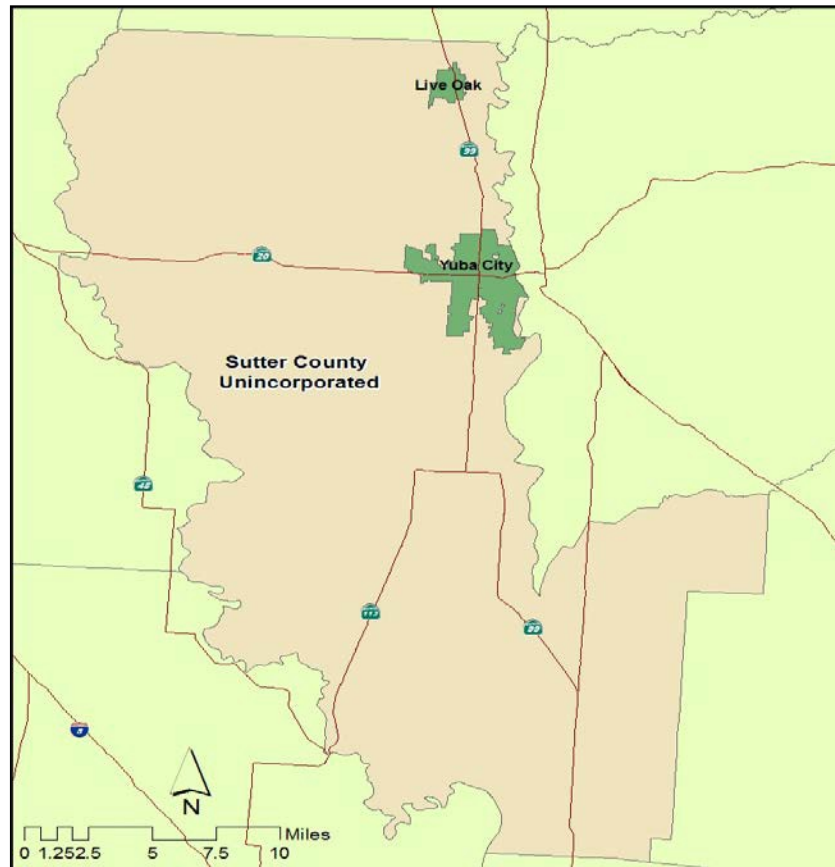
Cities of Cloverdale, Cotati, Healdsburg, Milpitas, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Windsor, and Sonoma County unincorporated areas, located in Sonoma County, California



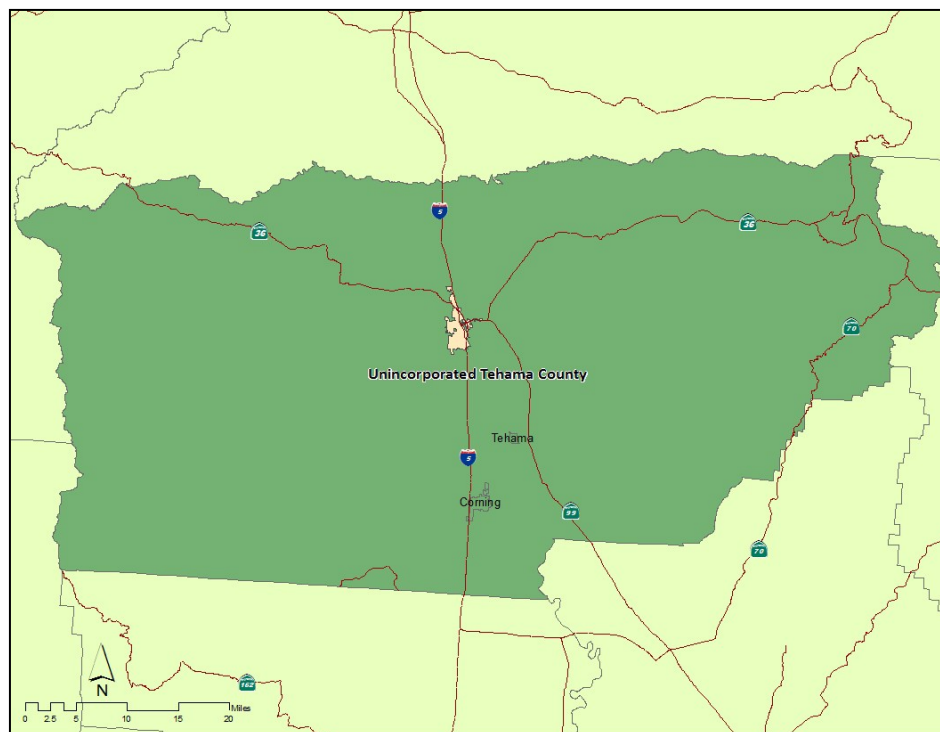
Cities of Ceres, Hughson, Modesto, Newman, Oakdale, Patterson, Riverbank, Turlock, and Waterford, located in Stanislaus County, California



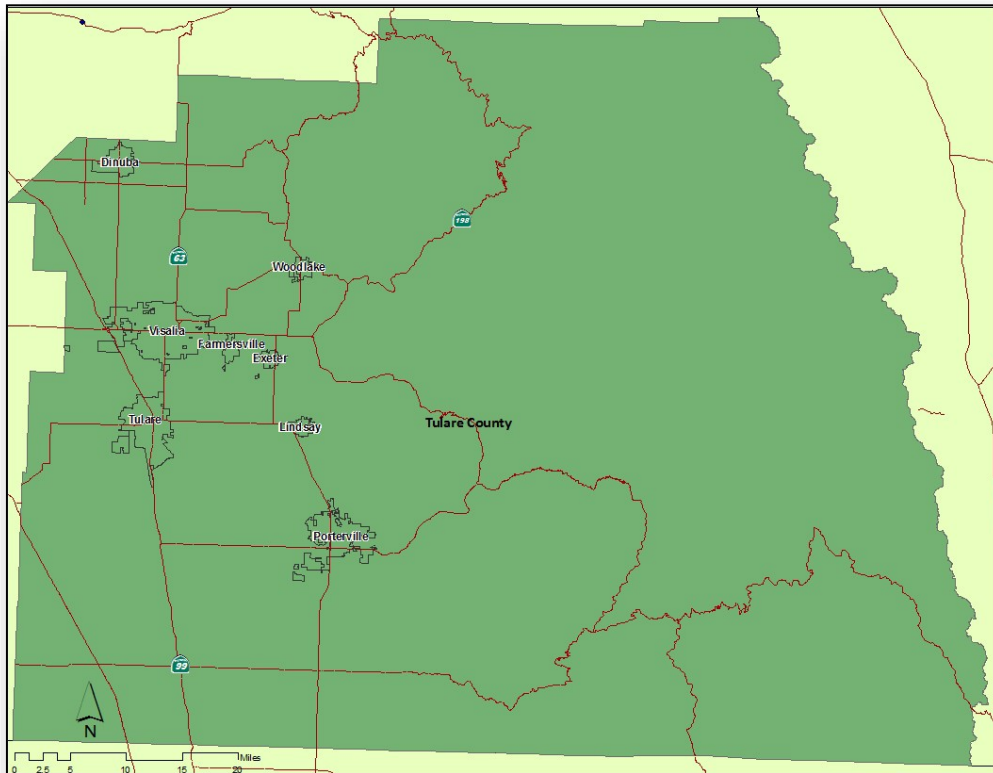
Cities of Live Oak and Yuba City, located in Sutter County, California



Cities of Corning, Tehama, and Tehama County unincorporated areas, located in Tehama County, California



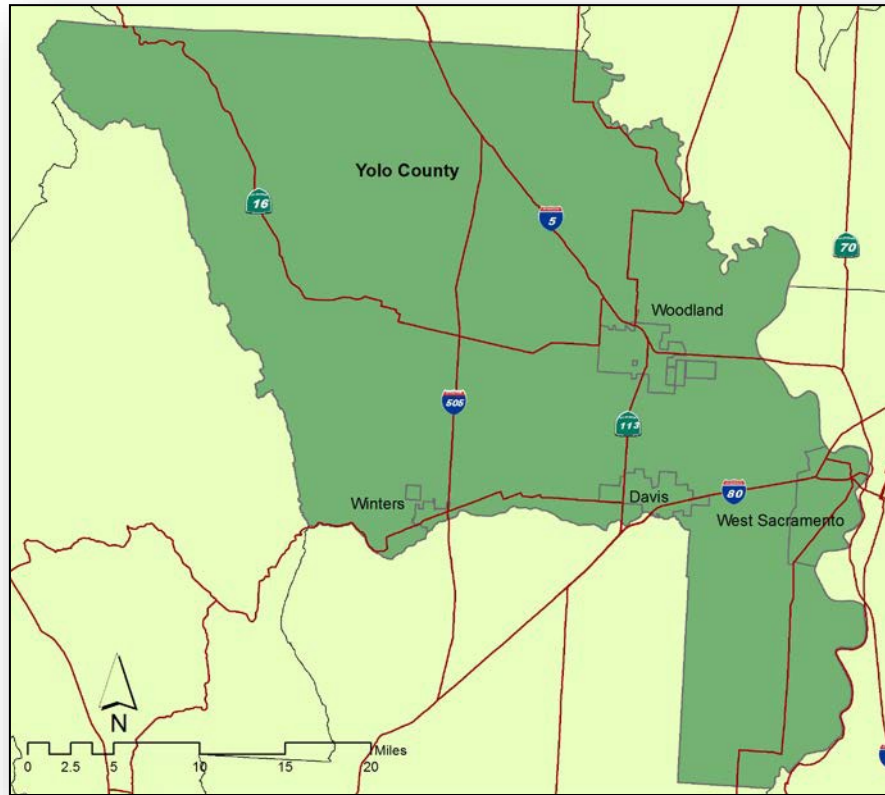
Cities of Dinuba, Exeter, Farmersville, Lindsay, Porterville, Tulare, Visalia, Woodlake, and Tulare County unincorporated areas located in Tulare County, California



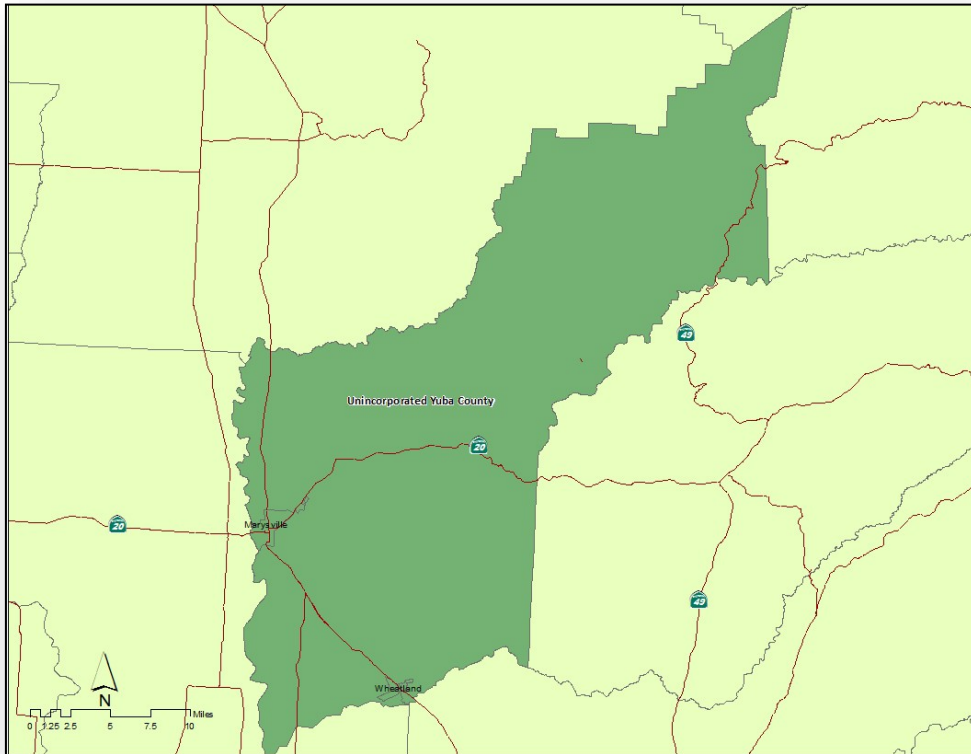
Cities of Camarillo, Fillmore, Moorpark, Ojai, Oxnard, Port Hueneme, San Buenaventura, Santa Paula, Simi Valley, and Thousand Oaks, located in Ventura County, California



**Cities of Davis, West Sacramento, Winters, Woodland, and Yolo County
unincorporated areas, located in Yolo County, California**



**Cities of Marysville, Wheatland, and Yuba County unincorporated areas, located
in Yuba County, California**



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Item 7.B

PACE Programs Activities Update,
and PACE Program Public Hearing,
Revisions to Commercial Program
Lender Requirements, and Updated
Consumer Protections

Attachment 6

WRCOG Resolution Number 04-18;
A Resolution of the Executive
Committee of the Western Riverside
Council of Governments declaring its
intention to modify the California
HERO Program Report so as to
increase the Program Area within
which contractual assessments may
be offered and setting a Public
Hearing thereon

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Western Riverside Council of Governments

County of Riverside • City of Banning • City of Beaumont • City of Calimesa • City of Canyon Lake • City of Corona • City of Eastvale • City of Hemet
City of Jurupa Valley • City of Lake Elsinore • City of Menifee • City of Moreno Valley • City of Murrieta • City of Norco • City of Perris • City of Riverside
City of San Jacinto • City of Temecula • City of Wildomar • Eastern Municipal Water District • Western Municipal Water District • Morongo Band of Mission Indians • Riverside County Superintendent of Schools

RESOLUTION NUMBER 04-18

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS DECLARING ITS INTENTION TO MODIFY THE CALIFORNIA HERO PROGRAM REPORT SO AS TO INCREASE THE PROGRAM AREA WITHIN WHICH CONTRACTUAL ASSESSMENTS MAY BE OFFERED AND SETTING A PUBLIC HEARING THEREON

WHEREAS, the Executive Committee of the Western Riverside Council of Governments (WRCOG) previously initiated proceedings pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "Chapter 29") to permit the provision of Property Assessed Clean Energy (PACE) services within those cities that had taken action to become Associate Members of WRCOG as of the date of the initiation of such proceedings and did, by the adoption of its Resolution Number 10-13 on June 3, 2013, (the "Resolution Confirming the Program Report"), approve a report (the "Program Report") addressing all of the matters set forth in Section 5898.22 and 5898.23 of Chapter 29 and establish and order the implementation of a voluntary contractual assessment program to be known as the "California HERO Program" (the "Program") to assist property owners within the jurisdictional boundaries of such Associate Members with the cost of installing distributed generation renewable energy sources, energy and water efficient improvements and electric vehicle charging infrastructure that are permanently fixed to their properties ("Authorized Improvements"); and

WHEREAS, in approving the Program Report, the Executive Committee also established the jurisdictional boundaries of such Associate Members as the initial territory within which voluntary contractual assessments may be offered (the "Program Area") to provide for financing of the installation of Authorized Improvements on properties within such Program Area; and

WHEREAS, subsequent to the establishment of the Program, the Executive Committee has undertaken proceedings pursuant to Chapter 29 to expand the Program Area within which contractual assessments may be offered to include the jurisdictions of certain counties and additional cities that had taken action to become Associate Members of WRCOG since the establishment of the Program; and

WHEREAS, now the legislative body of the City of Pleasanton, has taken action to become Associate Members of WRCOG and thereby enable the Executive Committee to consider modifying the Program Report by increasing the Program Area to include the jurisdictions of such Additional Associate Members so as to enable voluntary contractual assessments to be offered pursuant to the Program to the owners of properties within such jurisdictions to finance the installation of Authorized Improvements on such properties; and

WHEREAS, the Executive Committee desires to initiate proceedings pursuant to Chapter 29 to modify the Program Report to include the jurisdiction of the City of Pleasanton, (the "Additional Associate Members") in the Program Area.

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the Western Riverside Council of Governments as follows:

Section 1. The Executive Committee declares its intention to include the City of Pleasanton as an Associate Member (the "Additional Associate Member") and modify the Program Report so as to modify the Program Area within which contractual assessments may be offered pursuant to the California HERO Program to include the jurisdiction of the Additional Associate Member.

Section 2. Public Hearing. Pursuant to Chapter 29, the Executive Committee hereby orders that a public hearing to be held before the Executive Committee in the First Floor Board Chambers, County of Riverside Administration Center, 4080 Lemon Street, Riverside, California, at 2:00 p.m. on March 5, 2018, on the proposed modification to the Program Report to increase the Program Area. At the public hearing all interested persons may appear and hear and be heard and object to or inquire about the proposed modifications to the Program Report to increase the Program Area.

Section 3. Notice of Public Hearing. The Secretary of the Executive Committee is hereby directed to provide notice of the public hearing by publishing such notice once a week for two weeks, pursuant to Section 6066 of the California Government Code, and the first publication shall occur not later than 20 days before the date of such hearing in a newspaper of general circulation published within the jurisdiction of each of the Additional Associate Members or, if there is no such newspaper of general circulation published within any such jurisdiction of any such Additional Associate Member, then in a newspaper of general circulation published nearest thereto.

Section 4. Effective Date of Resolution. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Executive Committee of the Western Riverside Council of Governments held on February 5, 2018.

Debbie Franklin, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Best Best & Krieger, LLP
WRCOG Bond Counsel

AYES: _____ NOES: _____ ABSENT: _____ ABSTAIN: _____

Item 7.B

PACE Programs Activities Update,
and PACE Program Public Hearing,
Revisions to Commercial Program
Lender Requirements, and Updated
Consumer Protections

Attachment 7

Redlined WRCOG Energy Efficiency
and Water Conservation
Administrative Guidelines and
Program Report – Revised
February 5, 2018

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ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM FOR WESTERN RIVERSIDE COUNTY



ADMINISTRATIVE GUIDELINES AND PROGRAM REPORT

ADOPTED: JUNE 7, 2010 - AMENDED: JANUARY 12, 2011 - AMENDED: JUNE 6, 2011
AMENDED: JULY 29, 2011 - AMENDED: SEPTEMBER 12, 2011 - REVISED OCTOBER 7, 2011
REVISED OCTOBER 11, 2011 - REVISED JUNE 3, 2013 - REVISED FEBRUARY 3, 2014
AMENDED JUNE 9, 2014 - AMENDED AUGUST 4, 2014
AMENDED OCTOBER 6, 2014 – REVISED NOVEMBER 4, 2014
AMENDED DECEMBER 1, 2014 – REVISED APRIL 4, 2016 – REVISED – JUNE 6, 2016 —
AMENDED SEPTEMBER 12, 2016 – REVISED MARCH 6, 2017 – AMENDED MARCH 7, 2017-
REVISED APRIL 3, 2017 - AMENDED APRIL 4, 2017 – REVISED JULY 11, 2017– REVISED
OCTOBER 2, 2017-REVISED JANUARY 8, 2018-REVISED
FEBRUARY 5, 2018



PREPARED BY:
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WWW.WRCOG.US



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IV. Program Requirements for Participation in SAMAS Commercial Financing for Commercial Properties

If financing is provided for the Program by Samas Capital, LLC for commercial properties, the following eligibility requirements will apply:

A. *ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES*

SAMAS Commercial financing is available for commercial property owners and will finance alternative energy systems, energy efficiency, water conservation and seismic strengthening improvements, using Samas Capital financing.

Property owners may be individuals, associations, business entities, cooperatives, and virtually any owner of Commercial property for which real property taxes are paid or assessments may otherwise be collected on the property tax bill. Certain eligibility criteria must be satisfied and financing may be approved only if all of the following criteria are met:

- Applicant property owner(s) must be the property owner(s) of record.
- Mortgage debt lender(s) have given consent to Program financing, exempting projects that are 4-units.
- No lender consent shall be required for commercial properties financed by the Samas Commercial Program if it is determined by a written opinion addressed to WRCOG by a reputable law firm with commercial real estate experience which has been approved by WRCOG that no lender consent is required under the documents relating to prior mortgages or other liens on the subject property.
- Property owner(s) must be current on property taxes and the property owner(s) certify(ies) that such owner(s) have not had a late payment on their property tax more than once during the prior three (3) years (or since the purchase of the property, if owned by such property owner(s) less than three (3) years).
- Property owners must be current on all property debt for a period of six (6) months prior to the application, including no payment defaults or technical defaults (or since purchase if the property has been owned less than six (6) months by the current owner(s)), through funding.
- Property owner(s) or their affiliated companies have not been involved in a bankruptcy proceeding during the past seven (7) years and the property proposed to be subject to the contractual assessment must not currently be an asset in a bankruptcy proceeding.
- All individual property owners must sign the application, assessment contract and all required notices. For properties owned by corporations, LLC's or LLP's, signatures by authorized representatives and/or corporate resolutions are required.
- Property must not have any liens other than lender debt or liens recorded by community facility districts or similar financing districts.
- Eligible Product costs are reasonable in relation to property value. Proposed Eligible Products must not exceed 20% of the market value of the property.
- Mortgage-related debt on the property plus the principal amount of the contractual assessment does not exceed 90% of the market value of the property.
- The total annual property tax and assessments, including the contractual assessment, on the property will not exceed 5% of the property's market value, as determined at the time of approval of the contractual assessment.



Program financing is not currently available for properties that are not subject to secured property taxes, such as governmental entities and certain non-profit corporations. Program financing may, however, be available to such properties if assessments levied on such properties may be placed on the tax roll. Property owners may make more than one application for funding under the Program if additional energy, water or seismic strengthening improvements are desired by the owner and the eligibility criteria and maximum assessment amount criteria are met.

The eligibility requirements for SAMAS Commercial financing may be clarified as deemed necessary by the Program Administrator without amending the Administrative Guidelines and Program Report if such clarification will not result in a substantial revision of such eligibility requirements.

B. ELIGIBLE PRODUCTS

The Program affords commercial property owners in Western Riverside County the opportunity to take advantage of a wide range of energy-savings, water conservation/efficiency and seismic strengthening measures, consistent with the following provisions:

1. The Program is intended principally for retrofit activities to replace outdated inefficient equipment and to install new equipment that reduces energy or water consumption or produces renewable energy or provides seismic strengthening to existing structures. However, the Program is also available for purchasers of new businesses that wish to add eligible energy efficiency, renewable energy, water conservation/efficiency and seismic strengthening Products to such homes or businesses after taking title to the property.
2. The Program provides financing only for Eligible Products that are permanently affixed to real property.
3. The Program provides financing only for Eligible Products specified in Appendix A of the report. Broadly, these include:
 - a. Water Conservation/Efficiency Eligible Products
 - b. Energy Efficiency Eligible Products
 - c. Renewable Energy Systems
 - d. Seismic Strengthening Products
 - e. Approved Custom Eligible Products
4. The property owner must ensure that any and all permits required by the jurisdiction for the installation of the Eligible Products are acquired,
5. Financing is also available for projects that combine Eligible Products, such as bundling of water conservation/efficiency, energy efficiency, renewable energy and seismic strengthening measures. For instance, a property owner may choose to replace an aging and inefficient furnace, install weather stripping, install low flow toilets and install a photovoltaic system as part of a single project.

C. Eligible Costs

Eligible costs of the improvements include the cost of equipment and installation. Installation costs may include, but are not limited to, energy and water audit



consultations, labor, design, drafting, engineering, permit fees, and inspection charges.

The cost of installation of Eligible Products shall be eligible to be financed only if such installation is completed by a contractor that is registered with the Program or by the property owner is self-installing subject to the limitation in the last sentence of this paragraph. A list of contractors registered with the Program shall also be located on the Program website; however, WRCOG will not make recommendations for contracting assistance. Eligible costs do not include labor costs for property owners that elect to do the work themselves.

Property owners who elect to engage in broader projects – such as business remodeling – may only receive Program financing for that portion of the cost of retrofitting existing structures with renewable energy, energy efficiency and water conservation/efficiency or seismic strengthening improvements. Repairs and/or new construction do not qualify for Program financing except to the extent that the construction is required for the specific approved improvement. Repairs to existing infrastructure, such as water and sewer laterals, are considered repairs and are not eligible.

Program staff will evaluate conditions in the construction and installation market for the proposed Eligible Products and may require the property owner to obtain additional bids to determine whether costs are reasonable. While the property owner may choose the contractor, the amount available for financing may be limited to an amount determined reasonable by Program staff, and may be reviewed by the Program Administrator.

All available reservation rebates will be deducted from the assessment amount at the time of financing. State or federal tax credits and performance-based incentives such as the CSI PBI rebate will not be deducted from the assessment amount, but property owners may wish to consider these additional benefits in determining the amount of their financing request.

D. ADMINISTRATIVE COSTS/FEES

As required pursuant to Section 5898.22 of Chapter 29, WRCOG met and consulted with the staff of the County Auditor-Controller's office on March 29, 2010 concerning the additional fees, if any, that will be charged to WRCOG for incorporating the proposed contractual assessments into the assessments of the general taxes on real property. The consultations revealed that the Auditor-Controller will charge WRCOG the same fees applicable to other fixed charges to be placed on the secured property tax roll as are established from time to time by the Board of Supervisors. The payment of such fees shall be included as a part of annual assessment administration and collection costs which will be added each year to the annual assessment on property tax bills. Such annual administration and collection costs are described below and in Section IV.D.

The Program will cover all or a portion of its costs through an expense component to be added to the amount of the financing request, not to exceed 7%. In addition, there are six other costs that are not covered in the expense component and will be borne by the property owners. These costs include:

1. An application fee may be required and will not exceed the greater of \$250 or one percent (1%) of the financing amount per application for commercial properties; provided however, such fee may not exceed the actual cost of processing the application. The owner may not include this cost in the financing request. Except as



otherwise provided in applicable federal or state law, the application fee is nonrefundable, unless the property owner is deemed ineligible and the unused portion of the application fee may be prorated, however, may be waived by SAMAS Capital.

2. Title and recording costs, including title insurance, where required, will be paid by the property owner.
3. Permitting costs. Property owners are required to verify whether or not a permit is required by the participating jurisdictions. Permit costs will be paid by the property owner and are an eligible cost to include in the financing.
4. Annual assessment administration and collection costs will be added each year to the annual assessment on property tax bills and will be adjusted in subsequent years for cost of living increases using the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers for the Los Angeles, Riverside, and Orange Counties.
5. Environmental Reports and/or appraisals, as required by the Program.
6. Onsite Validation Fees. Onsite validation fees may be required for Program staff to confirm proposed eligible energy efficiency, water efficiency, and/or renewable generation Products were actually installed prior to funding; provided, however, such fee may not exceed the actual cost to undertake such validation.
7. The Program may offer multiple disbursements for assessments by a third-party provider. If multiple disbursements are offered, the partial disbursement funding requests may be subject to an additional processing fee; provided, however, that such fee may not exceed the actual cost of providing such service. The property owner will need to provide sufficient proof of purchased and delivered construction materials and/or completion of Eligible Products as required by the executed Assessment Contract. The terms of the financing provided by the third-party will be subject to the credit of the borrower. A draft Assessment Contract is provided in Appendix C of this report.

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Item 7.B

PACE Programs Activities Update,
and PACE Program Public Hearing,
Revisions to Commercial Program
Lender Requirements, and Updated
Consumer Protections

Attachment 8

Redlined Statewide SAMAS
Commercial Program Handbook –
Revised February 5, 2018

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Statewide Commercial Handbook

September 12, 2016 – Revised February 5, 2018

A low cost financing program for commercial, industrial, and multi-family
buildings in your community

3 Future Program Changes

WRCOG reserves the right to change the Program and its terms at any time; however, any such change will not affect a property owner's existing obligation to pay the contractual assessment agreed to in an executed Assessment Contract.

A property owner's participation in the Program will be subject to the regulations and terms set forth in this Handbook and other documents that constitute the agreement between the Agent and the property owner. If any provisions of this Handbook are determined to be unlawful, void, or for any reason unenforceable, then that provision shall be deemed severable from the Handbook and shall not affect the validity and enforceability of any remaining provisions.

4 Program Eligibility Requirements

Potential property applicants should carefully review this section in order to determine whether they are eligible for the Program before submitting an application.

4.1 Eligible Applicants

In addition to the property eligibility requirements, commercial property owners must meet specific criteria in order to be eligible to participate in the Program. The eligibility criteria for commercial property owners are set forth below.

4.1.1 Qualification Criteria:

- Applicant property owner(s) must be the property owner(s) of record of the property upon which the Eligible Products are to be installed.
- 4-units are exempt from receiving mortgage debt lender(s) consent to Program financing.
- No lender consent shall be required for commercial properties financed by the Samas Commercial Program if it is determined by a written opinion addressed to WRCOG by a reputable law firm with commercial real estate experience which has been approved by WRCOG that no lender consent is required under the documents relating to prior mortgages or other liens on the subject property. Otherwise, lender consent is required.
- Property owner(s) must be current on property taxes on the property upon which the Eligible Products are to be installed and the property owner(s) certify(ies) that such owner(s) have not had a late payment on their property tax more than once during the prior three (3) years (or since the purchase of such property, if owned by such property owner(s) less than three (3) years).
- Property owners must be current on all property debt on the property upon which the Eligible Products are to be installed for a period of six (6) months prior to the application, including no payment defaults or technical defaults (or since purchase if such property has been owned less than six (6) months by the current owner(s)), through funding.
- Property owner(s) or their affiliated companies have not been involved in a bankruptcy proceeding during the past seven (7) years and the property proposed to be subject to the contractual assessment must not currently be an asset in a bankruptcy proceeding.
- All individual property owners must sign the application, Assessment Contract and all required notices. For properties owned by corporations, LLC's or LLP's, signatures by authorized representatives and/or corporate resolutions are required.
- Non-profit organizations must stipulate that they have not claimed an exemption from taxes.

Item 7.B

PACE Programs Activities Update,
and PACE Program Public Hearing,
Revisions to Commercial Program
Lender Requirements, and Updated
Consumer Protections

Attachment 9

WRCOG PACE Consumer Protections
Policy, Version 2.0

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Western Riverside Council of Governments

Residential Property Assessed Clean Energy Consumer Protections Policy

Version 2.0

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OVERVIEW

Residential Property Assessed Clean Energy (PACE) programs enable property owners to access energy efficiency, renewable energy, and water efficiency measures that improve the financial, functional and environmental aspects of home ownership. Such upgrades (Measures) make homes less costly to operate and more comfortable to live in, while simultaneously reducing energy and water consumption. PACE provides consumers with another choice in how they can finance these specific Measures.

The Western Riverside Council of Governments (WRCOG) sponsors PACE programs (Programs) administered by third-party providers (Providers). These Providers deliver tools and resources that enable property owners to make smart, informed and responsible choices regarding such Measures.

In December 2011, WRCOG launched the WRCOG HERO Program which provides financing to property owners to implement a range of energy saving, renewable energy, and water conserving measures to their homes and businesses. Measures must be permanently fixed to the property and must meet certain criteria to be eligible for financing. Financing is paid back through a lien placed on the property tax bill. In 2013, the WRCOG HERO Program expanded (an effort called “California HERO”) to allow for jurisdictions throughout the state to join WRCOG’s Program and allow property owners in these jurisdictions to participate. In July 2016, WRCOG continued to expand its role in PACE Administration by including additional Provider(s) to operate under its umbrella in Western Riverside County.

These policies, cover the following areas: (i) Eligibility and Assessment Contract Criteria, (ii) Income Based Underwriting, (iii) Disclosures and Documentation, (iv) Post-Funding Support, (v) Data Security, (vi) Privacy, (vii) Marketing and Communications, (viii) Protected Classes, (ix) Contractor Requirements, (xi) Eligible Products, (xii) Pricing, (xiii) Reporting, (xiv) Closing & Funding, and (xv) Examination.

In January 2018, WRCOG revised its Consumer Protections Policies to reflect current state laws. These Policies are to be upheld by all Provider(s) that operate a Residential PACE Program under WRCOG’s PACE umbrella. Except as otherwise noted, all policies shall be effective 45 days after WRCOG adoption. In addition, under state law, all Provider(s) will be required to obtain a license from the Department of Business Oversight (DBO) at such time as is required by DBO. A Provider(s) will be removed from WRCOG’s Program if it is not licensed with DBO. To the extent that these Policies in any way conflict with any state or federal law, such state or federal law shall control.

All Providers must comply with all relevant statutory requirements in accordance with their effective date to the extent, and at such time, that DBO issues any rulemaking with respect to those requirements. The effective statutory compliance dates, as clarified by any applicable rulemaking, determine what a Provider can be examined against vis-a-vis the requirements in these policies.

1. ELIGIBILITY AND ASSESSMENT CONTRACT CRITERIA

Policy Summary: The Program blends traditional credit risk considerations together with statutory requirements and legislative policy to develop risk criteria that are fitted to the Program. These criteria take into account the unique risk profile that this form of financing presents to enable qualifying property owners to access it. While this process will exclude unqualified property owners and properties, special consideration has been given to developing inclusive standards. These criteria examine four key attributes of every financed project: (i) the real property on which the measures will be installed ("Property" or "Properties"), (ii) the encumbrances presently recorded against the Property, (iii) the nature of the Measures to be installed; and (iv) the property owner's mortgage and property tax payment history.

All properties eligible for participating in the Program must meet the requirements set forth in the Program Report, which include:

- 1.1. Properties. The Program is available to the entirety of the existing residential housing stock in geographical boundaries of the Program. Properties for which this form of financing is not available include: (i) commercial properties (including residential properties comprising four (4) or more units), (ii) new properties under construction, and (iii) tax exempt properties (properties not subject to levy), such as non-profit or state-owned residential properties. If requested in good faith by the property owner applying for the Program, the Provider(s) is responsible for completing a "second look" eligibility review of all applications related to properties initially determined to be excluded, re-examining the specific attributes of the Property in question and confirming or modifying the original determination.
- 1.2. Encumbrances on the Subject Property. The encumbrance profile of Properties is one important element of the decision process for Program participation. Accordingly, Properties eligible for Program financing will have the following attributes, as required under California law.
 - 1.2.1. All mortgage-related debt on the Property, plus the total financed PACE assessment may not exceed 97% of the market value of the Property.
 - 1.2.2. The financing may not exceed (i) fifteen percent (15%) of the market value of the Property, up to the first seven hundred thousand dollars (\$700,000) of the Property's market value, and (ii) ten percent (10%) of the remaining value of the Property above seven hundred thousand dollars (\$700,000) minus any PACE assessment on the Property.
 - 1.2.3. The total amount of any annual property taxes and assessments shall not exceed five percent (5%) of the Property's fair market value, determined at the time Program financing is approved.
- 1.3. Property Valuation Methodologies: To assess whether a property owner meets the assessment contract criteria set forth in Section 1.2 Encumbrances on the Subject Property, the Provider must determine the market value of the Property using reasonably reliable methods such as: (1) Automated Valuation Models (AVM) and (2) Appraisals.
 - 1.3.1. AVMs must satisfy the following criteria:
 - a. The AVM must be provided by a third-party vendor and the AVM must have estimation models with confidence scores and regular statistical calibration by the third-party vendor.
 - b. If a Provider uses an AVM to determine the Property value, they must utilize at least three AVMs for each Property. The Provider must look to the estimated value for

each AVM. The estimated value is the average between the high and low values, if a range is provided.

- c. The Provider shall utilize the estimated value with the highest confidence score. If an AVM does not produce a confidence score for a subject Property, the Provider is required to utilize the average of all the estimated values that have been returned.

1.3.2. Appraisals must satisfy the following criteria:

- a. The appraisal must have been conducted within six months of the application date.
- b. The appraisal must be conducted by a state-licensed real estate appraiser and conform to the laws or regulations governing requirements for the minimum standards of practice for appraisers.
- c. The Provider should also conform to the Appraiser Independence Requirements established by the Federal Housing Finance Agency (FHFA).

- 1.4. Interest Rates. The Provider(s) will offer fixed simple interest rates, and payments that fully amortize the obligation. Variable interest rates or negative amortization financing terms are not permitted.

- 1.5. Subordination. The Provider(s) may offer the capability to accommodate homebuyers and property owners by offering subordination (if agreed upon with WRCOG) of certain rights of its PACE assessment lien to the lien of a mortgage or deed of trust. The subordination may provide the lien under a mortgage or deed of trust with senior rights such that the lender will be induced to make a loan on a PACE-assessed Property.

- 1.6. Eligible Measures. The Program provides financing for a broad range of eligible Measures that must be permanently affixed to the Property, the details of which are set forth in Section 10: Eligible Measures. The Program is not available to finance ineligible Measures, which comprise everything not specified in Section 10: Eligible Measures. The Program is not responsible for determining post-installation energy performance, savings or efficacy of such products or projects. The Program relies on U.S. Department of Energy, the Environmental Protection Agency and other government agencies in determining what constitutes an eligible Measure.

- 1.7. Property Owners. PACE Program assessments appear as line items on property tax bills and property owners repay their financing when they pay their property tax bills. The mortgage and property tax payment history of property owners of record thus is an important decision element of Program eligibility criteria. Accordingly, at the time of application, Property Owners eligible for Program financing will have status and payment histories that are consistent with the following:

1.7.1. The Applicants are the owners of record.

- 1.7.2. Property tax payments for the subject Property are current. Additionally, the Provider must ask a property owner whether there has been no more than one late payment for the shorter of (i) the previous three years, or (ii) since the present property owner acquired the Property.

- 1.7.3. The property owner is current on all mortgage debt on the subject Property, and has no more than one late payment during the 12-months immediately preceding the application date and the late payment did not exceed 30 days past due.

- 1.7.4. The property owner has not been a party to any bankruptcy proceedings within the last seven years, except that the property owner may have been party to a bankruptcy proceeding that was discharged or dismissed between two and seven years before the application date and the property owner has had no payments more

than 30 days past due on any mortgage debt or nonmortgage debt, excluding medical debt, during the 12 months immediately preceding the application date.

- 1.7.5. The Property that will be subject to the assessment contract has no recorded and outstanding involuntary liens in excess of \$1,000.
- 1.7.6. The Property that will be subject to the assessment contract has no notices of default currently recorded which have not been rescinded.
- 1.7.7. The Provider must verify the existence of recorded PACE assessments and must ask if the property owner has authorized additional PACE assessments on the same subject property that have not yet been recorded.
- 1.7.8. The Provider must use commercially reasonable and available methods to verify the above.

2. INCOME-BASED UNDERWRITING

Policy Summary: An important evolution in underwriting and consumer protections for PACE is the consideration of income-based underwriting and the property owner's ability to pay. This new standard was codified in California's AB 1284. Effective April 1, 2018, California law requires that Providers make a reasonable and good faith determination based on documented income that the property owner has a reasonable ability to pay the annual payment obligations for the PACE assessment contract for all applications submitted on or after April 1, 2018. This determination must take place prior to the Provider approving the PACE assessment contract for funding and recordation. This section details four areas of requirements under AB 1284: (1) threshold determination requirements; (2) the assessment of the property owner's income and documentation; (3) the assessment of the property owner's debt obligations; and (4) a residual income calculation. In addition, AB 1284 provides for a limited exception to providing documentation for emergency HVAC projects, which is appropriate and consistent with the public policy of PACE.

2.1. Threshold Determination Requirements. Providers shall abide by the following threshold determination requirements for evaluating a property owner's ability to pay:

- 2.1.1. At least one property owner must submit on his or her application for PACE financing his or her monthly income and monthly housing expenses, as such terms are defined in AB 1284.
- 2.1.2. Providers shall consider both a property owner's income and debt obligations. There is no requirement to consider more income than is necessary, nor to verify assets if verified income is sufficient. In evaluating the income, assets and current debt obligations of the property owner, the equity of the Property that will secure the assessment is prohibited from being considered.
- 2.1.3. The Provider shall also ask the property owner open-ended questions during the confirm terms call, to confirm the income provided on the application and to identify the sources of their income. The confirm terms call is discussed in further detail in Section 3: Disclosures & Documentation.

2.2. Consideration of Property Owner's Income and Reasonable Methods for Documentation. The Provider shall determine and consider the current or reasonably expected income or assets of the property owner that the Provider relies on in order to determine a property owner's ability to pay the PACE assessment annual payment obligations using reasonably reliable third-party records of the property owner's income or assets. The Provider may use automated verification provided the source of that verification is specific to the income of the property owner and not based on predictive or estimation methodologies, and has been determined sufficient for such verification purposes by a federal mortgage lending authority or regulator. Examples of records the Provider may use to verify the property owner's income or assets include but are not limited to:

- 2.2.1. A pay stub showing the most recent pay period or financial institution records showing regular deposits consistent with reported income.
- 2.2.2. Copies of most recent tax returns the property owner filed with the Internal Revenue Service or the Franchise Tax Board.
- 2.2.3. Copies of the most recent Internal Revenue Service Form W-2 (Wage and Tax Statement), or other similar Internal Revenue Service forms that are used for reporting wages or tax withholding.
- 2.2.4. Payroll statements, including the Department of Defense Leave and Earnings

Statement (LES).

- 2.2.5. Financial institution records, such as bank statements or investment account statements reflecting the value of particular assets.
- 2.2.6. Records from the property owner's employer or a third party that obtained income information from the employer.
- 2.2.7. Records from a federal, state, or local government agency stating the property owner's income from benefits or entitlements. Income from benefits paid by a government entity shall not include any benefits for which the recipient must satisfy a means test or any cash equivalent non-monetary benefits, such as food stamps.
- 2.2.8. Income may not be derived from temporary sources of income, liquid assets, or proceeds derived from the equity from the subject Property.

2.3. Consideration of Property Owners Debt Obligations. The Provider will consider the monthly debt obligations of the property owner to determine a property owner's ability to pay the annual payment PACE assessment obligations using reasonably reliable third-party records, including one or more consumer credit reports from agencies that meet the requirements of Section 1681a(p) of Title 15 of the United States Code.

- 2.3.1. Provider(s) will use at least a two-file Merged Credit Report (MCR) or a Residential Mortgage Credit Report (RMCR). For purposes of this subdivision, monthly debt obligations include, but are not limited to, the following:
 - a. All secured and unsecured debt;
 - b. Stated alimony;
 - c. Stated child support; and
 - d. Monthly housing expenses. If property tax and insurance obligations are not included in a property owner's escrow, a Provider shall use reasonably reliable methods to determine these obligations.

2.4. Residual Income Analysis. In calculating the property owner's ability to pay the annual PACE obligation, the Provider shall consider the property owner's income and debt obligations and determine that the property owner's income is sufficient to cover the following:

- 2.4.1. The PACE payment, including all interest and fees.
- 2.4.2. Any mortgage payments, as defined by the higher of the borrowers self-reported housing payment or housing expenses as described above.
- 2.4.3. All existing debts and obligations.
- 2.4.4. Sufficient residual income to meet basic household living expenses, defined as expected expenses which may be variable based on circumstances and consumption patterns of the household in accordance with AB 1284. A Provider may make reasonable estimation of basic living expenses based on the number of persons in the household. Examples of basic living expenses include, but are not limited to, categories such as food and other necessary household consumables; transportation costs to work or school (fuel, auto insurance and maintenance, public transit, etc.); and utilities expenses for telecommunication, water, sewage, electricity, and gas.

2.5. Limited Exception to Income Documentation for Emergency HVAC Measures. The Provider may waive (in the case of emergency or immediate necessity), the requirements for documenting income, prior to the funding and recordation of a PACE assessment to finance a heating, ventilation, and air conditioning (HVAC) system, boiler, or other system whose primary function is temperature regulation in a home if all the following are met:

- 2.5.1. The Provider first attempted to use an automated means of verification.
- 2.5.2. The Provider asks the property owner open-ended questions during the oral confirmation to identify their income and the sources of their income.
- 2.5.3. The funding is limited to the emergency or immediate necessity measures and any required measures directly necessary to the installation and safe operation of the improvement.
- 2.5.4. Any measure funded is eligible for PACE financing.
- 2.5.5. The property owner executes a waiver of their right to cancel pursuant to Section 5898.16.
- 2.5.6. The amount of the assessment contract does not exceed fifteen thousand dollars (\$15,000) or a monthly equivalent payment on the PACE assessment of one hundred twenty-five dollars (\$125), as adjusted by any annual increase in the California Consumer Price Index as determined pursuant to Section 2212 of the Revenue and Taxation Code, whichever is greater.
- 2.5.7. The Provider will report annually all PACE assessments under the limited emergency exception that were funded and recorded in a form acceptable to WRCOG.

- 2.6. Provider Responsibility for Income Documentation. In accordance with AB 1284, if there is a difference between the determination of the property owner's ability to pay the annual PACE obligations and the actual amount financed for the property owner, and the property owner is obligated on the underlying home improvement contract, the Provider is responsible for that difference, unless there is intentional misrepresentation by the property owner.

3. DISCLOSURES & DOCUMENTATION

Policy Summary: Documentation for Providers should comply with these Policies and must be clear, easy to understand, and complete. At a minimum, the Provider shall provide written disclosures in a form substantially similar to those set forth in AB 2693 and must engage in a live and recorded confirmation of terms call with a property owner applicant as set forth in SB 242.

- 3.1. Document Timing. With respect to any Program-financed project, a property owner needs to: (i) submit an application; (ii) receive approval of the Measures from the Provider(s); and (iii) execute documentation covering the terms described in this Section and in the Disclosures summarized in this Section. Following installation of the Measures, a property owner needs to: (i) execute an acknowledgement that the installation of the Measures has been completed satisfactorily; and (ii) receive a final summary of costs and payments. Delivery to, and execution of all such documentation by, the property owner is the responsibility of the Provider(s). In accordance with the Electronic Signatures in Global and National Commerce (ESIGN) Act, no assessment contract may be denied legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation.
- 3.2. Measure Review. WRCOG will review all Measures prior to signing the Assessment Contract and allowing the issuance of the Notice to Proceed.
- 3.3. Terms. The following terms are fundamental to the Program and need to be reflected in its documents: (i) the principal assessment amount, including any fees and capitalized interest that have been financed, (ii) the repayment process and schedule, (iii) the payment amounts, (iv) a term that does not exceed the useful life of the measures, (v) the rate of interest charged, (vi) a payment schedule that fully amortizes the amount financed, (vii) the nature of the lien created upon recordation, (ix) the specific measures to be installed, (x) the 3-day right to cancel the financing, (xi) the right to withhold approval of payment until the project is complete, and (xii) any other relevant state specific rights, notices, or requirements (e.g., Section 5899.2 rights for solar lease measures). It is the responsibility of the Provider(s) to prepare, deliver and arrange for execution of documents reflecting such terms.
 - 3.3.1. Right to Cancel. The property owner is given the right to cancel the contractual assessment on or before midnight of the third business day after all property owners sign the financing documents, in accordance with SB 242 and AB 2693.
 - a. If a property owner cancels the contractual assessment before midnight of the third business day in accordance with the process set forth in SB 242 and AB 2693, it is the responsibility of the Provider(s) to notify WRCOG that the financing has been cancelled.
- 3.4. Disclosures Policies. Disclosures heighten a property owner's awareness of key program financing terms and risks that appear in the Program terms and documentation. The Provider(s) will deliver to a property owner all of the disclosures, and obtain acknowledgement that property owners have read and understand them, prior to issuing the Notice to Proceed. The key disclosures of the Program must be provided by Provider(s) in a financing summary in a form consistent with AB 2693 and any subsequent statutory or regulatory requirements. A representative sample of this financing summary is attached hereto as Exhibit A.

- 3.5. Confirmation of Terms. For all Program financing applications the Provider(s) will make an oral confirmation, in plain language, live by telephone (and recorded) with at least one property owner or to a verified authorized representative of the property owner on the call and shall obtain acknowledgement from the property owner on the call to whom the confirmation was given. For avoidance of doubt, a voicemail message does not satisfy the requirement.
- 3.5.1. The Provider(s) will make an oral confirmation that at least one property owner has a copy of the contract assessment documents (financing estimate, disclosures, and right to cancel) and has received a copy of the Home Improvement Contract (HIC).
- 3.5.2. The Provider(s) will ask if the property owner on the call would prefer to communicate during the oral confirmation primarily in a language other than English.
- a. The Provider(s), when confirming terms of a Program financing with a property owner will confirm with the property owner the improvement(s) being financed and will confirm the following key terms of the financing: The total estimated annual costs the property owner will have to pay under the assessment contract, including applicable fees (such as recording fees).
 - b. The total estimated average monthly amount of funds the property owner would have to save in order to pay the annual costs under the PACE assessment, including applicable fees.
 - c. The date his or her first tax payment will be due. That the county annual secured property tax bill, which will include the installment of the PACE lien, will be mailed by the county tax collector no later than November 1 each year, and that if the lien is recorded after the fiscal year closes but before the bill is mailed, the first installment may not appear on the county tax bill until the following year.
 - d. The term of the Program financing.
 - e. That the property owner has a three-business day right to cancel the assessment contract, and that canceling the assessment contract may also cancel the Home Improvement Contract (HIC).
 - f. That the Property will be subject to a lien during the term of the assessment contract.
 - g. That payments for the Program financing will be made through an additional annual assessment on the Property and paid either directly to the county tax collector's office as part of the total annual secured property tax bill, or through the property owner's mortgage impound account. The payments for program financing will cause the property owner's tax bill to increase.
 - h. That the property owner has disclosed whether the Property has received or is seeking additional PACE assessments and has disclosed all other PACE assessments or special taxes that are or about to be placed on the Property, if known to and understood by the property owner.
 - i. That the Property will be subject to a lien during the term of the assessment contract and that the obligations under the assessment contract may be required to be paid in full before the property owner sells or refinances the Property.
 - j. That any potential utility savings are not guaranteed, and will not reduce the assessment payments or total assessment amount.
 - k. That the Provider and home improvement contractor (Contractor) do not provide tax advice, and that the property owner should seek professional tax advice if he or she has questions regarding tax credits, tax deductibility, or of other tax impacts on

the PACE assessment or assessment contract.

- l. That if that property tax payment is delinquent within the fiscal year, the county tax collector will assess a 10-percent penalty and may assess related costs, as required by state law. A delinquent payment also subjects the Property to foreclosure. If the delinquent payment continues past June 30 of a given year and defaults, the county tax collector will assess penalties at the rate of 1 ½ percent per month (18 percent per year), and the Property will continue to be subject to foreclosure and may become subject to the county tax collector's right to sell the Property at auction.
- m. Effective April 1, 2018, the Provider(s) shall ask the property owner open-ended questions during the confirm terms call, to confirm the income provided on the application and to identify the sources of their income.

3.5.3. Effective January 1, 2019, if the confirmation of terms was made in another language other than English, the Provider(s) shall deliver in writing the disclosures, contract, and agreement including, but not limited to the following: assessment contract documents, financing estimate and disclosure, and right to cancel form, in accordance with the requirements of SB 242 and any additional rulemaking by DBO.

3.5.4. The Provider shall comply with the following when giving the oral confirmation: (i) the Provider shall record the oral confirmation in an audio format in accordance with applicable state law; (ii) the Provider may not comply with the requirement through the use of a prerecorded message, or similar device or method; and (iii) the oral confirmation provisions of this Section 3 are in addition to the documents required to be provided to the property owner under this Section 3.

3.5.5. The Provider shall make available to WRCOG any oral confirmation calls for Program financing requested by WRCOG for the purpose of enabling WRCOG to perform monitoring and testing of such calls.

3.6. Quality Assurance Calls. WRCOG may conduct a quality assurance call with a property owner to provide the property owner with an opportunity to review the project, proposal, and financing terms. Providers are not responsible for, and will not subject to examination with respect to, WRCOG's quality assurance calls.

3.6.1. The Quality Assurance Call will provide the property owner(s) with the opportunity to confirm the following, as well as, ask any additional questions:

- a. The specific Measure(s) being obtained by such property owner.
- b. His or her total estimated annual payment.
- c. The date his or her first tax payment will be due.
- d. The term of the Program financing.
- e. Any additional fees (including recording fees) that will be charged.
- f. Payments for the Program financing will be added to the property tax bill and will cause the property tax bill to increase.
- g. Payments on the Program financing may be made either directly to the county assessor's office or through his or her mortgage impound account.
- h. That the HIC has been provided to the property owner.

4. POST-FUNDING PROPERTY OWNER SUPPORT

Policy Summary: A public/private partnership is at the core of the Program. This partnership carries with it elevated consumer protection responsibilities that apply to the Program with as much significance during the post-funding period as they do during the time of application and origination. Establishing a function responsible for customer care that responds to inquiries, complaints, Contractor(s) and workmanship concerns of the measures financed is fundamental to the consumer protections that the Program provides.

- 4.1. Proactive Engagement. The Provider(s) are to proactively monitor and test the consumer protections delivered to property owners, and to request feedback from property owners and Contractor(s) to identify areas in need of improvement.
- 4.2. Onboarding. The Provider(s) must develop and implement a post-installation onboarding procedure to reinforce key characteristics of the Program, such as those highlighted in the Program disclosures.
- 4.3. Payments. The Provider(s) must be available to field property owner questions regarding payments. Providers must develop and implement procedures for responding in a timely and complete manner to requests for partial or full prepayment, matters regarding mortgage escrow or mortgage impound accounts catch up payments, payment timing inquiries and payment amount reconciliation, among others.
- 4.4. Complaints. The Provider(s) will develop and implement policies and procedures for responding to questions and addressing complaints as soon as reasonably practicable.
- 4.5. Property Owner Recourse. The Provider(s) will receive, manage, track, timely resolve, and report on all inquiries and complaints from property owners and provide WRCOG with a regular report. The Provider(s) must proactively work to resolve inquiries and complaints in a reasonable and timely manner and in accordance with the Program guidelines and must make communication for property owners available during regular business hours by phone, email, and facsimile communication.
- 4.6. Real Estate Transactions. The Provider(s) must develop capabilities to assist property owners, and real estate professionals representing property owners, who are refinancing or selling their Properties.

5. DATA SECURITY

Policy Summary: Trust is fundamental to any financing relationship, and Program financing is no exception. The public/private partnership at the center of the Program, as well as the confidential relationship property owners have with the Provider(s) mandate that any market- ready Program be in robust compliance with sturdy cyber-security standards, and in particular develop secure and tested processes that protect property owner personal identifiable information at points of potential vulnerability, especially during the application process.

- 5.1. Information Systems. Each Provider is required to develop a process to comply with secure and tested processes to protect nonpublic personal information of the property owner. The process must include:
 - 5.1.1. A cyber-security policy and protocol that, at a minimum, requires data encryption “during transmission” and “at rest,” and compliance with sturdy cyber-security standards.
 - 5.1.2. A protocol for access to information, based upon job function and need-to-know criteria.
 - 5.1.3. Measures that protect the security and confidentiality of consumer records and information including, without limitation, requiring all computers and other devices containing any nonpublic personal information to have all drives encrypted with industry standard encryption software.
 - 5.1.4. Monitoring and logging all remote access to its systems, whether through VPN or other means.
 - 5.1.5. Data security policies are subject to audit upon the request of WRCOG. Any such requested audit shall be performed no more than once during a given twelve-month period, and may be performed either (i) by the Provider, or a designee thereof, or (ii) by an independent auditor, hired by WRCOG and agreed to by the Provider. If the audit is performed by the Provider(s), the results of the audit will be shared with WRCOG.
 - 5.1.6. Ensuring minimum viable configurations are in place on all servers. All firewalls should have continuous logging enabled. In addition, access control lists and audited server configurations should be used to maintain data security.
- 5.2. Personnel. Each Provider is responsible for:
 - 5.2.1. Informing and enforcing the compliance with the Program's data privacy and security policies on the part of every employee, contractor(s), vendor, agent, service Provider(s), representative, and associate who is exposed to personal identifiable information of property owners.
 - 5.2.2. Implementing protections and controls to prevent unauthorized copying, disclosure, or other misuse of nonpublic personal information.

6. PRIVACY

Policy Summary: The trusting and confidential relationship that exists between property owners and Program extends to the Provider(s) use of property owner data. Compliance with the Gramm-Leach-Bliley Act (GLBA), as well as, the establishment of clear opt-in and opt-out protocols for information sharing are the pillars of the Program's privacy policy. More broadly, the Program must protect and manage nonpublic personal information, respect the privacy of all property owners, and implement robust controls to prevent unauthorized collection, use and disclosure of such information.

The following summarizes the Program's privacy policy:

- 6.1. Privacy Policy. The Program obtains nonpublic personal information (as defined in the federal Gramm-Leach-Bliley Act of 1999 and its implementing regulations, collectively, the "GLBA") from property owners as part of the Program application process. Accordingly, each Provider shall provide to property owners any required privacy notices in a manner and form that complies with applicable state and federal laws and regulations, including the GLBA. The Provider will deliver the privacy notice to property owners prior to execution of the assessment contract and annually thereafter, or at such other times as permitted under the GLBA.
- 6.2. Application Process. Unless otherwise consented to by a property owner, all nonpublic personal information provided by a property owner to a Provider during the application process will be provided directly by the property owner to the Provider. The Provider will establish processes and controls to enable the property owner (or the property owner's legal representative or attorney in fact) to provide personal information directly to the Provider and not from a Contractor or other third party.

7. MARKETING & COMMUNICATIONS

Policy Summary: Clear, informative, truthful, balanced, transparent and complete communications are essential for the Program. The stakeholders of the Program include property owners, Contractors, WRCOG, government officials and staff, investors, Providers, real estate professionals, and lenders, among others. Communications, acts and practices that mislead stakeholders, add ineligible expenses to PACE financing or to the Program, abuse stakeholders, and otherwise fail to meet the core communication standards of appropriateness for the Program and are not acceptable.

- 7.1. Prohibited Practices. The Provider shall prohibit Contractors from employing practices that are unfair, deceptive, abusive, misleading, that violate laws or regulations that provide tax advice, or that are incomplete or inconsistent with the Program's purpose.
- 7.1.1. Providers and Contractors are prohibited from: (i) suggesting or implying in any way that PACE is a government assistance program, (ii) suggesting or implying that PACE is a free program, (iii) suggesting or implying that PACE does not involve a financial obligation that the property owner must repay, (iv) using check facsimiles to dramatize the amount of PACE Program financing that would be available or presenting a check facsimile as if a negotiable instrument.
 - 7.1.2. Contractors are prohibited from use a local government's logo, city seal, or other graphic in marketing materials or presentations in a way that explicitly communicates an endorsement of the Program by the local government.
 - 7.1.3. Marketing practices that are likely to add unnecessary expense to a property owner (e.g., paying consumers for applications), that unlawfully use sensitive consumer data or that violate any other law or regulation (including, for example, practices related to telemarketing) are prohibited.
 - 7.1.4. Providers must not violate federal or state "Do Not Call" laws and must require that Contractors and other permitted vendors do not violate such laws.
 - 7.1.5. Providers will not permit Contractors to advertise the availability of assessment contracts that are administered by the Provider, or to solicit property owners on behalf of the Provider, unless both of the following requirements are met:
 - a. The Contractor maintains in good standing an appropriate license from the Contractors State License Board, as well as any other permits, licenses, or registrations required for engaging in its business in the jurisdiction where it operates, and maintains the required bond and insurance coverage pursuant thereto.
 - b. The Provider obtains the Contractor's written agreement that the Contractor(s) or third party will act in accordance with applicable advertising and marketing laws and regulations, and all other applicable laws.
 - 7.1.6. Provider(s) is responsible for developing written processes relating to marketing practices. A copy of the written processes are to be submitted to WRCOG whenever materially updated by the Provider(s).
- 7.2. Permitted Practices. Provider(s) and Contractor(s) are to adhere to all legal and regulatory requirements (e.g., telemarketing) pertaining to its advertising and marketing efforts. On the basis of providing clear and concise communication to consumers, any practice that promotes informed decisions on the part of property owners and is not prohibited as described in section 7.1 above is permitted. The Provider(s) is responsible for monitoring and testing its marketing materials for compliance and correcting any non-compliant materials.

- 7.3. Tax Advice. Providers and Contractors shall not make any representation as to tax deductibility of an assessment contract unless it is consistent with the representations of the Internal Revenue Service or state tax agency with regard to tax treatment of PACE assessments. Providers may encourage property owners to seek the advice of an expert regarding tax matters related to the Program.
- 7.4. Payments in Exchange for Financing. The Providers, Contractors, and Affiliated Individuals may not provide any direct cash payment or other thing of value to a property owner explicitly in exchange for such property owner's selecting Program financing. Programs or promotions that offer reduced fees or interest rates to property owners are neither a direct cash payment nor "other thing of value," provided that the reduced fee or interest rate is reflected in the assessment contract and in no circumstance provided to the property owner as cash consideration.
- 7.5. Same as Cash Pricing. A Contractor(s) shall not provide a different price for a project financed by a PACE assessment than the Contractor(s) would provide if paid in cash by the property owner.

8. PROTECTED CLASSES

Policy Summary: It is the Provider(s) responsibility to comply with all state and federal laws that cover individuals in protected classes including those based on race, religion, color, marital status, gender, sexual orientation, national origin, citizenship, presence of children, disability, gender, age, veteran status, participation in a public assistance program or because an applicant has in good faith exercised any right under the Consumer Credit Protection Act).

- 8.1. General. The Provider(s) must develop controls and methods to monitor and test compliance with all state and federal laws covering property owners in protected classes.
- 8.2. Elders. The Provider(s) are to develop a process to verify compliance with applicable state and federal laws covering property owners 65 years and older.
- 8.3. Financing Access and Decisions. The Provider is responsible for providing legally unbiased access to, and decisions of, requests for Program participation to all applicants for Program financing.

9. CONTRACTOR REQUIREMENTS

Policy Summary: Contractor(s) and its salespersons are one of the primary means through which property owners become aware of Program participation options. Contractor(s) and its salespersons enter into participation agreements with the Provider(s), and are required to register with all relevant state and local licensing boards and agencies as required by applicable law. Contractor(s) are required to complete training courses, follow a code of conduct, maintain policies of insurance, post bonds, follow marketing requirements, among other obligations, all of which are designed to assure positive and productive property owner interaction with the Program. The policies below outline two sets of requirements: the first set of requirements from Section 9.1 to 9.5 are effective 45 days after Executive Committee adoption and the second set of requirements from Section 9.6 to 9.11 are effective at such time as required by DBO, but no earlier than January 1, 2019.

- 9.1. Policies. All Contractor(s) who offer Program financing will become “Registered Contractors” by executing the Provider’s Contractor Participation Agreement (the “PCPA”). All such Contractor(s), and salespersons for such Contractor(s) who advertise the availability of assessment contracts to property owners (“Affiliated Individuals”), are subject to the requirements of the PCPA, which include:
 - 9.1.1. Compliance with Provider-issued code of conduct and any relevant state or local contractor code of conduct;
 - 9.1.2. Maintenance of an active license, and being in good standing, with the CSLB, as well as maintenance of insurance and an ability to meet bonding requirements;
 - 9.1.3. Execution of the PCPA by a person who is authorized to act on behalf of, and who is responsible for the actions of, a Registered Contractor;
 - 9.1.4. Oversight and management of employees, independent contractors and subcontractors who provide services to such Registered Contractors;
 - 9.1.5. Meeting all other state and local licensing, training and permitting requirements;
 - 9.1.6. Compliance with the Program’s marketing policies; and
 - 9.1.7. Requiring that Registered Contractors (i) register their Affiliated Individuals, including completing reasonable identity verification procedures and (ii) provide the Program with information regarding each Affiliated Individual conducting sales services related to the Program.
- 9.2. Marketing. The Provider will require the Registered Contractor to be in compliance with the Program’s marketing policies. See Section 7.0: Marketing & Communications for additional information.
- 9.3. Provider must require all Affiliated Individuals to register with the Program.
- 9.4. Contractor(s) Management. Provider(s) must implement contractor management systems and procedures that manage and track Registered Contractor(s) training and compliance violations on an individual and company basis. The Provider(s) must provide WRCOG with regular updates on compliance violations and related actions (if any).
- 9.5. Remedial Action. The Provider(s) have the ability to warn, suspend or terminate a Registered Contractor and/or Affiliated Individual from the Program based on violations of the PCPA. The Provider will not accept Program applications processed by suspended or terminated Contractor and/or representatives.

The following provisions will become effective at such time as required by DBO, but no earlier than January 1, 2019:

- 9.6. Contractor(s) Registration. The Provider(s) will establish and maintain a process to promote and evaluate the compliance of Registered Contractor(s) and its Affiliated Individuals with the requirements of applicable law, which shall include all of the following, at a minimum:
 - 9.6.1. A risk-based, commercially reasonable procedure to monitor and test the compliance of the Registered Contractor(s) and its Affiliated Individuals with Section 22689(a) of the California Financial Code.
 - 9.6.2. A procedure to regularly monitor the license or registration status of the Registered Contractor(s) and its Affiliated Individuals.
 - 9.6.3. A periodic review of the solicitation activities of Registered Contractor(s) enrolled with the Provider(s), to be conducted at least once every two years.
- 9.7. New Contractor(s). The Provider(s) will provide the following for new Registered Contractor(s) operating in the Program.
 - 9.7.1. The Provider(s) will establish and maintain a process for enrolling Registered Contractor(s) in accordance with state law. The process must include:
 - a. A written agreement between the Provider(s) and Registered Contractor(s) and will set forth the obligations of the Registered Contractor(s) and its Affiliated Individuals.
 - b. A review of readily and publicly available information.
 - 9.7.2. The Provider(s) will establish and maintain a process for enrolling Affiliated Individuals, which will include a background check. A Provider(s) may rely on a background check conducted by the CSLB to comply with this requirement.
 - 9.7.3. The Provider(s) will not enroll a Registered Contractor(s) or an Affiliated Individual, that does not satisfy at least one of the following criteria:
 - a. Maintain in good standing a license from the CSLB.
 - b. Maintain a registration in good standing with the CSLB as a home improvement salesperson.
 - c. Be exempt from, or not subject to, licensure or registration under the Contractors' State License Law (Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code).
 - d. The Provider(s) will notify DBO and WRCOG of each Registered Contractor and Affiliated Individual that it has enrolled.
 - 9.7.4. The Provider(s) will not enroll a Contractor if, as a result of the review conducted as part of the Provider's enrollment process, the Provider(s) finds any of the following:

- a. A clear pattern of consumer complaints about the Registered Contractor(s) regarding dishonesty, misrepresentations, or omissions.
- b. A high likelihood that the Registered Contractor(s) will solicit assessment contracts in a manner that does not comply with applicable law.
- c. A clear pattern on the part of the Registered Contractor(s) of failing to timely receive and respond to property owner complaints regarding the Contractor(s).

9.8. Affiliated Individual Training. The Provider(s) will establish and maintain a training program for Affiliated Individuals, which is acceptable to DBO.

9.8.1. The Provider(s) will require each Affiliated Individual to complete an introductory training that addresses the topics listed below as part of the Provider(s) enrollment process for Affiliated Individual(s). The introductory training shall require that the Affiliated Individual pass a test that measures the Affiliated Individual's knowledge and comprehension of the training material. The introductory training shall not be subject to any minimum duration requirements.

9.8.2. In addition to the introductory training, the Provider(s) will require that each Affiliated Individual complete six hours of education provided by the Provider(s) within three months of completing the Provider(s)'s enrollment process. The training shall include the following topics:

- a. PACE programs and assessment contracts.
- b. PACE disclosures.
- c. Ethics.
- d. Fraud prevention.
- e. Consumer protection.
- f. Nondiscrimination
- g. Senior financial abuse.

9.9. Certification. The Provider(s) will require all Affiliated Individuals to satisfy training requirements as set forth by DBO.

9.10. Remedial Action. The Provider(s) will establish and implement a process for canceling the enrollment of Registered Contractor(s) and Affiliated Individuals that fail to maintain the minimum qualifications required by AB 1284.

9.11. Notification of Suspended or Terminated Registered Contractor. Upon the suspension or termination of a Registered Contractor(s), the suspending or terminating Provider(s) must provide written notice ("Suspension or Termination Notice") to WRCOG. The Provider(s) will provide regular updates to WRCOG on Registered Contractor(s) suspensions and/or

terminations. Only until such time that Provider(s) are required to begin notifying DBO of Registered Contractor terminations, WRCOG may inform other Authorities of the termination of a Registered Contractor, subject to and after consultation with the Provider and counsel.

10. ELIGIBLE MEASURES

Policy Summary: The Program enables and encourages property owners to install Measures which are designed to provide a public benefit (such as saving water and energy) in accordance with applicable law. The Program is responsible for implementing practices and controls (e.g., eligible Measures list and product confirmation processes) to provide for financing to be used only for eligible Measures. The Provider shall establish a process for confirming that all Measures not only meet PACE-eligibility criteria, but also meet or exceed the specifications detailed by the Program. The Provider is not responsible for determining post-installation energy performance, savings or efficacy of such Measures.

10.1. Policies. WRCOG and the Provider will:

- 10.1.1. Establish, maintain and make publicly available an Eligible Measure List (EML) for each Program which documents, at a minimum, the following criteria for each eligible Measure: the name of description, the associated eligibility specifications (i.e. performance thresholds, certification requirements, installation criteria) and the expected useful life in years.
- 10.1.2. Define a written process for adding or modifying the EML;
- 10.1.3. Include Measures on the EML that are consistent with the scope of PACE Program activities (i.e. public purpose benefits) and categories of Measures eligible for financing (e.g. energy efficiency, renewable energy, etc.) as defined by WRCOG.
- 10.1.4. Determine eligibility specifications for each Measure based upon credible third-party standards and/or certification criteria that have established by appropriate government agencies and/or nationally-recognized standards and testing organizations, including but not limited to, the U.S. Department of Energy, U.S. Environmental Protection Agency, national research laboratories, state energy offices, state building code divisions, International Code Council, Building Performance Institute, National Fenestration Rating Council, Solar Rating and Certification Corporation, Cool Roof Rating Council, and Air Conditioning Heating and Refrigeration Institute;
- 10.1.5. Determine the useful life for each Measure is based on research from credible third-party sources of information, such as but not limited to the International Association of Certified Home Inspectors (InterNACHI), National Association of Home Builders (NAHB), American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE), manufacturer warranty documentation, etc.; and;
- 10.1.6. Require that the product is permanently affixed to the Property.

10.2. Custom Measure Policies. If the Program intends to permit financing of Measures not explicitly included in on the EML the Program through consultation with the Provider and Authority must:

- 10.2.1. Establish and maintain a Custom Measure Application (CMA) that permits Contractors and property owners to submit Measure requests for review and consideration of eligibility.
- 10.2.2. Establish and maintain CMA review and approval guidelines that clearly outline the key requirements and criteria that must be met or exceeded in order for the CMA to be approved.
- 10.2.3. Ensure that CMA review and approval guidelines align with policies defined in sections 10.1.1 – 10.1.4 herein.

10.3. Ancillary Work Scope Policies. It is acknowledged that the installation of Measures may need to

include ancillary work scope items (i.e. site preparation) that are not explicitly listed in the EML. Therefore, the Program must evaluate such items using the following guidelines for ancillary work scope items that are allowed to be included in the use of Program financing:

10.3.1. Ancillary work scope items must be directly related and necessary to complete the installation of an eligible Measure, or set of Measures, included in the Program-financed project.

10.3.2. The Provider will obtain descriptions of ancillary work scope items for each Program-financed project and provide such descriptions to WRCOG.

10.4. Procedures. The Provider(s) will obtain the property owner's acknowledgement that property owners applying for Program financing intend to install eligible Measures, and that at the time of funding such Measures have been installed.

10.5. Ineligible Products. Providers shall establish processes designed to prevent financing of: (i) products that are not included on the EML, (ii) products that do not meet the eligibility specifications as defined in the EML, and/or (iii) products which have not been approved as a Custom Measure.

11. MEASURE MAXIMUM FINANCING AMOUNT

Policy Summary: Many property owners cannot readily access price information regarding the installation of energy efficiency, renewable energy and water conservation measures for their homes, and cost often is a key economic consideration. While the Program does not set price controls, it implements a maximum financing amount (MFA) procedure based upon the fair market value of the Measures. The MFA sets the ceiling for amounts that can be financed.

The Program's maximum financing amount policies provide as follows:

- 11.1. The Provider(s) will develop maximum financing amounts based on market data and the Provider(s)'s experience, but not to set pricing for installation of eligible products and projects. In evaluating project pricing, the Provider(s) takes into account regional factors that may contribute to the pricing of measures.
- 11.2. The Provider(s) will, at a minimum, establish an MFA for each product type (e.g. for central air conditioners, solar PV systems, solar thermal systems, and artificial turf). The Provider(s) will provide WRCOG with access to the MFA for each product type.
- 11.3. Within each MFA, there is a low to high range of justifiable pricing, depending on the particular product within a product type (e.g., there may be different types of central air conditioners, solar PV systems, solar thermal systems and artificial turf). The Provider(s) will establish product/project attribute related pricing rules that dictate what pricing within such low to high MFA range is justified.
- 11.4. The Provider(s) will establish processes and systems for purposes of enforcing the MFA rules for every project.
- 11.5. A Measure may only be funded for an amount that is greater than the MFA for such Measure if (i) the amount exceeding the MFA is justified by reasonable standards that are validated and documented through processes and systems acceptable to WRCOG, or (ii) the MFA is used by the Provider as one factor in a multifactor process for evaluating the overall risk profile of a project financed by the Program. The Provider(s) must receive written approval from WRCOG prior to implementing such a multifactor process. If the Provider does not use a multifactor process approved by WRCOG, the Provider must provide in writing to WRCOG the justification for approving a Measure that exceeds the MFA in advance of approving the Measure.

12. REPORTING

Policy Summary: Reporting the estimated economic and environmental results of Program participation is essential for the Program, Provider(s), elected officials, environmental agencies, the investment community, the real estate and mortgage industry and many other stakeholders. Metrics such as economic stimulus dollars invested, greenhouse gas reduction, the number of Measures funded, the amounts funded, renewable energy production and energy savings serve this need. The Provider(s) will report bi-annually to WRCOG. As is consistent with SB 242, Providers shall submit a written report to WRCOG no later than February 1 for the activity that occurred between July 1st through December 31st of the previous year, and another report no later than August 1 for the activity that occurred between January 1st through June 30th of that year.

- 12.1. WRCOG Bi-Annual Reporting Requirements. Reports shall contain the information below, along with all methodologies and supporting assumptions or sources relied upon in preparing the report. It is the responsibility of the Provider to test and verify the data collection and reporting methods and models used. All reports shall include only aggregate data, excluding any sensitive customer information.
- 12.1.1. The number of PACE assessments funded, by city, county, and ZIP Code.
 - 12.1.2. The aggregate dollar amount of PACE assessments funded, by city, county, and ZIP Code.
 - 12.1.3. The average dollar amount of PACE assessments funded, by city, county, and ZIP Code.
 - 12.1.4. The categories of installed efficiency improvements whether energy or water efficiency, renewable energy, or seismic improvements, and the percentage of PACE assessments represented by each category type, on a number and dollar basis, by city, county, and ZIP Code.
 - 12.1.5. The definition of default used by the Provider.
 - 12.1.6. For each delinquent assessment:
 - a. The total delinquent amount.
 - b. The number and dates of missed payments.
 - c. ZIP Code, city, and county in which the underlying Property is located.
 - 12.1.7. For each defaulted assessment:
 - a. The total defaulted amount.
 - b. The number and dates of missed payments.
 - c. ZIP Code, city, and county in which the underlying Property is located.
 - d. The percentage the defaults represent of the total assessments within each ZIP Code.
 - e. The total number of parcels defaulted and the number of years in default for each Property.
 - 12.1.8. The estimated total amount of energy saved, and the estimated total dollar amount of those savings by property owners by the efficiency improvements installed in the calendar year, by city, county, and ZIP Code. In addition, the report shall state the total number of energy savings improvements, and number of improvements installed that are qualified for the Energy Star program of the United States Environmental Protection

Agency and Department of Energy, including the overall average efficiency rating of installed units for each product type.

12.1.9. The estimated total amount of renewable energy produced by the efficiency improvements installed in the calendar year, by city, county, and ZIP Code. In addition, the report shall state the total number of renewable energy installations, including the average and median system size.

12.1.10. The estimated total amount of water saved, and the estimated total dollar amount of such savings by property owners, by city, county, and ZIP Code. In addition, the report shall state the total number of water savings improvements, the number of efficiency improvements that are qualified for the WaterSense program of the United States Environmental Protection Agency, including the overall average efficiency rating of installed units for each product type.

12.1.11. The estimated amount of greenhouse gas emissions reductions.

12.1.12. The estimated number of jobs created.

12.1.13. The average and median amount of annual and total PACE assessments based on ZIP Code, by city, county, and ZIP Code.

12.1.14. The number and percentage of property owners over 60 years old by city, county, and ZIP Code.

12.2. Department of Business Oversight Reporting. At such time as required by the DBO, the Provider(s) will submit an annual report to the DBO that provides the DBO with data requested in AB 1284 (as outlined below) and data requested through subsequent rulemaking. The Provider will share the report submitted to DBO with WRCOG.

12.2.1. Information beneficial to an evaluation of the overall impact on property owners caused by the 97 percent cap on total PACE and mortgage-related debt.

12.2.2. Information beneficial to an evaluation of the overall impact on property owners caused by the use of an automated valuation model in determining the market value of property subject to a PACE assessment.

12.2.3. Information beneficial to an evaluation of the overall impact on property owners caused by the emergency HVAC provisions.

12.2.4. Information relevant to determining the overall impact on property owners of the absence of a minimum residual income threshold.

12.2.5. The information received will appear in a separate section within the composite of the annual reports required to be prepared by the DBO pursuant to Section 22160.

12.3. Participation in CAEATFA. WRCOG will participate in the PACE Loss Reserve program of the California Alternative Energy and Advanced Transportation Authority. Accordingly, the Programs must report bi-annually on program activity to CAEATFA and WRCOG.

13. CLOSING AND FUNDING

Policy Summary: The Program provides limited purpose financing to property owners, and not general purpose financing that is common among other sources of financing. The Program has front-end (e.g., eligible Measures approval) and pre-funding (e.g., completion certificates) procedures designed to verify that Program financing is only used for eligible Measures. Such procedures are essential to the integrity of the Program.

- 13.1. Installation Completion Sign-off. The Provider shall require that the property owner and the Contractor attest that the products financed are installed, operational, and in a condition that is acceptable to the property owner by signing a document stating that all Measures have been installed to the Property Owner's satisfaction and in accordance with product specifications. It is the responsibility of the Provider to confirm any such document is signed within the maximum allowable installation time as specified by the Program.
- 13.2. Permits. Property owners seeking Program financing are to obtain required permits for the installation of all Measures and provide verification thereof upon request.
- 13.3. Funding. The Program must disburse funds only for projects for which the property owner has signed a Completion Certificate.
 - 13.3.1 The Provider(s) may not waive or defer the first payment on an assessment contract. A property owner's first assessment payment shall be due no later than the fiscal year following the fiscal year in which the installation of the efficiency improvement is completed.
- 13.4. Recording. WRCOG will record the Notice of Assessment and Payment of Contractual Assessment Required documentation in a manner consistent with state law.
- 13.5. Measure Verification. The Provider(s) will implement a randomized eligible Measure verification protocol acceptable to WRCOG. This protocol will be applied to a sample population of projects financed by the Program through the Provider to determine whether Measures listed on the Completion Certificate and for which Program financing has been provided have been installed.

14. EXAMINATION

Policy Statement: Regular examination of the Provider(s) and the Program are essential to the Program.

14.1. Review. WRCOG will initiate, with a third party, a periodic review of Provider(s) to evaluate adherence to the Program Report and Consumer Protection Policies. After the Provider(s) complete(s) its first full year of operation in the Program, WRCOG may reduce the frequency of future operational analyses.

14.1.1. The scope of the operational analysis will include a review of multiple assessment types and will examine a Provider's adherence to the policies and practices included in WRCOG's Program Report and Consumer Protections Policies. The specific requirements for review include, but are not limited to:

- a. Eligible and Assessment Contract Criteria
- b. Income-Based Underwriting
- c. Disclosure and Documentation
- d. Post-Funding Property Owner Support
- e. Data Security
- f. Privacy
- g. Marketing and Communications
- h. Protected Classes
- i. Contractor Requirements
- j. Eligible Measures
- k. Measure Maximum Financing Amount
- l. Reporting
- m. Closing and Funding

14.2. Operational Analysis Report. WRCOG may make findings from the Final Report available to the public.

Exhibit A

Sample Financing Summary

Financing Estimate and Disclosure

Notice to Property Owner: You have the right to request that a hard copy of this document be provided to you before and after reviewing and signing. The financing arrangement described below will result in an assessment against your property which will be collected along with your property taxes and will result in a lien on your property. You should read and review the terms carefully, and if necessary, consult with a tax professional or attorney.

Customer Service Toll-Free telephone number and email:

In the event you have a consumer complaint, questions about your financing obligations related to the contractual assessment or your contractual rights under the terms of this contract, you can contact either this toll-free telephone number or email address provided below and receive a response within 24 hours or one business day.

Toll-Free telephone number: _____

Customer service email address: _____

Products and Costs

Product costs (including labor/installation) \$ _____

Description

- 1.
- 2.
- 3.

Financing Costs

Application fees and costs \$ _____
Prepaid Interest \$ _____
Other Costs \$ _____
Total Amount Financed \$ _____

Annual Percentage Rate (APR)

Simple Interest Rate _____ %

Total Annual Principal, Interest, and _____ %

Administrative Fees \$ _____

Note: If your property taxes are paid through an impound account, your mortgage lender may apportion the amount and add it to your monthly payment.

See "Other Important Considerations" below

Total Amount you will have paid over the life of the financing \$ _____

Other Costs \$ _____
Appraisal Fees \$ _____

Bond related costs \$ _____
Annual Administrative fees \$ _____
Estimated closing costs \$ _____
Credit Reporting Fees \$ _____
Recording Fees

Total Financing Costs and Closing Costs \$ _____

Estimated Cash (out of pocket) to close \$ _____

Other Terms
Prepayment fee ☐ No ☐ Yes _____

Additional Information About These Financing Comparisons[Use this information to compare to other financing options]

Over the term of the financing \$ _____ Principal you will have paid off.
\$ _____ Amount of interest you have paid.
\$ _____ Amount of financing and other costs you will have paid.
\$ _____ Total you will have paid.

Annual Percentage Rate _____%

Total Interest Paid (as a percentage of all the payments you have made) _____%

Other Important Considerations

I understand that I may be required to pay off the remaining balance of this obligation by the mortgage lender refinancing my home. If I sell my home, the buyer or their mortgage lender may require me to pay off the balance of this obligation as a condition of sale.

_____[Borrower initials]

Monthly Mortgage Payments

Your payments will be added to your property tax bill. Whether you pay your property taxes through your mortgage payment, using an impound account, or if you pay them directly to the tax collector, you will

need to save an estimated \$_____ for your first tax installment. If you pay your taxes through an impound account you should notify your mortgage lender, so that your monthly mortgage payment can be adjusted by your mortgage lender to cover your increased property tax bill.

[Borrower initials]

Tax Benefits: Consult your tax adviser regarding tax credits, credits and deductions, tax deductibility, and other tax benefits available. Making an appropriate application for the benefit is your responsibility.

[Borrower initials]

Statutory Penalties: If your property tax payment is late, the amount due will be subject to a 10% penalty, late fees, and 1.5% per month interest penalty as established by state law, and your property may be subject to foreclosure.

[Borrower initials]

Three Day Right to Cancel

You, the property owner, may cancel the contract at any time on or before midnight on the third business day after the date of the transaction to enter into the agreement without any penalty or obligation. To cancel this transaction, you may mail or deliver a signed and dated copy of the contract with notice of cancellation to:

[name of business] at

[address]

You may also cancel the contract by sending notification of cancellation by email to the following email address: _____[email address of business].

[Borrower initials]

Confirmation of Receipt

This confirms the receipt of the information in this form. You do not have to accept this financing just because you acknowledge that you have received or signed this form, and it is NOT a contract.

[Property Owner Signature - Date]

[Property Owner Signature - Date]

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Transportation Uniform Mitigation Fee (TUMF) Program: Consideration of Recommendations from TUMF Ad Hoc Committee

Contact: Christopher Gray, Director of Transportation, cgray@wrcog.us, (951) 405-6710

Date: February 5, 2018

The purpose of this item is to request that the Executive Committee consider recommendations provided by the TUMF Program Ad Hoc Committee regarding the administration of the TUMF Program, fee calculations for service / retail uses, zone process, and project criteria / eligibility.

Requested Actions:

1. Approve the TUMF Program Ad Hoc Committee's recommendation to maintain the current administration and management structure of the TUMF Program.
2. Approve the TUMF Program Ad Hoc Committee's recommendation to maintain the current structure of the TUMF Zone process.
3. Approve the TUMF Program Ad Hoc Committee's recommendation to have the Public Works Committee review the TUMF Network criteria and project type for future Nexus Study updates to address the following areas:
 - a. Expanding the types of projects that can be funded by TUMF, including active transportation projects.
 - b. Formalizing a process for each TUMF Zone to prioritize projects within the Zone.
 - c. Updating the criteria that is used to determine how projects are added to the Program through the Nexus Study update.

WRCOG's TUMF Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County. Each of WRCOG's member jurisdictions and the March Joint Powers Authority participate in the Program through an adopted ordinance, collect fees from new development, and remit the fees to WRCOG. WRCOG, as administrator of the TUMF Program, allocates TUMF to the Riverside County Transportation Commission (RCTC), groupings of jurisdictions – referred to as TUMF Zones – based on the amount of fees collected in these groups, and the Riverside Transit Agency.

Background

In early 2017, the Executive Committee formed a TUMF Program Ad Hoc Committee to review a number of topics ranging from administration of the Program to fee calculations issues. Following are summaries of the Ad Hoc Committee meetings. Staff has presented the summary of the Ad Hoc Committee meetings and the recommendations, which have been approved by the Public Works, Administration & Finance, and Technical Advisory Committees.

April 7, 2017 – Administration of the TUMF Program

At a January 2017 Workshop, RCTC approved an item to evaluate the pros and cons of transferring the TUMF

Program from RCTC to WRCOG. After discussions with RCTC staff and legal counsel, it was determined that any transfer of the TUMF Program would require mutual agreement between RCTC and WRCOG.

WRCOG staff initiated an effort to evaluate whether it would be appropriate for WRCOG to transfer the TUMF Program to RCTC. As part of this evaluation, staff provided a presentation at the April 2017 Ad Hoc Committee meeting on the history of the TUMF Program. Staff discussed the initial decision-making processes that influenced the development of the TUMF Program, linkages to Measure A, the desire for local control over revenues, cost-efficiencies that were built into the Program as it relates to the distribution of administrative and programming responsibilities, and zone structures and funding allocations. Discussion occurred on whether it would be more efficient to have RCTC administer the TUMF Program. Several members noted that this transfer of the TUMF Program would only make sense if there were a substantial benefit to the local agencies.

The consensus of the group was that was that WRCOG was operating the Program in an efficient manner; Program administrative expenses (including staff, overhead, and legal) were less than 3% since the inception of the Program. Committee members stated that the current form of the TUMF Program administration provides the benefit of local control, as WRCOG conducts administrative duties of the Program, while the member agencies prioritize and Program funds for projects through the Zone process. Because of these conclusions, Committee members noted no immediate benefits to local agencies should administration of the TUMF Program move to RCTC.

Ad Hoc Committee members unanimously indicated that given the information reviewed and issues discussed, there is no compelling reason to continue considering the matter of moving the TUMF Program to RCTC.

May 18, 2017 – TUMF Zone Boundaries

Staff provided a presentation to the Ad Hoc Committee on the development of the TUMF Zones as they currently function. Staff believed it was prudent to provide the genesis of the zone process as part of the top down review of the TUMF Program. Some current challenges include zones that were created before the incorporation of several jurisdictions, and there are two smaller zones that did not generate significant TUMF revenue in the last several years.

Staff presented a number of options regarding the TUMF Zone structure including a potential consolidation of TUMF Zones from five to three. Several members expressed a desire to maintain the current structure of the TUMF Zones as it provides a greater benefit of local control because a portion of the TUMF collected stays within the Zone that it was collected in.

The consensus of the group was to leave the current TUMF Zone process as it functions today.

July 25, 2017 – Exemption Options for Local Serving Retail and Service Uses

Based on analysis of available data, staff developed potential options for the Ad Hoc Committee and Executive Committee to review and consider regarding a potential exemption. Staff conducted an analysis of shopping centers and determined that most shopping centers in the subregion are composed of large anchor tenants with a mix of smaller retail and service uses. In most instances, these smaller uses are ancillary and considered local serving since the anchor tenants are the main trip generator. WRCOG also determined that there have been a large number of TUMF collections for uses that are less than 3,000 square feet.

The preferred option of the Ad Hoc Committee was to exclude the first 3,000 square feet of retail and service uses. This option would provide a 3,000 square feet reduction for all retail and service uses, not only to those uses that are 3,000 square feet and below. As the retail and service sectors go through cycles, the need to expand an existing use is often necessary. This option would provide benefit to those uses that are taking a risk to provide more economic development and are proposing to expand their use.

This option is not necessarily an exemption, as member jurisdictions would reduce retail square footage by 3,000 square feet for all retail and service projects. This approach would exempt the first 3,000 square feet of

retail and service space. Therefore, if a project is less than 3,000 square feet, no TUMF is paid. If a project is more than 3,000 square feet, the fee is reduced.

The Ad Hoc Committee also discussed the need to monitor this approach and provide a report within one year on its implementation and any recommended changes. Staff will be tracking the revenue loss from the square footage reduction and reporting to the WRCOG Committee structure in mid-2018. Staff will also provide findings on the impact the reduction in square footage has on the local economy.

On August 7, 2017, the Executive Committee approved the Ad Hoc Committee recommendation to reduce the first 3,000 square feet from retail and service land uses, thereby implementing this recommendation.

November 15, 2017 – Nexus Study Project Criteria and Type

Staff provided a presentation on the criteria and types of projects eligible for TUMF Program funding. While WRCOG does not anticipate starting an update to the TUMF Nexus Study for at least two years, this discussion would lay the framework for the next update.

Staff presented a series of questions to the Ad Hoc Committee, for which below are key responses to each:

- Should the TUMF Program fund other types of projects besides roadways, interchanges, grade separations? In recent years, staff has received a number of questions regarding TUMF funding for active transportation projects. Under the current 2016 Nexus Study, TUMF funds can be used for Class II bike lanes and transit projects. The Ad Hoc Committee suggested additional active transportation projects be reviewed for potential inclusion in future TUMF Nexus Study updates, but raised questions on how additional costs to the TUMF Network could be offset, and what criteria would be developed to screen regional active transportation projects.
- Should TUMF Zones engage in regular discussion of Zone priorities? Members of the Ad Hoc Committee stated this exercise should be a priority as the purpose of the TUMF Program is to provide supplemental funding for projects that are shovel ready and provide a regional benefit.
- Should WRCOG update the criteria for projects to be included in the Program, including some type of feasibility? Currently, the TUMF Program does not review feasibility to determine whether a project can be included in the Nexus Study. Members of the Ad Hoc Committee suggested that if a feasibility criteria is developed, that the member agency be included in the discussions of removing a facility from the TUMF Network for concurrence.
- Should WRCOG require some type of formal review but not approval of the TUMF Network by the Riverside County Transportation Commission (RCTC)? During Nexus Study updates, staff provides regular updates to the WRCOG Committee structure, for which RCTC is a member of the Public Works Committee. Members of the Ad Hoc Committee questioned whether this potential requirement would provide efficiencies and determined that it not be option that WRCOG explore.

The Ad Hoc Committee recommended that WRCOG utilize the Public Works Committee as the body to develop specific language and direction related to three major items:

- Expanding the Program to include additional project types and describing the process on how these projects would be added during a Nexus Study update.
- Developing a process to prioritize projects within each Zone for use during Transportation Improvement Plan updates.
- Developing criteria for projects to be included in the Nexus Study.

Prior Actions:

January 18, 2018: The Technical Advisory Committee 1) recommended that the Executive Committee

approve the TUMF Program Ad Hoc Committee's recommendation to maintain the current administration and management structure of the TUMF Program; 2) recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to maintain the current structure of the TUMF Zone process; and 3) recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to have the Public Works Committee review the TUMF Network criteria and project type for future Nexus Study updates to address the following areas: a) expanding the types of projects that can be funded by TUMF, including active transportation projects; b) formalizing a process for each TUMF Zone to prioritize projects within the Zone; and c) updating the criteria that is used to determine how projects are added to the Program through the Nexus Study update.

January 10, 2018:

The Administration & Finance Committee 1) recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to maintain the current administration and management structure of the TUMF Program; 2) recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to maintain the current structure of the TUMF Zone process; 3) recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to have the Public Works Committee review the TUMF Network criteria and project type for future Nexus Study updates to address the following areas: a) expanding the types of projects that can be funded by TUMF, including active transportation projects; b) formalizing a process for each TUMF Zone to prioritize projects within the Zone; and c) updating the criteria that is used to determine how projects are added to the Program through the Nexus Study update.

December 14, 2017:

The Public Works Committee 1) recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to maintain the current administration and management structure of the TUMF Program; 2) recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to maintain the current structure of the TUMF Zone process; and 3) recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to have the Public Works Committee review the TUMF Network criteria and project type for future Nexus Study updates to address the following areas: a) expanding the types of projects that can be funded by TUMF, including active transportation projects; b) formalizing a process for each TUMF Zone to prioritize projects within the Zone; and c) updating the criteria that is used to determine how projects are added to the Program through the Nexus Study update.

Fiscal Impact:

This item is informational only; therefore, there is no fiscal impact.

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Report from the League of California Cities

Contact: Erin Sasse, Regional Public Affairs Manager, League of California Cities, esasse@cacities.org, (951) 321-0771

Date: February 5, 2018

The purpose of this item is to inform the Executive Committee of activities undertaken by the League of California Cities.

Requested Action:

1. Receive and file.

This item is reserved for a presentation from the League of California Cities Regional Public Affairs Manager for Riverside County.

Prior Action:

December 4, 2017: The Executive Committee received and filed.

Fiscal Impact:

This item is informational only; therefore, there is no fiscal impact.

Attachment:

None.

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