



Better Buildings Neighborhood Program
Sustainability Peer Exchange Call: *Regional
Networks for Energy Efficiency*

Call Slides and Discussion Summary

December 6, 2012

- Welcome and Polls
- Examples of Regional Networks
 - Jacob Corvidae, Southeast Michigan Regional Energy Office
 - Cal Broomhead, Department of Environment, City and County of San Francisco
- Discussion
 - What other networks are being created (or contemplated) around the country?
 - What are the advantages of regional networks?
 - What are lessons about effective creation and management of networks? What are the challenges?
 - If there was something that you could go back and do differently, what would it be?

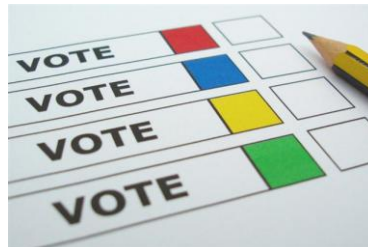
Participating Programs

- Austin, TX
- Chapel Hill, NC
- Charlottesville, VA
- Cincinnati, OH
- Concord, NH
- Connecticut
- Eagle County, CO
- Kansas City, MO
- Maine
- Michigan
- Nashville, TN
- Portland, OR
- San Francisco, CA
- Seattle, WA
- University Park, MD

Poll #1:

Is your program participating in a regional network or thinking about participating?

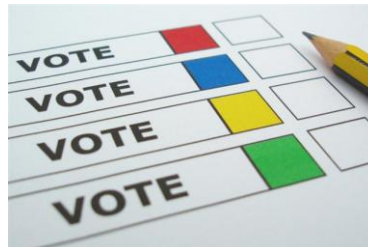
- Currently participating: 57%
- Actively planning to create: 21%
- Unsure what would be involved: 21%
- Actively planning to join: 0%
- Not interested: 0%



Poll #2:

What do you see as the biggest single benefit of participating in a regional network?

- Strengthening or creating opportunities for program funding: 33%
- Increasing efficiency and cost-effectiveness: 27%
- Building local program capacity: 20%
- Other: 13%
 - Increasing political clout
- Reaching a broader audience: 7%





Examples of Regional Networks:

Jacob Corvidae, Southeast Michigan Regional Energy Office

Highlights: SE Michigan Regional Energy Office

- The SE Michigan Regional Energy Office was formed four years ago to promote regional collaboration on local government energy issues and share resources.
- It was founded through existing non-profits (WARM Training Center and MI Suburbs Alliance)
 - One advantage of being created within a non-profit that already existed was that there were funding streams to cover staffing while work ramped up.
- The office is a 501(c)3 non-profit that has agreements with local governments to help fund and govern the organization.
- The office has 23 local government members (cities and counties).
- Advantages of the regional approach include:
 - Collaboration and skill sharing between entities;
 - Pooled fundraising; and
 - Cooperation rather than competition for available resources.

Highlights: SE Michigan Regional Energy Office (continued)

- Initial funding came from state and EECBG program funds. It is not clear where funds will come from in the future, but the office is investigating other grant sources now.
- Among other things, the office helps municipalities with energy efficiency upgrades for municipal infrastructure and operations. For this work, municipalities repay funds provided through the office via an agreement that is similar to a performance contracting model.
- The coalition is working on how to get utilities to participate more fully. There was legislation passed a few years ago that required Michigan utilities to pay into an energy efficiency fund. The state is still determining how those funds will be distributed.



Examples of Regional Networks:

Cal Broomhead, Department of Environment, City and County of San Francisco

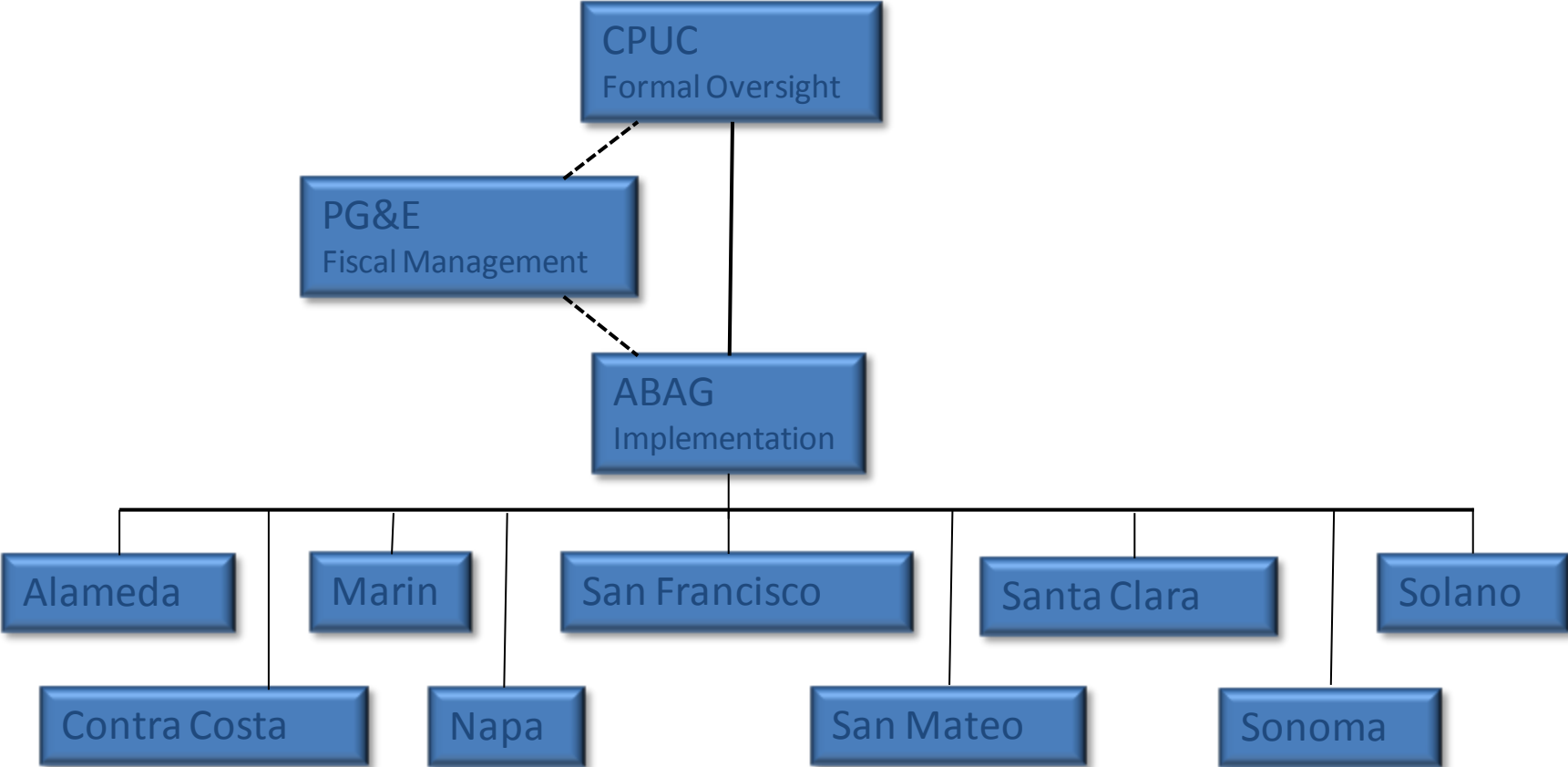


Association of Bay Area Governments



Bay Area Regional Energy Network - BayREN

BayREN Organization





Previous Multi-County Programs

- **Energy Aggregation (Direct Access)**
 - **Natural Gas (1996 – present)**
 - **Electricity (1998 – 2001)**
- **2001 Small Business program- SF and 3 cities in Alameda**
- **Local Government Energy Partnership (2004 – 2006)**
- **ABAG Energy Watch (2006 – 2009)**
- **ABAG Green Communities (2010 – 2012)**
- **Better Buildings Program (2010 – present)**
- **Electric Vehicle Planning (2010 – present)**
- **Retrofit Bay Area/EUC (2010 – 2012)**

Highlights: San Francisco/BayREN

- The California Public Utilities Commission recently decided to provide rate payer energy efficiency funds directly to regional energy efficiency networks rather than providing funds through utilities.
- The Bay Area Regional Energy Network (BayREN) was created to coordinate local energy efficiency upgrade service delivery from participating municipalities in the Bay Area.
- The creation of BayREN allows local programs to operate independently of utilities; services are typically more comprehensive than utility program services.
- Key advantages of the regional approach include:
 - Helping build local capacity;
 - Providing a stronger base for fundraising and policy leadership; and
 - Leveraging economies of scale (e.g., for shared information technology services and coordination with contractors).

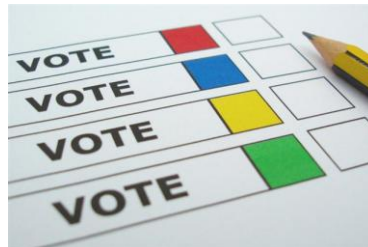
Highlights: San Francisco/BayREN (continued)

- Marketing and outreach activities have been done by the CA Center for Sustainable Energy.
- The intent is that the bulk of the work will be undertaken by the local partners, with some coordination and administration at the regional level.
- PG&E collects rate payer funds via regular utility bills and puts the money into a special account. The state then conducts proceedings that decide how that money will be spent.

Poll #3:

How long do you think it would take to build and realize the value of a Regional Network for EE for your program?

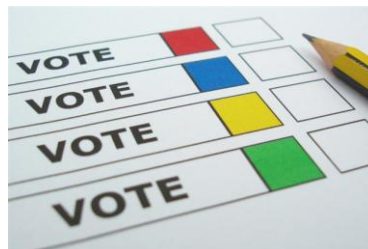
- 2 years: 55%
- More than 2 years: 18%
- Less than 1 year: 18%
- 1 year: 9%



Poll #4:

How can DOE and the national network of BB neighborhood programs and partners best contribute to development of regional networks?

- Convening potential participants and partners: 27%
- Sharing regional network lessons learned among programs: 27%
- Providing policy leadership to support regional networks: 27%
- Providing a guide or toolbox for creating a regional network: 18%
- Other: 0%



- What other networks are being created (or contemplated) around the country?
- What are the advantages of regional networks?
- What are lessons about effective creation and management of networks? What are the challenges?
- If there was something that you could go back and do differently, what would it be?

What other networks are being created (or contemplated) around the country?

- The Greater Cincinnati Energy Alliance brought together seven local governments (3 cities and 4 counties). It provided around \$1.5M in funding to get the Better Buildings model off the ground.
- Programs in Colorado are seeking to coordinate services of utilities that work in multiple jurisdictions.
- Other regional networks include the Local Energy Alliance Program (LEAP) in Virginia, the Southeast Energy Efficiency Alliance (SEEA), and a recent collaboration between programs in Chapel Hill and Carrboro, NC.

What are the advantages of regional networks?

- Developing a collaborative program can make good business sense when there is a modest amount of initial funding; it can help communities make the decision to get involved when they may not have their own funds.
 - It is common for smaller governments to “follow the lead” of nearby communities.
- In CA, programs found that local governments had the ability to innovate, which can be hard on a state-wide level. Successful local programs could then become models for regional deployment.
- Coordination reduces burden on contractors and makes the market bigger for them (so there is more incentive for contractors to participate).

What are lessons about effective creation and management of networks? What are the challenges?

- In Michigan, a step-by-step model has been the best way to expand the program. When participating municipalities demonstrated cost-savings, other cities became interested in participating.
- Creating a regional network can generate some benefits right away; for example, it gives governments more “clout” for fundraising and policy promotion.
- Collaboration can be challenging (especially initially) when there are many government agencies and non-governmental entities involved.

If there was something that you could go back and do differently, what would it be?

- Work out some of the issues with utilities early on and bring the Public Utilities Commission into the contract negotiation process with utilities.
- Clearly define how the regional program is distinct from programs offered by utilities or other entities.
- Work harder to identify alternative and sustainable funding sources.
- Communicate with city councils and other local elected officials early in the network building process to help them understand the benefits of the program.
 - Also, work with state legislatures to let them know what the local governments are doing together and what kinds of benefits the program can provide.

Program Sustainability calls will be the second Thursday of each month from 12:30-2:00 PM

- Assessing Revenue Streams: What is Right for Your Program? (January 10)
- Working Effectively with Utilities—from a Utility Perspective (January 17)
- Program Sustainability Mastermind Session (February 14)
- Administering Non-profit Energy Efficiency Programs (March 14)
- Unique fee-for-service revenues (April 11)

Thank you for participating!