



Western Riverside Council of Governments Administration & Finance Committee

AGENDA

**Wednesday, April 14, 2021
12:00 p.m.**

**Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501**

**WRCOG's OFFICE IS CURRENTLY CLOSED TO THE PUBLIC DUE TO COVID-19
AND STAFF ARE WORKING REMOTELY**

**Members of the public are encouraged to participate in this meeting via Zoom
(see meeting information below)**

**Join Zoom Meeting
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SPECIAL NOTICE – COVID-19 RELATED PROCEDURES IN EFFECT

Due to the state and local State of Emergency resulting from the threat of Novel Coronavirus (COVID-19), Governor Newsom has issued Executive Order N-29-20 (issued March 17, 2020) in which Section 3 supersedes Paragraph 11 of Executive Order N-25-20 (issued on March 12, 2020). This new order states that WRCOG does not need to make a physical location available for members of the public to observe a public meeting and offer public comment. The Order allows WRCOG to hold Committee meetings via teleconferencing and allows for members of the public to observe and address the meeting telephonically or electronically.

To follow the Order issued by the Governor, the Administration & Finance Committee meeting scheduled for Thursday, April 14, 2021, at 12:00 p.m. will be held via video and teleconference and any members of the public can attend electronically. Members of the public may send public comments by emailing snelson@wrcog.us, or calling (951) 405-6703 before or during the meeting, prior to the close of public comment.

Any member of the public requiring a reasonable accommodation to participate in this meeting in light of this announcement shall contact Suzy Nelson prior to 12:00 p.m. on April 12, 2021, at (951) 405-6703 or at snelson@wrcog.us.

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

1. CALL TO ORDER (Kevin Bash, Chair)

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. PUBLIC COMMENTS

At this time members of the public can address the Administration & Finance Committee regarding any items 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 Committee in writing and only pertinent points presented orally.

5. 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 Committee, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Committee request specific items be removed from the Consent Calendar.

A. Summary Minutes from the March 10, 2021, Administration & Finance Committee Meeting P. 1

Requested Action: 1. *Approve the Summary Minutes from the March 10, 2021, Administration & Finance Committee meeting.*

B. Finance Department Activities Update P. 5

Requested Action: 1. *Receive and file.*

C. Single Signature Authority Report P. 11

Requested Action: 1. *Receive and file.*

D. Amendment to the WRCOG / WCE Management Services Agreement P. 13

Requested Action: 1. *Recommend that the Executive Committee approve a First Amendment to the Management Services Agreement between WRCOG and WCE.*

E. Approval of a PSA with David Wright Consultant, LLC for General Management Services P. 19

Requested Action: 1. *Authorize the Executive Director to enter into a Professional Services Agreement between Western Riverside Council of Governments and David H. Wright Consultant, LLC, for General Management Services, not to exceed \$200,000, through December 31, 2021.*

- F. **Approval of a PSA with HBT Energy Management, LLC for Electrical Power Resource Management Services** **P. 41**

Requested Action: 1. *Authorize the Executive Director to enter into a Professional Services Agreement between Western Riverside Council of Governments and HBT Energy Management, LLC, for Electrical Power Resources Management Services, not to exceed \$200,000, through December 31, 2021.*

6. **REPORTS / DISCUSSION**

- A. **I-REN Activities Update** **P. 63**

Requested Action: 1. *Receive and file.*

- B. **A Look Forward for Fiscal Year 2021/2022** **P. 299**

Requested Action: 1. *Receive and file.*

- C. **WRCOG's Fiscal Year 2019/2020 Financial Audit** **P. 303**

Requested Action: 1. *Receive and file.*

- D. **2021 General Assembly & Leadership Address Activities Update** **P. 413**

Requested Action: 1. *Discuss nominations for the 2021 WRCOG Award for Outstanding Community Service and recommend a candidate(s) to the Executive Committee for final approval.*

- E. **WRCOG Investment Policy update** **P. 415**

Requested Action: 1. *Direct the Executive Committee to authorize the Executive Director to develop a waiver of rating requirement in WRCOG's Investment Policy for potential investment in local agency debt.*

7. **REPORT FROM THE DEPUTY EXECUTIVE DIRECTOR** **Chris Gray**

8. **ITEMS FOR FUTURE AGENDAS** **Members**

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

9. **GENERAL ANNOUNCEMENTS** **Members**

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

10. **CLOSED SESSION**

PUBLIC EMPLOYEE APPOINTMENT pursuant to Section 54957
Title: Executive Director.

11. **NEXT MEETING:** The next Administration & Finance Committee meeting is scheduled for Wednesday, May 12, 2021, at 12:00 p.m., on the Zoom platform. Committee members will have the option of attending this meeting in-person.
12. **ADJOURNMENT**

1. CALL TO ORDER

The meeting of the Administration & Finance Committee was called to order at 12:03 p.m. by Chair Kevin Bash on the Zoom virtual platform.

2. PLEDGE OF ALLEGIANCE

Committee member Brenda Dennstedt led members and guests in the Pledge of Allegiance.

3. ROLL CALL

Members present:

Chris Barajas, City of Jurupa Valley
Brian Tisdale, City of Lake Elsinore
Victoria Baca, City of Moreno Valley (12:50 p.m. departure)
Kevin Bash, City of Norco (Chair)
Rita Rogers, City of Perris
Crystal Ruiz, City of San Jacinto
Ben Benoit, City of Wildomar
Karen Spiegel, County of Riverside, District 2
Chuck Washington, County of Riverside, District 3 (12:40 p.m. departure)
Brenda Dennstedt, Western Municipal Water District (WMWD)

Chair Bash welcomed new Committee member Victoria Baca.

4. PUBLIC COMMENTS

There were no public comments.

5. CONSENT CALENDAR – *(San Jacinto / Lake Elsinore) 10 yes; 0 no; 0 abstention. Items 5.A and 5.B were approved. A representative from the City of Beaumont was not present.*

A. Summary Minutes from the February 10, 2021, Administration & Finance Committee Meeting are Available for Consideration.

Action: 1. *Approved the Summary Minutes from the February 10, 2021, Administration & Finance Committee meeting.*

B. Finance Department Activities Update

Action: 1. *Received and filed.*

6. REPORTS / DISCUSSION

A. Update of the WRCOG Economic Development and Sustainability Framework

Chris Gray, WRCOG Deputy Executive Director, reported that the WRCOG Economic Development and Sustainability Framework has served as a guiding document for WRCOG since 2012. Staff would like to initiate an extensive update based upon input of Executive Committee members and member agency staff. Staff anticipates one-on-one meetings to allow for more candid conversations. The

updated Framework will serve as the strategic plan for WRCOG for the next three to five years. Staff will be implementing a Risk Assessment section into the Framework.

Action: 1. *Received and filed.*

B. Regional Housing Trust Initiative Update

Ivana Medina, WRCOG Senior Analyst, reported that a housing trust is one of three initiatives WRCOG has been exploring throughout this fiscal year. Housing trusts raise funds which are dedicated to housing production, preservation, homeless housing services and other housing-related activities. Housing trusts are funded by state and federal grants, bonds, private donations, and local jurisdictions.

One of the main funding streams for affordable housing was redevelopment funds. The loss of these funds has created a funding void that has not been filled. There are 17 housing trusts located throughout Southern California but none in the inland region. Staff has been conducting outreach with outside stakeholders who have all indicated their support of a housing trust. Next steps include the formation of a Steering Committee to facilitate discussions on if a housing trust should be formed, and what the goals and key functions should be.

Assembly member Kelly Seyarto has authored Assembly Bill 687 which would authorize, not require, the creation of a housing trust under a joint powers authority. Assembly member Seyarto's office is seeking letters of support and is offering the opportunity for public testimony supporting the Bill should it have a hearing.

Action: 1. *Directed staff to submit a letter of support for AB 687.*

(WMWD / Jurupa Valley) 10 yes; 0 no; 0 abstention. Item 6.B was approved. A representative from the City of Beaumont was not present.

C. PACE Programs Activities Update: Addition of Direct Capital Provider

Casey Dailey, WRCOG Director of Energy & Environmental Programs, reported that Commercial PACE (C-PACE) is active in over 24 states. The month of December 2020 was the most active month for WRCOG's C-PACE Program; five projects have been completed totaling nearly \$20M.

Over the last several months several banks have inquired about working with WRCOG. The current construct of the Program does not allow for WRCOG to work directly with capital providers. Staff is requesting the consideration of adding a chapter to the Program Report to allow for WRCOG to partner directly with banks.

Working directly with capital providers allows for built-in lender consent and the capital provider serves as both the trustee and bond purchaser. These are federally regulated, nation-wide institutions. Interest rates and fees would be lower because the property owner would be working directly with the capital provider. Staff will analyze any potential risk and mitigate risk through the program design, actively manage the effort, and reassess in one year.

The PACE Ad Hoc Committee discussed this matter in February 2021 and recommended this item move forward for approval.

Action: 1. *Recommended that the Executive Committee adopt Resolution Number 02-21; A Resolution of the Executive Committee of the Western Riverside Council of Governments authorizing WRCOG to issue and directly place bonds to 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 with certain capital providers, and in connection with such authorization, approving amendments to the Program Report for such programs, Assessment Contract, Master Indenture, Master Fiscal Agent Agreement and Master Bond Purchase*

Agreement, and authorizing the issuance of bonds pursuant to such Master Indenture or Master Fiscal Agent Agreement secured by assessments levied on commercial properties to finance the installation of eligible improvements on such commercial properties and approving other actions in connection thereto and approve amendments to the Program Reports to include Direct Capital Provider.

(Lake Elsinore / Moreno Valley) 10 yes; 0 no; 0 abstention. Item 6.C was approved. A representative from the City of Beaumont was not present.

D. Energy Department Programs Activities Update

Daniel Soltero, WRCOG Senior Analyst reported that staff are conducting outreach to remit rebate funds for the Streetlight Program to member agencies and to schedule rebate presentations to City Council / Board meetings. In total, WRCOG will be disbursing approximately \$3.6M.

Staff are working to analyze and implement the Smart Streetlights Plan to determine how streetlights can be utilized as smart city assets. Staff will coordinate with each member agency to complete the community assessment via a survey to determine “preparedness” for smart city initiatives.

At the request of a member agency, WRCOG will be evaluating existing broadband initiatives in Riverside County and the determine the need to coordinate with the IE Broadband Consortium to identify other public or private broadband initiatives in the region.

WRCOG’s Western Riverside County Energy Resiliency Plan will address power outages or issues at critical facilities throughout the subregion and identify microgrid and energy resiliency options. Staff are welcoming representatives from each member agency to participate in an Advisory Group to provide input and help guide development of the Plan.

Action: 1. Received and filed.

7. REPORT FROM THE DEPUTY EXECUTIVE DIRECTOR

Chris Gray reported that this year’s General Assembly will be a virtual event. The March Future Forward webinar will be on the Future of Transportation. WRCOG will be live streaming a virtual webinar in honor of Women’s History Month and will be celebrating local female elected leaders.

8. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

9. GENERAL ANNOUNCEMENTS

Chair Bash announced that for WRCOG’s General Assembly, each member agency will be highlighted. The City of Norco is working on a virtual small business forum to find solutions to assist these groups which were affected by the COVID-19 pandemic. Lastly, the City of Norco is adding a Gold Star / Blue Star to its Veteran’s Memorial which will be unveiled on September 26, 2021.

10. NEXT MEETING: The next Administration & Finance Committee meeting is scheduled for Wednesday, May 12, 2021, at 12:00 p.m., on the Zoom platform.

11. ADJOURNMENT: The meeting of the Administration & Finance Committee adjourned from Closed Session at 1:07 p.m.

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Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: Finance Department Activities Update

Contact: Andrew Ruiz, Chief Financial Officer, aruiz@wrcog.us, (951) 405-6740

Date: April 14, 2021

The purpose of this item is to provide an update on the Agency Budget for Fiscal Year 2021/2022 and financials through February 2021.

Requested Action:

1. Receive and file.

Fiscal Year 2021/2022 Agency Budget Development Process

Staff is nearly finished the development of the Fiscal Year 2021/2022 Agency Budget and presentations to the various WRCOG committees will begin in April with the Finance Directors Committee. The Executive Committee will review and consider approving the final draft Budget during its June 2020 meeting.

Financial Report Summary Through February 2021

The Agency Financial Report summary through February 2021, a monthly overview of WRCOG's financial statements in the form of combined Agency revenues and costs, is provided as Attachment 1.

Prior Action:

April 5, 2021: The Executive Committee received and filed.

Fiscal Impact:

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

Attachment:

1. Financial Report summary through February 2021.

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Item 5.B

Finance Department Activities Update

Attachment 1

Financial Report summary through February 2021

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Western Riverside Council of Governments
Annual Budget
For the Month Ending February 28, 2021

Total Agency Budget

	Approved Budget 6/30/2021	Thru Actual 2/28/2021	Remaining Budget 6/30/2021
Revenues and Transfers in			
Member Dues	311,410	286,640	24,770
Interest Revenue - Other	25,000	8,975	16,025
Operating Transfer In	2,208,432	1,288,252	920,180
Clean Cities	175,000	151,000	24,000
Solid Waste	112,970	112,970	-
Used Oil	376,396	376,396	-
Gas Company Revenue	108,400	83,667	24,733
Regional Streetlights Revenue	201,915	201,915	-
WRCOG HERO	136,290	58,530	77,760
PACE Residential	78,000	41,348	36,652
PACE Commercial	200,000	180,904	19,096
CA HERO	1,464,730	1,122,288	342,442
Commercial/Svcs - Admin Portion	41,137	45,385	(4,249)
Retail - Admin Portion	89,632	47,536	42,096
Industrial - Admin Portion	236,729	59,353	177,377
Single Family Residential - Admin Portion	652,270	907,875	(255,605)
Multi Family - Admin Portion	267,415	196,277	71,138
Commerical/Service	987,281	1,089,249	(101,969)
Retail	2,151,178	1,140,863	1,010,315
Industrial	5,681,507	1,424,466	4,257,041
Single Family Residential	15,654,486	21,788,998	(6,134,512)
Multi-Family	6,417,964	4,710,643	1,707,321
LTF Revenue	676,500	676,500	-
Grant Revenue	125,000	100,000	25,000
Adaptation Grant Revenue	409,894	101,277	308,617
Local Jurisdiction Match	100,000	100,000	-
Total Revenues and Transfers in	\$ 40,539,536	\$ 36,301,307	\$ 4,238,229
Expenses			
Salaries	2,053,769	1,313,795	739,974
Benefits	1,027,040	698,373	328,667
Overhead	1,443,294	962,196	481,098
Legal	285,600	275,910	9,690
Advertising Media	65,667	57,600	8,067
Audit Svcs - Professional Fees	35,000	22,700	12,300
Auto Fuels Expense	1,500	247	1,253
Auto Maintenance Expense	500	516	(16)
Bank Fees	33,885	1,880	32,005
Coffee and Supplies	3,000	2,263	738
Commissioner Per Diem	62,500	29,800	32,700
Communications - Web Site	8,000	12,144	(4,144)
Communications - Cellular Phones	13,500	7,032	6,468
Communications - Computer Services	53,000	27,601	25,399

Communications - Regular Phone	16,000	18,194	(2,194)
Computer Equipment/Supplies	13,000	15,845	(2,845)
Computer Hardware	10,000	2,952	7,048
Computer Software	80,500	24,304	56,196
Consulting Labor	2,268,780	1,104,480	1,164,300
Equipment Maintenance - General	8,000	1,250	6,750
Event Support	165,736	26,094	139,642
General Assembly Expenses	300,000	5,373	294,627
Insurance - Gen/Busi Liab/Auto	115,500	36,606	78,894
Meals	7,900	392	7,508
Meeting Support Services	9,250	123	9,127
Membership Dues	32,750	9,366	23,384
Office Lease	390,000	249,443	140,557
OPEB Repayment	110,526	110,526	-
Other Expenses	9,750	551	9,199
Parking Cost	20,000	14,997	5,003
Parking Validations	15,827	2,520	13,308
Postage	5,350	1,116	4,234
Printing Services	5,000	1,830	3,170
Program/Office Supplies	14,700	11,155	3,545
Recording Fee	173,525	66,964	106,561
Rent/Lease Equipment	20,000	5,163	14,837
Seminar/Conferences	10,650	457	10,193
Staff Recognition	1,000	294	706
Storage	9,500	4,641	4,859
Subscriptions/Publications	4,250	438	3,812
Supplies/Materials	75,478	9,223	66,255
Training	10,000	1,075	8,925
Travel - Mileage Reimbursement	11,250	310	10,940
TUMF Project Reimbursement	30,892,416	12,407,593	18,484,823
Total Expenses	\$ 40,468,538	\$ 17,545,330	\$ 22,923,208



Western Riverside Council of Governments

Administration & Finance Committee

Staff Report

Subject: Single Signature Authority Report

Contact: Andrew Ruiz, Chief Financial Officer, aruiz@wrcog.us, (951) 405-6741

Date: April 14, 2021

The purpose of this item is to notify the Committee of contracts recently signed under the Single Signature Authority of the Executive Director.

Requested Action:

1. Receive and file.

The Executive Director has Single Signature Authority for contracts up to \$100,000. For the months of January through March 2021 two contracts were signed by the Executive Director as summarized below:

1. In February 2021, an Agreement was executed with Michael Baker International for Smart Streetlights Implementation Plan & Broadband Assessment for \$60,050.
2. In February 2021, a Professional Services Agreement was executed with W.B. Consulting for \$100,000. W.B. Consulting will provide Housing Trust legislation support, housing legislation and development impact fee analysis to support WRCOG and its member agencies.
3. In December 2020, a Professional Services Agreement was executed with Allison Brown ArtDesign for \$900 for a Word Wall artwork creation and installation in WRCOG's office.

Prior Action:

None.

Fiscal Impact:

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

Attachment:

None.

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Western Riverside Council of Governments

Administration & Finance Committee

Staff Report

Subject: Amendment to the WRCOG / WCE Management Services Agreement

Contact: Chris Gray, Deputy Executive Director, cgray@wrcog.us, (951) 405-6710

Date: April 14, 2021

The purpose of this item is to establish a policy to govern financial transfers between WRCOG and Western Community Energy (WCE). WRCOG operates WCE under a Management Services Agreement.

Requested Action:

1. Recommend that the Executive Committee approve the First Amendment to the Management Services Agreement between WRCOG and WCE.

WRCOG supports WCE through a Management Services Agreement. As part of this Agreement, WRCOG provides staffing for WCE and other support services such as accounting, agenda preparation, office space, website support, and other ancillary functions. For example, all WCE staff are WRCOG employees and receive salary and benefits directly from WRCOG.

During the regular course of business, WRCOG incurs expenses on behalf of WCE and is then reimbursed for those costs. These reimbursements first occurred in July 2020 as WCE began receiving revenue from its customers. Recently, two matters have arisen that require modification of the Management Services Agreement.

A matter came about during recent meetings with WCE's lender, Barclays, whereby WCE staff was informed by Barclays that it believes these types of transfers should technically be a debt associated with WCE. The Revolving Credit Agreement between Barclays and WCE expressly prohibits WCE from taking on additional debt without prior permission from Barclays. Therefore, it is necessary to update the Agreement between Barclays and WCE to reflect that these reimbursements are not a debt and therefore not subject to this limitation. During discussions with Barclays' representatives and its legal counsel, and WRCOG staff and its legal counsel, it was determined that the WRCOG / WCE Management Services Agreement be updated as well since that Agreement governs the daily operations of WCE by WRCOG.

The second matter is related to the issue of overall financial transparency. Even though these reimbursements have been occurring since July 2020, WRCOG's legal counsel has advised staff that it would be beneficial to include language in the Management Services Agreement which documents the process through which these payments occur, as well as note that all payments must be repaid within a period, not to exceed 180-days. As WRCOG has regularly received repayment from WCE within the same quarter, we do not expect any issue with repayment.

Prior Action:

None.

Fiscal Impact:

Funding for WCE employees and WCE expenses are already included in WCE's Budget for Fiscal Year 2020/2021.

Attachment:

1. First Amendment to Management Service Agreement between WRCOG and WCE.

Item 5.D

Amendment to the WRCOG / WCE
Management Services Agreement

Attachment 1

First Amendment to Management Service
Agreement between WRCOG and WCE

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FIRST AMENDMENT
TO
MANAGEMENT SERVICES AGREEMENT
BETWEEN
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AND
WESTERN COMMUNITY ENERGY

This First Amendment to Implementation and Management Services Agreement (“**Amendment**”) is made and entered into as of the ____ day of ____, 2021 (“**Effective Date**”), by and between the Western Riverside Council of Governments (“**WRCOG**”) and the Western Community Energy (“**WCE**”) and shall become effective upon the terms set forth herein.

RECITALS

- A. WHEREAS, WRCOG provides certain management and administrative services on behalf of WCE pursuant to that certain Implementation and Management Services Agreement dated August 23, 2018; and
- B. WHEREAS, such services include financial, accounting and cash management services performed by WRCOG personnel, which include the maintenance of accounting books and records, the preparation of financial statements, management of bank accounts and administration of accounts payable and accounts receivable of WCE (“**Accounting Services**”); and
- C. WHEREAS, WCE receives its operating income from a lockbox account on a monthly basis from receipts which are collected by Southern California Edison; and
- D. WHEREAS, the timing of the distributions from the lockbox account, seasonal variations in collections from customer invoices and a high deficiency rates from customers due to the Covid-19 pandemic, have created fluctuations in cash flow that impact the timing of payments by WCE; and
- E. WHEREAS, WRCOG has determined that it would increase the efficiency of the Accounting Services if WRCOG were able to utilize a portion of its cash reserves to smooth out fluctuations in cash flow by making short term advances to the WCE operating account; and
- F. WHEREAS, WRCOG and WCE desire to set forth the terms and conditions applicable to such advances.

NOW, THEREFORE, WRCOG and WCE agree as follows:

- 1. Advances. WRCOG, in connection with carrying out the Accounting Services, may transfer cash to the WCE operating account from time to time as necessary to allow WCE to make payments due to vendors, power providers and other lawful payees in the ordinary course of operations for WCE’s Community Choice Aggregation Program. Each such transfer shall be referred to herein as an “**Advance**” and collectively as the “**Advances**”. All Advances will be in the sole discretion of WRCOG and in no event shall the aggregate amount of all outstanding Advances exceed One Million Dollars (\$1,000,000).
- 2. Procedure. Each request for Advance shall be made in writing and will state the purpose and amount of the advance, as well as the anticipated repayment period. Each Advance will be subject to approval prior to transfer by the Executive Director of WRCOG or by the Deputy Executive Director when the Executive Director is unavailable.

3. Interest. Advances will accrue interest at the then current quarterly local agency investment fund rate plus one percent (1%) until paid by WCE.
4. Repayment. Advances will be repaid as cash receipts reasonably become available in the WCE operating account as determined by WRCOG in carrying out the Accounting Services, provided, however, that WRCOG may agree to defer repayment for a period that is not in excess of one hundred eighty (180) days from the date of each Advance. In making such determination, WRCOG may schedule repayment even if there are past due or outstanding amounts due to other payees of WCE.
5. Security. The Advances will be unsecured and junior in priority of payment to any obligation which is due and payable to Barclays Bank PLC, which has a first priority security interest in Pledged Revenues and the Operating Fund Account (as defined in the Revolving Credit Agreement between Barclays Bank PLC and WCE). WRCOG will have the right to repay Advances in accordance with the terms of that certain Amendment Agreement between Barclays Bank PLC and WCE dated as of May 1, 2021.
6. Nature of Amendment. Except as modified herein, the Agreement remains in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date indicated above.

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

By: _____
Name: Rick Bishop
Title: Executive Director

WESTERN COMMUNITY ENERGY

By: _____
Name: Todd Rigby
Title: Chair



Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: Approval of a PSA with David Wright Consultant, LLC for General Management Services

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

Date: April 14, 2021

The purpose of this item is to seek approval to allow the Executive Director to enter into a Professional Services Agreement with David Wright Consultant, LLC, for general management services.

Requested Action:

1. Authorize the Executive Director to enter into a Professional Services Agreement between Western Riverside Council of Governments and David H. Wright Consultant, LLC, for General Management Services, not to exceed \$200,000, through December 31, 2021.

Background:

As part of WRCOG's broader efforts with our Energy Programs, including Western Community Energy (WCE), it has become apparent that WRCOG requires additional assistance from consultants who have significant experience in the utility fields. As an example, WRCOG is having regular interaction with outside regulatory agencies such as the California Public Utilities Commission. Therefore, WRCOG is proposing to engage two consultants with significant utility experience. This report relates to a proposed agreement with Dave Wright, who has nearly 3 decades of utility experience. Mr. Wright will primarily support WRCOG's work with WCE but is available to assist other staff members with questions that might arise related to other Energy Programs. For WCE, Mr. Wright will act as an extension of WRCOG staff.

Prior Action:

None.

Fiscal Impact:

Costs for this contract incurred on behalf of WCE will be reflected in WCE's budget and will be included in a forthcoming budget amendment. Costs for this contract incurred by WRCOG will be included in a forthcoming budget amendment for the Energy and Environment Department.

Attachment:

1. Professional Services Agreement between WRCOG and David Wright Consultant, LLC.

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Item 5.E

Approval of a PSA with David Wright
Consultant, LLC for General
Management Services

Attachment 1

Professional Services Agreement between
WRCOG and David Wright Consultant, LLC

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**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT**

1. PARTIES AND DATE.

This Agreement is made and entered into this ____ day of _____, 20____, by and between the Western Community Energy, a California public agency ("WRCOG"), and **David H. Wright Consultant, LLC, a California limited liability company with its place of business at 12 Scarborough Way, Rancho Mirage, CA 92270** ("Consultant"). WRCOG and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain professional services required by WRCOG on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing **Interim General manager Services**, is licensed in the State of California, and is familiar with the plans of WRCOG.

2.2 Project.

WRCOG desires to engage Consultant to render such professional services for **Interim General Manager Services** ("Project") as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to WRCOG all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the **Interim General Manager** services necessary for the Project ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be from **April 15 to December 31, 2021** unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement and shall meet any other established schedules and deadlines.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods, and details of performing the Services subject to the requirements of this Agreement. WRCOG retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this

Agreement on behalf of Consultant shall also not be employees of WRCOG and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to, social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, WRCOG shall respond to Consultant's submittals in a timely manner. Upon request of WRCOG, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of WRCOG.

3.2.4 Substitution of Key Personnel. Consultant has represented to WRCOG that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of WRCOG. In the event that WRCOG and Consultant cannot agree as to the substitution of key personnel, WRCOG shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to WRCOG, or who are determined by the WRCOG to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the WRCOG. The key personnel for performance of this Agreement are as follows:

David H. Wright

3.2.5 WRCOG's Representative. WRCOG hereby designates **Rick Bishop**, or his or her designee, to act as its representative for the performance of this Agreement ("WRCOG's Representative"). WRCOG's Representative shall have the power to act on behalf of WRCOG for all purposes under this Contract. Consultant shall not accept direction or orders from any person other than WRCOG's Representative or his or her designee.

3.2.6 Consultant's Representative. Consultant hereby designates **David H. Wright**, or his or her designee, to act as its Representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures, and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Consultant agrees to work closely with WRCOG staff in the performance of Services and shall be available to WRCOG's staff,

consultants, and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and sub-contractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and sub-contractors have all licenses, permits, qualifications, and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense, and without reimbursement from WRCOG, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by WRCOG to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to WRCOG, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.9 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules, and/or regulations, and without giving written notice to WRCOG, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify, and hold WRCOG, its officials, directors, officers, employees, and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10 Insurance.

3.2.10.1 Time for Compliance. Consultant shall not commence the Services under this Agreement until it has provided evidence satisfactory to WRCOG that it has secured all insurance required under this section, in a form and with insurance companies acceptable to WRCOG. In addition, Consultant shall not allow any sub-contractor to commence work on any subcontract until it has provided evidence satisfactory to WRCOG that the sub-contractor has secured all insurance required under this section.

3.2.10.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or sub-contractors. Consultant shall also require all of its sub-contractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office

Commercial General Liability coverage (occurrence form CG 0001 or exact equivalent); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement / location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

3.2.10.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of Twelve (12) months following completion of the Services, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$1,000,000 per claim. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors, or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

3.2.10.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by WRCOG to add the following provisions to the insurance policies:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) Bodily Injury and Property Damage; (2) Personal Injury / Advertising Injury; (3) Premises / Operations Liability; (4) Products / Completed Operations Liability; (5) Aggregate Limits that Apply per Project; (6) Explosion, Collapse and Underground (UCX) exclusion deleted; (7) Contractual Liability with respect to this Agreement; (8) Broad Form Property Damage; and (9) Independent Consultants Coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

(iii) The policy shall give WRCOG, wce their Directors, officials, officers, employees, and agents insured status using ISO endorsement forms 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be "primary and non-contributory" and will not seek contribution from WRCOG's or WCE's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements

providing the exact same coverage.

(B) Automobile Liability.

(i) Consultant shall retain statutory limits on his personal liability insurance.

(C) Workers' Compensation and Employers Liability Coverage.

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against WRCOG, its Directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages. Defense costs shall be payable in addition to the limits set forth hereunder. Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to WRCOG, its Directors, officials, officers, employees, and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named insured; whichever is greater.

(i) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of WRCOG and WCE (if agreed to in a written contract or agreement) before WRCOG's or WCE's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella / excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(ii) Consultant shall provide WRCOG at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to WRCOG at least ten (10) days prior to the effective date of cancellation or expiration.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage

continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by WRCOG, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(v) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, WRCOG has the right but not the duty to obtain the insurance it deems necessary and any premium paid by WRCOG will be promptly reimbursed by Consultant or WRCOG will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, WRCOG may cancel this Agreement. WRCOG may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(vi) Neither WRCOG nor any of its Directors, officials, officers, employees, or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

3.2.10.5 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to WRCOG, its Directors, officials, officers, employees, agents, and volunteers.

3.2.10.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by WRCOG. Consultant shall guarantee that, at the option of WRCOG, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects WRCOG, its Directors, officials, officers, employees, agents, and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

3.2.10.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, licensed to do business in California, and satisfactory to WRCOG.

3.2.10.8 Verification of Coverage. Consultant shall furnish WRCOG with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to WRCOG. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf and shall be on forms provided by WRCOG if requested. All certificates and endorsements must be received and approved by WRCOG before work commences. WRCOG reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.10.9 Sub-consultant Insurance Requirements. Consultant shall

not allow any sub-contractors or sub-consultants to commence work on any sub-contract until they have provided evidence satisfactory to WRCOG that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such sub-contractors or sub-consultants shall be endorsed to name WRCOG as an additional insured using ISO Form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, WRCOG may approve different scopes or minimum limits of insurance for particular sub-contractors or sub-consultants.

3.2.11 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state, and federal laws, rules, and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life-saving equipment and procedures; (B) instructions in accident prevention for all employees and sub-contractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment, and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed Two Hundred Thousand Dollars **(\$200,000)** without written approval of WRCOG's **Executive Director or designee**. Extra Work may be authorized, as described below, and, if authorized, said Extra Work will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to WRCOG a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. WRCOG shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by WRCOG.

3.3.4 Extra Work. At any time during the term of this Agreement, WRCOG may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by WRCOG to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from WRCOG's Representative.

3.3.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Sections 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the

payment of prevailing wage rates and the performance of other requirements on certain “public works” and “maintenance” projects. If the Services are being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. WRCOG shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the Services available to interested parties upon request, and post copies at the Consultant’s principal place of business and at the project site. Consultant shall defend, indemnify, and hold WRCOG, its elected officials, officers, employees, and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of WRCOG during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. WRCOG may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to WRCOG, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, WRCOG may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such documents and other information within fifteen (15) days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, WRCOG may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant: David H. Wright Consultant, LLC
12 Scarborough Way
Rancho Mirage, CA 92270
Attn: David H. Wright

WRCOG: Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501
Attn: Executive Director

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for WRCOG to copy, use, modify, reuse, or sub-license any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). Consultant shall require all sub-contractors to agree in writing that WRCOG is granted a non-exclusive and perpetual license for any Documents & Data the sub-contractor prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by WRCOG. WRCOG shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at WRCOG's sole risk.

3.5.3.2 Intellectual Property. In addition, WRCOG shall have and retain all right, title, and interest (including copyright, patent, trade secret, and other proprietary rights) in all plans, specifications, studies, drawings, estimates, materials, data, computer programs or software and source code, enhancements, documents, and any and all works of authorship fixed in any tangible medium or expression, including but not limited to, physical drawings or other data magnetically or otherwise recorded on computer media ("Intellectual Property") prepared or developed by or on behalf of Consultant under this Agreement as well as any other such Intellectual Property prepared or developed by or on behalf of Consultant under this Agreement.

WRCOG shall have and retain all right, title and interest in Intellectual Property developed or modified under this Agreement whether or not paid for wholly or in part by WRCOG, whether or not developed in conjunction with Consultant, and whether or not developed by Consultant. Consultant will execute separate written assignments of any and all rights to the above referenced Intellectual Property upon request of WRCOG.

Consultant shall also be responsible to obtain in writing separate written assignments from any sub-contractors or agents of Consultant of any and all right to the above

referenced Intellectual Property. Should Consultant, either during or following termination of this Agreement, desire to use any of the above-referenced Intellectual Property, it shall first obtain the written approval of the WRCOG.

All materials and documents which were developed or prepared by the Consultant for general use prior to the execution of this Agreement and which are not the copyright of any other party or publicly available and any other computer applications, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

WRCOG further is granted by Consultant a non-exclusive and perpetual license to copy, use, modify or sub-license any and all Intellectual Property otherwise owned by Consultant which is the basis or foundation for any derivative, collective, insurrectional, or supplemental work created under this Agreement.

3.5.3.3 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents & Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of WRCOG, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use WRCOG's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television, or radio production or other similar medium without the prior written consent of WRCOG.

3.5.3.4 Infringement Indemnification. Consultant shall defend, indemnify, and hold WRCOG, its Directors, officials, officers, employees, volunteers, and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by WRCOG of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.5.4 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.

3.5.5 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative, or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.6 Indemnification. Consultant shall defend, indemnify, and hold WRCOG, WCE their officials, officers, consultants, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged acts, omissions, or willful misconduct of Consultant, its officials, officers, employees, agents, consultants and contractors, arising out of or in connection with the

performance of the Services, the Project or this Agreement, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense, and risk, any and all such aforesaid suits, actions, or other legal proceedings of every kind that may be brought or instituted against WRCOG, WCE their Directors, officials, officers, consultants, employees, agents or volunteers. Consultant shall pay and satisfy any judgment, award, or decree that may be rendered against WRCOG, WCE or their or its Directors, officials, officers, consultants, employees, agents, or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse WRCOG, WCE and their Directors, officials, officers, consultants, employees, agents, and/or volunteers, for any and all legal expenses and costs, including reasonable attorneys' fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by WRCOG, WCE their Directors, officials, officers, consultants, employees, agents, or volunteers. This section shall survive any expiration or termination of this Agreement. Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

3.5.7 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

3.5.8 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

3.5.9 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.10 WRCOG's Right to Employ Other Consultants. WRCOG reserves the right to employ other consultants in connection with this Project.

3.5.11 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.

3.5.12 Assignment or Transfer. Consultant 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 WRCOG. 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.

3.5.13 Construction; References; Captions. Since the Parties or their agents have participated fully 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. All references to Consultant include all personnel, employees, agents, and sub-contractors of Consultant, except as otherwise specified in this Agreement. All references to WRCOG include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. 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.

3.5.14 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.15 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 rights by custom, estoppel, or otherwise.

3.5.16 No Third-Party Beneficiaries. There are no intended third-party beneficiaries of any right or obligation assumed by the Parties.

3.5.17 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.

3.5.18 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, WRCOG shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of WRCOG, during the term of his or her service with WRCOG, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.19 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer, and it shall not discriminate against any sub-contractor, employee, or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex, or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, or termination. Consultant shall also comply with all relevant provisions of any of WRCOG's Minority Business Enterprise Program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

3.5.20 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Workers' Compensation, or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.21 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.22 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6 Subcontracting.

3.6.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of WRCOG. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE TO
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT

IN WITNESS WHEREOF, the Parties hereby have made and executed this Agreement as of the date first written above.

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

David H. Wright Consultant, LLC

By: _____

By: _____

Title: _____

Title: _____

APPROVED AS TO FORM:

By: _____

General Counsel
Best Best & Krieger LLP

*A corporation requires the signatures of two corporate officers.

One signature shall be that of the Chairman of Board, the President or any Vice President, and the second signature (on the attest line) shall be that of the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer of such corporation.

If the above persons are not the intended signators, evidence of signature authority shall be provided to WRCOG.

EXHIBIT “A”

SCOPE OF SERVICES

Consultant shall provide Interim General Manager services to WRCOG. Duties may include, but are not limited to, the following:

- Direct and participate in the development and implementation of goals, objectives, policies, and procedures.
- Conduct resource planning individually for WCE and with other CCAs and electric utilities requiring negotiations involving complex terms and conditions for integrated power resources and for participation in joint ownership of generation facilities.
- Develop detailed cash flow and rate models, and bring rate adjustments to ratepayers for input, and to the WCE Board for their consideration
- Participation with the California ISO, resource adequacy providers, renewable and other generation resources, renewable credit procurement, and any other complex and technical agencies who provide resources or charge WCE for various required and optional services
- Confer with subordinate division heads to review current and proposed projects, work schedules, organization, and personnel problems.
- Direct the preparation of technical and administrative reports; present reports and recommendations to the WCE Board, member agencies and interested parties.
- Coordinate with consultants and other agencies on regulatory and legislative matters affecting CCAs and electric utility operations; testify before state and federal regulatory and legislative bodies as required.
- Establish guidelines for the development of electric sales, rates, rules, and regulations, procurement of credit, and the issuance of revenue bonds.
- Develop general procedures for control of division activities.
- Participate in industry and professional conferences and speak before civic and community groups regarding plans and policies.
- Plan, direct, and review the design, construction, operation, and maintenance of electric utility generation projects.
- Develop overall policies and financial resource and facility plans for contracted or owned electric generation in conjunction with key staff personnel and specialized consultants
- Direct and participate in the preparation of a generation capital improvement plan and budget.
- Coordinate WCE activities with member and/or outside agencies.
- Select, supervise, train, and evaluate professional, technical, and clerical subordinates.

EXHIBIT "B"
SCHEDULE OF SERVICES

Consultant shall provide services in a timely manner to enable the smooth operation of WRCOG and WCE and as directed.

EXHIBIT "C"

**COMPENSATION
BILLING RATES**

<u>Name</u>	<u>Title</u>	<u>Hourly Rate</u>
David H Wright	Interim GM [INSERT]	\$220

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Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: Approval of a PSA with HBT Energy Management, LLC for Electrical Power Resource Management Services

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

Date: April 14, 2021

The purpose of this item is to seek approval to allow the Executive Director to enter into a Professional Services Agreement with HBT Energy Management LLC for electrical power resource management services.

Requested Action:

1. Authorize the Executive Director to enter into a Professional Services Agreement between Western Riverside Council of Governments and HBT Energy Management, LLC, for Electrical Power Resources Management Services, not to exceed \$200,000, through December 31, 2021.

Background:

As part of WRCOG's broader efforts with our Energy Programs, including Western Community Energy (WCE), it has become apparent that WRCOG requires additional assistance from consultants who have significant experience in the utility fields. As an example, WRCOG is having regular interaction with outside regulatory agencies such as the California Public Utilities Commission. Therefore, WRCOG is proposing to engage two consultants with significant utility experience. This report relates to a proposed agreement with Bob Tang, who has over 20 years of utility experience. Mr. Tang will primarily support WRCOG's work with WCE but is available to assist other staff members with questions that might arise related to other Energy Programs. For WCE, Mr. Tang will act as an extension of WRCOG staff.

Prior Action:

None.

Fiscal Impact:

Costs for this contract incurred on behalf of WCE will be reflected in WCE's budget and will be included in a forthcoming budget amendment. Costs for this contract incurred by WRCOG will be included in a forthcoming budget amendment for the Energy and Environment Department.

Attachment:

1. Professional Services Agreement between WRCOG and HBT Energy Management.

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Item 5.F

Approval of a PSA with HBT Energy Management, LLC for Electrical Power Resource Management Services

Attachment 1

Professional Services Agreement between WRCOG and HBT Energy Management

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS PROFESSIONAL SERVICES AGREEMENT

1. PARTIES AND DATE.

This Agreement is made and entered into this ____ day of _____, 20____, by and between the Western Riverside Council of Governments, a California public agency ("WRCOG"), and **HBT Energy Management LLC**, a **Limited Liability Company** ("Consultant"). WRCOG and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain professional services required by WRCOG on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing **electrical power resource management services**, is licensed in the State of California, and is familiar with the plans of WRCOG and the Western Community Energy (WCE).

2.2 Project.

WRCOG desires to engage Consultant to render such professional services for the **resource management services** ("Project") as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to WRCOG all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the **resource management** services necessary for the Project ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be from **March 29 to December 31, 2021** unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement and shall meet any other established schedules and deadlines.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods, and details of performing the Services subject to the requirements of this Agreement. WRCOG retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during

the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of WRCOG and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to, social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, WRCOG shall respond to Consultant's submittals in a timely manner. Upon request of WRCOG, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of WRCOG.

3.2.4 Substitution of Key Personnel. Consultant has represented to WRCOG that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of WRCOG. In the event that WRCOG and Consultant cannot agree as to the substitution of key personnel, WRCOG shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to WRCOG, or who are determined by the WRCOG to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the WRCOG. The key personnel for performance of this Agreement are as follows:

Hsi Bang (Bob) Tang

3.2.5 WRCOG's Representative. WRCOG hereby designates **Rick Bishop**, or his or her designee, to act as its representative for the performance of this Agreement ("WRCOG's Representative"). WRCOG's Representative shall have the power to act on behalf of WCE for all purposes under this Contract. Consultant shall not accept direction or orders from any person other than WRCOG's Representative or his or her designee.

3.2.6 Consultant's Representative. Consultant hereby designates **Hsi Bang (Bob) Tang**, or his or her designee, to act as its Representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures, and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Consultant agrees to work closely with

WRCOG staff in the performance of Services and shall be available to WRCOG's staff, consultants, and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and sub-contractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and sub-contractors have all licenses, permits, qualifications, and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense, and without reimbursement from WRCOG, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by WRCOG to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to WRCOG, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.9 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules, and/or regulations, and without giving written notice to WRCOG, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify, and hold WRCOG, its officials, directors, officers, employees, and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10 Insurance.

3.2.10.1 Time for Compliance. Consultant shall not commence the Services under this Agreement until it has provided evidence satisfactory to WRCOG that it has secured all insurance required under this section, in a form and with insurance companies acceptable to WRCOG. In addition, Consultant shall not allow any sub-contractor to commence work on any subcontract until it has provided evidence satisfactory to WRCOG that the sub-contractor has secured all insurance required under this section.

3.2.10.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or sub-contractors. Consultant shall also require all of its sub-contractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least

as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or exact equivalent); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement / location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

3.2.10.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of Twelve (12) months following completion of the Services, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$1,000,000 per claim. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors, or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

3.2.10.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by WRCOG to add the following provisions to the insurance policies:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) Bodily Injury and Property Damage; (2) Personal Injury / Advertising Injury; (3) Premises / Operations Liability; (4) Products / Completed Operations Liability; (5) Aggregate Limits that Apply per Project; (6) Explosion, Collapse and Underground (UCX) exclusion deleted; (7) Contractual Liability with respect to this Agreement; (8) Broad Form Property Damage; and (9) Independent Consultants Coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

(iii) The policy shall give WRCOG, WCE their Directors, officials, officers, employees, and agents insured status using ISO endorsement forms 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be "primary and non-contributory" and will not seek contribution from WRCOG's or WCE's

insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(B) Automobile Liability.

(i) Consultant shall retain statutory limits on his personal liability insurance.

(C) Workers' Compensation and Employers Liability Coverage.

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against WRCOG, its Directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages. Defense costs shall be payable in addition to the limits set forth hereunder. Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to WRCOG, WCE their Directors, officials, officers, employees, and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named insured; whichever is greater.

(i) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of WRCOG and WCE (if agreed to in a written contract or agreement) before WRCOG's or WCE's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella / excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(ii) Consultant shall provide WRCOG at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to WRCOG at least ten (10) days prior to the effective date of cancellation or expiration.

(iii) The retroactive date (if any) of each policy is to be

no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by WRCOG, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(v) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, WRCOG has the right but not the duty to obtain the insurance it deems necessary and any premium paid by WRCOG will be promptly reimbursed by Consultant or WRCOG will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, WRCOG may cancel this Agreement. WRCOG may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(vi) Neither WRCOG nor any of its Directors, officials, officers, employees, or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

3.2.10.5 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to WRCOG, its Directors, officials, officers, employees, agents, and volunteers.

3.2.10.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by WRCOG. Consultant shall guarantee that, at the option of WRCOG, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects WRCOG, its Directors, officials, officers, employees, agents, and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

3.2.10.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, licensed to do business in California, and satisfactory to WRCOG.

3.2.10.8 Verification of Coverage. Consultant shall furnish WRCOG with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to WRCOG. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf and shall be on forms provided by WRCOG if requested. All certificates and endorsements must be received and approved by WRCOG before work commences. WRCOG reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.10.9 Sub-consultant Insurance Requirements. Consultant shall not allow any sub-contractors or sub-consultants to commence work on any sub-contract until they have provided evidence satisfactory to WRCOG that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such sub-contractors or sub-consultants shall be endorsed to name WRCOG as an additional insured using ISO Form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, WRCOG may approve different scopes or minimum limits of insurance for particular sub-contractors or sub-consultants.

3.2.11 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state, and federal laws, rules, and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life-saving equipment and procedures; (B) instructions in accident prevention for all employees and sub-contractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment, and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed Two Hundred Thousand Dollars (**\$200,000**) without written approval of WRCOG's **Executive Director or designee**. Extra Work may be authorized, as described below, and, if authorized, said Extra Work will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to WRCOG a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. WRCOG shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by WRCOG.

3.3.4 Extra Work. At any time during the term of this Agreement, WRCOG may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by WRCOG to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from WRCOG's Representative.

3.3.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Sections 1720, et seq., and 1770, et seq., as well as California Code of

Regulations, Title 8, Section 16000, et seq., (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on certain “public works” and “maintenance” projects. If the Services are being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. WRCOG shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the Services available to interested parties upon request, and post copies at the Consultant’s principal place of business and at the project site. Consultant shall defend, indemnify, and hold WRCOG, its elected officials, officers, employees, and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of WRCOG during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. WRCOG may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to WRCOG, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, WRCOG may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such documents and other information within fifteen (15) days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, WRCOG may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

**Consultant: HBT Energy Management LLC
4632 Greenmeadows Avenue
Torrance, CA 90505
Attn: Hsi Bang (Bob) Tang**

**WRCOG: Western Community Energy
3390 University Avenue, Suite 200
Riverside, CA 92501
Attn: Executive Director**

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for WRCOG to copy, use, modify, reuse, or sub-license any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). Consultant shall require all sub-contractors to agree in writing that WRCOG is granted a non-exclusive and perpetual license for any Documents & Data the sub-contractor prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by WRCOG. WRCOG shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at WRCOG's sole risk.

3.5.3.2 Intellectual Property. In addition, WRCOG shall have and retain all right, title, and interest (including copyright, patent, trade secret, and other proprietary rights) in all plans, specifications, studies, drawings, estimates, materials, data, computer programs or software and source code, enhancements, documents, and any and all works of authorship fixed in any tangible medium or expression, including but not limited to, physical drawings or other data magnetically or otherwise recorded on computer media ("Intellectual Property") prepared or developed by or on behalf of Consultant under this Agreement as well as any other such Intellectual Property prepared or developed by or on behalf of Consultant under this Agreement.

WRCOG shall have and retain all right, title and interest in Intellectual Property developed or modified under this Agreement whether or not paid for wholly or in part by WRCOG, whether or not developed in conjunction with Consultant, and whether or not developed by Consultant. Consultant will execute separate written assignments of any and all rights to the above referenced Intellectual Property upon request of WRCOG.

Consultant shall also be responsible to obtain in writing separate written assignments from any sub-contractors or agents of Consultant of any and all right to the above

referenced Intellectual Property. Should Consultant, either during or following termination of this Agreement, desire to use any of the above-referenced Intellectual Property, it shall first obtain the written approval of the WRCOG.

All materials and documents which were developed or prepared by the Consultant for general use prior to the execution of this Agreement and which are not the copyright of any other party or publicly available and any other computer applications, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

WRCOG further is granted by Consultant a non-exclusive and perpetual license to copy, use, modify or sub-license any and all Intellectual Property otherwise owned by Consultant which is the basis or foundation for any derivative, collective, insurrectional, or supplemental work created under this Agreement.

3.5.3.3 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents & Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of WRCOG, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use WRCOG's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television, or radio production or other similar medium without the prior written consent of WRCOG.

3.5.3.4 Infringement Indemnification. Consultant shall defend, indemnify, and hold WRCOG, its Directors, officials, officers, employees, volunteers, and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by WRCOG of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.5.4 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.

3.5.5 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative, or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.6 Indemnification. Consultant shall defend, indemnify, and hold WRCOG, WCE, their officials, officers, consultants, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged acts, omissions, or willful misconduct of Consultant, its officials, officers, employees, agents, consultants and contractors, arising out of or in connection with the

performance of the Services, the Project or this Agreement, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense, and risk, any and all such aforesaid suits, actions, or other legal proceedings of every kind that may be brought or instituted against WRCOG, WCE their Directors, officials, officers, consultants, employees, agents or volunteers. Consultant shall pay and satisfy any judgment, award, or decree that may be rendered against WRCOG, WCE or their Directors, officials, officers, consultants, employees, agents, or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse WRCOG, WCE and their Directors, officials, officers, consultants, employees, agents, and/or volunteers, for any and all legal expenses and costs, including reasonable attorneys' fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by WRCOG, WCE their Directors, officials, officers, consultants, employees, agents, or volunteers. This section shall survive any expiration or termination of this Agreement. Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

3.5.7 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

3.5.8 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

3.5.9 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.10 WRCOG's Right to Employ Other Consultants. WRCOG reserves the right to employ other consultants in connection with this Project.

3.5.11 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.

3.5.12 Assignment or Transfer. Consultant 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 WRCOG. 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.

3.5.13 Construction; References; Captions. Since the Parties or their agents have participated fully 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. All references to Consultant include all personnel, employees, agents, and sub-contractors of Consultant, except as otherwise specified in this Agreement. All references to WRCOG include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. 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.

3.5.14 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.15 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 rights by custom, estoppel, or otherwise.

3.5.16 No Third-Party Beneficiaries. There are no intended third-party beneficiaries of any right or obligation assumed by the Parties.

3.5.17 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.

3.5.18 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, WRCOG shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of WRCOG, during the term of his or her service with WRCOG, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.19 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer, and it shall not discriminate against any sub-contractor, employee, or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex, or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, or termination. Consultant shall also comply with all relevant provisions of any of WRCOG's Minority Business Enterprise Program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

3.5.20 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Workers' Compensation, or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.21 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.22 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6 Subcontracting.

3.6.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of WRCOG. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE TO
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT

IN WITNESS WHEREOF, the Parties hereby have made and executed this Agreement as of the date first written above.

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

HBT Energy Management LLC

By: _____

By: _____

Title: _____

Title: _____

APPROVED AS TO FORM:

ATTEST:

By: _____

By: _____

General Counsel
Best Best & Krieger LLP

Its: _____

*A corporation requires the signatures of two corporate officers.

One signature shall be that of the Chairman of Board, the President or any Vice President, and the second signature (on the attest line) shall be that of the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer of such corporation.

If the above persons are not the intended signators, evidence of signature authority shall be provided to WRCOG.

EXHIBIT “A”

SCOPE OF SERVICES

1. Validate WCE’s power resources cost projections;
2. Participate in the negotiation, development and monitoring of WCE’s power resource contracts and projects;
3. Participate in the preparation of WCE’s regulatory filings and monitoring of regulations that impact WCE, including issues related to the Cal ISO;
4. Train professional staff as applicable;
5. Related Power Supply issues requiring expert assistance

EXHIBIT “B”
SCHEDULE OF SERVICES

Consultant shall provide services in a timely manner to enable the smooth operation of the WCE and WRCOG as directed.

EXHIBIT "C"

**COMPENSATION
BILLING RATES**

<u>Name</u>	<u>Title</u>	<u>Hourly Rate</u>
Hsi Bang (Bob) Tang	President, HBT Energy Management	\$200

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Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: I-REN Activities Update

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

Date: April 14, 2021

The purpose of this item is to provide an update on WRCOG's submittal of a Business Plan to the California Public Utilities Commission for the approval of an Inland Regional Energy Network (I-REN) that would provide energy efficiency services to the Counties of Riverside and San Bernardino.

Requested Action:

1. Receive and file.
-

Introduction

In late 2018, WRCOG, the Coachella Valley Association of Governments (CVAG), and the San Bernardino Council of Governments (SBCOG), began working on a new program known as a Regional Energy Network (REN). RENs are state-approved entities, overseen by the California Public Utilities Commission (CPUC), and implemented by local governments. The three Councils of Government began developing a business plan for the I-REN that is intended to provide energy programs and services to local governments, workforce providers, community colleges, water districts, and tribes in the Counties of Riverside and San Bernardino. The I-REN team, along with its consultants Frontier Energy & Bluepoint Planning, is focusing on three program areas: Workforce Education & Training, Codes & Standards, and Public Sector. I-REN's mission statement is, "To actively participate in California's Clean Energy initiatives and build a stronger, clean energy economy and community." There are three other RENs that exist in California: BayREN (administered by the Association of Bay Area Governments), SoCal REN (administered by Los Angeles County) and 3C-REN (administered by Ventura County); I-REN would be the fourth and would exist to serve all of the Inland Empire.

I-REN's Final Business Plan

Over the course of the past three years CVAG, SBCOG, and WRCOG have coordinated with several agencies such as the County Workforce Investment Board, CPUC, utilities, community colleges, tribes, and third-party energy providers to learn what the region can benefit from as part of this I-REN development. As part of these engagements, I-REN's Final Business Plan (Attachment 1) focuses on three sectors that are suitable and aligned for REN-related activities within the Inland region: Public Sector, Workforce / Education / Training, and Codes & Standards. The vision of the I-REN is to connect residents, businesses, and local governments to a wide range of energy efficiency resources to increase energy savings and equitable access throughout Riverside and San Bernardino Counties.

1. **Workforce Education & Training:** The I-REN team will work with local community colleges, universities, County Workforce Investment Boards, union workers / contractors and other training providers to identify energy efficiency curriculum such as HVAC, smart controls, and renewable technology to help assist the Inland Empire region's workforce to support and realize energy efficiency savings goals across sectors.

2. **Codes & Standards:** The I-REN team will work closely with local government building staff such as Planning and Building Departments to offer training / resources that will help to support, train, and enable long-term streaming of energy code compliance. Examples of resources will be online webinars / forums on Energy Compliance, in-person trainings, and online software systems to assist with building permits for energy projects such as cool roofs, HVAC and solar / microgrids systems.
3. **Public Sector:** The I-REN team will work with local government building staff to identify and implement energy efficiency projects such as indoor / outdoor lighting, water upgrades, heaters / boilers, and smart building upgrades, as well as look into innovative projects such as microgrids / battery storage systems. Along with these resources, the public sector program for I-REN will also support agencies with funding resources for project completion.

The proposed five-year budget for I-REN is approximately \$50.7M.

Calendar Year	Budget Request
2021	\$8,134,654
2022	\$10,102,037
2023	\$10,204,704
2024	\$10,752,474
2025	\$11,506,239
Total 2021 - 2025	\$50,700,108

Next Steps

The I-REN team submitted the final Business Plan to the CPUC on February 26, 2021. Staff estimates a review and possible approval during the 3rd or 4th quarter of 2021. Once approved, the I-REN team will start work in 2022 by providing programs and resources to both Riverside and San Bernardino Counties. During this review and approval process, there is also a commenting period where program administrators such as the CPUC, utilities, and other RENs can propose comments / feedback towards the final Business Plan. As part of the filing process with the CPUC, the I-REN team received additional comments / feedback on April 1, 2021 towards its submitted Business Plan. The I-REN team will address these comments and the CPUC will consider the comments / feedback provided towards its decision-making process. Prior to April 1, 2021, WRCOG staff had a meeting with SoCalGas in which SoCalGas staff presented their comments to the team to discuss and provide formal feedback. SoCalGas's comments were supportive of I-REN's development and it looks forward to working with I-REN in the foreseeable future. SoCalGas is supportive of the vision and intent of I-RENs Business Plan which is to participate in California's Clean Energy initiatives and build a stronger, clean energy economy and community. In addition to these comments of support, SoCalGas also recommended that the I-REN team try to align its program implementation years with the other program administrators and indicated that SoCalGas would be open to being the lead fiscal agent for distribution / reimbursement of funding for the work done as a REN.

Staff will be scheduling meetings with CPUC Energy Division staff to get a better understanding of any potential timeline changes or additional information needed to help with the review process of the Business Plan. As part of these scheduled meetings, staff will also provide the CPUC with a packet of support letters from local jurisdictions and agencies throughout the region that was submitted with the Business Plan. WRCOG staff will work with remaining member agencies to gather additional letters of support (Attachment 2) so that the region's voice can be expressed at these meetings with CPUC staff and show the collective effort that this program will bring throughout the region. The letters of support request started in 2020 and now that the Business Plan has been submitted, WRCOG staff along with their colleagues from CVAG and SBCOB are continuing the outreach to gather supplemental letters from additional agencies.

Prior Actions:

February 12, 2021: The Administration & Finance Committee received and filed.

January 21, 2021: The Technical Advisory Committee received and filed.

Fiscal Impact:

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

Attachments:

1. Final Submitted Business Plan.
2. Letter of Support.

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Item 6.A

I-REN Activities Update

Attachment 1

Final Submitted Business Plan

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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 • Riverside County Superintendent of Schools

2/16/2021

Commissioner Marybel Batjer
California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102

Subject: Business Plan submittal of the Inland Regional Energy Network (I-REN)

Dear President Batjer:

On behalf of the Western Riverside Council of Governments, Coachella Valley Association of Governments, and the San Bernardino Council of Governments, we are pleased to submit the final business plan for the Inland Regional Energy Network's (I-REN) to the California Public Utilities Commission for review and consideration in becoming an approved program administrator to operate a new Regional Energy Network within the Counties of Riverside and San Bernardino.

Within this plan, the I-REN team looks to support the Inland Empire within the programmatic sectors of Workforce Education & Training, Codes & Standards, and Public to assist with meeting the state's energy efficiency goals but to also to continue to provide energy efficiency support within the Inland Empire. I-REN's mission is to actively participate in California's Clean Energy initiatives and build a stronger cleaner energy economy and community. Through this mission, I-REN will connect residents, business, and local governments to a wide range of energy efficiency resources to increase energy savings and equitable access through San Bernardino and Riverside Counties.

We look forward to the review from the CPUC and its staff on the I-REN business plan along with working with all program administrators within the state in the foreseeable future. Please do not hesitate to contact me with any questions at cdailey@wrcog.us.

Sincerely,

Casey Dailey
Director of Energy & Environmental Programs

Cc: Commissioner Genevieve Shiroma
Commissioner Martha Guzman Aceves
Commissioner Clifford Rechtschaffen
Commissioner Darcie Houck



Inland Regional Energy Network (I-REN)

2021-2025

Energy Efficiency Business Plan

WRCOG | CVAG | SBCOG

Submitted February 2021



I-REN Business Plan Contents

Chapter 1: Portfolio Summary

Chapter 2: Public Sector

Chapter 3: Codes & Standards

Chapter 4: Workforce Education & Training

Appendix A: CPUC Compliance Checklist

Appendix B: Public Sector Market Analysis

Appendix C: Letters of Commitment & Support

Appendix D: Stakeholder Input Resolution

Appendix E: Acronyms & Abbreviations



Inland Regional Energy Network Business Plan

Chapter 1: Portfolio Summary

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Executive Summary

I-REN Mission

To actively participate in California’s Clean Energy initiatives and build a stronger clean energy economy and community.

Locally Administered and Delivered EE Programs

“RENs also have the unique opportunity to be able to leverage not only multiple local government entities into a single program delivery channel, but they also may be able to utilize funding from multiple sources to deliver more comprehensive and holistic programs, especially to hard-to-reach customers.”¹

Initiated in 2019, the proposed Inland Regional Energy Network (I-REN) is a consortium of the Western Riverside Council of Governments, Coachella Valley Association of Governments, and San Bernardino Council of Governments that serve the counties of San Bernardino and Riverside. These partners have joined together to submit this Business Plan in order to establish locally administered, designed, and delivered energy efficiency (EE) programs.

Historically, the Inland Empire has faced challenges in receiving equitable opportunities to participate in energy efficiency and advanced energy. As dedicated representatives of local government, the I-REN consortium members bring established connections from their work serving this region and can provide support to fill gaps in existing energy efficiency services. I-REN will establish a locally administered regional energy network to ensure ratepayers in this region can become active participants in meeting California energy efficiency goals.

In addition, I-REN sees a critical need to accelerate action in the region, catalyzing current local government activities related to climate change through targeted and tailored energy efficiency programs, layering other efforts to increase impact. I-REN will focus their first Business Plan on assisting and empowering local government—county and municipal—and building the professional workforce. To that end this Business Plan will cover three main sectors: Public Sector, Codes and Standards, and Workforce Education and Training. They anticipate in future filings to grow into residential and commercial offerings as necessary to fill gaps and needs in the region.

Collectively known as the Inland Empire, the I-REN service area includes 11% of California’s population, but its geographic arrangement, population, and distance from the state’s major metropolitan areas result in inconsistent and insufficient service to the region. Further, the region is distinct from other southern California areas—particularly Los Angeles—with its own robust character, culture, and identity. As a collective, the councils of government that make up I-REN have implemented energy efficiency services locally for the better part of a decade, and have established the skill sets, knowledge, and networks to identify and address the unique challenges and opportunities head-on. The issues and concerns of the region require a consistent local presence to help transition to a clean economy and to reduce energy use effectively.

¹ California Public Utilities Commission (CPUC), Decision 19-12-021, December 5, 2019, page 18.

About I-REN

I-REN is a coalition of three councils of government, the Western Riverside Council of Governments (WRCOG), the Coachella Valley Association of Governments (CVAG), and the San Bernardino Council of Governments (SBCOG), encompassing San Bernardino County, Riverside County, and all of the jurisdictions within the region. Together, I-REN represents 52 cities, 78 unincorporated county areas, 17 tribes and 11% of the population of California.

WRCOG: WRCOG is a joint powers authority whose purpose is to unify Western Riverside County so that it can speak with a collective voice on important issues that affect its members. Representatives from 18 cities in Western Riverside County, the County of Riverside, and the Eastern and Western Municipal Water Districts have seats on the WRCOG Executive Committee, the policy-setting Board for the Agency. WRCOG currently operates a Local Government Partnership (LGPs) and has been successful over the years in energy efficiency retrofit projects and education for both residential and commercial customers. Since its inception in 2010, the Partnership has achieved savings of over 16 million kWh and over 9,000 therms.

CVAG: CVAG is the regional planning agency coordinating government services in the Coachella Valley. By providing solutions to the common issues of the local governments and tribes that are its members, CVAG promotes a better quality of life and balanced growth for residents of Central and Eastern Riverside County. CVAG secured Strategic Plan funding and implemented the “Green for Life” program, which helped seven cities and one tribe to reach ambitious energy savings goals. Through this grant, participants completed greenhouse gas inventories, Climate Action Plans, Energy Action Plans, and much more. The Green for Life program was run in tandem with the Desert Cities Energy Partnership (DCEP) to achieve further energy savings. DCEP included representatives from 10 CVAG member cities, one tribe, and representatives from Southern California Edison (SCE) and Southern California Gas (SoCalGas). While in operation, the 10-year DCEP program achieved savings of 5.2 million kWh and 22,000 therms. CVAG still maintains a strong working relationship with SCE and SoCalGas.

SBCOG: With membership comprised of representatives from 24 cities and the San Bernardino County Board of Supervisors, SBCOG focuses on regional matters and provides a forum to reduce duplication of effort and share information to advocate for local communities. SBCOG / San Bernardino Regional Energy Partnership (SBREP) received strategic planning funding to implement benchmarking for cities in the partnership with the goal of seeing where city facilities ranked amongst others in the region of similar size/operations. Since it was formed in late 2015, SBREP has reduced more than 3 million kWh and helped participating cities receive more than \$1 million in incentives combined. To date, 13 cities have participated in SBREP.

WHAT IS A COUNCIL OF GOVERNMENT (COG)?

COGs are voluntary associations that represent member local governments, mainly cities and counties, to provide cooperative planning, coordination, and technical assistance on issues of mutual concern that cross jurisdictional lines.

COGs serve to develop consensus on many issues that need to be addressed in a subregional or regional context. If properly structured, COG duties complement and do not duplicate jurisdictional activities, and unify members on matters of mutual concern, but are independent of the responsibilities traditionally exercised by the individual members within their own communities.

Jurisdictions typically agree to form COGs following discussion and negotiation on common goals and objectives, which are usually consummated by execution of a Joint Powers Agreement (JPA). In most cases, adoption of a JPA is specifically authorized by state law. In California, JPA authority is granted under Section 6500 et. seq. of the Government Code.

I-REN Organization

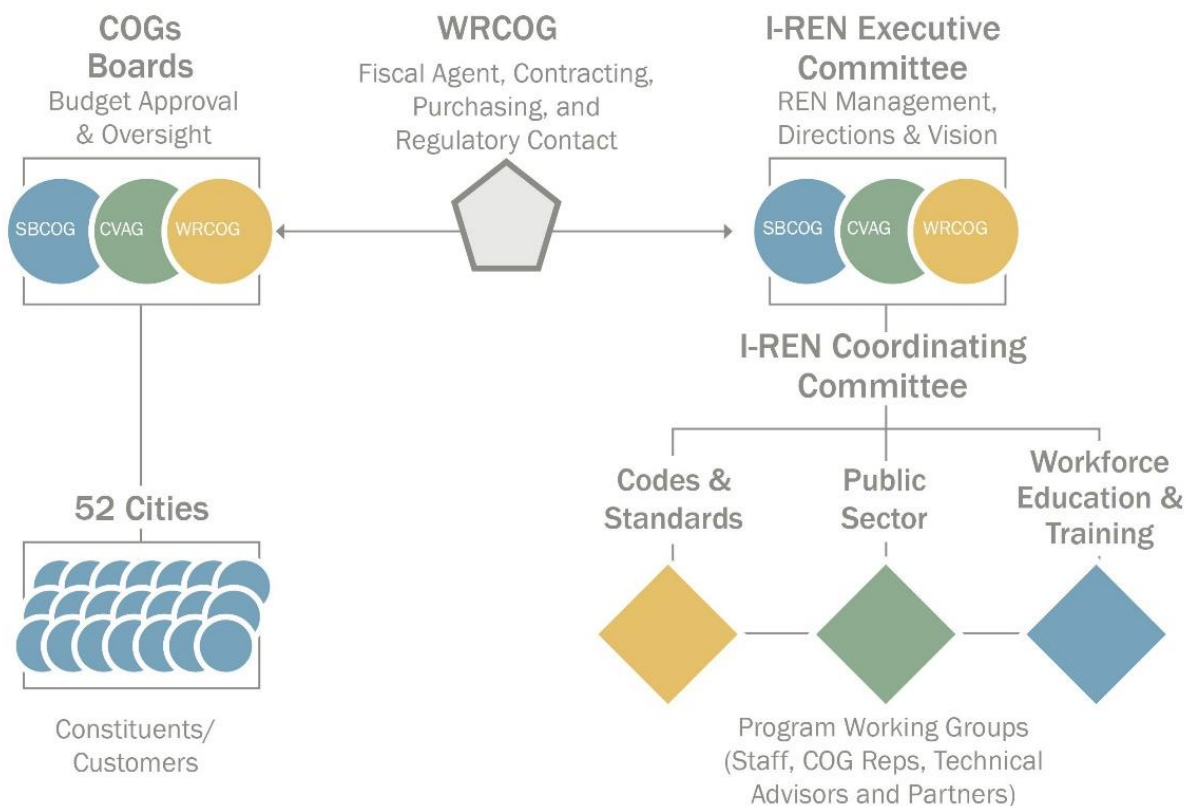


Figure 1-1. I-REN Governance

The I-REN organization builds on the robust and active Committee structure currently used for the three COGs (also referred to herein as the **I-REN governing agencies**). The graphic in Figure 1-1 illustrates the organization and the roles.

The COGs each have an Executive Committee which sets policy and oversees the budgets for the COGs. For I-REN, they will provide an oversight role to ensure accountability and service to the member cities. Representatives from the cities, the County Board of Supervisors, and the Municipal Water Districts collectively have seats on the Executive Committees for WRCOG, CVAG, and SBCOG. By working together through the committee structure and utilizing resources, the COGs are cost-effective by reducing duplication of effort and sharing information, enabling strong advocacy and strengthening the Region's standing.

WRCOG will serve as the fiscal agent, purchasing and contracting entity, and primary regulatory contact manager for I-REN. They will not have more decision-making power than the other COGs but will work through the committee structure to ensure equal engagement for the entire region.

Representatives from each COG will in turn be represented on the I-REN Committee and have equal power in I-REN decision making and management. The I-REN Committee will set all strategic direction,

vision, and specific policies related to the operation and management of REN activities, and will jointly consider regulatory issues.

The I-REN Committee will be advised by three programmatic working groups composed of I-REN staff, COG representatives, technical advisors, and partners. The Program Working Groups will focus on program design, implementation, marketing and outreach, and other day-to-day implementation activities. They will provide information, program proposals, and program tracking and monitoring reports to the I-REN Committee on a regular basis to ensure smooth operations and to address any issues or concerns that may arise.

I-REN Vision & Goals

The I-REN governing agencies have collectively developed a vision and three guiding goals to help shape its Business Plan, its future, and anticipated activities:

VISION

I-REN's vision is to connect residents, businesses, and local government to a wide range of energy efficiency resources to increase energy savings and equitable access throughout San Bernardino and Riverside counties.

GOAL 1.

Build capacity and knowledge to enable local governments to effectively leverage energy efficiency services and to demonstrate best practices. (Public Sector Chapter)

GOAL 2.

Ensure there is a trained workforce to support and realize energy efficiency savings goals across sectors. (WE&T Chapter)

GOAL 3.

Work closely with local building departments and the building industry to support, train, and enable long-term streamlining of energy code compliance. (Codes and Standards Chapter)

Definition of Market

The Riverside-San Bernardino-Ontario Metropolitan Statistical Area (MSA)², which includes the counties of Riverside and San Bernardino, makes up approximately 11% of California's total population, but their square mileage comprises approximately 17% of California's land area.

While the Los Angeles and San Francisco MSAs are the largest in the state by population, the Riverside-San Bernardino-Ontario MSA is a very close third – yet it has had historically low participation in energy efficiency programs and has been historically underserved by utility energy efficiency programs. This may be due in part to its distance of two- to three-hours to the Los Angeles MSA – many utility-run programs are administered from within the Los Angeles MSA, and naturally the program implementers focus their resources locally.

I-REN is excited for the opportunity to administer regionally appropriate resources locally within the third-largest MSA in the state and by leveraging existing local relationships the I-REN governing agencies are best suited to serve their respective communities.

- Riverside County: Population 2,189,641 (2010 Census), covering 7,208 square miles; population density of 304 people/square mile
- San Bernardino County: Population 2,035,210, covering 20,105 square miles (largest county in the United States by area); population density of 101 people/square mile

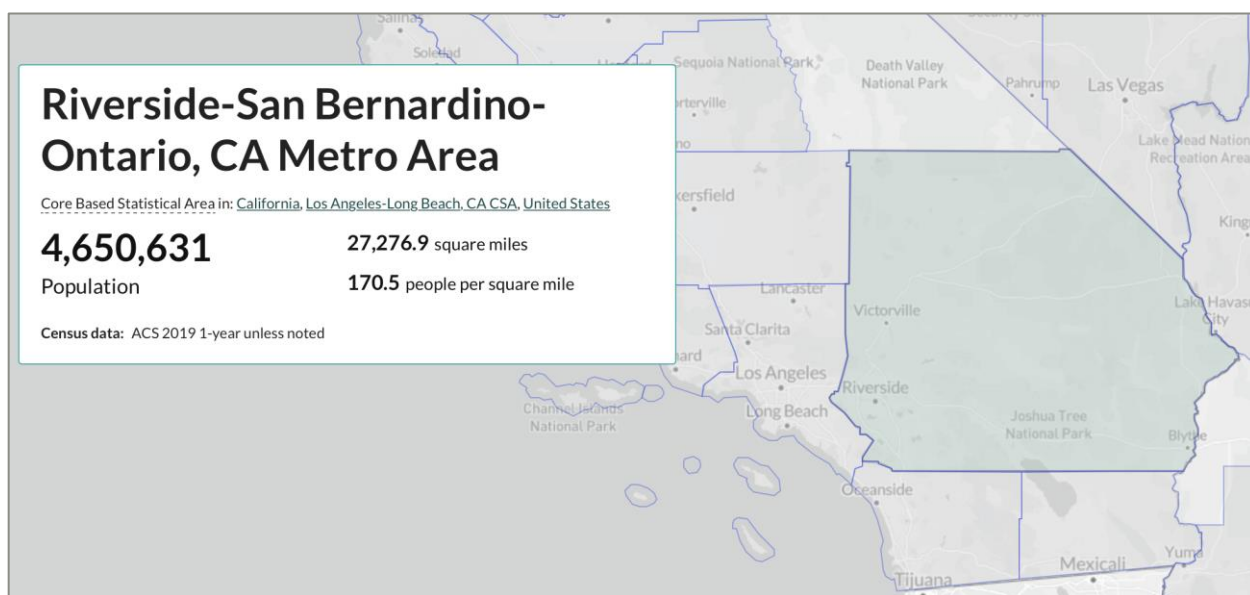


Figure 1-2. I-REN Service Territory Map³

² "Metropolitan Statistical Area (MSA) is a geographical area with a population of 50,000 or more, plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties." Definition Provided by the California Employment Development Department.

³ Source: <https://censusreporter.org/profiles/31000US40140-riverside-san-bernardino-ontario-ca-metro-area/>

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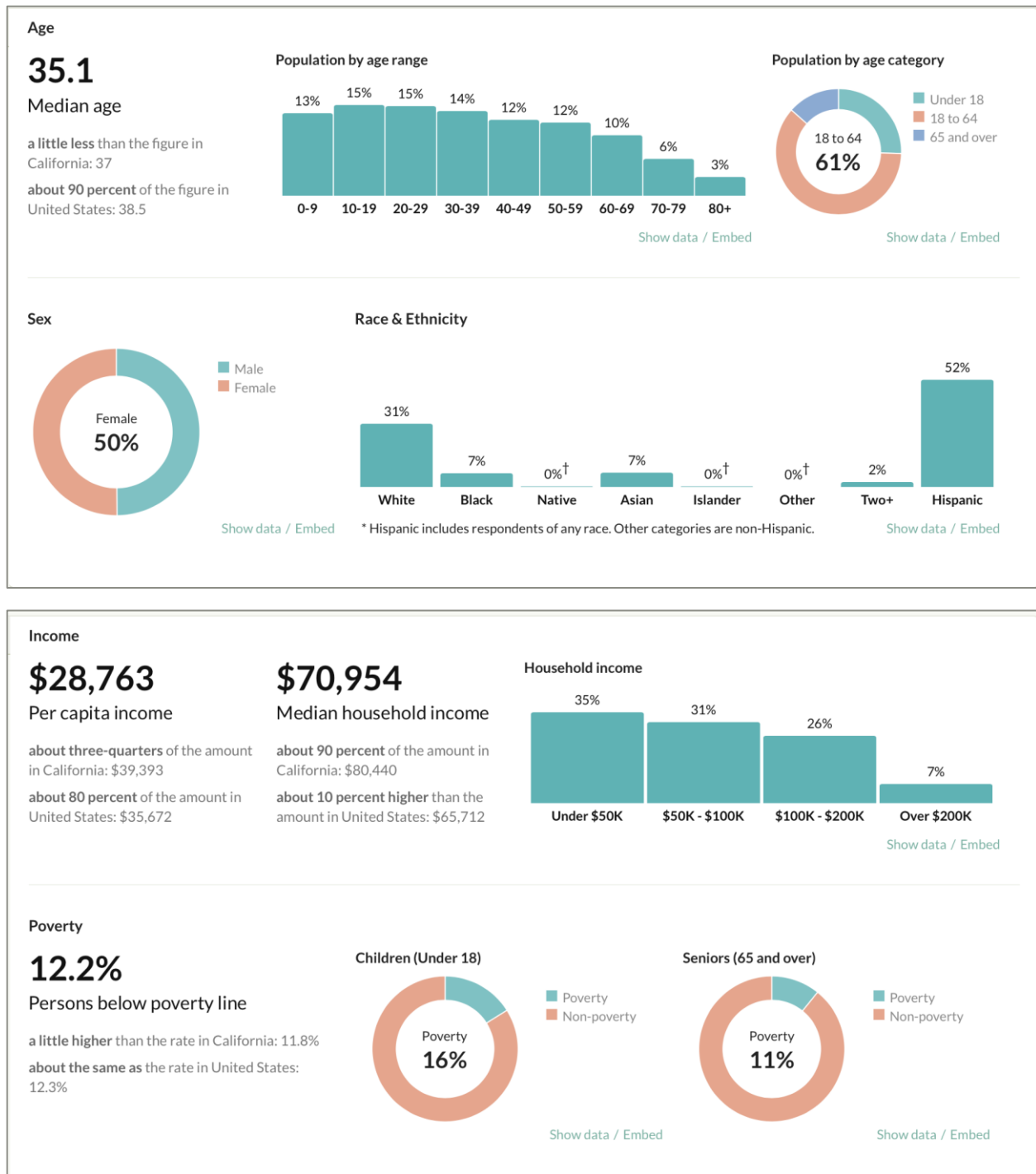


Figure 1-3. Riverside-San Bernardino-Ontario MSA Demographic & Income Data⁴

⁴ Source: <https://censusreporter.org/profiles/31000US40140-riverside-san-bernardino-ontario-ca-metro-area/>

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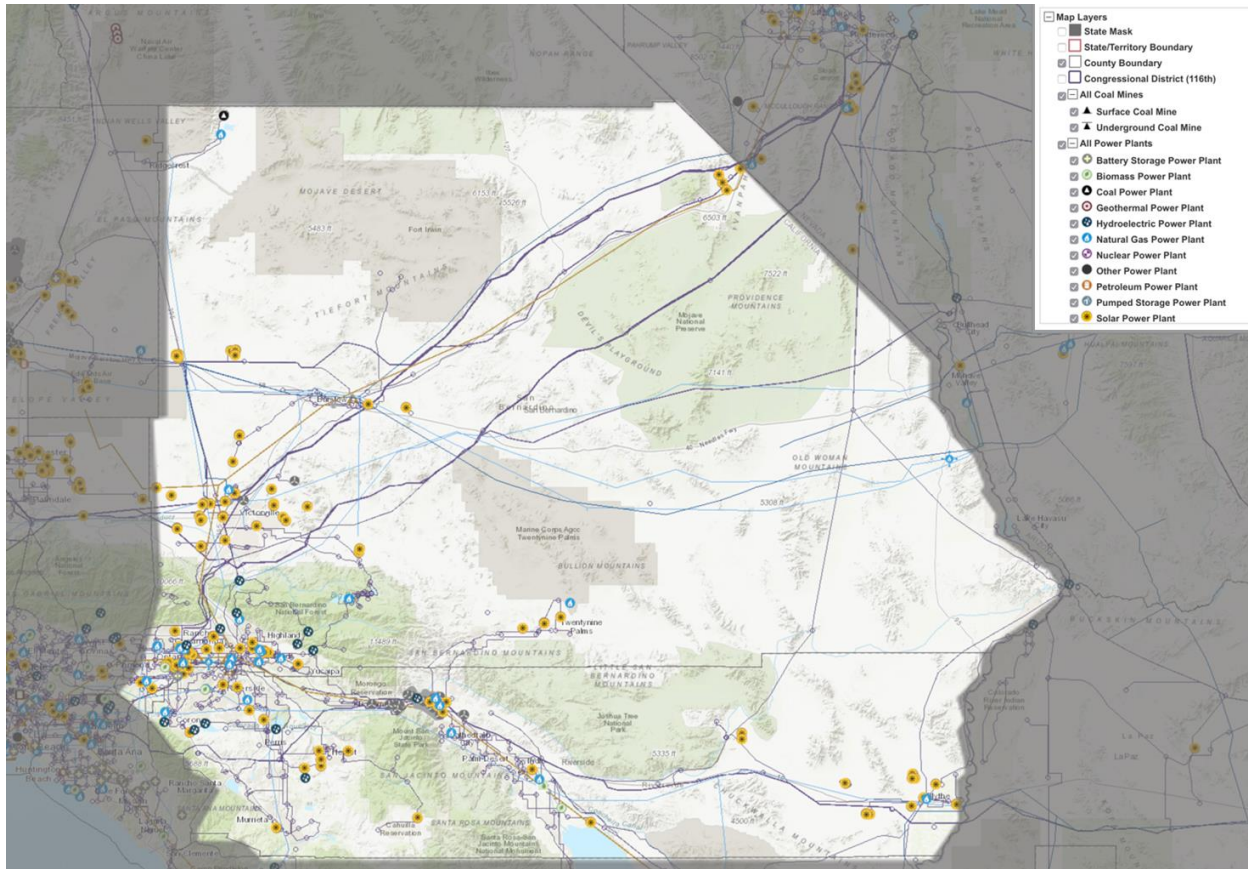


Figure 1-4. I-REN Territory Energy Infrastructure⁵

⁵ Source: Energy Information Administration (EIA) <https://www.eia.gov/state/?sid=CA>

Addressing I-REN Regional EE and California's Energy Needs

The I-REN region is a diverse geography with mountains, deserts, distinct urban areas, tribal areas, and vibrant communities and towns. The region is served by SCE and SoCalGas and is included in the SoCalREN territory. While there are multiple Program Administrators (PAs) in the region, the actual services to local communities are limited and are not meeting the needs of this growing area. The reduction of LGPs in particular is impacting the ability of the local jurisdictions to aggressively reduce energy use in local government buildings and build the capacity to tackle the State's greenhouse gas (GHG) reduction goals.

The illustration in Figure 1-4 from Energy Information Administration (EIA) is a good demonstration of how the Inland Empire is used as a bridge for services to the large Los Angeles MSA, with pipelines, powerlines, etc. crisscrossing the territory. State goals included in SB 350, AB/SB32, and others all point to the need to increase the services and opportunities for energy savings in the inland areas of California. In Summer of 2020, the California Independent System Operator (CAISO) and SCE issued multiple heat wave warnings and flex alerts, asking all energy consumers to reduce usage during stressful times on the electricity grid. Coupled with massive fire events across the state, it is even more important for I-REN to implement and begin assisting its communities, and thus, the State.

The region's continued growth and increasingly hot and dry weather will likely result in an overall increase in energy consumption in the coming years. In addition, the I-REN territory has large sections of the region that are characterized as disadvantaged communities (DACs) as defined by SB 535, tribal lands, or with a population with a median income 60% below the statewide median, as seen in the maps and data on the pages that follow. These factors contribute to a substantial need for focused, consistent, local engagement to serve these communities and to help reduce energy consumption over time.

A combination of workforce limitations, relative geographic isolation and low density make large parts of the I-REN territory difficult to serve. However, the need to serve the population is real. The I-REN region represents 11% percent of the State's population and through ratepayer fees customers in both urban and rural areas of the region contribute to the funding the investor owned utilities (IOUs) receive to provide energy efficiency services. Utility workforce education and training programs are nearly absent, and LGPs are being phased out, and local jurisdictions are facing increased pressures to put resources and attention to other major issues from housing to job development.

I-REN has coordinated with the other PAs in the region, and consulted with the other RENs in the state, to ensure that this Business Plan is positioned to fill gaps, provide services appropriate to a REN, and address needs that cannot or are not being addressed by other PAs. As a new program implementer, I-REN aims to scale its role and goals appropriately to match its strengths and fit the needs of its constituents to ensure that it offers the region and the California Public Utilities Commission (CPUC or Commission) a portfolio of programs that has measurable value in increasing energy savings, community resilience, and long-term economic and environmental sustainability.

REGIONAL CHALLENGES

Include but are not limited to:

- Large territory with geographically isolated rural and frontier areas
- High poverty rates, with unemployment exacerbated by COVID-19
- Lack of accessible workforce training resources, especially for disadvantaged workers
- Insufficient resources to serve DACs and tribal lands
- Extreme climate change impacts with increasingly hot and dry weather

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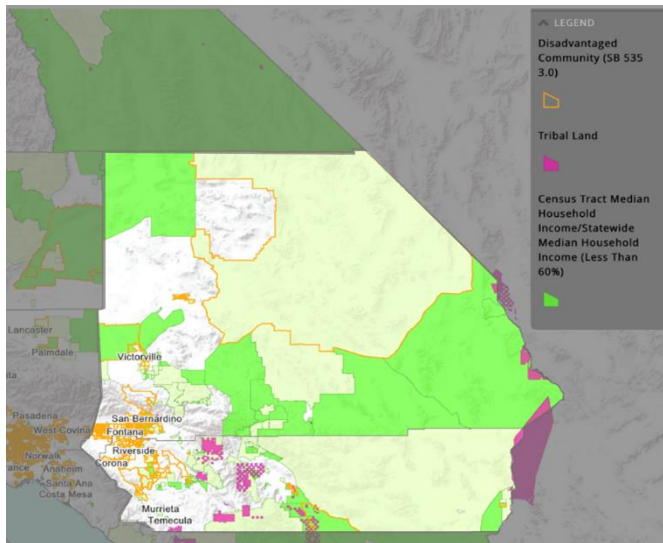


Figure 1-5. Disadvantaged communities and tribal lands in I-REN Territory

Source: [CEC GIS Portal](#)

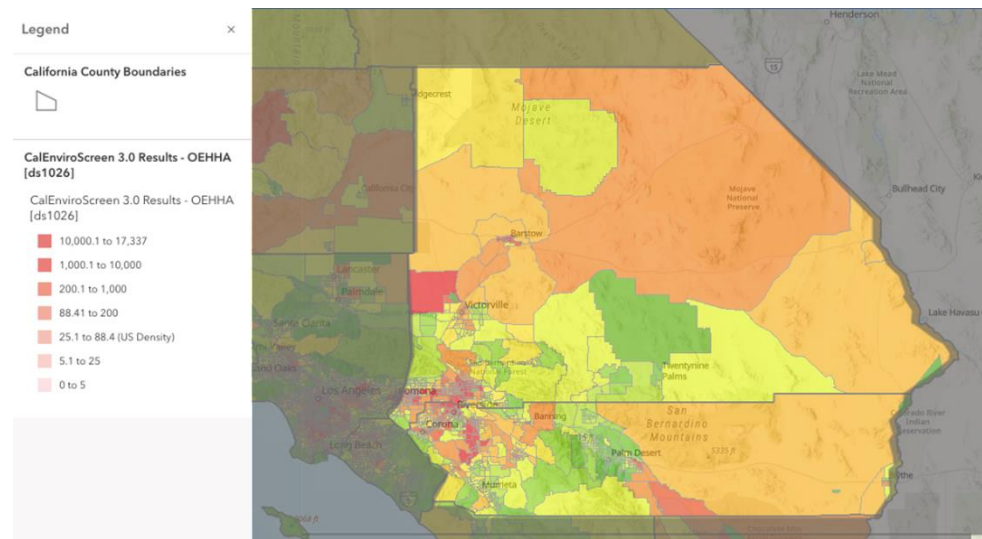


Figure 1-6. CalEnviroScreen 3.0 Results for I-REN Territory

Source: CalEnviroScreen 3.0

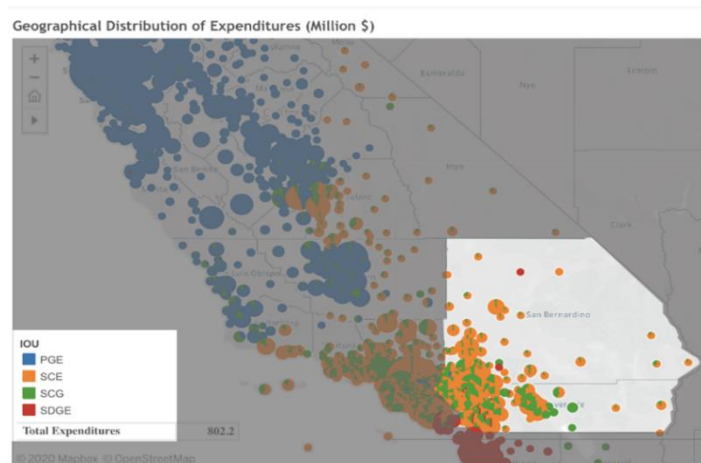


Figure 1-7. Geographical Distribution of Energy Efficiency Expenditures

Source: EESTATS Website, Geographic Distribution of Expenditures, 2016 data set

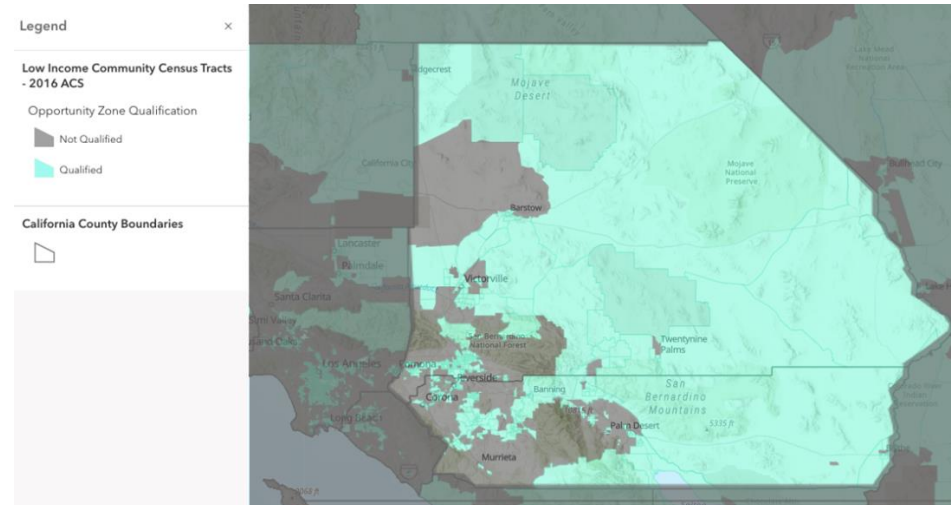


Figure 1-8. Low Income Opportunity Zones in I-REN Territory

Source: Low Income Community Census Tracts - U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

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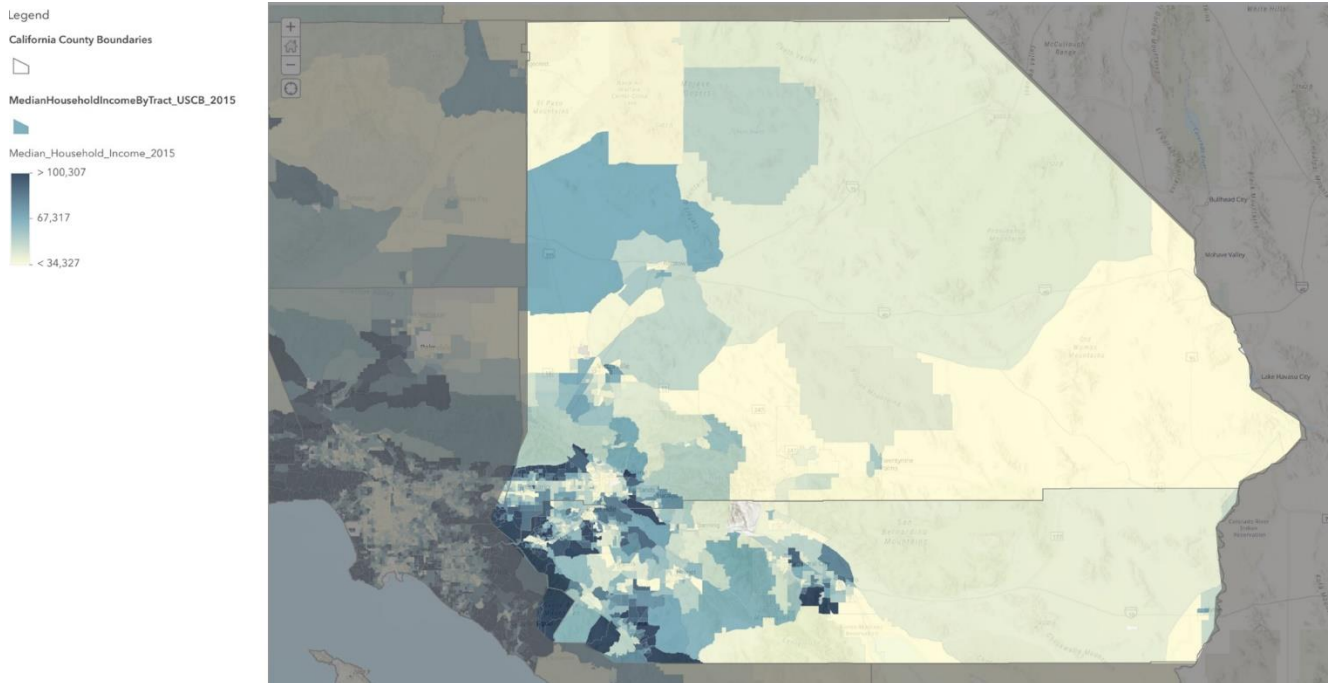


Figure 1-9. Median Household Income in I-REN Territory

Source: United States Census Bureau, 2015

Table 1-1. Inland Empire Cities & Percentage of Population Living in Poverty⁶

San Bernardino County		
Cities	Number of Cities	Rate of Poverty
Chino, Chino Hills, Grand Terrace, Rancho Cucamonga, Redlands, Upland	6	0% - 10%
Apple Valley, Big Bear Lake, Colton, Fontana, Hesperia, Highland, Loma Linda, Montclair, Ontario, Rialto, Victorville, Yucaipa, Yucca Valley	13	10% - 20%
Needles, San Bernardino, Twentynine Palms	3	20% - 30%
Adelanto, Barstow	2	30% - 40%
Riverside County		
Cities	Number of Cities	Rate of Poverty
Beaumont, Canyon Lake, Corona, East Vale, Indian Wells, Lake Elsinore, Menifee, Murrieta, Norco, Temecula	10	0% - 10%
Calimesa, Hemet, Indio, Jurupa Valley, La Quinta, Moreno Valley, Palm Desert, Palm Springs, Perris, Rancho Mirage, Riverside, San Jacinto, Wildomar	13	10% - 20%
Banning, Blythe, Cathedral City, Coachella	4	20% - 30%
Desert Hot Springs	1	30% - 40%

⁶ Husing, Ph.D., John E., Economics & Politics, Inc. *Inland Empire Quarterly Economic Report: Inland Empire City Profile 2020*. October 2020. Available [online](#).

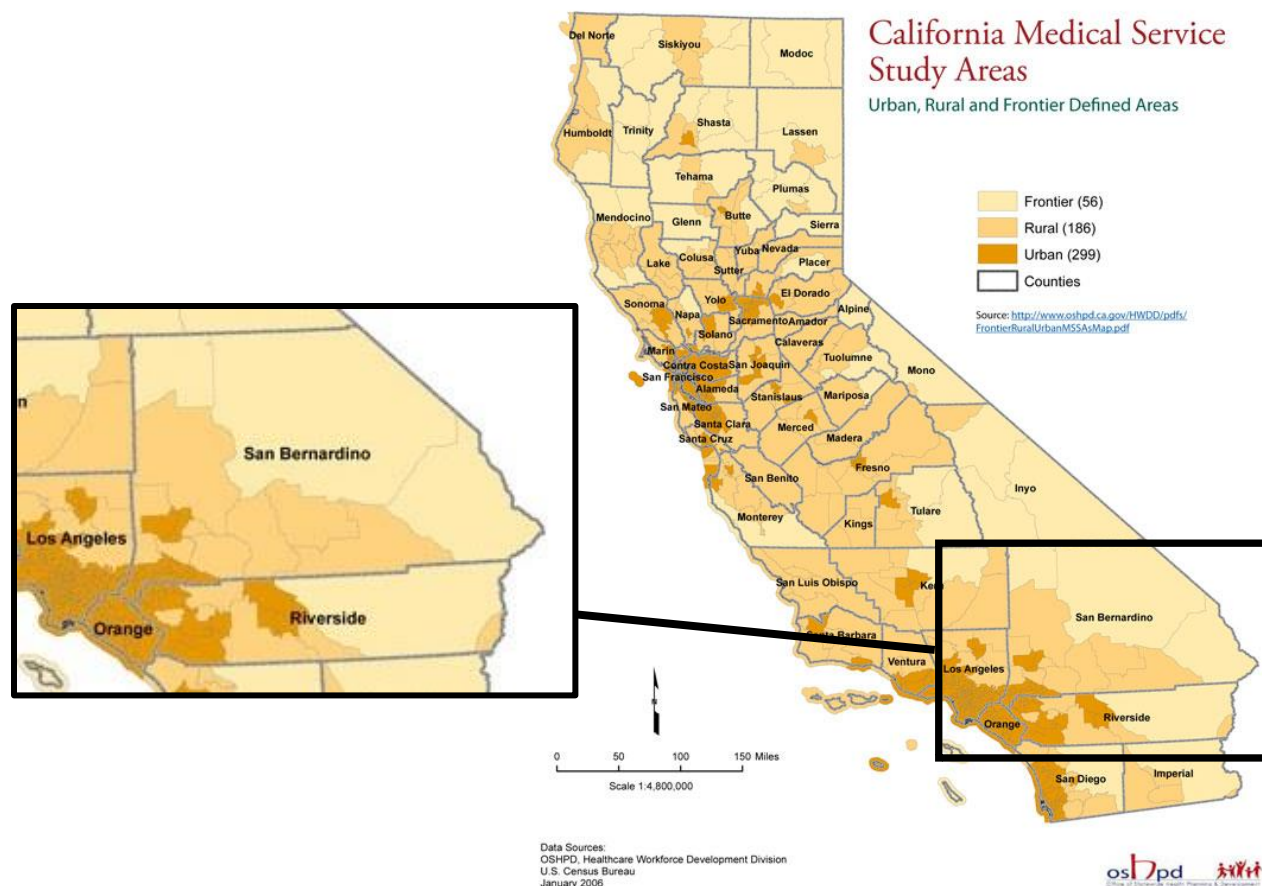


Figure 1-10. Urban, Rural and Frontier Defined Areas in I-REN Territory

Business Plan Sectors

In developing this Business Plan, I-REN aims to document its goals, strategies and tactics to increase the access and availability of energy efficiency services to its constituents and ensure value to the ratepayers in the region and the state. The plan consists of three main sectors, which align with the major I-REN work areas and are interrelated in their focus on supporting local jurisdictions and the energy efficiency workforce.

PUBLIC SECTOR

The I-REN Public Sector offering strives to establish robust and comprehensive wrap-around services for the local jurisdictions in the I-REN territory. Briefly, this includes Strategic Energy Planning to help identify opportunities, strategic investments in municipal and community buildings, establishing a Building Upgrade Concierge (BUC) service with digital and person-to-person technical assistance, and incentives for meter-based savings (Normalized Metered Energy Consumption or NMEC) achieved over three to five years. In their role as organizations dedicated to local government, the I-REN governing agencies have developed extensive networks and expertise with key partners in the public sector across

the region, and plan to leverage this history to continue facilitating energy efficiency upgrades. With 52 cities, 78 unincorporated county areas, and 17 tribal areas, there are significant needs. Further, many of these local governments tend to be under-resourced and lack the capacity, knowledge, and ability to effectively update their buildings. This will fill a gap in energy efficiency services by existing utilities, community choice aggregators (CCAs), or RENs.

CODES & STANDARDS: CROSS-CUTTING SECTOR

I-REN will implement a well-rounded set of activities related to supporting improved codes and standards compliance and enforcement through training, outreach, and technical assistance. The I-REN region includes many smaller jurisdictions that face significant challenges with codes and standards enforcement and compliance. The local building department staff in these jurisdictions are key to realizing energy savings from implementation and enforcement of codes and standards. For that reason, I-REN proposes to focus much of its C&S Sector work on empowering and supporting these local building department staff to be energy efficiency leaders in their own communities, through improved communications, protocols, and systems for increased efficiency. I-REN sees an opportunity to leverage its strong network with public sector staff to offer resources and support, while also providing targeted training and outreach to support building and construction industry actors to foster increased compliance with codes and standards.

WORKFORCE EDUCATION AND TRAINING: CROSS-CUTTING SECTOR

The I-REN team will work closely with local providers, as well as coordinating with other industry leaders statewide to bring more comprehensive, equitable and targeted training opportunities to the region. In addition, I-REN will work to improve workforce development and help enhance the availability of skilled workers and connections with businesses. Due in part to its geographic distance from major MSAs, the I-REN service area has historically had limited engagement in necessary workforce development opportunities. There is substantial demand but not a strong enough pool of skilled workers to meet that demand. The majority of IOU energy efficiency (EE) workforce training has typically taken place in the Los Angeles area or in border cities distant from many workers. I-REN sees an opportunity to strengthen its workforce by delivering trainings locally and using regional connections, especially with the Community Colleges and California State Universities (CSUs), and knowledge to engage and build workforce networks. Through these activities I-REN can help bridge the divide between training providers, job seekers, and employers to support the growth of a clean energy workforce and economy in the Inland Empire.

Purpose of Business Plan

The three primary agencies that constitute I-REN are pursuing the development of a new REN driven by the need to create equity and access in the region to energy efficiency programs. The Commission has recognized the value that local governments bring to energy efficiency program delivery and with the development of the REN model has provided an essential tool for local governments to leverage their expertise, networks, and deep connections to their communities to help reach state energy and climate goals.

While current energy data is not available by county, information from the CPUC's EESTATS website illustrates the lack of energy efficiency dollar expenditures in the region (Figure 1-7).

Similar to the Central Coast and the relatively new 3C-REN, Central/Inland California has historically been difficult to serve through current channels and will remain so unless there is an entity to directly serve and tailor programs for the region. As illustrated in the chart below, the I-REN region represents 4.5 million people and over 27,000 square miles, a substantial region with a need for its own independent REN dedicated to serving its communities.

Table 1-2. REN Population and Service Area Comparison

Organization	Counties	# of Cities	Total Population	Service Area (Sq. Miles)	Population per Sq. Mile
BayREN	9	101	7,753,023	6,907	1,123
3C-REN	3	25	1,581,504	7,877	201
SoCalREN	12	220	20 Million +	50,000 +	400 +
I-REN	2	52	4.5 Million	27,263	170

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Increasing resources and technical services is essential to the health and success of the region. The I-REN region is at a disadvantage due to climate impacts that will continue to worsen year over year. The Inland Empire already has a greater number of cooling degree days (CDD) than most of Southern California and these are projected to increase by more than a month of additional CDD each year over the next decade. According to Cal-Adapt, the I-REN counties will experience an average of 41 additional cooling days per year in the next ten years (for a total of 304 CDD per year on average), compared to 1995-2005 data.

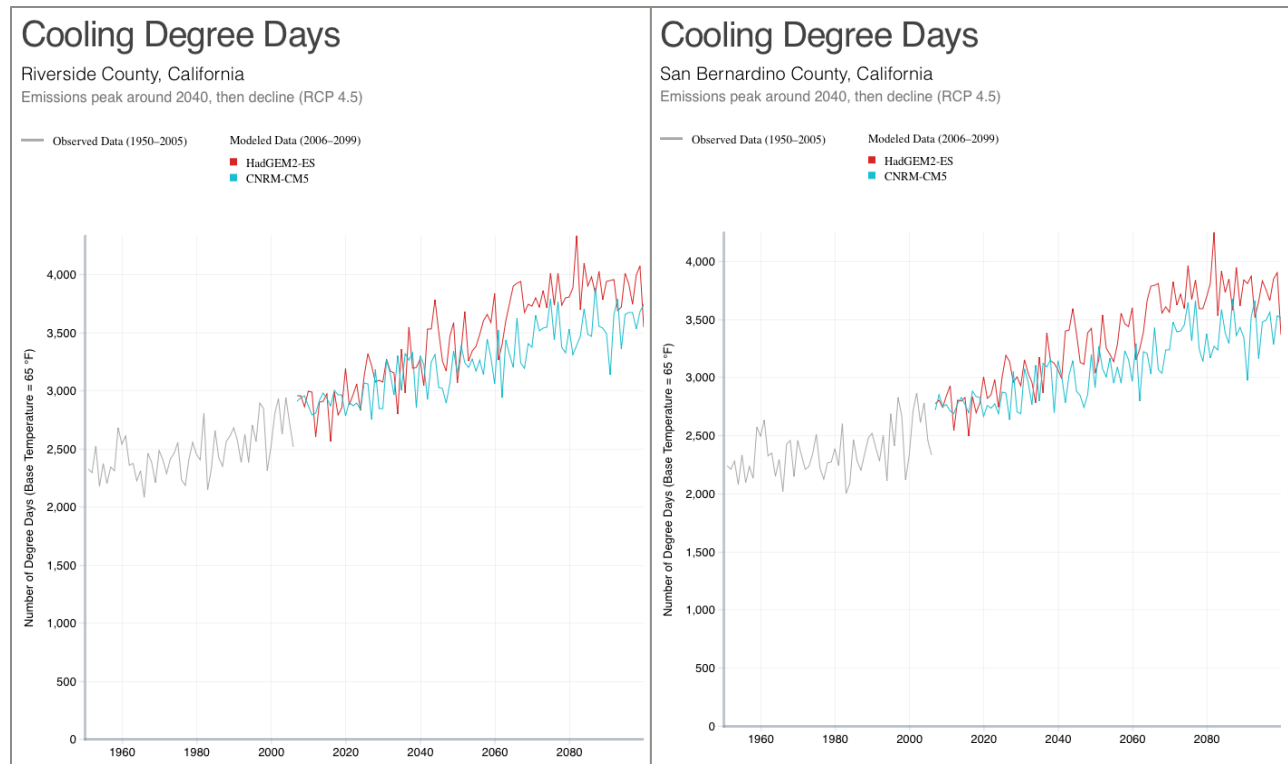


Figure 1-11. Cooling Degree Days in the I-REN Counties

*Riverside and San Bernardino County Cooling and Heating Days are increasing substantially.
Blue line is cooling days, red line is heating days. Source: Cal-Adapt*

Overview

Supporting California's Energy Goals & Needs

The I-REN Business Plan has been informed by a range of state and regulatory policies and legislation. The following is a summary of the key policies and legislation that are considered and incorporated into this Business Plan.

Strategic Plan and Associated Action Plans

Senate Bill (SB) 350 Supporting Plans: Several plans have been developed to define and better outline how to achieve the goals required in SB 350 specific to doubling energy efficiency from existing buildings and for addressing barriers to low-income communities. This includes California Energy Commission (CEC) Staff report “Framework for Establishing the Senate Bill 350 Energy Efficiency Savings Doubling Targets,” CEC report “Senate Bill 350: Doubling Energy Efficiency Savings by 2030,” and the CEC “SB 350 Low-Income Barriers Study Recommendations.” I-REN has reviewed these documents and considered their recommendations and insights into this Business Plan.

Existing Buildings Energy Efficiency (EBEE) Action Plan: The EBEE Action Plan provides detailed strategies and tactics for increasing energy efficiency in all existing buildings, including all residential buildings. The EBEE Action Plan outlines a series of priorities for local government leadership in energy efficiency, codes, and workforce that have been considered and incorporated when appropriate into this Business Plan.

California Energy Efficiency Strategic Plan (CEESP) and the Big Bold Goals: The 2011 CEESP outlines bold goals for achieving Zero Net Energy (ZNE) in all new residential buildings beginning in 2020 and directs program administrators to move away from single measure programs to deeper whole-house programs.

State Legislation and Goals

SB 100: The bill signed by Governor Brown calls for utilities to procure 60 percent renewable energy by 2030 and 100 percent carbon-free energy by 2045, and relevant to I-REN, to double the energy efficiency of existing buildings. The law makes California the largest jurisdiction to legally commit to clean energy. The goal to double energy efficiency for existing buildings will be a substantial lift and require coordination and collaboration with all PAs in the region.

Assembly Bill (AB) 1482; SB 246; SB 379; AB 2800: A range of state laws calling for preparation of state climate adaptation strategy, establishing the Governor’s Office of Planning and Research (OPR) Integrated Climate Adaptation and Resiliency Program, requiring local governments to include adaptation and resiliency strategies in general plans, and requiring state agencies to account for climate change when planning new infrastructure, respectively. I-REN is facing immediate impacts due to climate change and intends to leverage its EE portfolio to not just reduce energy consumption but to improve the resilience of the communities in the region.

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AB 841: Authorizes a one-time redirection of unspent energy efficiency funds from IOUs to schools. Programs would be designed to upgrade heating ventilation and air conditioning (HVAC) systems, increase energy efficiency, and address potential lead in water fixtures. I-REN's Public Sector initiatives align well with this new law and I-REN will look to build an approach to support this effort either directly or in coordination with regional PAs.

AB 32/SB 32: California Global Warming Solutions Act of 2006 – AB 32/SB 32 are the leading legislation in California directing substantial reductions in carbon emissions. The latest extension of SB 32 mandates the reduction of GHG gas emissions to 40 percent below the 1990 levels by 2030. As a consortium of local governments, this bill is central to I-REN's engagement and interest in deep energy savings and GHG gas reductions in the built environment. Climate Action Plans being developed throughout the region will be able to leverage and enhance I-RENs activities, particularly local governments.

SB 350 Clean Energy and Pollution Reduction Act of 2015: The primary aspect of this law relevant to I-REN is the mandate to increase energy efficiency by 50 percent in existing buildings by 2030 and its focus on addressing the needs of disadvantaged communities more effectively in accessing energy efficiency and solar resources, and workforce development. This Business Plan's goals and strategies draw substantially from this mandate.

SB 1414: Requires increased code compliance and requirement for confirmation of appropriate permits for installation of new HVAC and heat pumps systems. I-REN will incorporate these requirements into its programs and work with building departments to establish successful approaches to implement this across the region.

Regulatory Requirements

“The decision authorizes the continued operation of existing RENs and invites new REN proposals as business plans to be filed with the Commission, if they meet certain additional requirements as defined in this decision. Any new REN will be required to demonstrate unique value in achieving state goals, represent more than one local government entity, to coordinate with existing program administrators in their geographic area prior to filing their business plan, to vet their proposal with stakeholders through the California Energy Efficiency Coordinating Committee (CAEECC), and to explain their REN governance structure in their business plan filing.”⁷

I-REN is offering this Business Plan as a formal proposal to form a REN as outlined by the CPUC. I-REN has reviewed the CPUC guidance and pertinent decisions and is confident that it is well suited and needed to ensure equitable and effective energy efficiency services and resources to the region. This Business Plan provides details regarding the existing gaps, and lack of services needed in the region as required by the CPUC’s guidance. The following outlines the specific CPUC guidance and direction addressed in the Business Plan.

The CPUC in Decision 12-11-015, Decision 16-08-019, Decision 18-05-041, and refined in decision 19-1-021 the REN’s activities to three areas:

1. Activities that utilities or CCA program administrators cannot or do not intend to undertake.
2. Pilot activities where there is no current utility or CCA program offering, and where there is potential for scalability to a broader geographic reach, if successful.
3. Activities serving hard-to-reach markets, whether or not there is another utility or CCA program that may overlap.⁸

“What we seek to avoid with “overlap” concerns, is duplicative administrative costs that may be associated with multiple administrators operating in one area, disproportionate funding concentrated on one geographic area, and/or multiple program administrators conducting similar activities. In addition, we want to avoid customers receiving confusing or multiple competing offers for the same type of measure or project.”⁹

I-REN has focused on these three criteria areas and the need to provide value for ratepayers in the development of this Business Plan. The I-REN governing agencies have worked for nearly 18 months coordinating, developing and refining the presented sectors to ensure they do not overlap and instead fill clear gaps, address hard-to-reach communities, and assess opportunities to pilot new ideas that could be scaled beyond the I-REN region.

⁷ CPUC, Decision 19-12-021, December 5, 2019, page 2.

⁸ CPUC Decision 19-12-021, December 5, 2019, page 31.

⁹ CPUC Decision 19-12-021, December 5, 2019, page 24-25.

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Specifically, I-REN has engaged in the following coordination activities:

- Met with SCE, SoCalGas, and SoCalREN to discuss proposed programs and received Letters of Commitment to Cooperate (included in Appendix C).
- Connected with and secured support letters from numerous cities across the I-REN territory, as well as county officials and other regional organizations such as Southern California Association of Governments and Western Community Energy (letters included in Appendix C).
- Presented initial Strategic Framework and the Draft Business Plan to the Full California Energy Efficiency Coordinating Committee (CAEECC), once in May 2020 and then again in December 2020.
- Regularly attended and participated in CAEECC and Underserved Working Group meetings.
- Responded to and incorporated input from CAEECC stakeholders in Business Plan where appropriate (see Appendix D).
- Coordinated with CPUC Energy Division Staff and conducted a series of Ex Parte communications with Commission Staff and Commissioners to introduce I-REN, the proposed programs, and discuss I-REN's Business Plan submittal.

Providing Value

I-REN's Business Plan has been designed to be targeted, feasible, and actionable to provide a solid foundation for building and growing a successful REN and energy efficient portfolio in the region. The I-REN Business Plan is informed by the stakeholder process indicated above and shaped by I-REN's collective history of working in energy efficiency and clean energy through grant programs and previous local government programs. This relevant experience is summarized in selected examples below.

- WRCOG's LGP, known as the Western Riverside Energy Partnership (WREP), has existed for 10 years in WRCOG territory and has grown over those years to 18 members along with the County of Riverside to collectively support energy efficiency upgrades & community engagement.
- WRCOG's Streetlight initiative is a regional program for 11 agencies that provided financing and rebates for energy efficient street lighting to regional jurisdictions.
- WRCOG's CCA program, Western Community Energy (WCE), supports six member agencies which buys cleaner electricity and sells it at a lower cost to its customers.
- CVAG participated in the Desert Cities Energy Partnership (DCEP), a 10-year LGP including CVAG and its 10 member cities and utilities servicing its jurisdiction.
- CVAG's Property Assessed Clean Energy (PACE) program has service agreements with seven private firms to service CVAG's jurisdiction. PACE started in the Coachella Valley in 2007, starting with the City of Palm Desert and later transitioning to a regional approach through CVAG.
- CVAG received a Strategic Plan grant in the amount of \$4.1 million to assist its cities with completing Greenhouse Gas inventories, Climate Action Plans, Energy Action Plans, and many more policies relevant to energy efficiency and reduction of their carbon footprints.
- CVAG's voluntary Green Building program is designed to encourage customers and contractors to go beyond Title 24 requirements.
- CVAG's Community Choice Aggregation (CCA) program, called Desert Community Energy (DCE), buys cleaner electricity and sells it at lower costs to its customers.
- SBCOG coordinated San Bernardino County's ZEV Readiness and Implementation Plan.
- SBCOG's Climate Resiliency Study "Resilient IE" includes the participation of all 24 cities in San Bernardino County.
- SBCOG's San Bernardino Regional Energy Partnership includes collaboration with 13 cities and the region's IOUs.

I-REN Value Metrics

There are three primary areas that I-REN sees establishing unique value with this Business Plan:

- 1. Building local government capacity to implement energy efficiency upgrades for municipal buildings and for improving code compliance.**
- 2. Supporting economic sustainability and a strong local workforce by connecting effective and equitable opportunities for local EE training and demand for EE upgrades.**
- 3. Establishing long-lasting, scalable tools through the Building Upgrade Concierge (BUC) that can be used in every city in the region for purposes including but not limited to sharing timely and accurate EE information, identifying rebates and incentives available through any PA's programs, and helping explain financing resources.**

Aligning with Commission Decision Making

The I-REN Business Plan is designed to align with the current PA Business Plan timeframe to 2025. The objective is to develop an initial foundation and framework that will guide I-REN through its launch phase and into a sustainable future as a program implementer beyond 2025, with a focus on adaptability and flexibility.

I-REN recognizes that the Commission is considering changes to PA Business Plan processes and timing. The primary driving issues are COVID-19 impacts, changes to cost effectiveness, and updates to the Potential and Goals study. This Plan has been developed with these issues in mind and I-REN asserts that as a REN, it is not impacted by cost effectiveness rules nor the updates to the Potential and Goals study. This is due to the fact that the Potential and Goals Study does not specifically provide actionable data based on REN territories or REN programs and D.19-12-021 affirmed that RENs do not have a cost effectiveness threshold requirement.

The majority of the activities outlined in I-REN's Business Plan are non-resource programs, designed to support and enhance the activities of other PAs, with a targeted local government resource program not currently provided to its member audiences.

Major Trends

The following major trends will influence the design and impact I-REN's portfolio, including: COVID-19 and related economic stressors, racial inequity, increasing climate change impacts, geography, and the need for high performance buildings and a skilled workforce.

I-REN's proposed offerings have elements that can support each of these substantial issues and help to better serve the region, ensuring that ratepayer dollars are being allocated equitably to DAC, rural, tribal, and other communities who need the funds and who have been historically underserved.

Additional trends have been identified in each Sector chapter specific to that area.



Figure 1-12. Riverside Mission Hotel

COVID-19, Unemployment, and Economic Stresses on Local Government

The public health impacts from COVID-19 and associated economic challenges have severely affected the Inland Empire and will impact the region for the foreseeable future. In one example, research from the Economic Roundtable identified Riverside County workers as tied for having the highest risk in California for job loss due to COVID-19 economic impacts. "The burden of unemployment is unequally distributed. It rests most heavily on young adults, Latinos, and workers in restaurant, hotel, personal care, and janitorial jobs. Young adults graduating from school and attempting to enter the job market face extremely difficult challenges," the report concluded.¹⁰

Local governments will continue to face economic stresses in this region, particularly those cities reliant on sales taxes. Retail and commercial activity will be impacted negatively for the foreseeable future and may not rebound for years. It is uncertain what the specific and ongoing implications might be, but for the purpose of planning for I-REN, it is assumed based on what happened in the 2007-2010 recession that local government staffing will be frozen or reduced, that there will be less funding available for non-essential capital improvements, and planning funding will also be negatively impacted. The other cascading impacts from COVID-19 such as job loss, housing insecurity, health disparities and more will affect the region's local jurisdictions, and it is anticipated that it will continue to be difficult to engage and leverage local government staff as effectively while they respond to the ongoing pandemic and weather its long-term effects going forward. Economic development and affordability are important

¹⁰ Lansner, Jonathan. Orange County Register. (April 17, 2020). Riverside County workers at highest risk for coronavirus-related layoff, by this math. Available [online](#). Accessed November 2020.

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issues to the I-REN region, which has seen population growth greater than other parts of California while having lower median income, prior to the COVID-19 pandemic.¹¹

The I-REN portfolio will directly help local governments mitigate some of these issues by providing additional resources to the region, and enabling ongoing workforce development, economic activity, and capital improvements. As the COVID-19 pandemic and related economic crisis continues to unfold, the cross-cutting, interrelated activities proposed for I-REN's Public Sector, WE&T, and C&S programs will support local governments and building professionals in navigating the changes ahead.

Social and Racial Inequity

The issue of racial inequity and the widespread outpouring of support for a rehaul of community policing and systemic racial policies are critical concerns that I-REN can and will address within its portfolio. Some of the implications that are within I-REN's ability to address include the unequal access to energy efficiency dollars, the lack of support for small and underserved communities, ineffective programs for tribal communities, as well as overall lack of diversity. Proactive outreach to disadvantaged communities to assist increase the availability of a sustainable and equitable workforce will be important. I-REN's racial makeup is significantly more Hispanic and Latino than the rest of California, with fewer Asian residents. The majority of the region's residents - 51.6%, or 2.39 million - are Hispanic. Of those, approximately 1.5 million are primarily Spanish speaking.¹² This diversity requires I-REN to ensure that its programs, services, and resources are available and accessible to everyone.

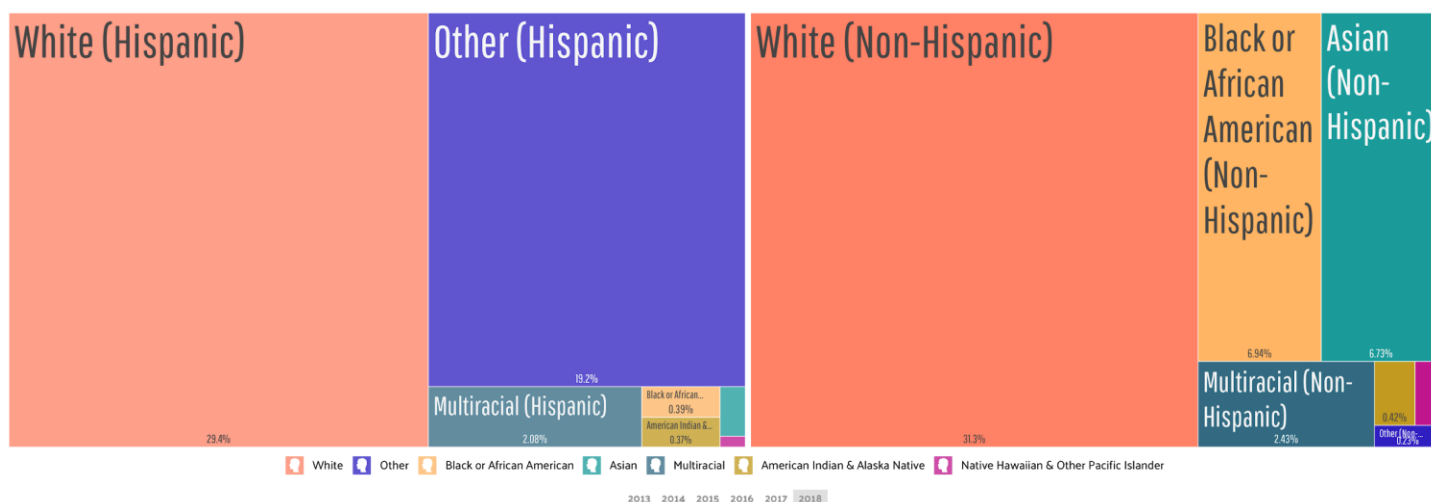


Figure 1-13. Inland Empire Racial Demographics¹³

¹¹ Jones, B., Elkind, E., Duncan, K., & Hanson, M. (2017). The Net Economic Impacts of California's Major Climate Programs in the Inland Empire. *UC Berkeley: Berkeley Law*. Available online. Accessed April 2020.

<http://laborcenter.berkeley.edu/pdf/2017/Inland-Empire-Net-Impacts.pdf>

¹² <https://datausa.io/profile/geo/riverside-san-bernardino-ontario-ca#demographics>

¹³ Source: <https://datausa.io/profile/geo/riverside-san-bernardino-ontario-ca>

Climate Change

As discussed earlier in this chapter, climate change is a slow moving but major challenge and trend with the broadest impacts to the I-REN service territory. Climate change is anticipated to impact Riverside and San Bernardino counties with increased extreme and variable weather resulting in increasingly hotter summers and more extreme winter storms. Drought and wildfire impacts will also increase, particularly as more homes and communities build into the wildlands urban interface. The Inland Empire already has some of the worst smog in the region contributing to health impacts and poor air quality. I-REN's Public Sector programs will work with local governments to upgrade public buildings' energy systems, particularly HVAC. Upgrades will be designed to offer safe and healthy hubs for community members, as well as better buildings for public sector workers. Together these improvements will help to improve the ability of the region to withstand these impacts while also reducing energy usage and greenhouse gas impacts related to energy use.

Geography

Geography is a major consideration for I-REN as a motivation to create a REN, and as a barrier that needs to be directly and consistently addressed. The I-REN service territory covers over 27,000 square miles – an area nearly the size of the state of South Carolina – with a range of communities, populations, and needs. Vast areas of the region are historically underserved by traditional IOU and other PA programs as they are far away from major cities, have a lack of an available workforce, and lower socio-economic standing making them less attractive to travel to provide services. I-REN, as a local government coalition, has a mission to equitably serve these outlying communities. Moreover, these communities are already part of the I-REN governing agencies' organizational structures and can be more effectively engaged and served through I-REN than any other existing organization.

High Performance Buildings and a Skilled Workforce

As the State moves to implement a near-ZNE residential code, and high performing existing buildings, the gap in the skills of the existing workforce will be exacerbated. The future reality of more complex building design, construction, and operation will require technical training and engagement with all contractor types to make sure that advanced measures, technologies, and approaches are installed and implemented correctly to achieve the anticipated savings. In addition, these complex concepts will require improved "soft skills" to communicate effectively to job crews, customers, building departments, and others. I-REN will incorporate these future-focused topics as they collaborate with training providers and industry stakeholders for their WE&T sector initiatives. In alignment with I-REN's value metrics, I-REN will structure its WE&T activities to help ensure the Inland Empire workforce has equitable opportunities to learn these new skills and technologies, especially in rural, DAC, low income, and other vulnerable communities.

Evolving from Past Cycles & I-REN's Role

I-REN sees this initial Business Plan submittal as the first step in establishing a strong foundation for a larger and more comprehensive portfolio of programs. This Business Plan is focused on building capacity and enabling local governments to become better leaders for energy efficiency, expanding the workforce, and solidifying the ability to enforce codes and standards.

Ultimately, I-REN envisions growing its offerings into the Residential and Commercial Sectors, particularly targeting hard-to-reach audiences in the region. I-REN sees the opportunity as the IOUs transition their residential programs in the coming years to step in and fill the gaps anticipated for hard-to-reach and less cost-effective EE to help address equity and access for all residents and disadvantaged communities. Equally, I-REN anticipates working with small and medium commercial businesses in the future to address their needs for EE. The region has a relatively large number of tribal communities and while I-REN will begin working with tribes during this Business Plan timeframe, it is anticipated that the focus will be on building relationships, listening, and collaborating to establish a better approach to meeting the unique requirements of tribal communities.

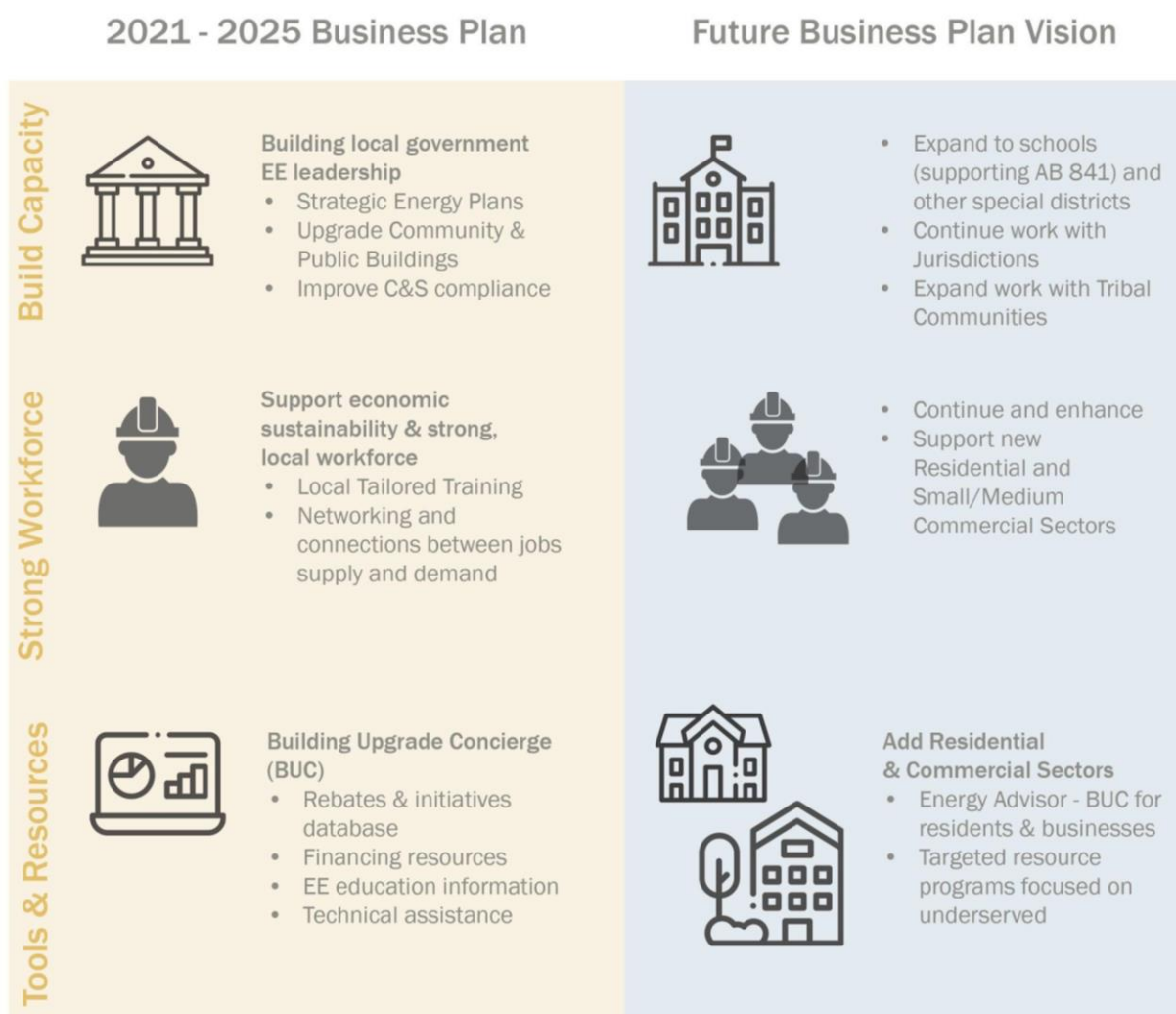


Figure 1-14. I-REN's Business Plan and Vision for the Future

Intervention Strategies and Goals



Figure 1-15. I-REN Strategic Framework

Challenges & Barriers

The I-REN region faces numerous barriers that in the past have hindered participation in energy efficiency programs. I-REN has developed its strategic interventions to address specific barriers (Table 1-3) faced by market actors in each of the three sectors it proposes to serve. This approach is based on insights from the I-REN governing agencies' work with their local jurisdictions, and with consideration also given to previous attempts by other PAs to address these sectors in this region. Those lessons learned informed I-REN's planning process, as well as best practices from successful programs elsewhere in the state.

Table 1-3. Barriers and Strategies for All I-REN Sectors

Problem	Barriers	Solutions	Strategies
Public Sector			
Local government staff lack the time and capacity to pursue complex energy efficiency projects.	Lack of understanding of best practices for energy efficiency solutions.	Technical assistance, locally focused resources, and person-to-person support are needed to develop and implement strategic energy plans for the Public Sector.	S1.1
There are a variety of EE programs and funding sources but it's unclear which apply to local government facilities or how to participate.	Confusion on types of incentives or financing programs and lack of staff resources to apply.	Tailored, locally focused program options are needed, as well as technical assistance and resources to prompt participation in I-REN and other PA programs.	S1.1 S1.2
Due to budgetary restrictions and complicated approval processes, public sector agencies may wait until burnout to replace equipment. At that time, they are forced to decide quickly, often without access to outside funding sources.	Disconnect between funding sources and timing of energy efficiency upgrades, which can increase building operating costs due to increased maintenance needs and higher energy use.	Strategic energy planning can help create a roadmap to plan for equipment upgrades. Technical assistance and locally focused programs can help agencies leverage resource programs and financing to reduce costs.	S1.1 S1.2
Older, inefficient equipment continues to function so it is not replaced due to cost and staff resource issues, yet it drives up building operating costs through increases in required maintenance and higher energy use.	Lack of drivers or need for local government agencies to replace existing working, but inefficient equipment.	Technical assistance combined with an incentive or financing option could make the difference in a public sector agency moving to a higher efficiency option for their facility.	S1.1 S1.2

Chapter 1: Portfolio Summary

Problem	Barriers	Solutions	Strategies
Navigating EE program participation and funding sources is complex and requires a dedicated “Energy Champion” who can devote time and attention to the subject.	Frequent changes in the Energy Champions, with high turnover in staff and overall lack of government staff capacity.	Person-to-person technical assistance and support is critical for maintaining relationships through staffing turnover.	S1.1
Local governments each have their own bureaucratic structure, and it’s often unclear how they can enroll in EE programs or apply for financing opportunities.	Varied governance, and funding rules that limit ability to take advantage of typical IOU funding/LGP.	Technical assistance resources, and person-to-person support can help agency staff navigate the enrollment and approval process.	S1.1
Codes & Standards			
Codes and standards are continually being updated.	Lack of capacity and time to learn details of Title 24, Part 6 and implement effective means to review or enforce.	Technical assistance, tools, training, and resources can help local building department staff and permit applicants keep up with changes to codes and standards.	S3.1 S3.3
Some local building departments have limited staff resources for enforcing energy codes.	Energy efficiency is a low priority for building departments. Focus is on life and safety issues.	Ongoing training and outreach can help identify and fill gaps in building department capacity, while reinforcing the importance of energy codes and helping encourage local leadership in EE and C&S.	S3.1
Some local building departments have limited capacity to monitor and enforce changes, leading to uneven compliance across the region.	Lack of enforcement of permitting of HVAC systems for existing buildings as well as other energy code elements for new construction, especially related to the 2019 code cycle.	Outreach to construction firms and local building departments can help ensure consistent and timely information is being distributed across jurisdictions to support both compliance and enforcement.	S3.2
Both permit applicants (e.g., construction firms) and local building department staff have complicated	Technical questions and issues with permitting, codes, etc.	Technical assistance can help provide targeted support for permit applicants and local building departments, and other tools, and resources can offer accessible	S3.3

Chapter 1: Portfolio Summary

Problem	Barriers	Solutions	Strategies
requirements to follow for compliance and enforcement.		information to answer frequently-asked questions and help address known issues.	
Workforce Education & Training			
When employers are hiring for skilled positions in advanced energy and energy efficiency, they can't find people to hire.	Inability to find and retain skilled and qualified workers for the demand.	Foster connections between workforce and industry. Promote relevant training opportunities in collaboration with WIBs to upskill the workforce. Collaborate with employers to provide continuing education for professional development and employee retention.	S2.1 S2.2
Codes and standards compliance and energy efficiency programs require certain certifications and qualifications for builders to participate.	A limited number of builders in the region have the required certifications and qualifications.	Promote relevant training opportunities in collaboration with WIBs to upskill the workforce. Collaborate with employers to provide continuing education for professional development and employee retention.	S2.1
Energy efficiency and advanced energy projects and programs require qualifications that the local workforce does not have.	Lack of qualified workforce in Riverside/San Bernardino Counties, especially in the more remote areas.	Foster connections between workforce and industry. Promote relevant training opportunities in collaboration with WIBs to upskill the workforce.	S2.1
Job seekers cannot find jobs in energy efficiency and advanced energy.	Lack of job opportunities in energy efficiency and advanced energy in the region.	Foster connections between workforce and industry. Identify and illuminate the pathways to energy efficiency and advanced energy jobs.	S2.2
Contractors aren't aware of energy efficiency projects, or they cannot or choose not to perform this work.	Lack of interest or knowledge of the opportunities and benefits of energy efficiency projects.	Foster connections between workforce and industry. Promote relevant training opportunities to upskill the workforce. Collaborate with employers to provide continuing education for professional development and employee retention.	S2.1 S2.2

Chapter 1: Portfolio Summary

Problem	Barriers	Solutions	Strategies
Training is too far away and is offered infrequently or scheduled during work hours when it's inconvenient for contractors to attend. Also, existing training may be irrelevant to contractors or local projects' needs.	Training opportunities' availability, timing, and location pose challenges for contractors to be able to attend and are not designed for the particular needs of the local market.	Promote relevant training opportunities to upskill the workforce. Improve access to training by increasing the number of sites and delivery mechanisms, as well as options for timing that accommodates the workforce's schedule. Collaborate with employers to provide continuing education for professional development and employee retention.	S2.1

Portfolio Metrics & Budget

Metrics

Portfolio Level - All Sector Metrics

Table 1-4. Portfolio Level Metrics

Portfolio Level Metric	Baseline Year	Short Term Target 2021 ¹⁴	Short Term Target 2022	Short Term Target 2023	Mid Term Target (2024-2025)
CO2-equivalent of net annual kWh savings	2022	N/A	1,026	1,173	1,351
First year annual kW gross	2022	N/A	759	856	1,000
First year annual kW net	2022	N/A	720	813	949
First year annual kWh gross	2022	N/A	4,401,355	4,596,706	5,335,690
First year annual kWh net	2022	N/A	4,175,629	4,361,224	5,062,128
First year annual Therm gross	2022	N/A	127,668	155,636	181,325
First year annual Therm net	2022	N/A	121,315	147,884	172,295
Lifecycle ex-ante kW gross	2022	N/A	3,220	3,511	4,081
Lifecycle ex-ante kW net	2022	N/A	3,209	3,499	4,067
Lifecycle ex-ante kWh gross	2022	N/A	18,780,846	19,037,308	22,006,804
Lifecycle ex-ante kWh net	2022	N/A	17,825,745	18,069,440	20,887,250
Lifecycle ex-ante Therm gross	2022	N/A	512,633	624,822	727,940
Lifecycle ex-ante Therm net	2022	N/A	487,087	593,666	691,644
First year annual kW gross in Disadvantaged Communities	2022	N/A	190	214	250

¹⁴ The resource program portion of I-REN's Public Sector will launch in year two, therefore there are no targets for 2021, the intended first year of their business plan activity.

Chapter 1: Portfolio Summary

Portfolio Level Metric	Baseline Year	Short Term Target 2021 ¹⁴	Short Term Target 2022	Short Term Target 2023	Mid Term Target (2024-2025)
First year annual kW net in Disadvantaged Communities	2022	N/A	180	203	237
First year annual kWh gross in Disadvantaged Communities	2022	N/A	1,100,339	1,149,177	1,333,922
First year annual kWh net in Disadvantaged Communities	2022	N/A	1,043,907	1,090,306	1,265,532
First year annual Therm gross in Disadvantaged Communities	2022	N/A	31,917	38,909	45,331
First year annual Therm net in Disadvantaged Communities	2022	N/A	30,329	36,971	43,074
Lifecycle ex-ante kW gross in Disadvantaged Communities	2022	N/A	805	878	1,020
Lifecycle ex-ante kW net in Disadvantaged Communities	2022	N/A	802	875	1,017
Lifecycle ex-ante kWh gross in Disadvantaged Communities	2022	N/A	4,695,212	4,759,327	5,501,701
Lifecycle ex-ante kWh net in Disadvantaged Communities	2022	N/A	4,456,436	4,517,360	5,221,812
Lifecycle ex-ante Therm gross in Disadvantaged Communities	2022	N/A	128,158	156,206	181,985
Lifecycle ex-ante Therm net in Disadvantaged Communities	2022	N/A	121,772	148,416	172,911
First year annual kW gross in Hard-to-Reach Markets	2022	N/A	N/A	N/A	N/A
First year annual kW net in Hard-to-Reach Markets	2022	N/A	N/A	N/A	N/A
First year annual kWh gross in Hard-to-Reach Markets	2022	N/A	N/A	N/A	N/A
First year annual kWh net	2022	N/A	N/A	N/A	N/A
First year annual Therm gross	2022	N/A	N/A	N/A	N/A
First year annual Therm net	2022	N/A	N/A	N/A	N/A

Chapter 1: Portfolio Summary

Portfolio Level Metric	Baseline Year	Short Term Target 2021 ¹⁴	Short Term Target 2022	Short Term Target 2023	Mid Term Target (2024-2025)
Lifecycle ex-ante kW gross	2022	N/A	N/A	N/A	N/A
Lifecycle ex-ante kW net	2022	N/A	N/A	N/A	N/A
Lifecycle ex-ante kWh gross	2022	N/A	N/A	N/A	N/A
Lifecycle ex-ante kWh net	2022	N/A	N/A	N/A	N/A
Lifecycle ex-ante Therm gross	2022	N/A	N/A	N/A	N/A
Lifecycle ex-ante Therm net	2022	N/A	N/A	N/A	N/A
PAC Levelized Cost (\$/kW)	2022	N/A	\$0.41	\$0.36	\$0.31
PAC Levelized Cost (\$/kWh)	2022	N/A	\$4.41	\$3.79	\$3.18
PAC Levelized Cost (\$/therm)	2022	N/A	\$2,632.75	\$2,182.44	\$1,883.26
TRC Levelized Cost (\$/kW)	2022	N/A	\$0.48	\$0.42	\$0.37
TRC Levelized Cost (\$/kWh)	2022	N/A	\$5.37	\$4.42	\$3.81
TRC Levelized Cost (\$/therm)	2022	N/A	\$0.41	\$0.36	\$0.31

Public Sector Metrics

Table 1-5. Public Sector Metrics

Public Sector Metric	Baseline Year	Short Term Target 2021	Short Term Target 2022	Short Term Target 2023	Mid Term Target (2024-2025)
First year annual kW gross	2022	N/A	759	856	1,000
First year annual kW net	2022	N/A	720	813	949
First year annual kWh gross	2022	N/A	4,401,355	4,596,706	5,335,690

Chapter 1: Portfolio Summary

Public Sector					
Metric	Baseline Year	Short Term Target 2021	Short Term Target 2022	Short Term Target 2023	Mid Term Target (2024-2025)
First year annual kWh net	2022	N/A	4,175,629	4,361,224	5,062,128
First year annual Therm gross	2022	N/A	127,668	155,636	181,325
First year annual Therm net	2022	N/A	121,315	147,884	172,295
Lifecycle ex-ante kW gross	2022	N/A	3,220	3,511	4,081
Lifecycle ex-ante kW net	2022	N/A	3,209	3,499	4,067
Lifecycle ex-ante kWh gross	2022	N/A	18,780,846	19,037,308	22,006,804
Lifecycle ex-ante kWh net	2022	N/A	17,825,745	18,069,440	20,887,250
Lifecycle ex-ante Therm gross	2022	N/A	512,633	624,822	727,940
Lifecycle ex-ante Therm net	2022	N/A	487,087	593,666	691,644
CO2-equivalent of net annual kWh savings	2022	N/A	1,026	1,173	1,351
Percent annual net kW per project building or facility	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Percent annual net kWh per project building or facility	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Percent annual net Therms per project building or facility	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Average annual net kw savings per project building floor plan area	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Average annual net kw savings per project building floor plan area	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Average annual net Therm savings per project building floor plan area	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Average annual Net kW savings per annual flow through project water/wastewater facilities	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator

Chapter 1: Portfolio Summary

Public Sector	Baseline Year	Short Term Target 2021	Short Term Target 2022	Short Term Target 2023	Mid Term Target (2024-2025)
Metric					
Average annual Net kWh savings per annual flow through project water/wastewater facilities	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Average annual Net Therms savings per annual flow through project water/wastewater facilities	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Percent of Public Sector accounts participating in programs	2021	TBD	TBD	TBD	TBD
Percent of estimated floorplan area (i.e., ft²) of all Public Sector buildings participating in building projects	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Percent of Public Sector water/wastewater flow enrolled in non-building water/wastewater programs	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
PAC Levelized Cost (\$/kW)	2022	N/A	\$0.41	\$0.36	\$0.31
PAC Levelized Cost (\$/kWh)	2022	N/A	\$4.41	\$3.79	\$3.18
PAC Levelized Cost (\$/therm)	2022	N/A	\$2,632.75	\$2,182.44	\$1,883.26
TRC Levelized Cost (\$/kW)	2022	N/A	\$0.48	\$0.42	\$0.37
TRC Levelized Cost (\$/kWh)	2022	N/A	\$5.37	\$4.42	\$3.81
TRC Levelized Cost (\$/therm)	2022	N/A	\$0.41	\$0.36	\$0.31
Total program-backed financing distributed to Public Sector customers requiring repayment	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Percent of Public Sector buildings with current benchmark	2021	TBD	TBD	TBD	TBD
Average energy use intensity of all Public Sector buildings	2021	TBD	TBD	TBD	TBD

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Public Sector					
Metric	Baseline Year	Short Term Target 2021	Short Term Target 2022	Short Term Target 2023	Mid Term Target (2024-2025)
Percent of floorplan area of all Public Sector buildings with current benchmark	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator

Codes & Standards Metrics

Table 1-6. Codes & Standards Metrics

Codes & Standards					
Metric	Baseline Year	Short Term Target 2021	Short Term Target 2022	Short Term Target 2023	Mid Term Target (2024-2025)
Net GWh savings	2021	N/A	N/A	N/A	N/A
Net MMTherms savings	2021	N/A	N/A	N/A	N/A
Net MW savings	2021	N/A	N/A	N/A	N/A
Number of measures supported by CASE studies in rulemaking cycle (current work)	2021	N/A	N/A	N/A	N/A
Number of measures adopted by CEC in rulemaking cycle (indicator of past work)	2021	N/A	N/A	N/A	N/A
Number of T-20 measures supported by CASE studies in rulemaking cycle (current work)	2021	N/A	N/A	N/A	N/A
Number of measures adopted by CEC in current year	2021	N/A	N/A	N/A	N/A
Number of federal standards adopted for which a utility advocated (IOUs to list advocated activities)	2021	N/A	N/A	N/A	N/A
Percent of federal standards adopted for which a utility advocated (#IOU supported / # DOE adopted)	2021	N/A	N/A	N/A	N/A
The number of local government Reach Codes	2021	N/A	N/A	N/A	N/A

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Codes & Standards	Baseline Year	Short Term Target 2021	Short Term Target 2022	Short Term Target 2023	Mid Term Target (2024-2025)
Metric					
implemented (this is a joint IOU and REN effort)					
Number of training activities (classes, webinars) held, number of market actors participants by segment (e.g. building officials, builders, architects, etc.) and the total size (number of the target audience) by sector. (M)	2021	TBD	12	12	TBD
Number of training activities (classes, webinars) held, number of market actors participants by segment (e.g. building officials, builders, architects, etc.) and the total size (number of the target audience) by sector. (M)	2021	TBD	360	360	TBD
Number of participants					
Increase in code compliance knowledge pre/post training	2021	N/A	N/A	N/A	TBD
The percentage increase in closed permits for building projects triggering energy code compliance within participating jurisdictions	2021	N/A	N/A	N/A	N/A
Number and percent of jurisdictions with staff participating in an Energy Policy Forum	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Number and percent of jurisdictions with staff participating in an Energy Policy Forum	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Number and percent of jurisdictions receiving Energy Policy technical assistance.	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Number and percent of jurisdictions receiving Energy Policy technical assistance.	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator

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Codes & Standards	Baseline Year	Short Term Target 2021	Short Term Target 2022	Short Term Target 2023	Mid Term Target (2024-2025)
Metric					
Buildings receiving enhanced code compliance support and delivering compliance data to program evaluators	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator

Workforce Education and Training Metrics

Table 1-7. Workforce Education and Training Metrics

Workforce Education and Training	Baseline Year	Short Term Target 2021	Short Term Target 2022	Short Term Target 2023	Mid Term Target (2024-2025)
Metric					
Number of collaborations by Business Plan sector to jointly develop or share training materials or resources.	2021	TBD	4	8	12
Number of participants by sector	N/A	TBD	90	120	150
Percent of participation relative to eligible target population for curriculum	N/A	N/A	TBD	TBD	TBD
Percent of total WE&T training program participants that meet the definition of disadvantaged worker.	N/A	TBD	TBD	TBD	TBD
Percent of incentive dollars spent on contracts* with a demonstrated commitment to provide career pathways to disadvantaged workers	N/A	N/A	TBD	TBD	TBD
Number Career & Workforce Readiness (CWR) participants who have been employed for 12 months after receiving the training	N/A	N/A	TBD	TBD	TBD

Portfolio Budget

The following budget tables summarize I-REN's portfolio and sector level budgets estimated based on proposed activities and tactics. I-REN's proposed budget will be responsive to CPUC decisions and direction. The budget will be responsive to market forces and needs, and will adjust based on information by internal and external program stakeholders and program assessments.

Table 1-8 shows I-REN's proposed budget for the portfolio and by sector.

I-REN's portfolio budget summarizes expected administration, direct implementation, incentives, marketing and evaluation measurement and verification costs. The budget was informed by both planned program activities as well as the caps and targets in the Energy Efficiency Policy Manual.

I-REN will work with SCE and SoCalGas to establish processes that streamline and expedite reimbursement for cost so that I-REN member agencies, subcontractors and vendors can be paid and reimbursed promptly and efficiently.

Table 1-8. I-REN Portfolio and Sector Budgets

		I-REN Portfolio Budget (\$)				
Sector	2021	2022	2023	2024	2025	Total
Public Sector	4,314,226	6,288,194	6,191,722	6,629,390	7,074,566	30,498,098
Workforce Education & Training	2,312,208	2,253,295	2,393,426	2,437,164	2,674,650	12,070,743
Codes & Standards	1,416,066	1,446,107	1,503,952	1,564,110	1,626,674	7,556,909
Evaluation Measurement & Verification	92,154	114,441	115,604	121,810	130,349	574,358
Total	8,134,654	10,102,037	10,204,704	10,752,474	11,506,239	50,700,108

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Public Sector (\$)						
Budget Category	2021	2022	2023	2024	2025	Total
Administration	431,423	628,819	619,172	662,939	707,457	3,049,810
Marketing and outreach	258,854	377,292	371,503	397,763	424,474	1,829,886
Direct implementation - non incentive	3,623,949	3,782,083	3,701,047	3,818,688	3,942,635	18,868,402
Direct implementation - incentives	-	1,500,000	1,500,000	1,750,000	2,000,000	6,750,000
Total	4,314,226	6,288,194	6,191,722	6,629,390	7,074,566	30,498,098

Codes & Standards (\$)						
Budget Category	2021	2022	2023	2024	2025	Total
Administration	141,607	144,611	150,395	156,411	162,667	755,691
Marketing and outreach	84,964	86,766	90,237	93,847	97,600	453,414
Direct implementation - non incentive	1,189,495	1,214,730	1,263,320	1,313,852	1,366,407	6,347,804
Direct implementation - incentives	-	-	-	-	-	-
Total	1,416,066	1,446,107	1,503,952	1,564,110	1,626,674	7,556,909

Workforce Education & Training (\$)						
Budget Category	2021	2022	2023	2024	2025	Total
Administration	231,221	225,329	239,343	243,716	267,465	1,207,074
Marketing and outreach	138,732	135,198	143,606	146,230	160,479	724,245
Direct implementation - non incentive	1,942,255	1,892,768	2,010,477	2,047,218	2,246,706	10,139,424
Direct implementation - incentives	-	-	-	-	-	-
Total	2,312,208	2,253,295	2,393,426	2,437,164	2,674,650	12,070,743

Portfolio Energy Savings & Cost-Effectiveness Targets

Decision 19-12-021 affirmed that RENs do not have a cost effectiveness threshold requirement,¹⁵ although I-REN has designed its portfolio to make efficient use of ratepayer funds while serving the needs of the region. With a large majority of funding in non-resource programs – Codes and Standards and Workforce Education and Training, two areas in which I-REN is particularly well equipped to serve – I-REN’s portfolio cost-effectiveness results are not as high as could be seen with a larger portfolio heavy in resource programs. In 2021 results are zero because it is anticipated that the resource program under the Public Sector will claim its first energy savings in its second year, 2022. Estimated cost-effectiveness and savings targets for I-REN’s overall program portfolio are shown in Table 1-9, and the estimated cost-effectiveness for resource program activity in the Public Sector is shown in Table 1-10.

Table 1-9. I-REN Overall Program Portfolio Energy Savings & Cost-Effectiveness Targets

Program Portfolio	2021	2022	2023	2024	2025
Net kWh	0	4,175,629	4,361,224	4,361,224	5,763,031
Net kW	0	720	813	813	1,084
Net Therms	0	121,315	147,884	147,884	196,707
CO2	0	1,736	2,039	1,937	2,781
NOx	0	640	668	668	883
Total Resource Cost (TRC)	0	0.17	0.19	0.19	0.25
Program Administrator Cost (PAC)	0	0.20	0.22	0.23	0.30
Ratepayer Impact Measure (RIM)	0	0.15	0.16	0.17	0.20

Table 1-10. I-REN Public Sector Resource Activity Cost-Effectiveness Targets

Public Sector Resource Activity	2021	2022	2023	2024	2025
Total Resource Cost (TRC)	0	0.45	0.51	0.47	0.61
Program Administrator Cost (PAC)	0	0.74	0.81	0.79	1.03
Ratepayer Impact Measure (RIM)	0	0.35	0.35	0.36	0.37

¹⁵ CPUC, Decision 19-12-021, December 5, 2019, Conclusions of Law paragraph 11.

Accounting Practices

I-REN will follow accounting practices consistent with local government accounting programs, Generally Accepted Accounting Principles, CPUC's Energy Efficiency Policy Manual and any additional accounting guidance provided in decisions and Energy Division reporting and filing templates.

WRCOG's Chief Financial Officer (CFO) will be responsible for overseeing the financial management and accounting for I-REN which will include oversight of the annual budgets and managing and maintaining program expenditures.

Solicitation Plan

As local government agencies, I-REN will follow current bidding and solicitation rules set by the I-REN Committee and WRCOG as the lead agency. These rules were designed to ensure fair and equitable bidding in accordance with state and local laws.

As a local government, WRCOG's procurement processes are open and transparent, and all contracts must be reviewed and executed by the Board, comprised of elected officials. Contract approvals are agendaized and discussed at public Board meetings that are subject to the Brown Act. Compliance with state requirements found in statute and local rules and procedures related to competitive solicitations are built into WRCOG's procurement guidelines. Also, as a local government, WRCOG is subject to the Public Records Act, so procurement documents and correspondence are available to the public.

WRCOG as the lead agency for I-REN will utilize WRCOG contracting and purchasing procedures. WRCOG's contracting process consists of a competitive solicitation process that allows interested parties to submit proposals to WRCOG for consideration of various project sizes / scopes. WRCOG and assigned team members screen project proposals and invite bidders for an interview if selected. Once the interviews conclude, WRCOG recommends the top bidder to its committee structure where a formal action is taken in order to move forward with bringing on the selected bidder for the project. As part of the competitive solicitation process, WRCOG also coordinates with the non-selected bidders if they would like a debrief on their proposal so that the non-selected bidder can better understand how to make themselves more competitive for future solicitation processes.

The approval committee structures that make a decision and recommendation for competitive solicitations are the Administration & Finance Committee along with WRCOG's executive board known as the Executive Committee. For contract purposes, the final and approved contract known as the Professional Services Agreement (PSA) is signed by WRCOG's Executive Director only if approved at the Executive Committee. Signatures will consist of WRCOG legal and WRCOG Executive Director.

WRCOG maintains an internal Financial Manual, which guides the Agency's actions as it relates to many fiscal matters. The Manual addresses accounting issues such as accounts payable, accounts receivable, budgeting, and contracts. The Manual does not provide any guidance regarding the issuance of an RFP. Staff updates the internal Manual regularly to address regulatory changes and to maintain internal consistency with other documents such as the WRCOG Employee Policies and Procedures Manual. The Financial Manual is to be updated when this RFP Policy is updated.

WRCOG's current Request for Proposals (RFP) protocol:

- No RFP is required if the value of the resulting contract is \$100,000 or less, which falls under the Executive Director's Single Signature Authority. WRCOG may still choose to issue an RFP for services less than this amount, depending on individual circumstances.
- An RFP is required when the value of the contract is between \$100,000 and \$200,000, unless the Executive Director makes a finding that one or more of the following conditions occurs:

Chapter 1: Portfolio Summary

- The issue and/or required services are time critical and release of an RFP would cause an undue delay;
 - The service requires unique expertise or knowledge of the region which is not generally available; therefore, an RFP is unlikely to generate a significant number of responses; and/or
 - WRCOG is responding to a request from a member agency.
- If a contract is then issued without an RFP based on these circumstances, then the Staff Report requesting approval of the contract in question must cite these circumstances and demonstrate why no RFP is required.
- An RFP is automatically required for any contract in excess of \$200,000.



Inland Regional Energy Network Business Plan

Chapter 2: Public Sector

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Introduction

The councils of government (COGs) that make up I-REN have direct relationships and a history of collaborating with the many government jurisdictions in their territory. This existing foundation of connections is reflected in the numerous letters of support I-REN has received from local and regional jurisdictions through the stakeholder coordination process to prepare this Business Plan (see Appendix C: Letters of Commitment & Support). I-REN will use these relationships and regional expertise to effectively build local government capacity and knowledge to complete energy efficiency upgrades to public facilities and buildings in a strategic and effective manner. Further, these public sector activities will strive to demonstrate and communicate best practices for the community, in alignment with the Existing Buildings Energy Efficiency Action Plan, Strategy 1.7 for Local Government Leadership. I-REN's Public Sector offerings will include a combination of technical assistance, targeted incentives, and financing resources to accomplish this goal.

Audience Served

I-REN's public sector offerings will serve the members of the three Councils of Government (COGs) represented in I-REN, including the counties of Riverside and San Bernardino, the cities, school districts, water districts, special districts, and tribes. These regional programs will target, but not be limited to, upgrades to existing public buildings and facilities with high energy use and older equipment. While the offerings will consider all public building types, there will be a focus on community-serving buildings such as community centers, libraries, senior centers, schools, and fire and police buildings. Through energy efficiency projects in these facilities, I-REN can provide benefits that will flow to disadvantaged, low income, and other vulnerable communities where these facilities serve as cooling centers offering protection from the region's extreme heat. The I-REN programs will be multi-benefit in nature, layering energy efficiency strategies with greenhouse gas reductions, wildfire mitigation, community resilience and climate adaptation measures.

Challenges and Solutions

I-REN's local governments have limited incentives to complete energy upgrades and are challenged to maintain and upgrade these facilities due to lack of funding for capital improvements, a lack of awareness related to energy efficiency and other energy efficiency program opportunities, limited time and staff resources, along with conflicting priorities. Further, State mandates such as building energy benchmarking (AB 802) requirements, energy code compliance, and climate adaptation planning are additional unfunded regulations and requirements on

PUBLIC SECTOR GOAL & STRATEGIES

Goal 1. Build capacity and knowledge to enable local governments to effectively leverage energy efficiency services and to demonstrate best practices.

S1.1 Develop a regional Building Upgrade Concierge (BUC) for local governments, special districts, and tribal communities with technical guidance and tools to inform and enable priority energy improvements.

S1.2 Establish incentives and leverage existing financing mechanisms to assist local governments with implementing energy efficiency projects in public buildings.

BUDGET

2021-2025 Budget (total): \$30.5M

local governments and are difficult to meet given competing priorities. These challenges are exacerbated now due to the COVID-19 pandemic, the associated economic downturn and increased pressure on local government agencies to respond to a variety of issues.

To address these challenges, I-REN will leverage its existing public sector partnerships and networks across the region to offer technical assistance, implement resource program options, and improve access to financing. Implementing these initiatives will further I-REN's goals of encouraging resilience and continuous capacity building for local governments, thereby strengthening their ability to serve their community through energy efficiency projects in their own facilities, while also saving on building operations costs and contributing to local and statewide goals for energy savings, climate resilience, and greenhouse gas emissions reduction.

Strategies

Strategies to achieve I-REN's goals for the Public Sector will place added emphasis on "aggressive efficiency for jurisdiction-owned buildings,"¹ and energy efficiency improvements to existing buildings that serve low income, moderate income, and disadvantaged communities. I-REN has centered its Public Sector approach around two strategies:

S1.1 Develop a regional Building Upgrade Concierge (BUC) for local governments, special districts, and tribal communities with technical guidance and tools to inform and enable priority energy improvements.

I-REN will provide person-to-person technical assistance to local governments to support energy efficiency projects including, but not limited to, strategic energy planning and benchmarking. I-REN will also develop tools and resources to increase public sector participation in other federal, state, and local programs.

S1.2 Establish incentives and leverage existing financing mechanisms to assist local governments with implementing energy efficiency projects in public buildings.

I-REN will deliver a resource offering to provide incentives for meter-based savings (Normalized Metered Energy Consumption or NMEC) achieved over three to five years. I-REN will also leverage sustaining financing mechanisms to support HVAC upgrades in public buildings. If a third-party program becomes available that serves this need and makes this resource offering duplicative, I-REN will focus its full Public Sector budget on providing technical assistance and strategic energy planning through the BUC. I-REN has designed its Public Sector offerings to be flexible and its goals and targets can be adjusted accordingly to meet the needs of the region.

Through their extensive work with local governments and their committee structure, the I-REN governing agencies have become a trusted voice and advocate for the public sector in their two counties. By collaborating with their member jurisdictions and using their established communication networks, I-REN can provide regionally focused public sector solutions to help local governments succeed as energy efficiency leaders.

¹ Existing Buildings Energy Efficiency Action Plan, Strategy 1.7 Local Government Leadership.
<https://efiling.energy.ca.gov/getdocument.aspx?tn=206015> Accessed October 2020.

Market Characterization

Market Actors

The California Public Utilities Commission (CPUC) defines the public sector as encompassing a broad range of organizations and facilities, including federal, state, and local governments such as cities, counties, and special districts. The public sector also includes educational institutions such as higher education campuses, community colleges, and K-12 schools. The market actors who impact and are impacted by energy efficiency work in the public sector include but are not limited to the following:

- **Local Governments:** The elected officials and other staff at local jurisdictions responsible for decision-making around budgets and spending for publicly-owned facilities. These individuals include elected officials, county boards of supervisors, tribal councils, special district supervisors, city managers, planners, community development staff, and sustainability staff. Building Department staff also play a role, which offers an important cross-cutting opportunity for work with the I-REN Codes & Standards sector initiatives.
- **Facility Staff:** Depending on the size of the facility and/or the resources of the jurisdiction, public sector facilities may or may not have dedicated facility managers, operations staff, or building engineers. Facility staff may be responsible for one building or a campus of various buildings and infrastructure. In smaller jurisdictions and smaller facilities, staff with other primary job functions may have secondary responsibilities for operations and building maintenance. Facility staff may have widely varying levels of responsibility and training on energy efficiency program participation, strategic energy planning, equipment replacement, and ongoing operations and maintenance. These staff are critical for improving energy efficiency in public sector buildings and they also can benefit from I-REN's Workforce Education & Training sector initiatives to enhance their skill set.
- **Building Professionals:** These individuals are responsible for specifying and installing replacement equipment in public sector facilities, whether through energy efficiency programs or directly funded by the jurisdiction. This includes contractors, energy managers, energy consultants, architects, designers, and other building professionals. This group is important to I-REN's Public Sector work as well as Codes & Standards and Workforce Education & Training.

Other Partners and Stakeholders

In addition to primary market actors, the public sector programs will engage and work with the following groups.

- **Energy Efficiency Programs:** Resource and non-resource programs offered by RENs, CCAs, and IOUs can be a driver of retrofit activity and energy efficiency improvements in the public sector, along with program implementation firms and energy service companies (ESCOs). I-REN will offer a resource program as part of its initiatives in the Public Sector, and it will also provide resources to direct jurisdictions toward the best-fit solution for implementing their strategic energy plans, in collaboration with other program administrators (PAs).
- **Financing Resources:** Funding for energy efficiency projects in the public sector can come from many different sources: from the utility (on-bill financing), from energy savings performance

contracts with service providers, from revolving lending products, and from traditional lenders such as financial institutions.

- **Community Members:** Residents pay for local government facilities through their tax dollars, and directly benefit from these facilities in a variety of ways. Local government jurisdictions can model best practices in energy efficiency to their constituents through projects at facilities where their communities interact.

Sector Landscape

“The Inland Empire is one of the hottest regions of the state, and per capita residential electricity use is higher than for the state as a whole. Therefore, the requirements in SB 350 and other statutes and regulations to promote energy efficiency have special significance for the Inland Empire, with its enormous efficiency potential.”²

In the I-REN service territory, these public sector jurisdictions include two counties, 52 cities, 115 special districts, unincorporated communities, and 15 tribal areas, ranging in size from less than a dozen tribal members in the Augustine Band of Cahuilla Indians to more than 300,000 residents in the City of Riverside.³ For additional information and analysis on I-REN’s public sector jurisdictions please see Appendix B: Public Sector Market Analysis.

The Inland Empire has economic strengths with a growing economy pre-COVID, but also has many socio-economic vulnerabilities. The I-REN territory represents approximately 11% of California’s population and has approximately 16% living in poverty (compared to 14.7% living in poverty in California), with 38% of those being Hispanic and 34% white.⁴

The I-REN service territory is among the hottest and driest regions of California and experiences harsh climate conditions in summer months. Vulnerable populations such as children, the elderly, and low-to-moderate income families benefit from public gathering spaces that offer protection from extreme heat. Further, these conditions require air conditioning in most buildings resulting in high utility bills and energy use.

Tracking and understanding the total energy savings potential is challenging for the Inland Empire. Typical datasets such as those available from the CEC or CPUC are inconsistent in how public buildings are counted or characterized, and are often lumped into commercial buildings, with some considered institutional. Further, I-REN does not have access to specific energy use data in its territory and the Potential and Goals study aggregates information using the IOU service territory, not by county.

“Between 2010 and 2016, IOU energy efficiency expenditures in the Inland Empire totaled approximately \$612 million (in 2017 dollars). These funds were divided between residential and non-residential energy efficiency construction and program administration. Construction activity received \$365 million in investments. Twenty-five percent of these

² Betony Jones, primary author, Green Economy Program Center for Labor Research and Education (CLRE) UC Berkeley, for Next 10, “The Net Economic Impacts of California’s Major Climate Programs in the Inland Empire”, August 2017, page 42.

³ U.S. Census Bureau, 2010.

⁴ <https://datausa.io/profile/geo/riverside-san-bernardino-ontario-ca#economy>

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funds were directed to residential efficiency projects with 75 percent going to non-residential projects. Program administration expenditures totaled \$247 million.”⁵

Based on available data from the region’s IOUs, the potential for savings and assistance for I-REN’s territory and local governments is clear. Using information from Southern California Edison (SCE) and SoCalGas’s (SCG) Public Sector Chapter Business Plans, it is estimated that the public sector represents approximately 15-16% of overall energy use respectively. HVAC represents 10% of energy use in SCE’s region, with lighting representing over 53%. Whole building energy represents 25% of energy use.

In 2018, SCE estimated approximately 85 GWh of potential energy savings and 12 MW of potential demand savings for the public sector in their territory. The SCE public sector consists of 75,000 service accounts spread across 50,000 square miles. The I-REN service territory, at 27,263 square miles in size, makes up more than half of SCE’s territory. State and federal government make up 19% of energy usage in the public sector, while **local government and education comprise 81% of public sector energy usage** (two segments I-REN proposes to serve through its Public Sector initiatives).⁶ Further, SCG reports for its territory that local government energy use (therms) is approximately 35% of the overall usage for 5,428 accounts and educational providers equal 45% with 7,212 accounts.

It is important to note that approximately 84% of natural gas use in SCG territory is for electric generation, and not directly impacted by energy efficiency measures.⁷ This large percentage of energy use may be able to be addressed more holistically through I-REN managed initiatives than is possible through SCG, as I-REN will have the ability to **leverage long-term engagement with these jurisdictions** and technical assistance planning.

As a result of facility disrepair, delayed maintenance on aging HVAC equipment, and extreme high temperatures during the cooling season (See Figure 2-1), public agencies in the I-REN counties are often burdened with high energy bills at their facilities. Public sector buildings may also have secondary end uses specific to the type of facility, for example, pool pumps and foodservice equipment at community centers with swimming facilities and commercial kitchens. However, the local government agencies and districts that make up the I-REN public sector are challenged in trying to improve the energy efficiency of their equipment and facilities, given various barriers including but not limited to insufficient funding for capital improvements, a lack of awareness around energy efficiency and IOU programs, complicated and long cycles times for approval processes for budgets and spending, and limited time and staff resources.

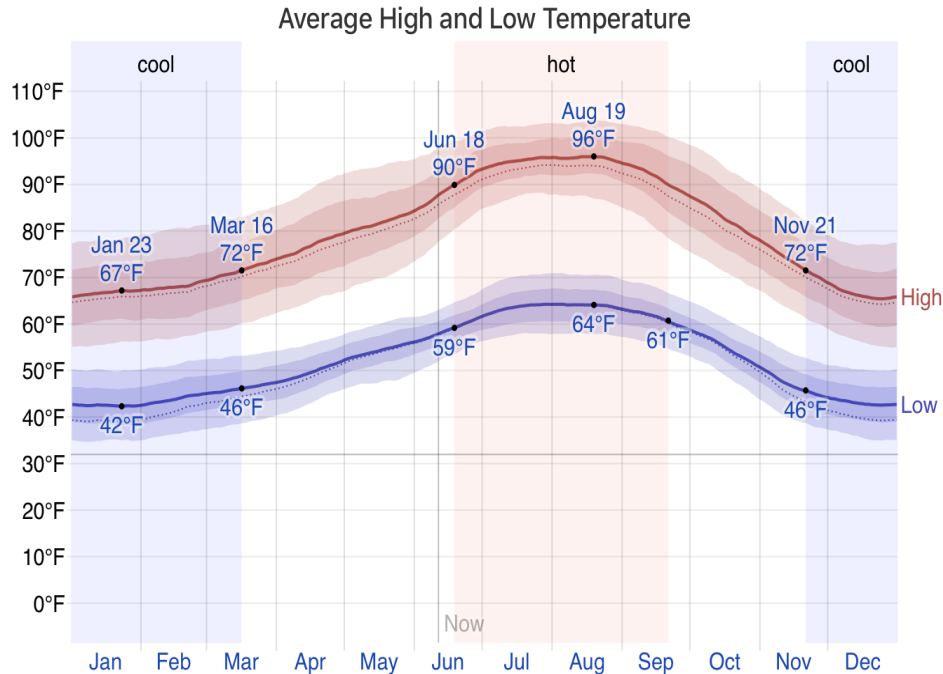
I-REN will build on its existing connections in the public sector to help these local government agencies and districts improve their facilities’ energy performance, to contribute to energy conservation and greenhouse gas reduction goals and **position local government agencies as energy efficiency leaders in their communities.**

⁵ Betony Jones, primary author, Green Economy Program Center for Labor Research and Education (CLRE) UC Berkeley, for Next 10, “The Net Economic Impacts of California’s Major Climate Programs in the Inland Empire”, August 2017, page 43.

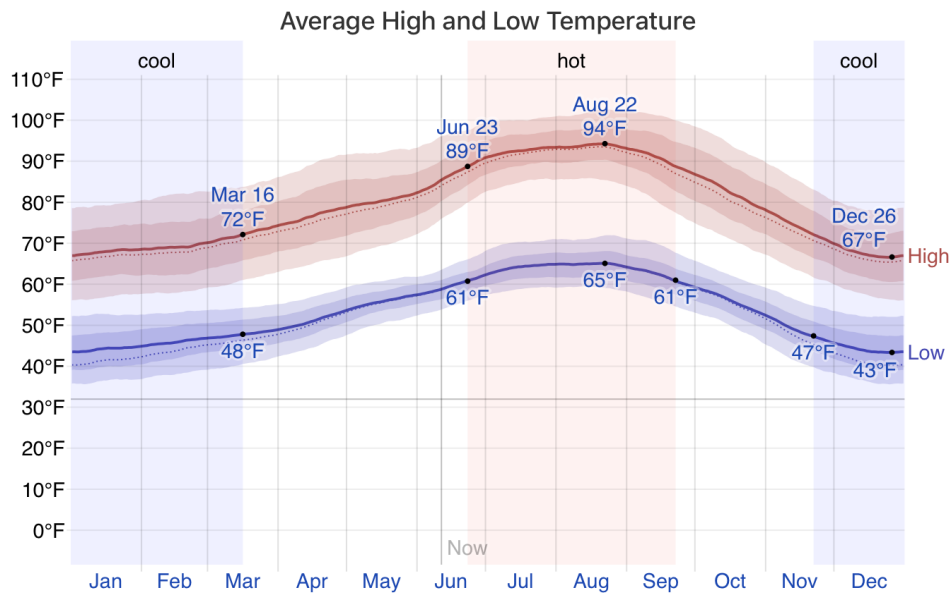
⁶ Southern California Edison Business Plan, p. 165.

⁷ SoCal Gas Business Plan, Submitted January 17, 2017, page 243-244.

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The daily average high (red line) and low (blue line) temperature, with 25th to 75th and 10th to 90th percentile bands. The thin dotted lines are the corresponding average perceived temperatures.



The daily average high (red line) and low (blue line) temperature, with 25th to 75th and 10th to 90th percentile bands. The thin dotted lines are the corresponding average perceived temperatures.

Figure 2-1. Average High and Low Annual Temperatures, San Bernardino and Riverside Counties

Top: County of San Bernardino Average Temperatures.

Bottom: County of Riverside Average Annual Temperatures.

(Weatherspark.com)

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Table 2-1. Estimated Public Sector Agencies & Facilities in Riverside and San Bernardino Counties^{8, 9}

	Riverside County	San Bernardino County
Airports (county/municipal-owned, public use)	13 airports	16 airports
Cemetery	8 special districts	2 special districts
Colleges	26 colleges	22 colleges
Community Services	6 special districts	12 special districts
County Sheriff	18 contracted cities	14 city patrol stations and 8 county stations
Fire Stations	101 stations	58 stations
Healthcare	3 special districts	4 special districts
K-12 Schools	608 schools	623 schools
Libraries	35 libraries and 3 library districts	32 libraries
Local Police	29 city departments	10 city departments
Mosquito & Vector Control	3 special districts	1 special district
Parks & Recreation	4 special districts	2 special districts
Public Utilities	1 municipal utility	1 special district
Resource Conservation	6 special districts	3 special districts
Sanitary	2 special districts	1 special districts
School Districts	24 districts	32 districts
Water	22 special districts	27 special districts

Major Trends

“Public sector customers are generally characterized as: not profit-motivated; have fixed utility budgets; require a public process on key decisions, including finding and project approval; implement on a fiscal year rather than a calendar year; and follow unique purchasing guidelines. These characteristics are unlike most commercial businesses.”¹⁰

There are three major trends that will influence the design and impact of I-REN’s Public Sector program offerings: COVID-19, racial inequity, and increasing climate change impacts. Each of these substantial issues have elements that can be supported by I-REN’s proposed offerings and help to better serve the region, ensuring that ratepayer dollars are being allocated to communities who need the funds and who have been historically underserved.

The public sector is dominated by city government and other agencies funded by various tax mechanisms from sales taxes to property taxes. Economic downturns such as what happened in the recession in 2007-2010 have large impacts on local governments and result in a reduction of services and staffing levels. The impacts from COVID-19 and the anticipated economic challenges will impact the region for the foreseeable future, particularly for those cities reliant on sales taxes. It is uncertain what the specific implications might be, but for the purpose of planning for I-REN, it is assumed that staffing will be reduced, that there will be less funding available for non-essential capital improvements, and planning funding will also be negatively impacted. Further, it is anticipated that it will be more difficult to engage and leverage local government staff as effectively while they respond to the ongoing pandemic.

In addition, the issue of racial inequity and the pervasive outpouring of support for a rehaul of community policing and systemic racial policies is a critical concern that I-REN can and will address with the Public Sector programs (as well as its other programs). Some of the implications that are within I-REN’s ability to address include the unequal access to energy efficiency dollars, the need for additional support and commitment for small and underserved communities, ineffective programs for tribal communities, as well as overall lack of diversity. Many of these communities have been historically underinvested in and have greater needs for facility improvements, particularly community serving facilities such as libraries, community centers and the like. By supporting energy efficiency projects in these types of facilities, I-REN can provide equitable and locally administered assistance to public sector agencies where benefits will flow directly to disadvantaged and vulnerable communities.

“The region’s climate is becoming more extreme, with daily average high temperatures projected to increase by up to 8-14°F by the end of century. Rainfall rates are currently low (approximately 5 inches per year) and highly variable from year to year. This variability is projected to increase over the coming decades, with extreme drought and extreme wet events both becoming more common. In turn, increasing frequencies of these

⁸ Special District Data Source: California Special Districts Association. Accessed October 2020.
<https://mydashgis.com/CSDA/map>

⁹ Aggregated numbers from broad research from City, County, and other websites. These numbers provide a broad, order-of-magnitude estimate of the type and number of public sector buildings in the region.

¹⁰ SCG Business Plan, January 17, 2017, Page 244.

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extreme events will increase the risk of flash flooding and wildfire, given the close relationship between precipitation variability and growth of invasive grasses that serve as the major fuel for wildfire in the region.” California’s Fourth Climate Change Assessment, Inland Deserts Region Report ¹¹

Climate change is a slow moving but major challenge and trend with the broadest impacts to the I-REN service territory. Climate change is anticipated to impact Riverside and San Bernardino counties with increased extreme and variable weather resulting in increasingly hotter summers and more extreme winter storms. Drought and wildfire impacts will also increase, particularly as more homes and communities build into the wildlands urban interface. The Inland Empire already has some of the worst smog in the region contributing to health impacts and poor air quality.

I-REN’s Public Sector programs will work with local governments to upgrade public buildings’ energy systems, particularly HVAC. Upgrades will be designed to offer safe and healthy hubs for community members, as well as better buildings for public sector workers. Together these improvements will help to improve the ability of the region to withstand these climate change impacts while also reducing energy usage and greenhouse gas impacts related to energy use.

¹¹ Hopkins, Francesca. (University of California, Riverside). 2018. Inland Deserts Summary Report. California’s Fourth Climate Change Assessment. Publication number: SUM-CCCA4-2018-008.

Intervention Strategies and Objectives

In its approach to serving the public sector, I-REN is guided by an overarching goal:

Goal 1. Build capacity and knowledge to enable local governments to effectively leverage energy efficiency services and to demonstrate best practices.

I-REN's governing agencies have a foundation of strong relationships with local governments and jurisdictions in their service territory, and their approach to the public sector has been carefully designed to build on those successes. With their existing connections, I-REN is well-positioned to reach local agencies with the strategies and tactics outlined in this chapter.

Table 2-2. Intervention Strategies, Tactics, and Objectives

	Intervention Strategy	Tactic	Objective
Technical Assistance	S1.1 Develop a regional Building Upgrade Concierge (BUC) for local governments, special districts, and tribal communities with technical guidance and tools to inform and enable priority energy improvements.	T1.1.1: Establish person-to-person support for local governments to get higher levels of assistance and support for their EE projects. T1.1.2: Develop or enhance strategic energy plans to connect local government goals related to climate, resilience, and economic development to energy efficiency programs and adoption. T1.1.3: Create resources for the public sector to tap into EE and distributed energy resources programs offered by other providers and IOUs.	<i>Local governments have support and resources to develop and implement their strategic energy plans and energy efficiency projects.</i>
Incentives & Financing	S1.2 Establish incentives and leverage existing financing mechanisms to assist local governments with implementing energy efficiency projects in public buildings.	T1.2.1: Deliver a resource offering to provide incentives for savings based on Normalized Metered Energy Consumption (NMEC) achieved over three to five years. T1.2.2: Leverage sustaining financing mechanisms for HVAC upgrades in public buildings.	<i>Help local governments afford and finance a range of energy efficiency upgrades.</i>

Approach to Overcoming Barriers

Some of the greatest challenges to participation in the public sector in the I-REN service area may also be indicators of unrealized energy savings potential. I-REN has designed its Public Sector strategies and tactics to help local government agencies, tribal leadership, and staff at school districts and special districts overcome these participation barriers to improve their facilities' energy performance and harvest "stranded" energy savings.

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Table 2-3. Barriers and Strategies for I-REN Public Sector

Problem	Barriers	Solutions	Strategies
Local government staff often lack the time and capacity to pursue complex energy efficiency projects.	Lack of understanding of best practices for energy efficiency solutions.	Technical assistance, locally focused resources, and person-to-person support are needed to develop and implement strategic energy plans for the public sector.	S1.1
There are a variety of EE programs and funding sources, but it is often unclear which apply to local government facilities or how to participate.	Confusion on types of incentives or financing programs and lack of staff resources to apply.	Tailored, locally focused program options are needed, as well as technical assistance and resources to prompt participation in I-REN and other PA programs.	S1.1 S1.2
Due to budgetary restrictions and complicated approval processes, public sector agencies may wait until burnout to replace equipment. At that time, they are forced to make quick decisions, without access to outside funding sources.	Disconnect between funding sources and timing of energy efficiency upgrades, which can increase building operating costs due to increased maintenance needs and higher energy use.	Strategic energy planning can help create a roadmap to plan for equipment upgrades. Technical assistance and locally focused programs can help agencies leverage resource programs and financing to reduce costs.	S1.1 S1.2
Older, inefficient equipment continues to function, so it is not replaced due to up-front cost and staff resource issues, yet it increases building operating costs through required maintenance and higher energy use.	Lack of drivers or need for local government agencies to replace existing working, but inefficient equipment.	Technical assistance combined with an incentive or financing option could make the difference in a public sector agency moving to a higher efficiency option for their facility.	S1.1 S1.2
Navigating EE program participation and funding sources is complex and requires a dedicated “Energy Champion” who can devote time and attention to the subject.	Frequent changes in the Energy Champions, with high turnover in staff and overall lack of government staff capacity.	Person-to-person technical assistance and support is critical for maintaining relationships through staffing turnover.	S1.1
Local governments each have their own bureaucratic structure, and it is often unclear how they can enroll in EE programs or apply for financing opportunities.	Varied governance, and funding rules that limit ability to take advantage of typical IOU funding or Local Government Partnerships (LGPs).	Technical assistance resources, and person-to-person support can help agency staff navigate the enrollment and approval process.	S1.1

Strategy 1.1 Develop a regional Building Upgrade Concierge (BUC) for local governments, special districts, and tribal communities with technical guidance and tools to inform and enable priority energy improvements.

Objective: Local governments have support and resources to develop and implement their strategic energy plans and energy efficiency projects.

Tactic 1.1.1: Establish person-to-person support for local governments to get higher levels of assistance and support for their EE projects.

Insufficient staff time and resources is one of the major barriers to implementing energy efficiency retrofits in public sector buildings. This has been exacerbated over the past year due to the COVID-19 pandemic, with local governments on the front lines addressing the public health crisis and enduring the associated economic downturn. Local jurisdictions have had to implement mandatory closures of facilities, as well as intensive planning and logistical efforts to prepare for safely reopening facilities to the public.

RENterns: Building Capacity to Support Public Sector EE Projects

As part of its continued efforts to collaborate and work with local governments, I-REN proposes to support public sector energy efficiency projects with “RENterns.” Interested local government agencies would be provided interns from the Inland Empire that will support agencies with energy efficiency programs such as climate action planning, energy benchmarking, energy efficiency projects and other sustainability initiatives. This effort will continue to foster building capacity as it will provide participating local governments additional support to meet ENERGY goals.

The idea of RENterns originates from the success of WRCOG’s Public Service Fellowship program, which has trained more than 75 Fellows over five years. The success of the Fellowship Program has led to alumni being hired in the region, while other alumni use their experiences in the program to trailblaze new professional development opportunities like graduate school.

I-REN will provide concierge-style support by phone, email, and in-person when feasible, to help fill gaps in staff capacity and resources at these local government jurisdictions. I-REN can also provide additional staffing support through its RENterns initiative described at left. As the pandemic and associated economic challenges continue to affect Southern California, local governments may be even more cost-conscious than before, and some may have sustained cuts to staffing or funding.

I-REN’s technical assistance support will build local government’s capacity to tackle these complex projects, from helping with benchmarking to navigating options and approaches for maximizing their investments and energy savings. I-REN will offer person-to-person support to help these local governments in making efficient equipment purchases and to implement energy efficiency projects. Resulting energy bill savings will benefit local governments and contribute to both local and statewide goals for energy efficiency and greenhouse gas reduction.

Local governments, special districts, and tribal jurisdictions vary widely in their current situation with regard to energy efficiency project implementation. Some may have already

implemented projects and need to ensure their facility staff are engaged in ongoing commissioning. Some may have put projects on hold over the past year due to the pandemic and now need to revisit them. Others, especially smaller and more rural jurisdictions, may need to start from the beginning.

I-REN will meet these departments and facilities staff where they are, assess their current situation and resources, and offer guidance to move them forward. In addition to staff resource constraints, other common barriers facing the public sector include complex program requirements to receive funding, risk aversion to new or unproven technology, a lack of data to support their decision-making process, or limited technical expertise and knowledge of energy projects. I-REN can offer personalized support to identify and address barriers by building and sustaining relationships with local jurisdiction staff.

I-REN activities to implement this tactic include but would not be limited to the following:

- Identify and establish rapport with department decision makers and facility staff.
- Assess jurisdictions' needs and collaborate on an approach to address them.
- Guide staff to technical resources and compelling data to assist in decision making.
- Offer problem-solving support for staff navigating lengthy approval and procurement processes.
- Maintain communication to monitor status and encourage progress.
- Follow up on completed projects to ensure efficient operations and ongoing maintenance, and address facility staff turnover and retraining needs.
- Provide RENtern staff as well as in-person, phone, and email support to individuals, and offer training and workshops for departments if desired.

Tactic 1.1.2: Develop or enhance strategic energy plans to connect local government goals related to climate, resilience, and economic development to energy efficiency programs and adoption.

"A strategic energy plan is a roadmap to achieving community energy goals in both the near and long term." - US DOE¹²

The I-REN service territory is a patchwork of jurisdictions, including some that have developed a strategic energy plan and some that have not. Some jurisdictions that do have strategic energy plans may have been unable to effectively implement them, lacking clear priorities and understanding of the best impact or challenged by time and staffing constraints. Jurisdictions without strategic energy plans may be unsure of the value proposition in undertaking that level of planning effort given the challenges they have faced over the past several months.

Through this tactic I-REN will assess the current state of strategic energy planning and provide technical assistance to begin the process or help move the process forward. Strategic energy planning is a critical exercise for organizing a community around goals for not just energy efficiency but also climate change mitigation, resilience, and economic development.

¹² U.S. Department of Energy Office of Energy Efficiency & Renewable Energy. "Community Greening: How to Develop A Strategic Energy Plan." Prepared by the National Renewable Energy Laboratory (NREL), February 2010. Available [online](#).

The US DOE identifies a step-by-step approach for strategic energy planning based on community, city, state, and tribal experience. I-REN will adapt this overall approach to be targeted and effective for its constituents and will support the process with activities including but not limited to those identified below:

- **Identify/Convene Stakeholders:** I-REN will utilize existing committee structure connections from the three COGs that make up the I-REN governing agencies to bring various stakeholders to the table.
- **Develop Energy Vision, Energy Baseline, and Specific Goals:** I-REN can serve as a facilitator for parts of this process, giving input on energy efficiency best practices and possible objectives for consideration.
- **Identify and Evaluate Programs and Funding Sources:** I-REN can provide information on its own resources and financing options as well as other program administrators' offerings, to ensure the best outcome for each jurisdiction.
- **Compile and Implement the Plan:** I-REN can guide jurisdictions in organizing sites and projects into phases for implementation, leveraging available energy usage data and building benchmarking to prioritize community facilities with high energy use.
- **Evaluate Progress and Fine-Tune Plan:** DOE recommends periodic stakeholder meetings and reviews to ensure continued success. I-REN can provide consistency and follow-through as a facilitator of these meetings and can help provide recognition to celebrate successes and create local case studies to demonstrate achievements in the region.

Addressing Climate Resilience & Leveraging Other Funding Sources

I-REN governing agency WRCOG was awarded a grant by the Bay Area Council to focus on climate resiliency projects to help its member agencies tackle climate resiliency. The grant that has been awarded to WRCOG will be used to develop a climate resiliency framework that can be utilized by local governments as a guiding template to implement battery storage systems / microgrids.

With climate resiliency becoming a key focal point for the state and its sustainability efforts, the I-REN team will learn from WRCOG's climate resiliency framework to support the I-REN region with climate resiliency projects. Funding for implementation of these projects cannot come from energy efficiency funds from the CPUC, but the I-REN team can support its agencies with identification of funding through grants from the DOE, CEC, CPUC, and event by utilizing programs offered by the utilities as well as leveraging I-REN financing mechanisms if needed.

Tactic 1.1.3: Create resources for the public sector to tap into EE and distributed energy resources programs offered by other providers and IOUs.

In this tactic, I-REN will act as a clearinghouse for information about energy efficiency programs available in the region for the public sector, and will create and promote regionally-focused tools and resources to increase energy efficiency program participation among their constituents.

The I-REN service territory has long been characterized by low participation in energy efficiency programs. In the public sector, barriers such as staffing constraints and confusing program requirements put an undue burden on local governments trying to figure out where and how they can participate. I-REN's approach addresses these barriers head-on and leverages their existing connections to other program administrators and in-house capabilities for marketing and outreach.

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The I-REN governing agencies have established communication channels and working relationships with all 52 cities in their service territory, county board of supervisors, water districts, school district superintendents and other public sector agencies. Through their committee structure they facilitate meetings and planning efforts around sustainability, and host educational forums to bring awareness to environmental issues, energy efficiency and water conservation, in collaboration with other agencies. Each of these opportunities is marketed through the I-REN governing agencies' established communication networks, making I-REN a trusted voice in the region--especially for local governments.

By creating a regionally-focused set of tools and resources, I-REN can offer targeted information for general consumption while also using the data set as an internal reference for I-REN staff efforts under Tactic 1.1.1 to provide one-on-one technical assistance and in Tactic 1.1.2 for identifying program opportunities to leverage when implementing strategic energy plans.

Activities to implement this tactic could include but are not limited to the following:

- Assess the current energy efficiency programs available in the region to the public sector.
- Collaborate with program administrators to get information on eligibility requirements and participation processes.
- Compile content with user-friendly, regionally focused packaging.
- Create a suite of tools including but not limited to online resources, information databases, and printed materials.
- Distribute and promote materials through e-communicators, social media, web, and at in-person events.
- Update materials periodically to reflect feedback on ease of use, and to reflect program changes.

Strategy 1.2 Establish incentives and leverage existing financing mechanisms to assist local governments with implementing energy efficiency projects in public buildings.

Objective - Help local governments afford and finance a range of energy efficiency upgrades.

Tactic 1.2.1: Deliver a resource offering to provide incentives for savings based on Normalized Metered Energy Consumption (NMEC) achieved over three to five years.

I-REN proposes to offer a resource program with incentives for measures including but not limited to HVAC tune ups and retrofits; exterior and interior lighting and smart controls; and operations and maintenance. The program would be open to all public sector facilities including those operated by county and city government, school districts, special districts, and tribes.

Program outreach will focus initially on public gathering spaces such as community and neighborhood centers, health and recreation centers, senior centers, teen centers, and libraries. Implementing energy efficiency projects at these locations will serve multiple goals, including but not limited to those described here:

- Upgrades and retrofits to HVAC and lighting equipment both interior and exterior will improve comfort and safety at facilities that benefit vulnerable populations such as children, elders, and low income, disadvantaged, and underserved communities.
- Higher efficiency equipment, appliances and controls such as cooling-dominated HVAC loads as well as improvements to operations and maintenance will lower energy bills for local governments, reducing overhead and freeing up funds for other projects.
- Completion of projects at these high-visibility locations will support achieving local and statewide energy efficiency and greenhouse gas reduction goals while also positioning local governments as energy efficiency leaders within their communities.

The program will use an NMEC approach to calculate savings and demonstrate persistence of savings. By using NMEC to calculate savings, the program will help protect against unrealized savings. Combined with technical assistance and reinforcement of operations and management best practices, public sector customers will experience maximized savings.

I-REN governing agency WRCOG brings public sector program administration experience from its successful and highly-regarded Regional Streetlight Program (Figure 2-2), which reduces costs to local jurisdictions through cost-effective and energy efficient lighting retrofits and regional operations and maintenance. The program was designed to save the subregion \$70 million over 20 years. The program involved a demonstration project to gain feedback from community stakeholders including interested jurisdictional elected officials and staff, engineers, community and environmental groups, and residents.



Figure 2-2. WRCOG Regional Streetlight Program Outreach Example

Note that if a third-party program becomes available that serves this need and makes this resource offering duplicative, I-REN will focus its full Public Sector budget on providing technical assistance and strategic energy planning through the BUC. I-REN has designed its Public Sector offerings to be flexible and its goals and targets can be adjusted accordingly to meet the needs of the region.

Tactic 1.2.2: Leverage sustaining financing mechanisms for HVAC upgrades in public buildings.

Energy efficiency financing is defined by Lawrence Berkeley National Laboratory as “debt or debt-like products that support the installation of energy efficiency measures by allowing costs to be spread over time.”¹³

Figure 2-3 shows a wide variety of financing mechanisms available for energy efficiency projects, from traditional loans and financing from banking institutions to specialized products designed specifically for energy efficiency. However, the public sector is challenged by many barriers in trying to take advantage of these options. Staff time and resources are constrained, the array of options is confusing, and it can be unclear how local governments, special districts, and tribes would participate, given their unique position as publicly funded agencies.

I-REN can bridge this gap by identifying financing mechanisms and creative funding sources, evaluating their appropriateness for various public sector jurisdictions and facility types in the I-REN service territory, and then assembling a tailored set of options to present to local governments, special districts, and tribes. I-REN can support local jurisdiction staff and decision-makers in navigating through the complexities of financing options (see Figure 2-3), choosing a pathway and applying for funds, and then serve as a technical assistance resource for project implementation and reporting.

For its initial focus, I-REN proposes to target HVAC upgrades in community buildings including but not limited to recreation centers, libraries, senior centers, and the like. HVAC replacement at a large facility is costly, and the intervention of financing through I-REN’s Public Sector initiative could mean the difference between replacing a system with baseline equipment and moving up to a more efficient system that will deliver better performance and bill savings, as well as supporting energy savings and climate action goals.

Financing Mechanisms

Potential funding mechanisms may include but would not be limited to the following:

- On-bill financing
- Savings-backed arrangements such as performance contracting
- Revolving loan funds
- California Climate Investments using Cap-and-Trade auction proceeds
- New financing mechanisms from the banking industry
- Community energy projects
- Green bonds and climate bonds

¹³ Greg Leventis et al. “Current Practices in Efficiency Financing: An Overview for State and Local Governments,” Ernest Orlando Lawrence Berkeley National Laboratory, November 2016. Available [online](#).

Other Sources of Funding

In addition to traditional and specialized financing options, I-REN can help its public sector jurisdictions identify and gain access to other funding sources including but not limited to the following:

- State, e.g. California Energy Commission grants
- Federal, e.g. Department of Energy, Energy Efficiency & Renewable Energy funding

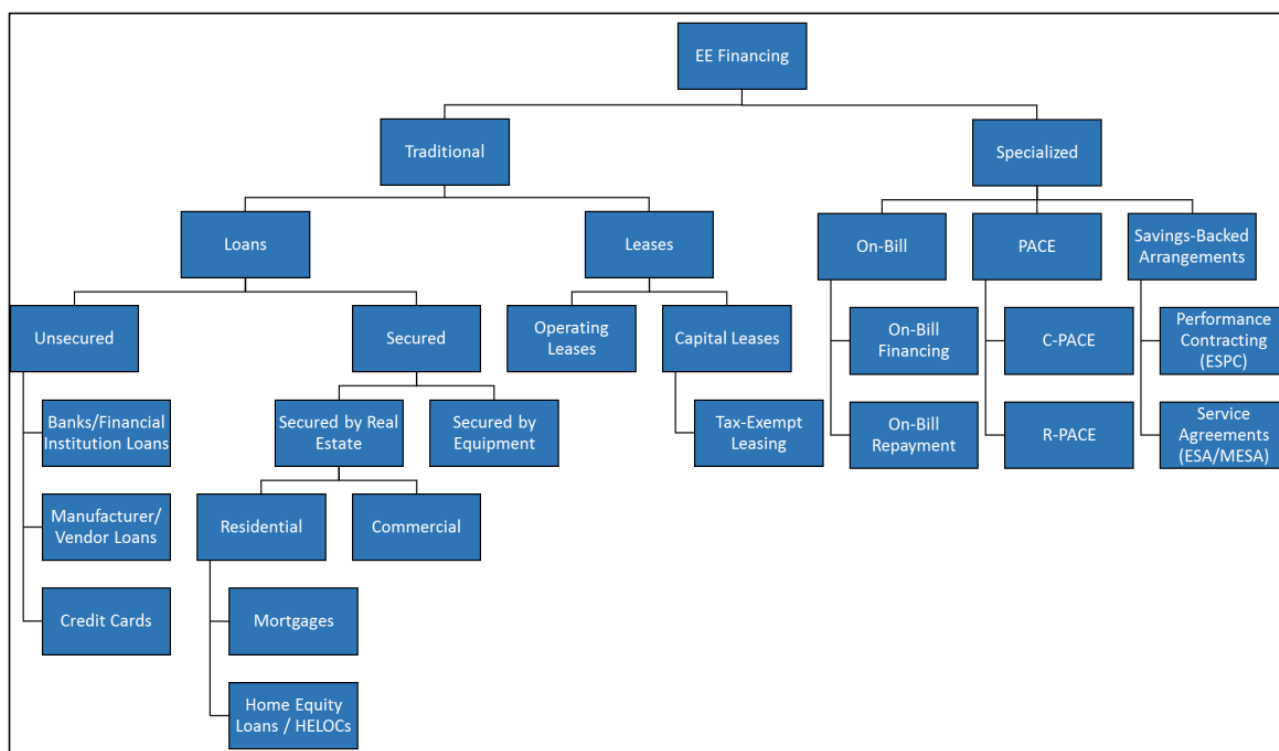


Figure 1-1: Typology of energy efficiency financing products

Figure 2-3. Typology of Energy Efficiency Financing Products¹⁴

Source: LBNL, February 2016

¹⁴ Greg Leventis et al. "Current Practices in Efficiency Financing: An Overview for State and Local Governments," Ernest Orlando Lawrence Berkeley National Laboratory, November 2016. Available [online](#).

Anticipated Programs

I-REN anticipates providing program offerings to the public sector including but not limited to the following:

- **Technical Assistance and Strategic Energy Planning** – short-term and mid-term technical support for local governments, special districts, school districts, and tribes to increase energy efficiency in publicly-owned facilities. Additional support and technical services to design high performing, energy efficient buildings.
- **Public Buildings NMEC Program** – a resource program (in year two of I-REN program administration) to provide incentives and financing for savings based on Normalized Metered Energy Consumption (NMEC) achieved over three to five years, with a special focus on HVAC improvements to community-serving buildings.

Note that I-REN has designed its Public Sector offerings to be flexible and its goals and targets can be adjusted to meet the needs of the region, including focusing its full Public Sector budget on providing technical assistance and strategic energy planning if needed due to the emergence of duplicative third-party programs that serve this need.

Public Sector | Essential Program Elements

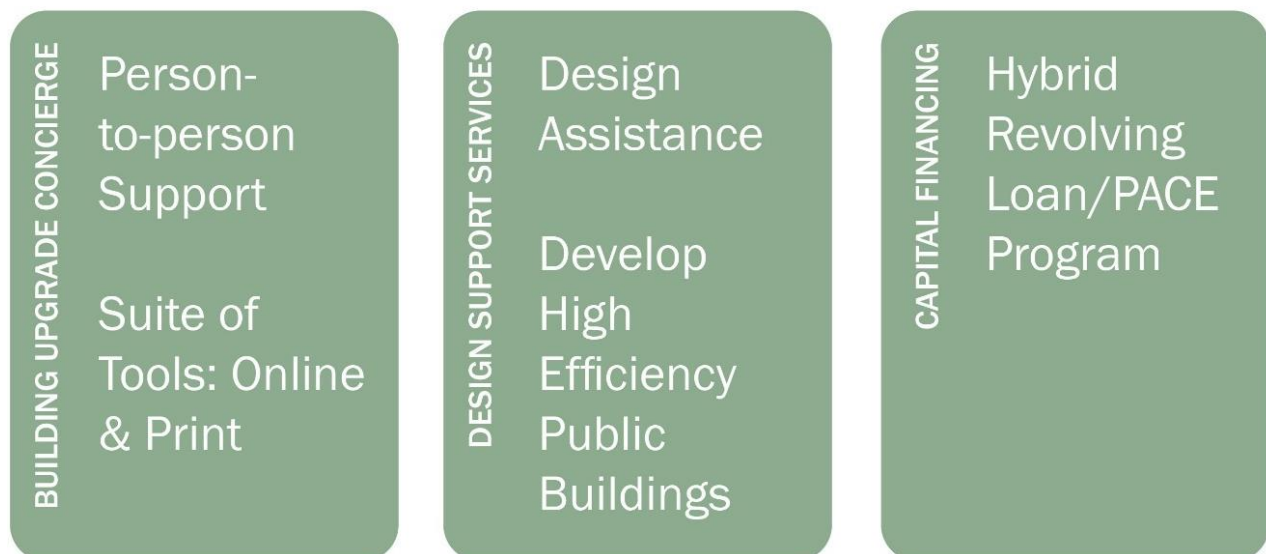


Figure 2-4. I-REN Public Sector Essential Program Elements

Evolving Approach

As a new REN, I-REN will build upon the work currently underway through its governing agencies and local government partnerships to implement the strategies outlined here, in collaboration with the key partners described in the section that follows. Based on measurement and verification, and on monitoring progress toward performance metrics through the near and midterm activities, I-REN will adjust strategies for future implementation beyond the 2021-2025 timeline.

Leveraging I-REN's Existing Key Partners

I-REN has worked for many years to build relationships (shown in Table 2-4) with local governments, building and planning departments, code officials and permit staff, private construction and architectural firms, and other market actors who will impact work in the public sector. These relationships are maintained through frequent engagement and through I-REN's numerous outreach activities and communication platforms, through which I-REN has become a trusted voice and advocate for local communities in the region. Local governments in the counties of Riverside and San Bernardino look to the I-REN governing agencies for information and collaboration on energy efficiency and sustainability-related opportunities.

One of the challenges of working with local government agencies for public sector energy efficiency is the turnover in both staff and elected positions, which can mean the loss of a department's "Energy Champion." In their many existing collaborations with local governments, the I-REN governing agencies take a proactive approach to maintaining the lines of communication across these transitions, working with the outgoing official or staff member before they depart and then reaching out to the successor to establish the new relationship.

I-REN will build on these existing relationships to foster additional connections with new partners as described earlier in the chapter (sections entitled "Market Actors" and "Other Partners and Stakeholders").

Table 2-4. I-REN's Key Partnerships with Market Actors in the Public Sector

Key Partners	Relevant Examples of Past/Present Collaboration
Local governments, including two counties, 52 cities, 115 special districts, and 15 tribal areas	The three I-REN governing agencies have all had or currently have LG partnerships – with various connections including City Manager, Planning, local utilities. They bring multiple local experts into the conversation on a monthly/quarterly basis. WRCOG's existing partners consist of Public Agencies (18 members), Water Districts (2 members), and Riverside County Superintendent of Schools. Collaboration has included various Energy, Environmental, and Transportation / Planning Programs such as LGP, PACE, Western Community Energy (WCE, the WRCOG's Community Choice Aggregation), Transportation Uniform Mitigation Fee (TUMF) program, Solid Waste Cooperative, Clean Cities Coalition, and Planning / Grant Writing Assistance Programs.

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Key Partners	Relevant Examples of Past/Present Collaboration
	WRCOG has committee structures engaged with planning directors and public work directors. They work with building department decision-makers and coordinate with permit technicians and all other staff face to face. CVAG's 10 member cities look to CVAG to keep them updated on energy efficiency programs and measures. CVAG has participated in the Desert Cities Energy Partnership (DCEP) LGP with each of their member cities and the utility companies servicing the CVAG jurisdiction. CVAG also obtained a Strategic Plan grant in the amount of \$4.1 million to assist its cities with completing Greenhouse Gas inventories, Climate Action Plans, Energy Action Plans, and many more policies relevant to energy efficiency and reduction of their carbon footprints. The DCEP allowed the CVAG member cities to achieve great energy savings for a 10-year period, due to close collaboration and monthly meetings. CVAG also has existing relationships with each of its cities through its Solid Waste & Recycling Committee (TWG) that reports to the Energy & Environmental Resources Committee (E&E), which then reports to its Executive Committee. The TWG committee is made up of representatives of each city who are involved in sustainability and recycling. The E&E committee is made up of elected representatives from each city; they discuss all topics related to energy and sustainability and provide recommendations to the Executive Committee, which is made up of elected representatives from each city. SBCOG brings experience working with South Coast Air Quality Management District, and other councils of governments throughout Southern California. SBCOG cities recently participated in a county-wide Zero Emission Vehicle (ZEV) Readiness and Implementation Plan funded through the CEC. Climate Resiliency Study "Resilient IE" is currently underway, which includes the participation of all 24 cities in San Bernardino County. SBCOG brings experience working closely with law enforcement, such as California Highway Patrol, as well as rail support facilities in the region.
Local Community Colleges	CVAG staff is part of a committee with College of the Desert to offer feedback and expertise in the creation and development of their workforce & training certification program, which allows students to take classes to become trained in installation and repair on systems such as HVAC, environmental management systems and more.
K-12 Schools	CVAG has hosted and presented at various sustainability expos which were held for hundreds of middle school and high school students to learn about various programs and measures related to energy efficiency and recycling.
IOUs/Other Program Administrators	SBCOG has experience conducting outreach through the San Bernardino Regional Energy Partnership in collaboration with SCE and SoCalGas and working closely with 12 cities in the region.

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Key Partners	Relevant Examples of Past/Present Collaboration
Building Professionals	WRCOG has collaborated with the Riverside Chapter Building Industry Association (BIA) through in WRCOG's Transportation Uniform Mitigation Fee (TUMF) Program. In addition, WRCOG previously served on the Board of the U.S. Green Building Council Inland Empire Chapter (USGBC-IE). CVAG has connections to the local building industry through its work with the PACE program described earlier, as well as through the Desert Cities Energy Partnership (DCEP). Through the DCEP, CVAG partnered with local universities to provide Title 24 training classes to local building contractors, architects, and building and safety officials.
PACE and other financing and funding sources	Through WRCOG, the Regional Streetlight Program solicited a Request for Bid (RFB) that was used to select a financial provider to support members with the financing/ purchase of the various streetlights within the WRCOG subregion. WRCOG has supported its member agencies in applying and receiving grants through its on-Call Grant support program to help agencies implement projects in the areas of Transportation, Environmental, Energy, and Water. CVAG administers a Property Assessed Clean Energy (PACE) program and has service agreements with seven private firms to service CVAG's jurisdiction. PACE started in the Coachella Valley in 2007, starting with the City of Palm Desert and later transitioning to a regional approach through CVAG. SBCOG received a grant to demonstrate more than 200 compressed natural gas (CNG) and liquid natural gas (LNG) Peterbilt and Freightliner trucks. This partnership included Ryder Systems, which demonstrated the CNG and LNG trucks with various companies. SBCOG also received a grant from the Mobile Source Air Pollution Reduction Review Committee to purchase, install and maintain multiple electric vehicle charging stations for three locations: SBCOG east parking lot area, San Bernardino Metrolink Station, and San Bernardino Transit Center.

Budget and Metrics

Budget

The budget shown in Table 2-5 will facilitate the forecasted short and mid-term metrics targets with the expectation that increased participation and project volume is achieved as initial efforts scale and gain traction.

Table 2-5. Public Sector Budget

Budget (\$)	2021	2022	2023	2024	2025
Administration	431,423	628,819	619,172	662,939	707,457
Marketing and outreach	258,854	377,292	371,503	397,763	424,474
Direct implementation - non incentive	3,623,949	3,782,083	3,701,047	3,818,688	3,942,635
Direct implementation - incentives	-	1,500,000	1,500,000	1,750,000	2,000,000
Total	4,314,226	6,288,194	6,191,722	6,629,390	7,074,566

Energy Savings & Cost-Effectiveness Targets

Although RENs are not required to achieve a specific cost-effectiveness metric, I-REN endeavors to be as cost-efficient as possible in using ratepayer funds. Table 2-6 shows the estimated cost-effectiveness for I-REN's resource program activity in the Public Sector.

Table 2-6. I-REN Public Sector Resource Activity Anticipated Cost-Effectiveness

Public Sector Resource Activity	2021	2022	2023	2024	2025
Net kWh	0	4,175,629	4,361,224	4,361,224	5,763,031
Net kW	0	720	813	813	1,084
Net Therm	0	121,315	147,884	147,884	196,707
CO2	0	1,736	2,039	1,937	2,781
NOx	0	640	668	668	883
Total Resource Cost (TRC)	0	0.45	0.51	0.47	0.61
Program Administrator Cost (PAC)	0	0.74	0.81	0.79	1.03
Ratepayer Impact Measure (RIM)	0	0.35	0.35	0.36	0.37

Metrics

Based on the intervention strategies I-REN developed for the Public Sector, the following metrics are proposed to track program performance.

Public Sector Metrics

Table 2-7. Public Sector Metrics

Public Sector Metric	Baseline Year	Short Term Target 2021	Short Term Target 2022	Short Term Target 2023	Mid Term Target (2024-2025)
First year annual kW gross	2022	N/A	759	856	1,000
First year annual kW net	2022	N/A	720	813	949
First year annual kWh gross	2022	N/A	4,401,355	4,596,706	5,335,690
First year annual kWh net	2022	N/A	4,175,629	4,361,224	5,062,128
First year annual Therm gross	2022	N/A	127,668	155,636	181,325
First year annual Therm net	2022	N/A	121,315	147,884	172,295
Lifecycle ex-ante kW gross	2022	N/A	3,220	3,511	4,081
Lifecycle ex-ante kW net	2022	N/A	3,209	3,499	4,067
Lifecycle ex-ante kWh gross	2022	N/A	18,780,846	19,037,308	22,006,804
Lifecycle ex-ante kWh net	2022	N/A	17,825,745	18,069,440	20,887,250
Lifecycle ex-ante Therm gross	2022	N/A	512,633	624,822	727,940
Lifecycle ex-ante Therm net	2022	N/A	487,087	593,666	691,644
CO2-equivalent of net annual kWh savings	2022	N/A	1,026	1,173	1,351
Percent annual net kW per project building or facility	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Percent annual net kWh per project building or facility	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator

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Public Sector	Baseline Year	Short Term Target 2021	Short Term Target 2022	Short Term Target 2023	Mid Term Target (2024-2025)
Metric					
Percent annual net Therms per project building or facility	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Average annual net kw savings per project building floor plan area	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Average annual net kw savings per project building floor plan area	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Average annual net Therm savings per project building floor plan area	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Average annual Net kW savings per annual flow through project water/wastewater facilities	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Average annual Net kWh savings per annual flow through project water/wastewater facilities	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Average annual Net Therms savings per annual flow through project water/wastewater facilities	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Percent of Public Sector accounts participating in programs	2021	TBD	TBD	TBD	TBD
Percent of estimated floorplan area (i.e., ft²) of all Public Sector buildings participating in building projects	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Percent of Public Sector water/wastewater flow enrolled in non-building water/wastewater programs	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
PAC Levelized Cost (\$/kW)	2022	N/A	\$0.41	\$0.36	\$0.31
PAC Levelized Cost (\$/kWh)	2022	N/A	\$4.41	\$3.79	\$3.18
PAC Levelized Cost (\$/therm)	2022	N/A	\$2,632.75	\$2,182.44	\$1,883.26

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Public Sector Metric	Baseline Year	Short Term Target 2021	Short Term Target 2022	Short Term Target 2023	Mid Term Target (2024-2025)
TRC Levelized Cost (\$/kW)	2022	N/A	\$0.48	\$0.42	\$0.37
TRC Levelized Cost (\$/kWh)	2022	N/A	\$5.37	\$4.42	\$3.81
TRC Levelized Cost (\$/therm)	2022	N/A	\$0.41	\$0.36	\$0.31
Total program-backed financing distributed to Public Sector customers requiring repayment	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Percent of Public Sector buildings with current benchmark	2021	TBD	TBD	TBD	TBD
Average energy use intensity of all Public Sector buildings	2021	TBD	TBD	TBD	TBD
Percent of floorplan area of all Public Sector buildings with current benchmark	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator

Cross-Cutting & Coordinating Activities

Marketing, Education & Outreach

The I-REN governing agencies bring experience in marketing, education, and outreach to the public sector from a long history of work with the local governments they serve. Through their committee structures and established communication platforms, the I-REN governing agencies have become a trusted voice and advocate in their two counties. They can use this position to coordinate marketing, education, and outreach (ME&O) activities within the region through their network of member jurisdictions. In the public sector, the bulk of this ME&O will fall under the category of outreach and relationship building.

Coordination with other program administrators will be important for I-REN's proposed Public Sector Tactic 1.1.3, and I-REN has already opened the lines of communication and begun to discuss ways to collaborate, in order to reduce market confusion and ensure the best outcome for ratepayers.

I-REN anticipates its Public Sector-related marketing could include but would not be limited to the following activities shown in Table 2-8, in alignment with the proposed Public Sector intervention strategies and tactics.

Table 2-8. Marketing Activities for I-REN C&S Sector

Intervention Strategy	Tactic	Marketing Activities
S1.1 Develop a regional Building Upgrade Concierge (BUC) for local governments, special districts, and tribal communities with technical guidance and tools to inform and enable priority energy improvements.	T1.1.1: Establish person-to-person support for local governments to get higher levels of assistance and support for their EE projects. T1.1.2: Develop or enhance strategic energy plans to connect local government goals related to climate, resilience, and economic development to energy efficiency programs and adoption. T1.1.3: Create resources for the public sector to tap into EE and distributed energy resources programs offered by other providers and IOUs.	<i>Outreach to local jurisdictions and agencies to educate them about the program offerings, to provide presentations at meetings and with key decision makers.</i> <i>Develop content for an e-newsletter targeted to local government audiences, a comprehensive website with a listing of events, resources and tools for local governments, targeted use of social media, and other channels to promote public sector resources.</i> <i>Collaborate with local governments, tribes, and special districts to design and deliver messaging to the community to promote local leadership in energy efficiency by highlighting success stories from local strategic energy plans and projects.</i>
S1.2 Establish incentives and leverage existing financing mechanisms to assist local governments with	T1.2.1: Deliver a resource offering to provide incentives for savings based on Normalized Metered Energy	<i>Develop a marketing and outreach plan to support resource and financing initiatives. Promote the initiatives through the I-REN governing agencies' existing marketing</i>

Intervention Strategy	Tactic	Marketing Activities
implementing energy efficiency projects in public buildings.	Consumption (NMEC) achieved over three to five years. T1.2.2: Leverage sustaining financing mechanisms for HVAC upgrades in public buildings.	<i>channels, local government connections, building industry communication networks, and other channels.</i>

Workforce Education & Training

Workforce Education & Training (WE&T) is an important area for cross-cutting coordination, with synergies between I-REN's Public Sector and WE&T initiatives that include and are not limited to the following:

- Identify and help to engage contractors and building firms who provide services to local governments/public sector to locate and work in the I-REN territory.
- Coordinate potential training programs in the WE&T to help enhance energy efficiency services to local governments, such as facility manager and operations trainings, advanced controls training, and the like.
 - I-REN's service territory includes several relatively new cities incorporated in recent years; these cities are building their local capacity and establishing their infrastructure. They will benefit from training and education for their public sector facility staff.
- Establish training programs and resources for local government agencies and tribes to better manage and maintain low energy use targets.
- Provide interns ("RENterns") to support agencies with energy efficiency projects and other sustainable initiatives. The idea of RENterns originates from WRCOG's Public Service Fellowship program, which has trained more than 75 Fellows over five years. The success of the Fellowship Program has led to alumni being hired in the region and pursuing additional education and training such as graduate school.

I-REN will coordinate its WE&T and Public Sector activities to maximize the benefits to their constituents in these sectors.

Codes & Standards

Codes and Standards (C&S) is another important area for cross-cutting coordination with the Public Sector. I-REN's C&S sector activities incorporate training for local building department staff, to help those individuals perform their jobs and build capacity in their departments to better enforce codes and standards. This supports better code compliance in publicly owned buildings, especially as some of the relatively new cities in I-REN's territory begin to explore building their own public infrastructure and facilities.

These synergies support I-REN's Public Sector approach, which focuses on empowering local governments as leaders in energy efficiency through their own publicly owned facilities. I-REN will

coordinate its C&S and Public Sector activities to maximize the benefits to their constituents in these sectors.

EM&V Considerations

The current lack of energy efficiency data about the public sector places added importance on the role of EM&V. I-REN will collaborate with the CPUC and stakeholders to ensure that data collection activities are embedded in Public Sector program design to capture the information necessary to meet evaluation requirements and to help expand the understanding of energy efficiency potential and best practices in this relatively new sector.

I-REN's EM&V considerations for its Public Sector programs include data collection to inform CPUC evaluation activities and support internal program performance tracking and continuous improvement. I-REN has also identified studies, either already in progress or proposed, that will help to characterize the market and support the development of baselines to enable more reliable EM&V of Public Sector program impacts.

Data Collection Needs

I-REN data collection will support both external EM&V by the CPUC and internal research study activities. I-REN's data collection needs directly correspond to identified metrics and indicators, and the intervention strategies developed for the Public Sector.

To support external EM&V activities, I-REN will collect data to keep the CPUC and stakeholders apprised of program progress. I-REN will work collaboratively with Energy Division staff to ensure data collection meets their needs, to enable evaluation that can:

- 1) inform the program selection process,
- 2) provide early feedback to program implementers,
- 3) produce impact evaluations at the end of the funding period, and
- 4) feed the planning process for future program cycles.¹⁵

Data collection will also support I-REN's internal EM&V activities and inform the measuring of progress toward established program goals and targets, CPUC metrics and indicators, and PA determined value metrics. Data collection and real-time program performance tracking will support the delivery of timely feedback to implementers and/or program administration staff. This in turn will support continuous improvement and inform future program planning efforts.

Table 2-9 shows the research questions and data collection needs I-REN has identified for the Public Sector, in alignment with CPUC metrics and indicators and I-REN's internal goals and value metrics.

¹⁵ Energy Efficiency Policy Manual, version 6, April 2020, p.44.

Chapter 2: Public Sector

Table 2-9. I-REN Public Sector Data Collection

Topic Focus	Research Questions/Data Collection Needs	EM&V Objective	Timeframe
Energy savings and greenhouse gas (GHG) emissions reduction	• Net and gross first year annual kW, kWh, and Therms • Net and gross lifecycle ex-ante kW, kWh, and Therms • CO2-equivalent of net annual kWh savings	Track program performance	Short-term/ Mid-term
Public sector benchmarking and strategic energy planning	• What percent of public sector buildings and total floorplan area have a current benchmark? • What percent of public sector jurisdictions and total floorplan area have a current strategic energy plan?	Understand and track the public sector market	Short-term
Energy intensity of public sector buildings	• What is the average energy use intensity of all public sector buildings?	Identify highest needs and track program performance	Short-term
EE program penetration in the eligible market	• What percent of service accounts are participating in programs? • What percent of total public sector floorplan area is participating in building projects?	Understand and track the public sector market	Short-term/ Mid-term
Depth of I-REN interventions	• How many service accounts are participating? • What is the average square footage of properties? • What is the per-application energy usage of buildings that have been retrofitted? • What percent of public sector water/wastewater flow is enrolled in non-building water/wastewater programs?	Track program performance	Mid-term
Investment in EE	• What is the total amount of program-backed financing loaned through I-REN programs?	Track program performance	Mid-term

Anticipated Study Needs

PA-led studies may inform program target setting, value metrics, and highlight opportunities for improved data and measurement collection. Because the Public Sector is a new market segment for energy efficiency programs, carved out from Commercial, very little data exists and few relevant evaluation studies have been completed.

Chapter 2: Public Sector

One of the major areas for I-REN's study considerations is to better characterize and understand the size, scope, and breadth of public sector needs for energy efficiency in the Inland Empire. The I-REN proposes to develop and manage a study to first inventory the number and type of public sector buildings in the territory, including determining the type of energy systems, operating costs and procedures, and utility usage.

A Statewide Public Sector Market Study has been identified as an "urgent need" to help PAs understand the potentials and challenges of the Public Sector.¹⁶ The objective of this PG&E-led study has been identified as "Develop a quantitative and qualitative characterization of the four subsegments within the Public Sector that provides PAs with information about industry standard practices, baseline saturation of high impact measures, and the unique market barriers that differentiate Public Sector customers from those in the Commercial Sector." When available, I-REN will use the study's data and findings to inform ongoing improvements to program processes.

I-REN will also look to the CAEECC Underserved Working Group's sub-working group Public Sector Research Team from University of California, Santa Barbara as they develop and implement their workplan to identify underserved public sector customers within energy efficiency programs. As indicated in a December 2020 presentation to CAEECC, the research team proposes to focus on socioeconomic indicators including linguistic isolation, poverty, and unemployment in the CalEnviroScreen dataset to analyze gaps in program participation.¹⁷ As this research is conducted and data is made available, I-REN will use the resulting insights to inform targeted strategies to improve equity and access for underserved local governments in the Inland Empire through its Public Sector initiatives.

Coordination with other Program Administrators

I-REN is in communication with other PAs operating in the region to identify areas of potential coordination for Public Sector activities. I-REN will ensure its activities are differentiated and avoid duplication of effort, while maintaining cooperation with other PAs.

¹⁶ 2209 - Statewide Public Sector Market Study. Study ID: 2019_Public_503. Energy Project Status Reporting System. Accessed November 2020. <https://psr.energydataweb.com/#!/project-status-view-edit/503>

¹⁷ "Identifying underserved public sector customers within energy efficiency programs." Presentation by University of California, Santa Barbara Public Sector Research Team to CAEECC-Hosted Sub-Working Group on Underserved Customers Meeting. December 16, 2020. Slide deck available [online](#).



Inland Regional Energy Network Business Plan

Chapter 3: Codes & Standards (Cross-Cutting)

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Introduction

I-REN is proposing a dynamic and targeted set of programs for the Codes and Standards (C&S) Sector to assist its local government agencies in better understanding and enforcing energy building codes. In addition, I-REN will support the region's building industry to better conform and implement these codes. Compliance with California Energy Code (Title 24, Part 6) and California Green Building Standards Code (Title 24, Part 11) is required for new construction of, and additions and alterations to, residential and nonresidential buildings.

The authorities having jurisdiction or "AHJs" that provide permits for these projects and enforce codes and standards are found at the city and county level and are expected to enforce the California Energy Code without additional budget resources. Increased contractor compliance with the Energy Code, particularly related to residential HVAC, is identified as an important strategy to increase energy efficiency and home safety. The CEC has established a goal to increase compliance by 80% by 2021.¹

Energy code enforcement has historically been difficult for local jurisdictions, particularly smaller communities with fewer resources. Conflicting priorities and a focus on life and safety codes relegates energy code to a secondary (or tertiary) position. I-REN's service territory includes many AHJs that face significant challenges in enforcing energy codes and standards with their current resources and capacity. These jurisdictions are small in population size, geographically dispersed, challenged by extreme climate conditions, and disadvantaged by pollution and other factors.

As an organization led by and dedicated to serving local governments, I-REN can provide flexible and adaptable solutions to help bridge the gap and assist these jurisdictions. I-REN's C&S initiatives will offer locally focused training, education, and tools to support codes and standards implementation, enforcement, and compliance activities.

CODES & STANDARDS GOAL & STRATEGIES

Goal 3. Work closely with local building departments and the building industry to support, train, and enable long-term streamlining of energy code compliance

S3.1 Establish an ongoing training program to assist building department staff and the building industry to support, understand, and effectively implement energy efficiency codes and standards.

S3.2 Implement an outreach program to engage, educate and involve regional construction firms and building departments, and support compliance and regional energy efficiency programs and customers.

S3.3 Develop technical assistance tools and resources to assist building departments and the building industry with understanding, evaluating, and permitting of energy codes.

BUDGET

**2021-2015 Budget (total):
\$7.6M**

¹ California Energy Commission, "2019 California Energy Efficiency Action Plan," December 2019, page 40.

Strategies

I-REN has centered its strategies on three key areas in C&S:

3.1. Support local jurisdictions' building departments to build capacity and understanding to better enforce and manage Energy Code Compliance and oversight

I-REN's locally-focused interventions will equip building department staff to identify potential issues, provide guidance to permit applicants, and streamline the permitting process. With increased knowledge and capacity, local building department staff will have the tools and additional resources to support their code enforcement and compliance, as well as cultivate the associated energy savings from efficient building practices.

3.2. Engage and support local builders and the building industry to comply with energy codes.

I-REN will help engage, educate, and inform contractors and building professionals in the Inland Empire about codes, compliance, and resources available to enable higher compliance and effectiveness. This will be through a link to the Workforce Education and Training Cross-Cutting Sector programs, as well as through direct engagement under the C&S Sector programs.

3.3. Provide regional tools, training, and resources to promote energy codes.

I-REN will provide a bridge between the Statewide Codes Team and the local industry by curating best practices into locally relevant resources, materials, regional forums, and trainings.

I-REN is well positioned to lead this work because of its extensive network of local connections with public and private sector stakeholders in the C&S community. Through their committee structure and strong relationships with cities and local jurisdictions, the three COGs that make up I-REN's governing agencies are actively engaged with building departments from jurisdictions throughout the region. In their role as COGs they already serve as a trusted resource for information as well as a facilitator for statewide coordination with other program administrators, CEC, CPUC, CCAs, International Code Council (ICC), and other stakeholders. The communication networks and local connections the I-REN governing agencies have fostered are crucial for engaging these local building departments and delivering the support they need to excel in their C&S enforcement roles and foster increased compliance.

The COVID-19 pandemic has had a significant effect on the global economy and that of the United States and the State of California. While the pandemic continues to unfold, it is clear that the role of local governments is of critical importance in advocating for their communities in times of crisis. The contractor and building communities were particularly hurt in the last recession and will likely be impacted in this crisis. Creating C&S Sector programs that can enable streamlined work for both local government and contractors, while enabling safer and better buildings is an opportunity and need. To the extent that construction and renovation continues to be an economic driver in the I-REN region, local building departments will continue to be responsible for permitting and enforcement of energy codes and standards. Through the proposed C&S sector initiatives, I-REN can provide training, education, and resources to support building department staff in the performance of their jobs, thereby contributing to economic development and energy efficiency associated with building activity in this region.

Market Characterization

Market Actors

“Energy efficiency savings are maximized only if they are installed following manufacturer guidelines by a well-trained workforce. Long-lasting, impactful energy efficiency savings require local commitment, and local communities need to be the focal point for training and workforce development.” - California Energy Commission ²

Among the numerous market actors that comprise the broader C&S community (Table 3-1), local governments are responsible for permitting and enforcing code requirements in new construction and existing buildings. They are also tasked with coordinating across this wide field of stakeholders and market actors to improve awareness of codes and standards requirements and increase compliance.

In the I-REN region there are 52 local government AHJs, ranging from large cities to smaller, more rural municipalities, and several Indian Tribes. The local building department staff at these AHJs are key to realizing energy savings from implementation and enforcement of codes and standards. For that reason, I-REN proposes to focus much of its C&S Sector work on empowering and supporting these local building department staff to be energy efficiency leaders in their own communities—consistent with the Existing Buildings Energy Efficiency Action Plan Strategy 1.7 Local Government Leadership. In order to encourage rigorous code enforcement at the local level, a strong foundation of regional support is needed—and that is what I-REN proposes to provide through its C&S Sector programs.

On the compliance side of the C&S “enforcement and compliance” equation is a large community of building professionals, which includes architects, designers, contractors, energy consultants, and third party code plans examiners, inspectors, raters, verifiers. This community also includes contractors skilled in a wide variety of trades: electricians, HVAC technicians, insulation installers, plumbers, and many more. This diverse community is of critical importance for performing high-quality installation of efficient equipment in compliance with codes and standards.

² California Energy Commission, “2019 California Energy Efficiency Action Plan,” December 2019, page 108.

Chapter 3: Codes & Standards

Table 3-1. I-REN Codes & Standards Sector Market Actors

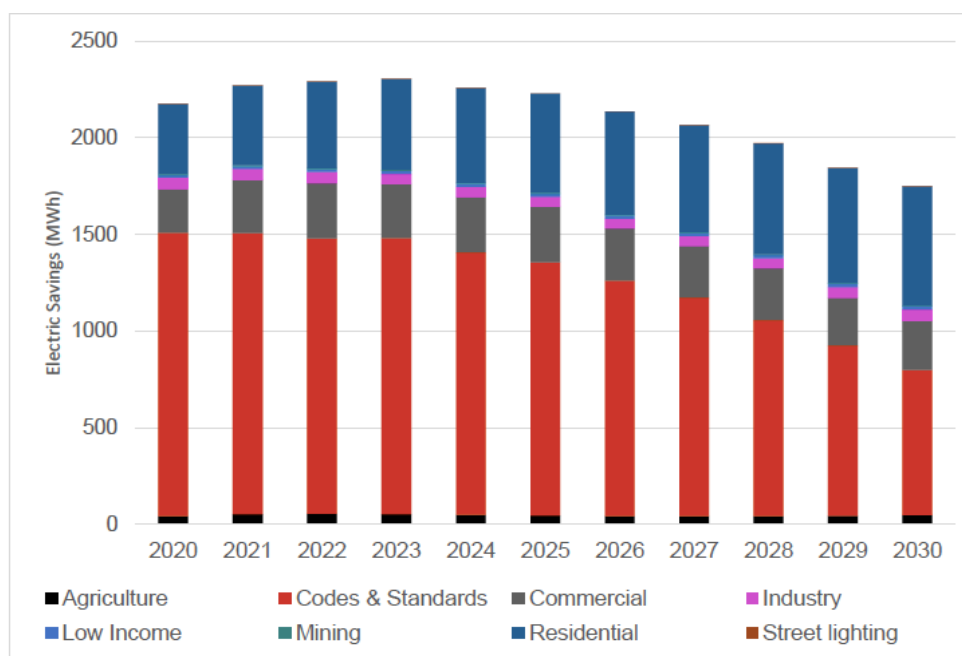
Market Actor Type	Examples
Building Department Staff	Chief building officials, permit technicians, plans examiners, building inspectors, etc.
Other Local Government Staff	Planners and community development staff, sustainability staff, city managers, public works directors, and elected officials.
Building Professionals	Architects, designers, contractors, energy consultants, and third-party code plans examiners, inspectors, raters, and verifiers.
Other Permit Applicants	Commercial building owners and managers; multifamily housing developers, owners, and managers; homeowners.
Partner Agencies and Utilities	California Public Utilities Commission, California Energy Commission, Building Standards Commission, Investor Owned Utilities, Municipal Utilities, etc.
Industry, Stakeholder and Professional Groups	International Code Council (ICC) Chapters, American Institute of Architects (AIA), Local Realtor® Associations, California Building Industry Association (CBIA) chapters (Riverside & San Bernardino County Chapters), the U.S. Green Building Council and Inland Empire US GBC local chapter, California Building Officials (CALBO), Building Owners and Managers Association (BOMA) chapters, California Energy Alliance (CEA), American Public Works Association (APWA) Southern California Chapter, etc.

Sector Landscape

The I-REN service territory of Riverside and San Bernardino counties covers more than 27,000 square miles and includes the state's third-largest Metropolitan Statistical Area (MSA). The region has seen **steady growth over the last decade** following the Great Recession, as people moved away from coastal areas with a higher cost of living. The California Finance Department reported that between 2010 and 2019, the Inland Empire added 407,476 people to reach a population of 4,632,327.³

Previous efforts emphasizing increased compliance with energy codes and standards in new construction to produce energy savings and emission reductions has resulted in stranded savings in existing homes and buildings. The CPUC's 2019 Potential and Goals Study, cited in the 2019 California Energy Efficiency Action Plan, recently identified C&S activity in existing buildings as the major driver of potential savings statewide (Figure 3-1).

Existing buildings pose unique challenges for code compliance, in comparison to new construction, but they far outnumber new buildings in the Inland Empire even despite the growth and new construction in the I-REN counties. The housing stock in Riverside and San Bernardino counties, nearly 1.6 million residential units, was largely built in the era before the 1978 building standards took effect. This indicates a **significant opportunity for C&S-related energy savings and carbon reduction** in I-REN's existing residential building stock through code compliant equipment installation, additions, alterations, and renovations.



Source: Navigant, 2019 PG Study

Figure 3-1. Statewide Electric Savings Market Potential (MWh)⁴

³ Inland Empire Quarterly Economic Report. Economics & Politics, Inc. October 2019. Available Online. Accessed October 2020. <http://www.johnhusing.com/QR%20Reports/QR%20October%202019.pdf>

⁴ California Energy Commission, "2019 California Energy Efficiency Action Plan," December 2019, page 54.

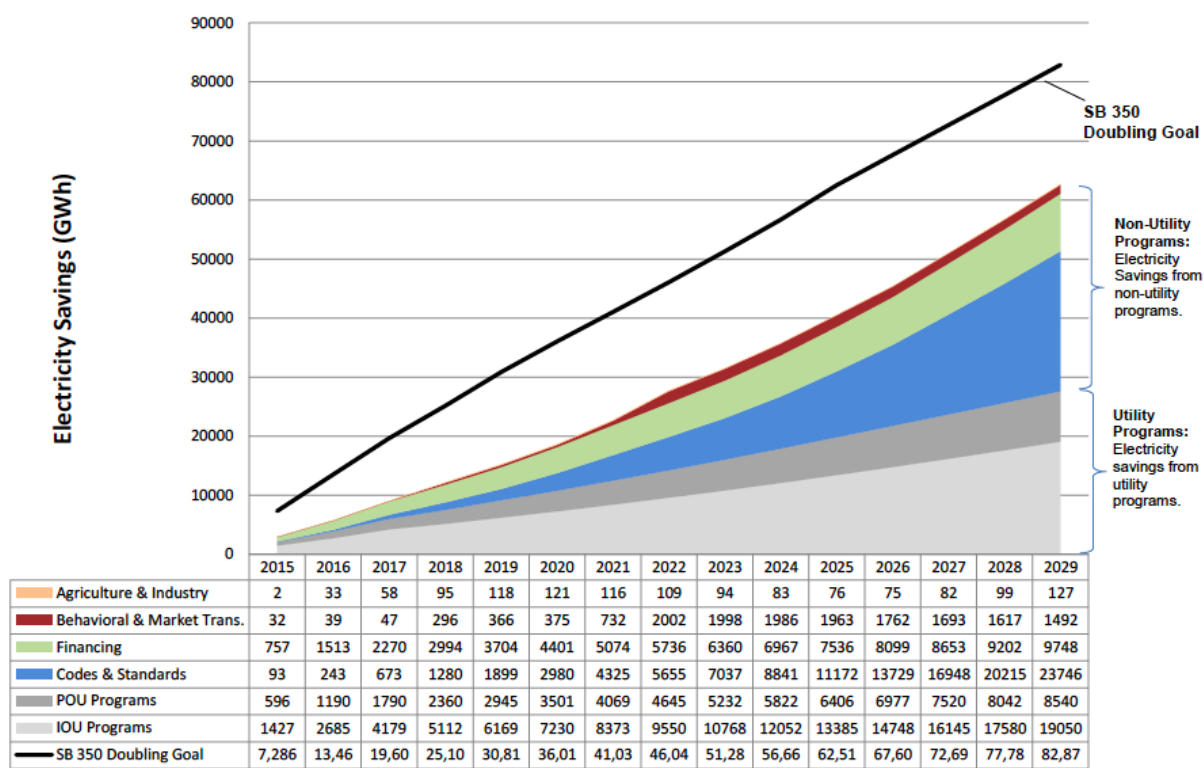


Figure 3-2. Senate Bill 350 Goal for Doubling Energy Efficiency Savings by 2030

Senate Bill 350 Doubling Energy Efficiency Savings by 2030, pg. 17 illustrates the high percentage of planned savings from codes and standards by non-utility programs.

Chapter 3: Codes & Standards

New construction is also a focus of C&S activities. When single family residential new construction slowed elsewhere in California after the 2008 housing crisis, the Inland Empire continued to see new single family housing starts due to the greater availability and lower cost of developable land.⁵ Data from the 2018 US Census indicates that the I-REN territory represents **13% of California's total new residential permits**, despite having 11.6% of the population. In 2018, more than 78% of new permits in the Riverside-San Bernardino-Ontario, CA MSA were for single family homes.

2018 Annual Permits Data for New Houses

Location (MSA)	Total	1 unit	2 units	3 and 4 units	5 or more	Structures with 5 or more
State of California						
Housing Units Authorized	113,502	58,831	2,590	2,050	50,031	1,763
Valuation	\$ 27,844,627	\$ 17,843,585	\$ 480,909	\$ 389,207	\$ 9,130,926	
Riverside-San Bernardino-Ontario, CA						
Housing Units Authorized	14,809	11,591	166	279	2,773	233
Valuation	\$ 3,538,857	\$ 3,080,304	\$ 25,194	\$ 42,882	\$ 390,477	
Percentage of Calif. permits	13%	20%	6%	14%	6%	13%
Los Angeles-Long Beach-Anaheim, CA						
Housing Units Authorized	29,524	10,042	1,528	522	17,432	506
Valuation	\$ 7,348,035	\$ 3,507,156	\$ 307,236	\$ 108,602	\$ 3,425,041	
Percentage of Calif. permits	26%	17%	59%	25%	35%	29%

(Source <https://www.census.gov/construction/bps/msaannual.html>)

Figure 3-3. 2018 Permit Data: State of California, Inland Empire, and Los Angeles-area MSAs

The building industry in the Inland Empire may see benefits from recent and ongoing legislative efforts at the state level to encourage construction of more affordable housing.⁶ Overbuilding has not been a problem in the Inland Empire in recent years. The City of Riverside, for example, has seen **growth that outpaces the supply of housing** and is “in need of much more residential construction to keep up with demand from its rising population.”⁷

Additional information from the Construction Industry Research Board (CIRB) 2015 Annual Energy Permit Summary, indicates that the I-REN territory had about **10% of the state's HVAC changeout permits**. It is widely understood that the actual number of HVAC units installed are much higher than are permitted (approximately ⅓ of all units), indicating a large opportunity for I-REN to achieve higher energy savings with increased support of the local jurisdictions and builder community.⁸

⁵ Building the Future: Construction in Southern California. LAEDC Institute for Applied Economics. September 2016. Available online. Accessed October 2020. https://laedc.org/wp-content/uploads/2016/12/Construction_FINAL_20161110.pdf

⁶ Legislative Steps Toward More Affordable Housing. Reyes, Carrie B. First Tuesday Journal. Available [online](#). Accessed October 2020.

⁷ Riverside Housing Indicators. September 8, 2020. First Tuesday Journal. Available [online](#). Accessed October 2020.

⁸ DNV-GL, Final Report: 2014-2016 HVAC Permit and Code Compliance Market Assessment Volume I, Prepared for the CPUC, September 2017, page 3.

Major Trends

The newest standards released in 2019 introduced one of the highest levels of efficiency and performance in residential buildings California has ever seen, adding solar, and an equivalent to zero net energy requirement. Substantial changes in multifamily codes are expected in the next cycle with the potential for zero or low carbon residential codes in the following cycle. These new requirements have increased complexity and multiple pathways for builders to consider. Local government and industry professionals will need consistent support to ensure that these codes can be effectively implemented and enforced.

Economic development was already of importance to the I-REN region, which has seen population growth greater than other parts of California while having lower median income.⁹ As the COVID-19 pandemic and related economic crisis continues to unfold, the cross-cutting workforce development activities proposed for I-REN's C&S sector program will have a role to play in helping local governments and building professionals navigate the changes ahead.

With education and outreach, I-REN proposes to provide leadership in the effort to shift the narrative around C&S. The proposed sector activities can help to ease the burden of compliance and enforcement while emphasizing the many benefits that accrue from the interconnectedness of C&S compliance with energy efficiency, energy bill savings, and comfort for building occupants. Due to the pandemic, issues of public health and links to indoor air quality may be of even greater interest than before.

Other trends and issues that may affect I-REN's C&S community include the following:

- Learning, complying, and implementing the 2019 code
- Building decarbonization
- Heat pump water heaters and electrification measures
- ZNE preparedness / "plug and play" grid
- Systems integration and demand flexibility
- Virtual inspections and online permitting required from COVID-19

⁹ Jones, B., Elkind, E., Duncan, K., & Hanson, M. (2017). The Net Economic Impacts of California's Major Climate Programs in the Inland Empire. *UC Berkeley: Berkeley Law*. Available online. Accessed October 2020.
<http://laborcenter.berkeley.edu/pdf/2017/Inland-Empire-Net-Impacts.pdf>

Intervention Strategies and Objectives

In its approach to serving the C&S community, I-REN is guided by an overarching goal:

Goal 3: Work closely with local building departments and the building industry to support, train, and enable long-term streamlining of energy code compliance.

To achieve this goal, I-REN will provide direct support and assistance to local building departments as well as regional construction firms responsible for complying with permitting requirements. I-REN's intervention strategies address the barriers faced by the C&S community in order to streamline code enforcement and permitting, and increase energy efficiency in the region through C&S.

Table 3-2. Intervention Strategies, Tactics, and Objectives

	Intervention Strategy	Tactic	Objective
Training	S3.1 Establish an ongoing training program to assist building department staff and the building industry to support, understand, and effectively implement energy efficiency codes and standards.	T3.1.1 Develop training curriculum to address gaps in compliance with current requirements. Offer ongoing training on changes and trends in C&S. Tactic 3.1.2 Support local governments and the building industry during transitions to new codes to deliver effective messaging and resources and increase timely compliance with updated requirements.	<i>Improve understanding of energy efficiency codes and standards among local building departments and the building industry to increase implementation and compliance.</i>
Outreach	S3.2 Implement an outreach program to engage, educate and involve regional construction firms and building departments, and support compliance and regional EE programs and customers.	T3.2.1 Foster the development of an online Code Hub community for sharing best practices amongst building departments and the building industry. T3.2.2 Expand local jurisdiction relationships to host regional forums for the building industry and public sector.	<i>Make code compliance a valuable element of the region's energy efficiency goal attainment with engagement regionwide.</i>
Technical Assistance	S3.3 Develop technical assistance tools and resources to assist building departments and the building industry with understanding, evaluating, and permitting the energy codes.	T3.3.1 Identify and address the areas of greatest need for improved code compliance, in collaboration with local governments and the building industry. T3.3.2 Improve consistency in code enforcement and compliance resources across the region by facilitating cooperation between local governments. T3.3.3 Evaluate and develop model ordinances and policies for use regionally.	<i>Deliver locally informed resources and tools that streamline code compliance and enforcement and increase permit closeout.</i>

Approach to Overcoming Barriers

I-REN's intervention strategies are designed to overcome the problems and barriers described in Table 3-3, with tactics and activities to achieve the overarching goal of elevating energy codes and standards compliance through training, outreach, and assistance to local government jurisdictions and other stakeholders in the C&S community.

The C&S sector faces unique barriers to increased energy efficiency. This is especially true in the I-REN service territory, given its size and distance from the Los Angeles MSA. I-REN proposes to offer a C&S program tailored to the specific needs of this region, even though the sector has been targeted by other non-local programs. This approach is consistent with CPUC's policy in D.12.11-2015 that Regional Energy Networks (RENs) should implement energy efficiency initiatives in hard-to-reach markets "whether or not there is a current utility program that may overlap."¹⁰ In designing their approach to the C&S sector, I-REN has selected strategies and tactics based on insights from the I-REN governing agencies, with consideration also given to previous attempts by other PAs to address the C&S sector in this region. Those lessons learned informed I-REN's planning process, as well as best practices from successful C&S programs elsewhere in the state.

The proposed interventions rely on relationships and communication. I-REN is uniquely positioned to serve the C&S sector because the I-REN governing agencies already have extensive connections throughout the region with local building and planning departments, including code officials and permitting staff at all levels, and many of the private construction and architectural firms who frequently apply for permits.

¹⁰ California Public Utilities Commission, Decision 12-11-015, [Decision Approving 2013-2014 Energy Efficiency Programs and Budgets](#), November 8, 2012, Page 17.

Chapter 3: Codes & Standards

Table 3-3. Barriers and Strategies for I-REN Codes & Standards Sector

Problem	Barriers	Solutions	Strategies
Codes and standards are continually being updated and becoming more complex.	Lack of capacity and time to learn details of Title 24, Part 6 and implement effective means to review or enforce.	Technical assistance, tools, training, and resources can help local building department staff and permit applicants keep up with changes to codes and standards.	S3.1, S3.3
Some local building departments have limited staff resources for enforcing energy codes.	Energy efficiency is a low priority for building departments. Focus is on life and safety issues.	Ongoing training and outreach can help identify and fill gaps in building department capacity, while reinforcing the importance of energy codes and helping encourage local leadership in EE and C&S.	S3.1
Some local building departments have limited capacity to monitor and enforce changes, leading to uneven compliance across the region.	Lack of enforcement of permitting of HVAC systems for existing buildings as well as other energy code elements for new construction, especially related to the 2019 code cycle.	Outreach to construction firms and local building departments can help ensure consistent and timely information is being distributed across jurisdictions to support both compliance and enforcement.	S3.2
Both permit applicants (e.g. construction firms) and local building department staff have complicated requirements to follow for compliance and enforcement.	Technical questions and issues with permitting, codes, etc.	Technical assistance can help provide targeted support for permit applicants and local building departments, and other tools, and resources can offer accessible information to answer frequently-asked questions and help address known issues.	S3.3

Strategy 3.1 Establish an ongoing training program to assist building department staff and the building industry to support, understand, and effectively implement energy efficiency codes and standards.

Objective: Improve the understanding of energy efficiency codes and standards among local building departments and the building industry to increase implementation and compliance.

Tactic 3.1.1: Develop training curriculum to address gaps in compliance with current requirements. Offer ongoing training on changes and trends in C&S.

Local building departments are critically important to increasing energy efficiency through improved code implementation and enforcement. Yet these individuals face numerous barriers in the performance of their jobs: a constantly changing and often confusing set of requirements to be enforced, limited time and staff resources, and the need to prioritize life and safety-related codes.

The community of professionals responsible for code implementation and permitting includes numerous job titles: Chief Building Officials, Permit Technicians, Plans Examiners, Building Inspectors, etc. I-REN proposes to develop a role-based training curriculum that is tailored to supporting these individuals in the performance of their job responsibilities. Training will augment available curriculum and fill gaps where needed and build on successful topics and strategies from other PAs.

“Journey mapping” is a technique that can be used to gain insight into the challenges faced by these professionals as they move through their daily tasks, and those insights will inform training modalities for each role. Training can be offered in person, via webinar, or on demand. Locations, delivery mechanisms, topics, and other aspects of training will be informed by data gathered as part of Tactic 3.3.1, so that I-REN’s offerings prioritize the areas of greatest need.

To complement and enhance public sector training, I-REN will also coordinate and offer private sector training to help architects, builders, and other trades better comply with energy codes and navigate the process to get permits.

To avoid duplication of effort, I-REN is communicating and exchanging ideas with other PAs operating in the region. Though other programs and initiatives have targeted the C&S sector, many local building departments and the building industry in general in the I-REN region have been underserved and will benefit greatly from locally focused training opportunities. I-REN will differentiate its C&S training offerings and coordinate with other training providers where necessary to make the best use of its constituents’ ratepayer dollars.

Additionally, training in C&S is an important area for crossover activities related to economic development and Workforce Education & Training (WE&T).

Activities to support this tactic may include and would not be limited to the following:

- Design training curriculum based on journey mapping and gaps identified in Tactic 3.3.1.
- Maximize accessibility through different training modalities including in-person (if possible given social distancing needs due to COVID-19), live webinars, and/or online on-demand training. Training sessions could be general admission and/or hosted by a specific local building department for their staff.
- Register as an ICC Preferred Provider to offer ICC-approved training and continuing education units (CEUs).
- Coordinate with other PAs to avoid duplication of effort.
- Integrate private and public sector training opportunities to enhance cross-learning and coordination.
- Incorporate periodic updates to reflect changes to codes and standards and trends in the C&S community.

Key partners for these activities will include those listed in Table 3-4 as well as other existing providers of training and educational resources on C&S.

Tactic 3.1.2: Support local governments and the building industry during transitions to new codes and standards to deliver effective messaging and resources and increase timely compliance with updated requirements.

Codes and standards requirements are updated frequently, and local governments as well as the building community as a whole are often challenged to stay current during times of transition. This is especially true for smaller AHJs in disadvantaged communities and rural areas as they may lack the time and capacity to track the updates and changes. As a trusted regional partner, I-REN can provide support to these local governments and the building community to help them understand updated C&S requirements and make timely changes to their implementation and enforcement processes.

This work requires effective and well-timed communication from a credible source. Each of the three agencies that comprise I-REN has had or currently has Local Government Partnerships (LGPs) with connections including city managers, planning department staff, local utilities, and others. I-REN is already engaging with these local experts on a monthly and/or quarterly basis. I-REN governing agency staff are also involved with hosting webinars and forums with local governments and building industry professionals on various topics, fostering collaboration and consistency across the region.

In addition to in-person and web meetings and workshops, I-REN governing agencies have established digital communication channels that can be leveraged for C&S outreach. For example, WRCOG distributes a quarterly e-communicator to more than 1,900 contacts with news and updates relevant to local government and the building industry, such as utility program opportunities. I-REN staff have the in-house capability to ramp up these communications to provide timely, important information to the C&S community. For example, during Spring 2020 at the onset of the COVID-19 pandemic and associated shelter-in-place mandates, they shifted to releasing a briefing more frequently—every week—with updates tailored to their members.

With this experience in providing in-person, online, and email messaging to local governments and the building industry, I-REN proposes to promote increased understanding and compliance with C&S updates by engaging in activities including but not limited to the following:

- Host targeted local workshops timed to coincide with Title 24 and state building code update years (2022 and 2025), in-person if possible.
- Offer online workshops and materials.
- Engage in e-communications and distributing presentation materials and messaging to local government and building industry contacts.
- Generate social media content, podcasts, and other creative forms of outreach and communication.
- Participate in state and local code update processes with agencies such as the California Building Standards Commission (CBSC) or CEC.

Key partners for these activities will include local government officials, planning and building departments, and construction and building industry professionals such as those listed in Table 3-4.

Strategy 3.2 Implement an outreach program to engage, educate, and involve regional construction firms and building departments, and support compliance and regional EE programs and customers.

Objective: Make code compliance a valuable element of the region's energy efficiency goal attainment with engagement regionwide.

Tactic 3.2.1: Foster the development of an online Code Hub community for sharing best practices amongst building departments and the building industry.

I-REN proposes to develop and deploy a web-based Code Hub that will serve as an online community for C&S sector stakeholders. On the Code Hub, community members can submit questions to be answered by others in the community and/or by an expert Code Coach. Community members can also share best practices on topics related to their role and experience in the C&S sector, whether they are a permit technician or code enforcement official or a general contractor applying for a permit.

Especially in a large service territory like I-REN's, a technology-based solution like the proposed Code Hub is an effective way to overcome some of the challenges and barriers associated with time and distance. In today's world, many people are accustomed to using message boards and online forums to get answers to their questions and to interact socially and professionally. The Code Hub will promote a sense of community by connecting stakeholders in the C&S sector who have similar responsibilities, allowing them to "crowdsource" their questions to their peers, contribute their ideas and tips to help others, and also get input from experts.

The Code Hub will be designed to be searchable and organized by relevant topics, to allow community members to easily navigate to the information they need. Questions and discussions will be moderated and secure, and the interface will meet all accessibility standards. The Code Hub will be promoted through local government communication channels and I-REN's committees, e-communicators, and social media. The Code Hub will be integrated into the overall BUC system proposed for the I-REN Public Sector, to provide a single technical resource for local jurisdictions and the industry.

The I-REN governing agencies bring experience developing websites and online tools, for example SBCOG's recently developed vanpool website, and working with information technology vendors to collaborate and design user-friendly web-based resources.

Key partners for these activities may include code implementers on both the enforcement and compliance side. Partners should include local ICC Chapters, local AIA chapters, associations of contractors for new construction and retrofits (residential and nonresidential), local government building department and sustainability offices, environmental advocacy groups, associations of technology manufactures and vendors, and others in the C&S community.

Tactic 3.2.2: Expand local jurisdictions' relationships to host regional forums for the building industry and public sector.

Effective outreach to permit applicant market actors will help these individuals understand their roles and responsibilities in the C&S sector, leading to increased code compliance. This broad segment of market actors include private construction firms, architectural firms, general contractors, installers of HVAC and other equipment, and many other building professionals who have a responsibility to comply with C&S for construction and renovation activities in residential and nonresidential buildings.

I-REN is already engaged with many of these market actors and brings the existing connections to jumpstart a series of regional forums on code compliance for this segment of market actors. Building firms regularly attend committee meetings hosted by the I-REN governing agencies to learn about opportunities that may benefit them, such as utility programs or transportation projects. In addition, the I-REN governing agencies are experienced in working collaboratively with other PAs to host regional forums and workshops. For example, CVAG has hosted Energy Code Ace workshops in partnership with SCE and SoCalGas. CVAG has also hosted Energy & Water summits attended by more than 500 participants, to educate and update constituents about energy efficiency programs and strategies in collaboration with other agencies in the region. I-REN's proposed C&S regional forums would leverage this prior experience and existing partnerships to avoid duplication of effort.

Topics may include but would not be limited to Title 24 standards, Zero Net Energy (ZNE), low carbon buildings, beneficial electrification, building decarbonization, specific technologies like heat pump water heaters, and other requirements or trends affecting the building industry. These regional forums also allow an exchange of ideas where I-REN can gain insight to the implementation side of codes and standards, directly from the individuals responsible for compliance. These insights can inform the development of training and workshops, outreach materials, and other activities. Moreover, these regional forums offer an important opportunity for crossover activities related to economic development and WE&T.

Activities for this tactic could include and would not be limited to the following:

- Design a series of regional forums. These could be general admission events with participants from various firms, or targeted events at the workplace for large firms with numerous staff.
- Expand accessibility to forums through different modalities including in-person and/or online to accommodate social distancing needs due to COVID-19. Online forums could be accessed live or on demand via recordings.
- Plan the market actor types and locations to be targeted, using data from Tactic 3.3.1 to prioritize areas of greatest need.
- Promote regional forums to building professionals through existing communication channels.
- Launch regional forum series and track data regarding participation and feedback received.
- Gather contact information, distribute forum materials, and maintain lines of communication.
- Use feedback and discussions to inform development of future regional forums and other C&S activities.

Key partners for these activities will include local government officials, planning and building departments, and construction and building industry professionals such as those listed in Table 3-4. There may also be opportunities to collaborate with other PAs in the region to maximize reach.

Strategy 3.3 Develop technical assistance tools and resources to assist building departments and the building industry with understanding, evaluating, and permitting the energy codes.

Objective: Deliver locally informed resources and tools that streamline code compliance and enforcement and increase permit closeout.

Tactic 3.3.1: Identify and address the areas of greatest need for improved code compliance, in collaboration with local governments and the building industry.

This important tactic will assess the current state of code enforcement and compliance in the I-REN territory using primary and secondary data. The analysis resulting from this tactic will inform the detailed planning process to kick off other activities across I-REN's strategic framework for the C&S sector, such as developing training, planning outreach efforts, and designing technical resources and tools. This data will also help form baselines for some of the metrics to measure I-REN C&S sector program performance.

I-REN brings direct in-house experience developing and implementing surveys of their member local governments and constituents to assess gaps in program areas. Their staff compile and analyze the responses, prepare reports and outreach materials to share their findings, and ultimately use those insights to make improvements to programs.

Rigorous data collection will be a near-term effort to support implementation of other activities in the C&S sector. Key partners for this effort include the C&S enforcement and permitting community, such as local government agencies and building departments, as well as frequent permit applicants such as private construction and architectural firms. The proposed activities to implement this tactic may include but are not limited to the following:

- Collaborate with local governments to design and deploy an effective survey instrument, via an online survey platform already utilized by I-REN.
- Conduct additional in-depth phone interviews as needed to survey key decision makers and/or to fill identified gaps in response data.
- Review secondary data sources obtained in collaboration with local government agencies and code officials.
- Compile results and preparation of report materials for sharing with local governments.
- Analyze results, in cooperation with local governments, to inform program planning efforts and evaluation, measurement and verification (EM&V).

Key partners for these activities will include local government officials, planning and building departments, and construction and building industry professionals such as those listed in Table 3-4.

Tactic 3.3.2: Improve consistency in code enforcement and compliance resources across the region by facilitating cooperation between local governments.

Much of the work currently performed by the I-REN governing agencies is directly related to this tactic: facilitating cooperation by local government officials and planning staff in order to reduce duplication of efforts and encourage consistency across the region on a variety of topics. This work occurs through the committee structure in place between CVAG, SBCOG, and WRCOG, composed of local government staff, City Managers, and elected officials. Members of the regional building industry are also involved with and benefit from the I-REN governing agencies' committees and communications. Because of its role as stakeholder consensus-builder for these parties, I-REN is well-positioned to lead the collaborative process of assessing and updating the various tools and resources around code enforcement and compliance in this region.

Resources and materials may be out of date and will need revisions to reflect current requirements, technologies, and trends. There may also be opportunities to look at adding new content or features to streamline the enforcement and compliance processes. The ongoing COVID-19 pandemic and associated shelter-in-place mandates have highlighted the need for adaptability in local government services. For example, "Online Building Departments" can allow permit applications and related documentation to be submitted with payment on a website, to reduce in-person interactions. Some building departments already utilize these features, while others do not have access. With I-REN's assistance, code enforcement and compliance resources and materials can be made more consistent across the region and can be updated to reflect current requirements.

The talented staff at the COGs that comprise I-REN are experienced in developing resources specifically targeted to local governments. Their in-house teams specialize in creative marketing and outreach to engage with their audience. They frequently develop flyers and materials and host events and workshops as well as podcasts and webinars. They are experienced in using email and social media to promote events and opportunities and have in-house graphic designer and videographer staff.

Improving consistency in code enforcement and compliance resources available across the I-REN territory will involve but not be limited to the following activities:

- Assess the existing resources and communication channels. These may be widely varied: websites, online tools, training modules, checklists, how-to guides, frequently-asked questions, e-newsletters, social media posts, podcasts, printed materials, scripts and talking points for phone and in-person assistance, etc.
- Collaborate with AHJs and local governments to develop updated content based on current requirements, best practices, and new solutions for streamlining the code enforcement and compliance process. Materials will be technically accurate and tailored to address the areas of greatest need identified in Tactic 3.3.1.
- Distribute materials through the AHJs, local government, and regional building professionals' communication channels.
- Ensure materials are reaching code enforcement officials and/or permit applicants as identified in the needs assessment.

Key partners for these activities will include local government officials, planning and building departments, and construction and building industry professionals such as those listed in Table 3-4.

Tactic 3.3.3: Evaluate and develop model ordinances and policies for use regionally.

One of the greatest benefits of a regional organization working with local jurisdictions is the ability to leverage the knowhow of a large body of professionals and then to distribute that knowledge and resources to less advantaged groups. The I-REN team will enable this regional collaboration by identifying important areas for policy improvements, such as future reach codes, efficiency and fire ordinances, et.al., and work with jurisdictions to create model ordinances and policies that can be adopted by interested local governments. This tactic will also enable I-REN to test and pilot various approaches to common concerns and establish an effective regional response that can be easily and affordably adopted region-wide. This effort will ensure dollars spent are well utilized and have the greatest impact possible.

Specifically, I-REN will survey and interview key jurisdictions as needed to understand the major areas for concern and potential policies. Then working through their committee structure, they will develop regionally appropriate model ordinances and vet and refine them with participating local governments. Once finalized, these model resources will be made available to any jurisdiction in the region. I-REN will provide ongoing technical assistance to adjust and implement the ordinances as well as provide ongoing monitoring and tracking to address any needed changes or updates.

Anticipated Programs

I-REN's anticipated program offerings are new non-resource programs proposed to provide short-term and mid-term support for the C&S community to streamline compliance across the region. Anticipated programs include but are not limited to the following:

- C&S Training and Education – a non-resource program to establish and implement training and education for building department staff and the building industry to support, understand, and effectively implement energy efficiency codes and standards.
- C&S Technical Support Program – a non-resource program to develop technical assistance tools and resources to assist building departments and the building industry with understanding, evaluating, and permitting the energy codes.

C&S Sector | Essential Program Elements

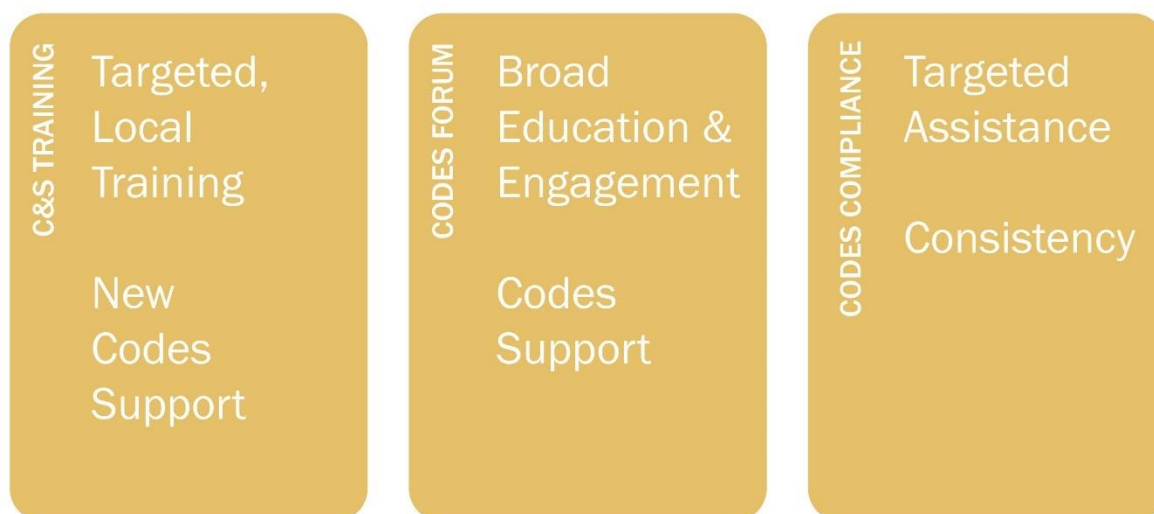


Figure 3-4. I-REN Codes & Standards Sector Essential Program Elements

Evolving Approach

As a new REN, I-REN will consult with other existing RENs providing similar activities and implement best practices as well as build upon the work currently underway through the COGs and LGPs. I-REN will implement the strategies outlined here in collaboration with the key partners described in the section that follows. Based on EM&V and on monitoring progress toward performance metrics through the near- and mid-term activities, I-REN will adjust strategies for future implementation beyond the 2021-2025 timeline.

Leveraging I-REN's Existing Key Partners

I-REN's greatest strength is their extensive network of relationships with local governments, building and planning departments, code officials and permit staff, private construction and architectural firms, and other market participants with responsibilities in the C&S sector.

These relationships have been built over decades and are maintained through frequent engagement and through the I-REN governing agencies' committee structures, numerous outreach channels, and ongoing programs and initiatives. Local governments of the Inland Empire and various industry stakeholders already look to the I-REN governing agencies for information on energy efficiency programs and sustainability.

Table 3-4 shows examples from the I-REN governing agencies' experience with these collaborative activities. These key partnerships will be of critical importance for I-REN's work in the C&S sector. I-REN will build on these existing relationships to foster additional connections with partners as described earlier in the chapter (section entitled "Market Actors").

Table 3-4. I-REN's Key Partnerships in the Codes & Standards Sector

Key Partners	Relevant Examples of Previous & Ongoing Collaboration
Local Governments: WRCOG: 18 Cities CVAG: 10 Cities SBCOG: 24 Cities & Five Board of Supervisors	The three I-REN COGs have all had or currently have LGPs and various connections including City Manager, Planning, and local utilities. They bring multiple local experts into the conversation on a monthly/quarterly basis. WRCOG's partners consist of Public Agencies (18 members), Water Districts (2 members), and Riverside County Superintendent of Schools. Collaboration has included various Energy, Environmental, and Transportation / Planning Programs such as LGP, PACE, Western Community Energy (WCE, the WRCOG's Community Choice Aggregation), Transportation Uniform Mitigation Fee (TUMF) program, Solid Waste Cooperative, Clean Cities Coalition, and Planning / Grant Writing Assistance Programs. CVAG's membership includes 10 cities and CVAG has participated in the Desert Cities Energy Partnership (DCEP) LGP with each of their member cities and the utility companies servicing the CVAG jurisdiction, as described earlier in the Public Sector chapter. The DCEP allowed the CVAG member cities to achieve great energy savings for a 10-year period, due to close collaboration and monthly meetings. CVAG also has existing relationships with each of its cities through its Solid Waste & Recycling Committee (TWG) that reports to the Energy & Environmental Resources Committee (E&E), which then reports to its Executive Committee. Each city looks to CVAG to keep them updated on energy efficiency programs and measures. The SBCOG Board consists of the mayor of each of the 24 cities in the county, as well as the five members of the San Bernardino County Board of Supervisors. SBCOG has close relationships and partnerships with each city, and has worked on numerous projects such as regional ridesharing, building transportation infrastructure, coordination of a Zero Emission Vehicle Readiness and Implementation Plan for the County, and a Climate Resiliency Study "Resilient IE." In addition, SBCOG has numerous committees to foster collaboration among stakeholders, including a City/County Manager Technical Advisory Committee.

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Local Universities and Community Colleges	Through DCEP, CVAG hosted annual Energy Summits that were well attended. CVAG partnered with the local universities (CalState San Bernardino and UC Riverside) to hold multiple Title 24 training classes. CVAG has also partnered with the Palm Springs campus of UC Riverside to host C&S trainings in partnership with the IOUs and Energy Code ACE.
Building Professionals, including private firms such as architects, construction, and others	CVAG administers a Property Assessed Clean Energy (PACE) program and has service agreements with seven private firms to service CVAG's jurisdiction. PACE started in the Coachella Valley in 2007, starting with the City of Palm Desert and later transitioning to a regional approach through CVAG. Through DCEP, CVAG partnered with local universities as mentioned above to hold multiple Title 24 training classes, which were offered to local building contractors, architects, and building and safety officials. As the Transportation Authority for the County of San Bernardino region, SBCOG brings relationships with numerous building and construction industry related firms. SBCOG also brings connections to engineering, building, and construction firms through WTS International, an industry organization dedicated to advancing equity and access for women in the transportation industry, where a member of SBCOG's I-REN leadership team previously served as president of the Inland Empire chapter.
Industry, Stakeholder and Professional Groups	Riverside Chapter Building Industry Association (BIA) has been involved with WRCOG's TUMF Program with feedback on Transportation Program Growth and is a potential partner for C&S outreach and educational workshops. In addition, WRCOG previously served on the Board of the USGBC-IE.
3C-REN, SoCalREN, BayREN	These existing RENs provide a ready-made advisory group of local government Program Administrators implementing similar programs. Coordinating with this group will help to inform and strengthen the initial and ongoing offerings from I-REN.
Investor Owned Utilities (IOUs)	I-REN has been in communication with SCE and SoCalGas to establish commitments to cooperate as Program Administrators in the region and will continue to work closely with the IOUs to ensure offerings are coordinated and non-duplicative. The I-REN governing agencies have relevant experience partnering with the IOUs to deliver regional outreach and codes and standards training. CVAG has partnered with the Palm Springs campus of UC Riverside to host C&S trainings in partnership with SCE, SoCalGas, and Energy Code ACE. SBCOG has experience conducting outreach through the San Bernardino Regional Energy Partnership in collaboration with SCE and SoCalGas and working closely with 13 cities in the region.
Regional, State, and other Government Partners	To leverage shared resources and promote consistency in its C&S work, I-REN will collaborate with government agencies at the state level, such as CPUC, CEC, Energy Division, Building Standards Commission, and others. I-REN will also collaborate at the regional level, and brings a wealth of experience and existing relationships from its work with various regional entities including South Coast Air Quality Management District (South Coast AQMD) and the Mobile Source Air Pollution Reductions Review Committee (MSRC) Technical Advisory Committee and the MSRC Board. I-REN also bring experience working with Southern California Association of Governments (SCAG) as well as other COGs and transportation authorities throughout Southern California (LA Metro, RCTC, OCTA and VCTC).

Budget and Metrics

Budget

The budget shown in Table 3-5 will facilitate the forecasted short- and mid-term metrics targets with the expectation that increased participation and project volume is achieved as initial efforts scale and gain traction.

Table 3-5. Codes & Standards Budget

Budget (\$)	2021	2022	2023	2024	2025
Administration	141,607	144,611	150,395	156,411	162,667
Marketing and outreach	84,964	86,766	90,237	93,847	97,600
Direct implementation - non incentive	1,189,495	1,214,730	1,263,320	1,313,852	1,366,407
Direct implementation - incentives	-	-	-	-	-
Total	1,416,066	1,446,107	1,503,952	1,564,110	1,626,674

Metrics

Based on the intervention strategies I-REN developed for C&S, the following metrics are proposed to track program performance.

Table 3-6. Program Performance Metrics

Codes & Standards	Baseline Year	Short Term Target 2021	Short Term Target 2022	Short Term Target 2023	Mid Term Target (2024-2025)
Metric					
Net GWh savings	2021	N/A	N/A	N/A	N/A
Net MMTherms savings	2021	N/A	N/A	N/A	N/A
Net MW savings	2021	N/A	N/A	N/A	N/A
Number of measures supported by CASE studies in rulemaking cycle (current work)	2021	N/A	N/A	N/A	N/A
Number of measures adopted by CEC in rulemaking cycle (indicator of past work)	2021	N/A	N/A	N/A	N/A
Number of T-20 measures supported by CASE studies in rulemaking cycle (current work)	2021	N/A	N/A	N/A	N/A
Number of measures adopted by CEC in current year	2021	N/A	N/A	N/A	N/A
Number of federal standards adopted for which a utility advocated (IOUs to list advocated activities)	2021	N/A	N/A	N/A	N/A
Percent of federal standards adopted for which a utility advocated (#IOU supported / # DOE adopted)	2021	N/A	N/A	N/A	N/A
The number of local government Reach Codes implemented (this is a joint IOU and REN effort)	2021	N/A	N/A	N/A	N/A
Number of training activities (classes, webinars) held, number of market actors participants by segment (e.g. building officials, builders,	2021	TBD	12	12	TBD

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Codes & Standards	Baseline Year	Short Term Target 2021	Short Term Target 2022	Short Term Target 2023	Mid Term Target (2024-2025)
Metric					
architects, etc.) and the total size (number of the target audience) by sector. (M) Number of training activities					
Number of training activities (classes, webinars) held, number of market actors participants by segment (e.g. building officials, builders, architects, etc.) and the total size (number of the target audience) by sector. (M) Number of participants	2021	TBD	360	360	TBD
Increase in code compliance knowledge pre/post training	2021	N/A	N/A	N/A	TBD
The percentage increase in closed permits for building projects triggering energy code compliance within participating jurisdictions	2021	N/A	N/A	N/A	N/A
Number and percent of jurisdictions with staff participating in an Energy Policy Forum	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Number and percent of jurisdictions with staff participating in an Energy Policy Forum	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Number and percent of jurisdictions receiving Energy Policy technical assistance.	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Number and percent of jurisdictions receiving Energy Policy technical assistance.	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator
Buildings receiving enhanced code compliance support and delivering compliance data to program evaluators	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator	N/A - Indicator

Cross-Cutting & Coordinating Activities

Marketing, Education & Outreach

Through their longstanding partnerships with the local governments they serve, the I-REN governing agencies have become a trusted voice and advocate in their two counties. They can use this position to coordinate Marketing, Education and Outreach (ME&O) activities within the region through their network of member jurisdictions.

The COVID-19 pandemic has highlighted the importance of timely and accurate communication from reliable sources, from all levels of government. I-REN can serve as a facilitator for coordination with other PAs and statewide programs and initiatives for emergency communication planning and other ME&O activities.

Effective marketing and outreach activities are fundamentally important to I-REN's strategies for C&S. The I-REN governing agencies bring in-house capacity to design, develop, and deploy creative marketing content for various channels, from printed materials and website content to email communicators, social media, videos, and podcasts. They are skilled at designing well-branded promotional campaigns to engage their local government audience.

I-REN anticipates its C&S-related marketing could include but would not be limited to the following activities shown in Table 3-7, in alignment with the proposed C&S intervention strategies and tactics.

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Table 3-7. Marketing Activities for I-REN C&S Sector

Intervention Strategy	Tactic	Marketing Activities
S3.1 Establish an ongoing training program to assist building department staff and the building industry to support, understand, and effectively implement energy efficiency codes and standards.	T3.1.1 Develop training curriculum to address gaps in compliance with current requirements. Offer ongoing training on changes and trends in C&S. Tactic 3.1.2 Support local governments and the building industry during transitions to new codes to deliver effective messaging and resources and increase timely compliance with updated requirements.	<i>Promote training through I-REN governing agencies' existing marketing channels, through local government partnerships, and through building industry communication networks.</i> <i>Build a social media presence with local industry and professional groups, leveraging the existing connections from the I-REN governing agencies.</i> <i>Collaborate with local governments to design and deliver effective messaging to building departments and private industry during code transitions.</i>
S3.2 Implement an outreach program to engage, educate and involve regional construction firms and building departments, and support compliance and regional EE programs and customers.	T3.2.1 Foster the development of an online Code Hub community for sharing best practices amongst building departments and the building industry. T3.2.2 Expand local jurisdiction relationships to host regional forums for the building industry and public sector.	<i>Develop marketing content for e-communicators, social media, and other channels to promote the online Code Hub and building professionals' regional forums.</i>
S3.3 Develop technical assistance tools and resources to assist building departments and the building industry with understanding, evaluating, and permitting the energy codes.	T3.3.1 Identify and address the areas of greatest need for improved code compliance, in collaboration with local governments and the building industry. T3.3.2 Improve consistency in code enforcement and compliance resources across the region by facilitating cooperation between local governments. T3.3.3 Evaluate and develop model ordinances and policies for use regionally.	<i>Develop and deploy effective survey instruments to gather data and use that data to inform the design of resources to assist building departments and industry professionals.</i>

Workforce Education & Training

The C&S sector offers many opportunities for cross-cutting WE&T activities. The I-REN governing agencies' experience collaborating with key educational partners such as universities and community colleges will be an advantage when launching their training activities in the C&S sector.

I-REN's approach to serving the C&S sector incorporates training for local building department staff, to help those individuals perform their jobs and build capacity in their departments to better enforce codes and standards. This is important for developing a skilled workforce in some of the rural jurisdictions with less resources in their local building departments, and for areas that include underserved and disadvantaged communities, in line with the directive in Senate Bill 350.

I-REN's service territory also includes several relatively new cities incorporated in recent years; these cities are building their local capacity and establishing their infrastructure. They will benefit from C&S and energy efficiency-related training and education for their local government employees.

Building professionals in the private sector are another target of I-REN's strategies for C&S, and they will benefit from I-REN's training and outreach opportunities contributing to their professional development and supporting the development of a capable regional workforce trained in advanced energy efficient building practices in order to comply with codes and standards. I-REN will align its C&S training activities with its WE&T program to maximize benefits to the region's local government workforce and building professionals.

EM&V Considerations

As a new REN, I-REN is interested in collaborating with the CPUC, CEC, Energy Division, other PAs, and the region's C&S community to support statewide and regional efforts around C&S EM&V Roadmaps and Plans. I-REN will collaborate with the CPUC and other stakeholders to ensure that data collection activities are embedded in C&S program design to capture the information necessary to meet evaluation requirements and also to help expand the understanding of REN program impacts in this cross-cutting sector.

For its C&S programs, I-REN's EM&V considerations include data collection to inform CPUC evaluation activities as well as to support internal program performance tracking and continuous improvement. I-REN has also identified an anticipated area of study, supported by assessment and data collection tactics described here and in its C&S intervention strategies.

Data Collection Needs

I-REN data collection will support both external EM&V by the CPUC and internal research study activities. I-REN's data collection needs correspond to identified C&S metrics and indicators, and the intervention strategies developed for the C&S sector.

To support external EM&V activities, I-REN will collect data to keep the CPUC and stakeholders apprised of program progress. I-REN will work collaboratively with Energy Division staff to ensure data collection meets their needs, to enable evaluation that can:

- 1) inform the program selection process,

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- 2) provide early feedback to program implementers,
- 3) produce impact evaluations at the end of the funding period, and
- 4) feed the planning process for future program cycles.¹¹

Table 3-8 shows the research questions and data collection needs I-REN has identified for C&S. Data collection will support I-REN's internal EM&V activities and inform the measuring of progress toward established program goals and targets, CPUC metrics and indicators, and PA determined value metrics. Data collection and real-time program performance tracking will enable the delivery of timely feedback to implementers and/or program administration staff and support continuous improvement and future program planning efforts.

I-REN will also work with CEC and other stakeholders to ensure that I-REN C&S programs and data collection support statewide legislation and goals such as SB 1414 and the requirement for confirmation of appropriate permits for installation of new heating ventilation and air conditioning (HVAC) and heat pumps systems. I-REN will incorporate these requirements into its programs and work with building departments to establish successful approaches to implement this across the region.

Table 3-8. I-REN Codes & Standards Data Collection

Topic Focus	Research Questions/Data Collection Needs	EM&V Objective	Timeframe
C&S regional characterization	- What is the current state of code enforcement and compliance in the I-REN territory? - What C&S and permitting resources exist to support local building departments? - What compliance barriers exist for local building departments? - Which local jurisdictions show interest in reach codes/ordinances?	Understand the C&S sector market and identify highest needs	Short-term/ Mid-term
Depth of I-REN interventions	- How many trainings and regional forums are hosted with I-REN support? - How many individuals attend trainings and forums? - What number and percent of jurisdictions receive training, technical assistance, and other I-REN C&S resources? - How many local jurisdictions implement reach codes/ordinances?	Track program performance	Mid-term
C&S compliance improvement	- How has code compliance knowledge increased among training participants? - What is the percent increase in closed permits that are associated with or trigger C&S requirements?	Understand and track C&S compliance improvements	Mid-term

¹¹ Energy Efficiency Policy Manual, version 6, April 2020, p.44.

Anticipated Study Needs

PA-led studies may inform program target setting, value metrics, and highlight opportunities for improved data and measurement collection. One of the major areas for I-REN's study considerations is to better understand the current baseline of C&S compliance in the Inland Empire, in order to identify the areas of greatest need and provide targeted support through its C&S initiatives. I-REN proposes to develop and manage a study to characterize C&S compliance barriers, permitting practices and trends, and availability of training and educational resources. The assessment tactics described in I-REN's C&S intervention strategies will support this area of study. One of the key activities proposed by I-REN to support this study area is the data collection described in *Tactic 3.3.1 Identify and address the areas of greatest need for improved code compliance, in collaboration with local governments and the building industry*.

The information and analysis from this study will be used to develop training, plan outreach efforts, and design technical resources and tools. This data will also help form baselines against which to measure program performance during deployment. I-REN anticipates collecting this data initially to gain near-term feedback, then repeating the assessment after a few years to examine program progress and make improvements for program delivery in the mid-term timeframe and beyond.

Coordination with other PAs

I-REN is in communication with other PAs operating in the region to identify areas of potential coordination for C&S activities, and the I-REN governing agencies bring experience coordinating with other PAs through their LGP work. I-REN will ensure its activities are differentiated and avoid duplication of effort, while maintaining cooperation with other PAs.



Inland Regional Energy Network Business Plan

Chapter 4: Workforce Education & Training (Cross-Cutting)

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Introduction

“In the complex work of energy efficiency, higher skill often translates into more energy savings. According to the California Energy Commission, poorly installed HVAC systems increase energy use by 20 to 40 percent. What seems like a moderate increase becomes a significant concern when you consider that up to 85 percent of replacement HVAC systems in California are installed incorrectly.”¹

Workforce Education and Training (WE&T) initiatives may now be more important than ever due to the COVID-19 pandemic the U.S. faced for the majority of 2020 and continues to face in 2021. As a locally-focused and locally-led advocate for economic development in the Inland Empire, I-REN is distinct in its ability to respond to this crisis and help support the region’s recovery. The COGs that make up I-REN’s governing agencies have direct connections to local governments and community stakeholders to make this effort as effective as possible.

Agility and collaboration will be required to mount a response to the economic devastation caused by the pandemic. In comparison to larger institutions with a wider focus, local governments have a better ability to pivot and be flexible in serving their constituents. Local governments and community stakeholders are already on the frontline in managing the public health crisis and they will continue to have a critical role in economic development and resiliency. At the same time, those local governments are going to be overwhelmed by the new demands upon them and the reduction in resources to do their jobs.

I-REN will serve as a facilitator and resource for stakeholder collaboration in addressing the WE&T needs in the Inland Empire. These activities will promote job market recovery and progress toward statewide goals regarding energy efficiency, air quality, and support for underserved, rural, tribal, and disadvantaged communities (DACs). Both Senate Bill (SB) 350 and SB 535 prioritize these communities for initiatives to improve air quality, increase energy efficiency, and address economic conditions. SB 350 emphasizes workforce development and increased project penetration in underserved communities.² I-REN has an opportunity to support these goals through its WE&T initiatives.

WORKFORCE EDUCATION & TRAINING GOAL & STRATEGIES

Goal 2. Ensure there is a trained workforce to support and realize energy efficiency savings goals across sectors.

S2.1 Establish local partnerships with existing and potential training providers in the region to deliver targeted, equitable, and relevant energy efficiency training for contractors and other industry stakeholders.

S2.2 Facilitate industry engagement and development of job pathways to identify demand and jobs for a trained workforce.

BUDGET

**2021-2025 Budget (total):
\$12M**

¹<https://www.bluegreenalliance.org/resources/california-public-utility-commission-agrees-a-skilled-trained-and-diverse-workforce-is-the-key-to-achieving-efficiency-goals/>

² California Senate Bill 350, Sec. 8.25943.a.1.; c.7-8.

WE&T Strategies

I-REN has centered its WE&T approach around two strategies:

2.1. Establish local partnerships with existing and potential training providers in the region to deliver targeted, equitable, and relevant energy efficiency training for contractors and other industry stakeholders.

I-REN will assess the current training marketplace in the Inland Empire and work with local providers, including higher education providers, high schools, adult schools, and professional training companies to tailor content to be relevant to the region's needs and ensure that disadvantaged communities are a focus. I-REN will collaborate with training providers to improve access to a broad spectrum of training opportunities in person, online, and in the field.

2.2. Facilitate industry engagement and development of job pathways to identify demand and jobs for a trained workforce.

I-REN will convene and collaborate with state, regional, and local stakeholders, including workforce investment boards (WIBs) and economic development departments to develop a unified mission around the region's energy efficiency workforce, highlighting pathways for job seekers to enter the green jobs market and to increase access for disadvantaged communities. I-REN will facilitate identifying opportunities for employers and local workforce partners to network and connect.

With its governing agencies' existing networks of contractors and training providers, I-REN is well positioned to help bridge the gap between the energy industry and the workforce. I-REN is building partnerships with local community colleges, local universities and local WIBs to establish a comprehensive network of WE&T offerings.

I-REN also brings close connections with local government planning and building departments across the region. I-REN's proposed WE&T initiatives offer important opportunities for collaboration across other sectors through its work in the Public Sector and Codes & Standards (C&S)-- both of which are important drivers of energy efficiency and advanced energy activity and employment in the region.

Market Characterization

“Over the next decade, the state will face a shortfall of more than one million... highly skilled workers. Overcoming this challenge will be critical to California’s future economic prosperity. It will also require aligning each region’s expansive training and education programs with the needs of employers to develop more workers with skills that translate into jobs.”³

Market Actors

The wide-reaching field of market actors who make up the WE&T community include existing building industry employers in the public sector and in private industry, trainers, job seekers and their advocates, and education providers, as well as other individuals and organizations in local communities who may be directly or indirectly affected by WE&T initiatives. I-REN will focus initially on existing building industry employers/employees, promoting energy efficiency training opportunities and increasing their knowledge base of how and why to build expertise in this area. I-REN has extensive connections in the region and regularly engages with leaders in these areas as part of their committee structure (see Table 4-6. I-REN’s Key Partnerships & Collaboration Experience in the WE&T Sector).

Existing Building Industry Support

Private sector employers for energy efficiency and advanced energy-related jobs include a wide variety of building professionals, such as architects, designers, contractors, energy consultants, and third-party code plans examiners, inspectors, raters, verifiers. This community also includes contractors skilled in a wide variety of trades: electricians, HVAC technicians, insulation installers, plumbers, and many more. This diverse community is of critical importance for performing high-quality installation of efficient equipment in compliance with codes and standards. These professionals are on the frontlines with customers, in charge of helping specify equipment, installation, scope of work, and advising on permits.

I-REN’s WE&T initiatives will support these firms and individuals in becoming more involved, better educated and engaged, so they can make a significant difference in making homes and businesses more energy efficient (as well as healthier and more comfortable) by getting the required permits, using the most energy efficient equipment, and employing advanced practices in building science.⁴ There is an opportunity to increase and expand this group’s participation in energy efficiency programs as well, by increasing their knowledge and awareness through WE&T activities. This may be particularly true of smaller HVAC companies, and electricians and plumbers who have not considered making energy efficiency a focus of their work.

³ California Economic Summit, “2016 Roadmap to Shared Prosperity”, Summit Summary, 2015, page 5, www.caeconomy.org.

⁴ “Workforce Issues and Energy Efficiency Programs: A Plan for California’s Utilities (WE&T Guidance Plan).” Prepared by the UC Berkeley Center for Labor Research and Education. Available [online](#). May 2014.

New Job Seekers/Second Careers

Job seekers could include students looking to enter the workforce during or after high school, and students in community colleges, universities, trade schools, and other educational institutions. Job seekers include individuals who are unemployed, or underemployed. This group also includes people who are looking to change jobs or careers to work in energy efficiency and advanced energy, or those currently working in the industry who seek to make lateral career moves or advance in their fields.

The public sector offers opportunities for energy efficiency and advanced energy-related employment. Generally, public projects are larger at scale, which results to higher wages for contractors.⁵ By integrating newer and more efficient technologies within the public sector, there will be a need for facility managers or building engineers who are responsible for monitoring, maintaining, and replacing equipment such as HVAC systems. Also within the public sector are local jurisdictions' building and planning departments who are responsible for issuing permits and enforcing codes and standards including building officials, permit technicians, plans examiners, and building inspectors.

Other Market Actors

Workforce development organizations and training providers are an important market actor and partner for proposed WE&T initiatives. Organizations like Workforce Investment Boards (WIBs) advocate for and provide resources to support job seekers, and work to connect job seekers with employers. They work alongside economic development organizations and serve both displaced and incumbent workers.

Training providers offer education to help job seekers gain skills, upskill training to assist workers in advancing in their careers, and continuing education to ensure workers stay current with emerging technologies and trends.

Other market actors and members of the community who affect or are affected by energy efficiency WE&T initiatives include and are not limited to the following:

- Utility energy efficiency programs, which incentivize energy efficiency projects, thereby bringing jobs to the region and establishing a set of standards for local construction and installation of efficient equipment and technologies.
- Students in the K-12 education system who are not yet of working age but are learning about energy efficiency and advanced energy as a career path for their future.
- Families who rely on the income generated by energy efficiency jobs, and the communities and local economies where they reside and purchase goods and services.

⁵ "Putting California on the High Road: A Jobs and Climate Action Plan for 2030" California Workforce Development Board (CWDB). Prepared by the UC Berkeley Center for Labor Research and Education. June 2020. Available online.

Sector Landscape

The story of the Inland Empire's WE&T sector is one of resilience and growth, despite persistent challenges and inequity. The COVID-19 pandemic has had devastating effects on the economy nationally and in the Inland Empire, and these effects are likely to persist through the program years covered by I-REN's business plan. In addition to assessing and anticipating the pandemic's impacts, it is important to understand the job market and workforce situation that existed in the I-REN service territory prior to the pandemic.

Market Demand and Supply

The Centers for Excellence for Labor Market Research conducted an analysis of the market supply and demand for jobs related to energy and utilities and assessed the number of people trained annually by Inland Empire Community College Programs. In three areas assessed—HVAC, Construction Crafts and Welding—the number of available jobs far exceeded the number of individuals graduating with a certificate in these particular areas. At the same time, the enrollments in each area are robust and indicate a potential pool of people who could join the workforce.

Figure 4-1 and Figure 4-2 on the following pages detail this information for HVAC and Construction Crafts demand, community college enrollment, and people graduation with those jobs. Figure 4-3 is a recent outreach piece for the Inland Empire indicating the number of jobs in energy efficiency related industries. Collectively, this information indicates the robust job demand for a trained green workforce, the availability of active partners, and the need for continued engagement and development of the workforce in the area – moving people from enrollment to completion and work. What appears to be a persistent gap between supply and demand should be addressed regionally and comprehensively.

Further, there has been substantial analysis and effort in WE&T related to the energy efficiency market in recent years. The IOUs have been charged with updating and reforming their programs by stakeholders and by two reports developed for the CPUC and IOUs by the Don Vial Center on Employment in the Green Economy, Institute for Research on Labor and Employment, University of California, Berkeley, the 2011 California WE&T Needs Assessment and the follow-up report (the 2014 WE&T Guidance Plan). The overall objective of these two plans is to **help identify how to create a permanent long-term green workforce that has effective standards, certifications, and licenses, along with good pay and clear career paths.**

While I-REN cannot address all these needs, they are poised to be an important resource in the workforce network to move this objective forward. The Guidance Plan distinguishes between **market-building activities** (creating the green workforce) and **skills building activities**. I-REN's Strategy 2.1 is skills-building focused, while Strategy 2.2 is market-building focused.

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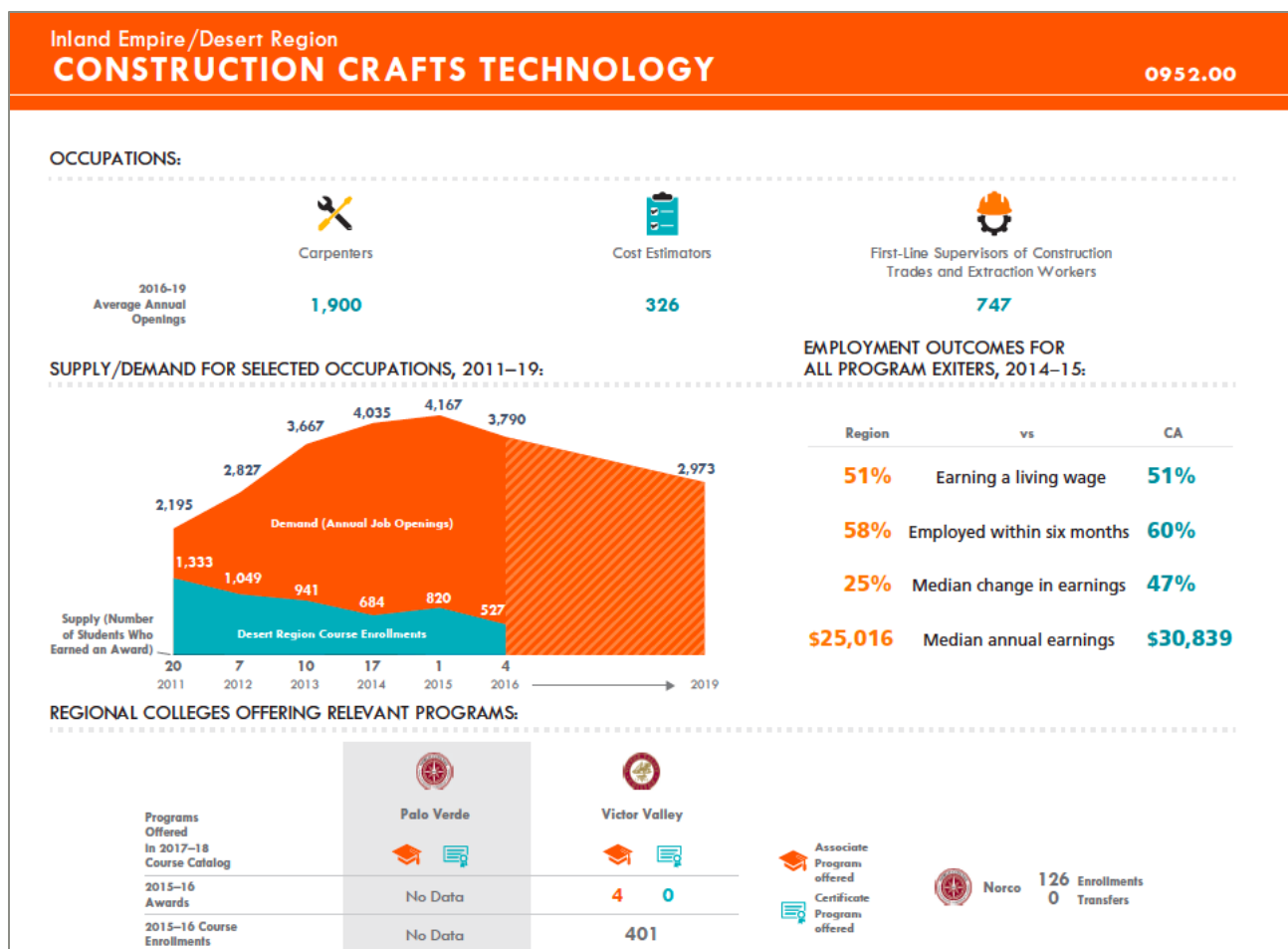


Figure 4-1. Inland Empire Construction Labor Market Research⁶

⁶ "Inland Empire/Desert Region Sector Profile Report," COE for Labor Market Research, 2017.

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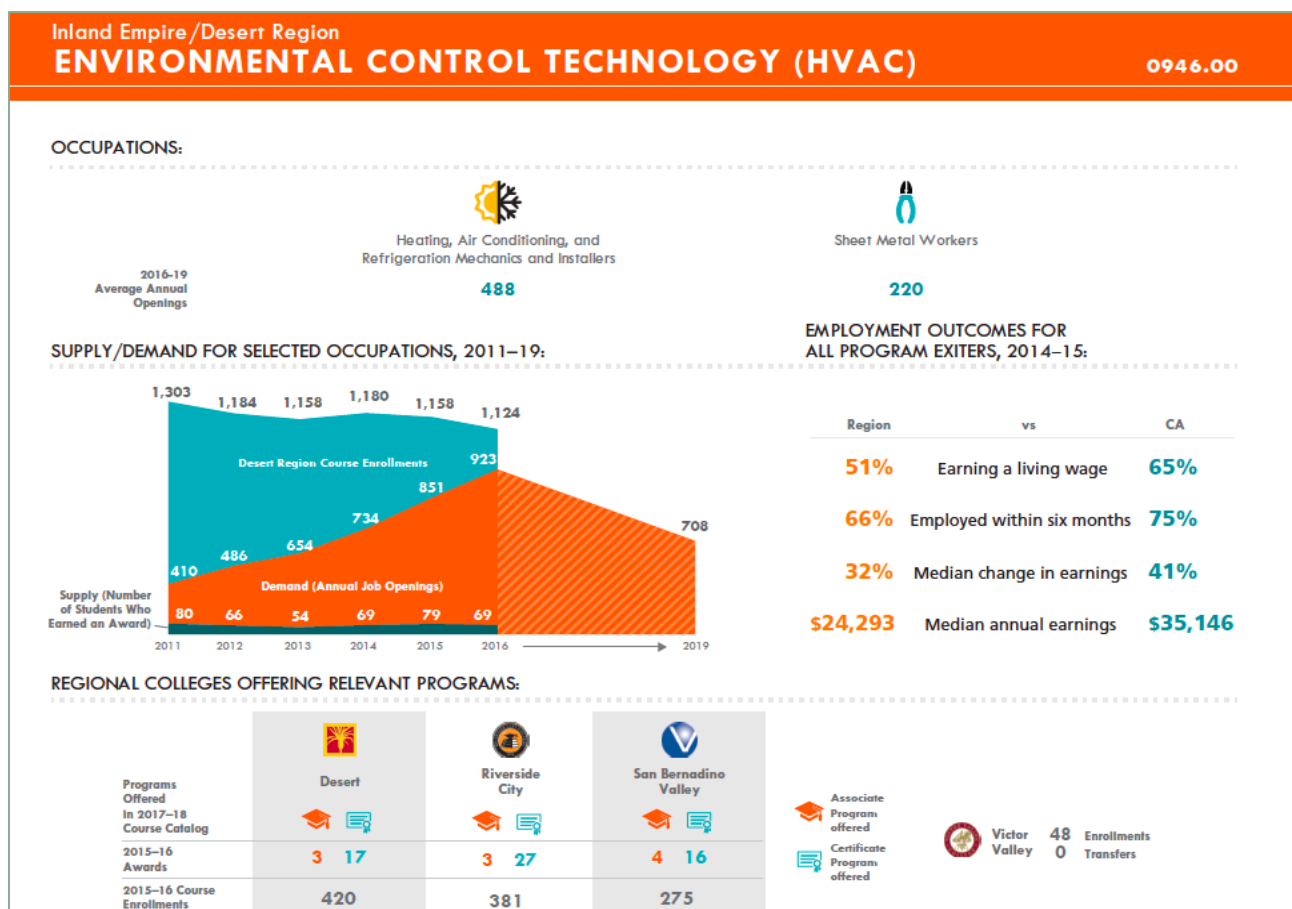


Figure 4-2. Inland Empire HVAC Labor Market Research⁷

⁷ "Inland Empire/Desert Region Sector Profile Report," COE for Labor Market Research, 2017.

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Skills-Building: Leveraging Training and Education Opportunities

“The Guidance Plan also recommends a stronger emphasis on and redesign of programs dedicated to EE skills-building—i.e., to incorporate EE skills into the broader skills set of the professional and trades workers in occupations that most impact energy use. To achieve the goals ... the IOUs need to align with, leverage, and influence the rest of California’s rich workforce training and education infrastructure.” WE&T Guidance Plan, page 8.

As highlighted in the WE&T Guidance Plan, I-REN does not intend to develop new curriculum or replicate existing efforts; instead, their focus is on developing and leveraging the many partners already in the I-REN region and helping to create better programs and series of classes. By working with WE&T providers in San Bernardino and Riverside counties, particularly community colleges, I-REN can help bridge the divide between job supply and demand.

As illustrated in Figure 4-4, currently SoCalGas nor SCE has “Energy Centers” (the IOUs’ term for training centers) in the I-REN territory, requiring contractors at times to travel substantial distances to attend energy efficiency classes. In contrast, regional community colleges do have programs in this area that can and should be leveraged.

The I-REN governing agencies have existing partnerships with local colleges and community colleges, successfully providing instructional energy efficiency classes and events at local campuses where they have typically achieved high participation rates. Further, I-REN will employ 3C-REN’s approach to harness other successful training programs like Energy Code ACE and bring them to the region. I-REN governing agency CVAG’s staff is part of a committee with College of the Desert, a local community college, to offer feedback and expertise in the creation and development of their workforce and training certification program. This program allows students to take classes to become trained in installation and repair on systems such as HVAC, environmental management systems and more.

Offering training at familiar, nearby locations makes it easier for job seekers and workers to attend. I-REN can use its connections and experience to help ensure training opportunities are accessible throughout the region.

Chapter 4: Workforce Education & Training

Table 4-1. Existing Regional Programs with relevance to WE&T

College	District/City	Potential Programs to leverage
San Bernardino County		
Barstow Community College	BCCD/Barstow	Industrial Maintenance Electrical & Instrumentation - Programs
Chaffey College	Rancho Cucamonga	HVAC programs
San Bernardino Valley College	SBCCD/San Bernardino	Heating, Ventilation, Air Conditioning and Refrigeration AA/Certificate
Victor Valley College	Victorville	Construction & Manufacturing Technology Program
CSU San Bernardino (CSUSB)	San Bernardino	Workplace Training and Online Career Training Programs
Riverside County		
College of The Desert	Palm Desert	Building & Energy Systems Professionals AS Degree, Air Conditioning & Refrigeration Certificate, Building Energy Consultant
Riverside Community College	Riverside	Air Conditioning and Refrigeration Certification
UC Riverside	Riverside and Palm Springs	Cross-cutting trainings in C&S

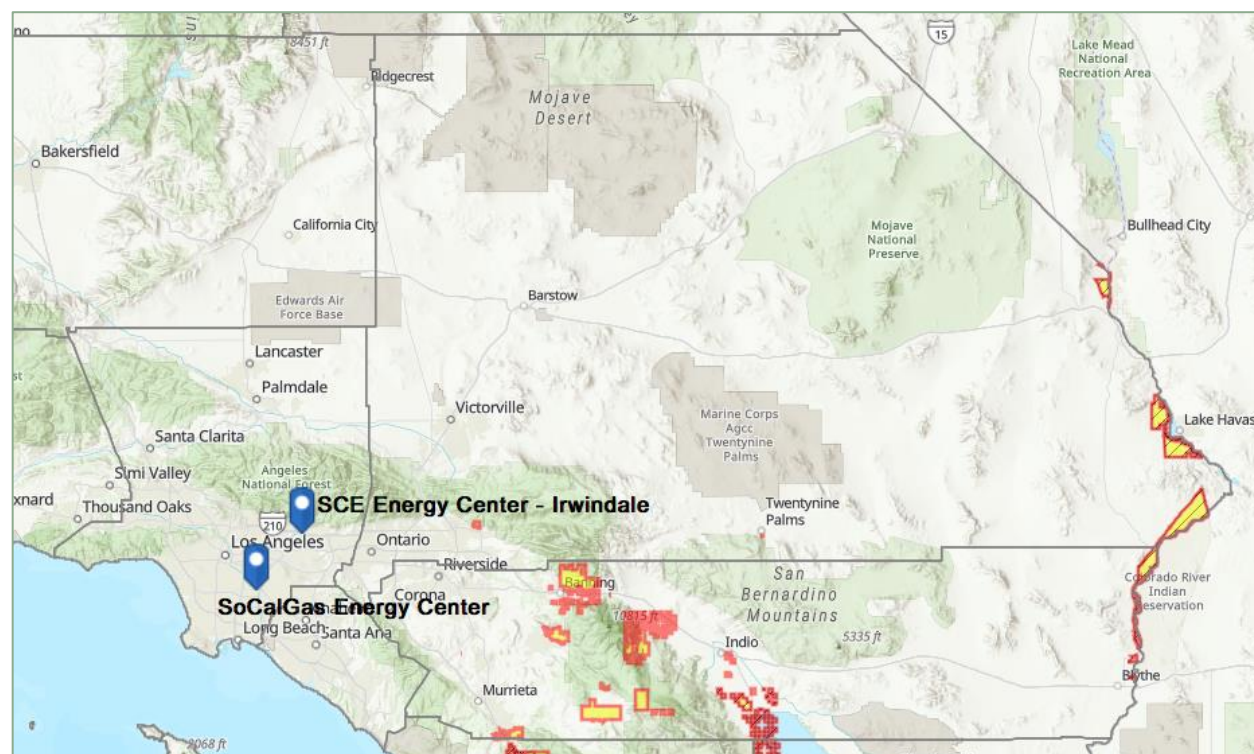


Figure 4-4. Energy Centers located outside Riverside and San Bernardino Counties

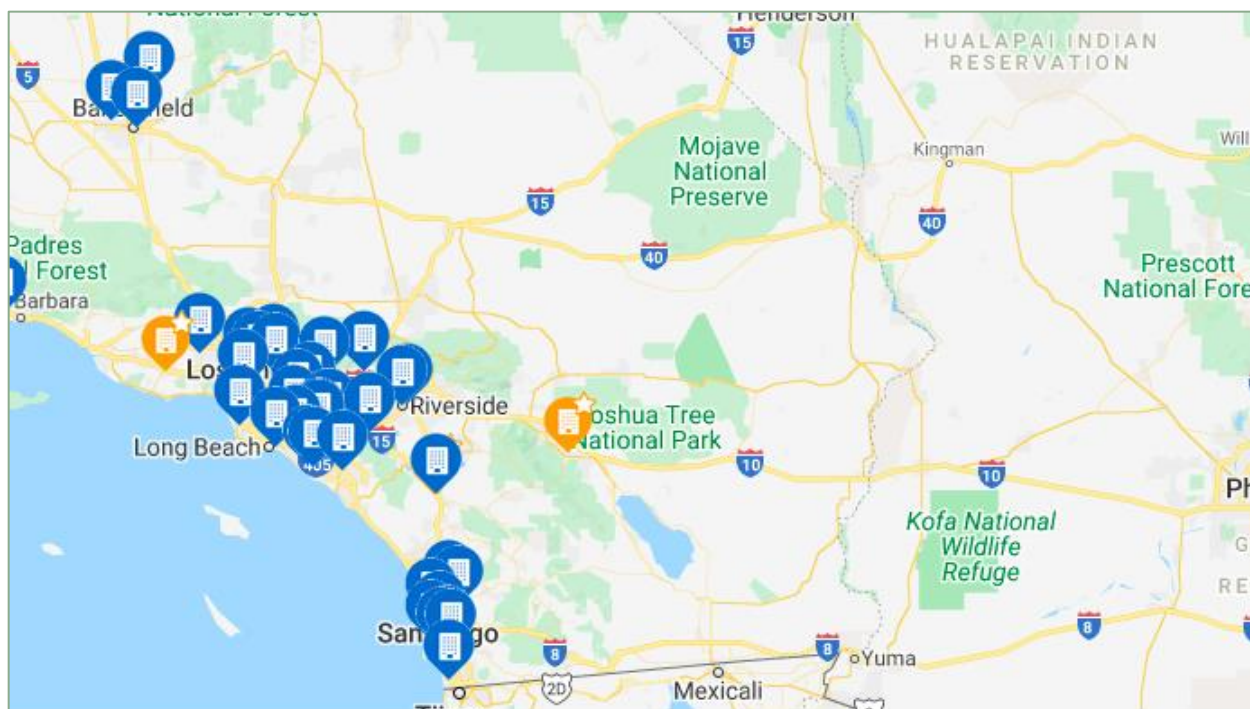


Figure 4-5. BPI Certified contractors

(Source: <http://www.bpi.org/locator-tool>)

In the further inland areas of Riverside and San Bernardino counties, there appears to be a lack of individuals and firms with advanced training and certifications such as the ones offered by the Building Performance Institute (BPI). As illustrated by Figure 4-5, there only a handful of BPI certified firms in the Inland Empire and with few exceptions they are mainly clustered around the cities of San Bernardino and Riverside. This is likely exacerbated by the lack of BPI testing centers, which are all located near San Francisco and Sacramento, and other high-quality energy efficiency training locations in the area. I-REN has an opportunity to build partnerships with BPI and other providers to increase the number of skilled and certified contractors in the region.

An important part of I-REN's WE&T initiative will involve working with state, regional, and local stakeholders to provide upskill and advanced training for incumbent workers or workers with an existing skill set in energy efficiency-related trades. I-REN's WE&T initiative will support training programs and certifications that are more accessible than a four-year degree, to assist workers in obtaining "good and promising" jobs in construction trades, such as electrical and HVAC trades, which demand a high level of technical training and experience.

The I-REN governing agencies bring experience in building effective partnerships in the Inland Empire to foster economic development. For example, WRCOG is launching Innovation 2030, an initiative featuring projects and programming that will be focused on all parts of the energy spectrum including generation, savings, transportation, grid, and more. See Figure 4-6 for more details. I-REN's work in the WE&T sector will complement the Innovation 2030 initiative and partnerships.

Potential Partners

I-REN will identify and build partnerships with organizations and agencies including but not limited to those shown below to collaborate on I-REN's WE&T initiatives. The I-REN governing agencies have a strong foundation of existing connections with these types of organizations, as described later in this chapter in Table 4-6.

Education (Building and Expanding Relationships)

- K-12 Schools and Districts
- Pre-Apprenticeship Programs
- Inland Empire/Desert Regional Consortium (Community Colleges (CCC))
- California Community Colleges
- Colleges/Universities

Trade Associations

- Air Conditioning Contractors of America (ACCA)
- Institute of Heating and Air Conditioning Industries (IHACI)
- American Institute of Architects (AIA)
- American Public Works Association (APWA), Southern California Chapter, including Coachella Valley, High Desert, and Inland Empire Branches
- Association of Energy Engineers (AEE)
- Building Industry Association (BIA)
- Local Chapter Building Associations (Desert Valley Building Association (DVBA) for Coachella Valley)
- International Association of Plumbing and Mechanical Officials (IAPMO)
- International Union of Operating Engineers (IUOE)
- International Brotherhood of Electric Workers (IBEW)
- Laborers' International Union of North America (LiUNA!)
- California Labor Management Cooperation Committee (LMCC)
- Sheet Metal Workers Union

Industry & Non-Profit Organizations

- California Advanced Lighting Controls Training Program (CALCTP)
- California Energy Alliance
- National Comfort Institute
- Natural Resources Defense Council (NRDC)
- Energy Service Companies (ESCOs)
- Economic and Community Development Corporations

Certification Organizations

- North American Technician Excellence (NATE)
- National Council on Qualifications for the Lighting Professions (NCQLP)
- Building Performance Institute (BPI)
- Builder Operator Certification (BOC)
- Home Energy Rating System (HERS)
- Consumer Home Energy Efficiency Rating System (CHEERS)

Government Agencies

- California Energy Commission
- California Air Resources Board (CARB)
- California Department of Education
- California Community Services and Development (CSD)
- California Workforce Investment Boards (WIBs)
- California Division of Apprenticeship Standards, Apprenticeship Council and building/construction trade apprenticeship programs

Innovation 2030

WRCOG's Leadership for Economic Development in the Inland Empire

Innovation 2030, a project of the Western Riverside County Council of Governments (WRCOG), seeks to establish an innovation driven economy in the Inland Southern California region by 2030. Innovation 2030 will foster an environment conducive to entrepreneurship and innovation and facilitate a transition away from low-skill, low-wage jobs that dominate the region's economy. In doing so, Innovation 2030 will help to futureproof the region, making the community more resilient against automation due to the logistics industry as a recent study, conducted by the University of Redlands has shown that more than 60% of the I-REN region's jobs are in jeopardy over the next 2 decades. Additionally, this impending challenge has only been accelerated by the impacts of COVID-19. Innovation 2030 will better align employment opportunities with job-skills training and K-12 through university education, and improve economic outcomes for all residents, including the most disadvantaged community members.

Innovation 2030 projects and programming would be focused on all parts of the energy spectrum from: generation, saving, transportation, grid, etc. Its model would entail targeted outreach programs aimed at entrepreneurs in the energy sector, recruit them and provide them with entrepreneurial support such as:

- **Storytelling Masterclass for Innovators:** Storytelling that attracts investment and makes sales
- **Investment Masterclass Program:** Proven techniques to raise millions for entrepreneurs and investors
- **Innovation 2030 Impact Investment Fund:** Harnessing sources of capital for the region's entrepreneurs
- **Young Entrepreneurs:** Paid internships for the region's most promising students in the region's most exciting startups
- **Cities Innovate Program:** Teaching cities to serve entrepreneurs better, faster, and cheaper, from one-stop "create a business" to regional pilot programs
- **First Chance Program:** Enabling underserved groups by bringing entrepreneurship into the communities

Innovation 2030 would also provide effective partnerships with the region's utilities by providing possible testing, job-training, certifications, and innovations related to the energy field. A focus on alignment between education systems and the workforce is critical now more than ever, especially when it comes to an aging workforce and the need for retraining new and in-demand skillsets in a COVID-19 economy and climate.

Lastly, the Innovation 2030 effort is led by Fred Walti, the Co-Founder of the Los Angeles Cleantech Incubator (LACI) an incubator known for its world-class programming for entrepreneurs in the energy, sustainability and cleantech space. It is recognized for its innovative partnership with the Los Angeles Department of Water and Power, Southern California Edison and other major stakeholders. The intent of Innovation 2030 would be to take this 'proof of concept' programming to the Inland Southern California region, a very vulnerable and underserved community area and propel its local economy towards resiliency in the future.

Figure 4-6. Innovation 2030: I-REN COG Leadership for Economic Development in the Inland Empire

Market-Building: Supporting a Green Workforce

Over the last decade the Inland Empire has seen economic growth following the recovery from the Great Recession of 2008, and since 2012 the region added 385,000 new jobs as of January 2020.⁸ Yet annual per capita incomes in the Inland Empire have persistently lagged behind statewide averages. In 2018, Inland Empire workers earned on average less than 64% of the statewide average per capita income. This reflects a larger trend of growing income disparity in California, cited in the 2011 statewide WE&T needs assessment as one of the major problems plaguing the state's economy.⁹

Table 4-2. Average Per Capita Annual Income: Inland Empire vs. California as a whole¹⁰

Area	Average Per Capita Personal Income (2018)
California	\$63,557
Riverside County	\$40,637
San Bernardino County	\$40,316

The COVID-19 pandemic has put additional strain on the region's economy and workforce over the past year, with unemployment in the region spiking dramatically in late spring of 2020. In August 2020 the average unemployment rate for the I-REN counties was 11%-- nearly three times the region's average annual unemployment rate in 2019.¹¹ Research from the Economic Roundtable identified Riverside County workers as tied for having the highest risk in California for job loss due to COVID-19 economic impacts. "The burden of unemployment is unequally distributed. It rests most heavily on young adults, Latinos, and workers in restaurant, hotel, personal care, and janitorial jobs. Young adults graduating from school and attempting to enter the job market face extremely difficult challenges," the report concluded.¹²

⁸ Economist John Husing quoted by Jack Katzanek with The Press Enterprise, "Inland job growth to slow to 2012 levels in 2020, forecast says" Article from January 15, 2020. Accessed October 2020. <https://www.pe.com/2020/01/15/inland-job-growth-to-slow-to-2012-levels-in-2020-forecast-says/>

⁹ California Workforce Education and Training Needs Assessment, Donald Vial Center on Employment in the Green Economy, Institute for Research on Labor and Employment, University of California, Berkeley, 2011. p.12.

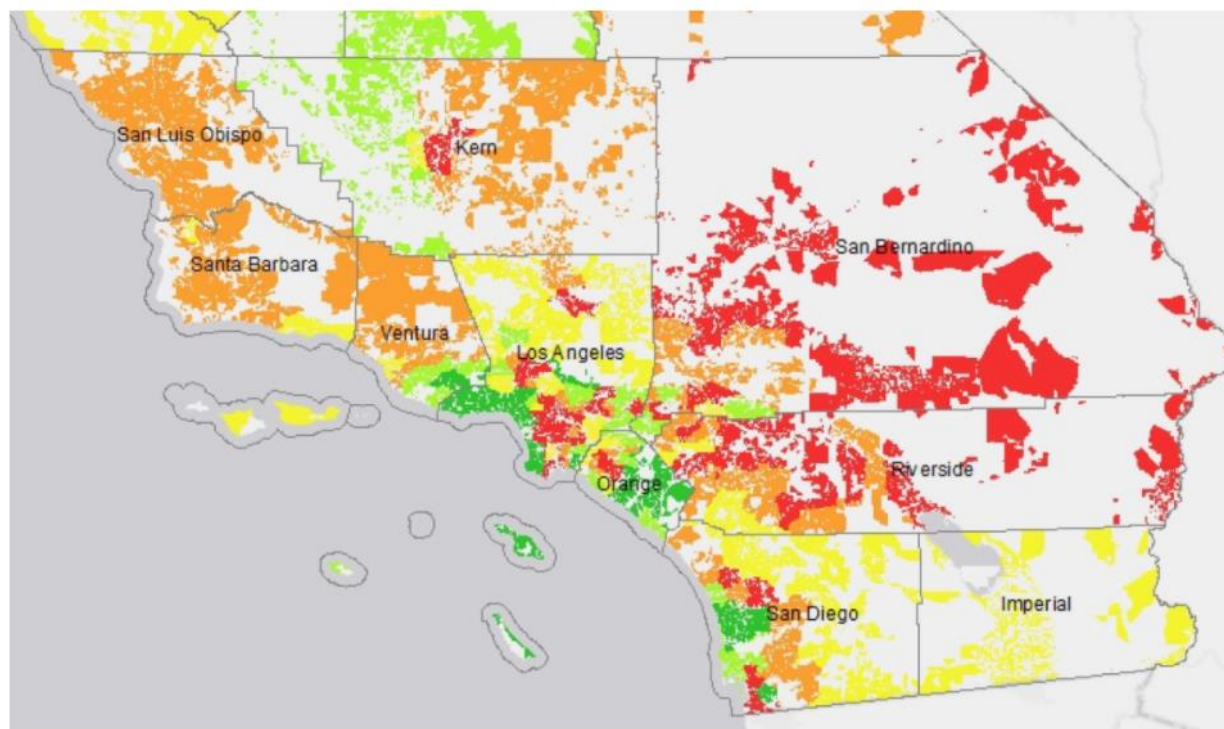
¹⁰ State of California Employment Development Department. Accessed October 2020.

<https://www.labormarketinfo.edd.ca.gov/cgi/databrowsing/LocalAreaProfileComQSResults.asp?menuChoice=localAreaCom&selectedindex=36&area1=0604000065&countyName=&area2=0604000071&countyName=&area3=0601000000&countyName=&submitIt=Compare+Areas>

¹¹ State of California Employment Development Department. Accessed October 2020.

<https://www.labormarketinfo.edd.ca.gov/cgi/databrowsing/LocalAreaProfileComQSResults.asp?menuChoice=localAreaCom&selectedindex=36&area1=0604000065&countyName=&area2=0604000071&countyName=&area3=0601000000&countyName=&submitIt=Compare+Areas>

¹² Lansner, Jonathan. Orange County Register. (April 17, 2020). Riverside County workers at highest risk for coronavirus-related layoff, by this math. Available [online](#). Accessed November 2020.



Map shows job-loss risk, from highest (red) to lowest (green). (Source: Economic Roundtable)

Figure 4-7. Job Loss Risk in the Inland Empire due to the COVID-19 pandemic¹³

Research shows that prior to 2020, the Inland Empire region had a deficit in well-paying jobs and job pathways to success, and that this deficit disproportionately affects minorities and marginalized communities. The Brookings Metropolitan Policy Program’s report from early 2019 found that the Inland Empire faced a deficit of roughly 347,500 “good or promising jobs,” meaning employment that can sustain a family or a position that will lead to another job that can sustain a family.¹⁴

According to the California Advanced Energy Employment Survey, in 2015 the Inland Empire lagged behind other regions in the share of advanced energy jobs as a percentage of total jobs.¹⁵ The Centers of Excellence for Labor Market Research determined that the level of jobs available compared to the number of individuals trained locally in the community colleges is large (see Figure 4-1 and Figure 4-2). This is indicative of the challenges the Inland Empire has faced in accessing education and training needed to grow their advanced energy economy and workforce. This could also be a result of the region being underserved in utility energy efficiency programs that would bring projects and incentive dollars to the region, resulting in jobs for energy efficiency-related construction trades. The construction and utilities sectors represent seven percent of the Inland Empire’s total jobs, but they include 17 percent of

¹³ Ibid.

¹⁴ Advancing Opportunity in California’s Inland Empire, by Chad Shearer, Isha Shah, and Marek Gootman. Metropolitan Policy Program at Brookings. February 2019. Available at: <https://www.brookings.edu/wp-content/uploads/2019/02/Full-Report-Opportunity-Industries-Inland-California-Final-Shearer-Shah-Gootman.pdf> Accessed October 2020. p.6.

¹⁵ Advanced Energy Jobs in California: Results of the 2016 California Advanced Energy Employment Survey. Advanced Energy Economy, 2016. p. 16

Chapter 4: Workforce Education & Training

its family-sustaining jobs and four percent of promising jobs for workers with less than a four-year college education.¹⁶

Table 4-3. Employment in Energy Efficiency, 2015 ¹⁷

Region	Population	Advanced Energy Jobs	Total Jobs	% of Total Jobs
Southern California	17,635,918	229,153	8,145,109	2.8%
Inland Empire	4,693,171	40,377	1,531,663	2.6%
Central Coast	1,504,111	20,138	655,819	3.1%
Greater San Francisco Bay	7,161,311	113,020	3,750,379	3.0%
Greater Sacramento	1,896,552	30,399	832,042	3.7%
Rest of California	6,609,205	74,616	2,396,978	3.1%
California Total	39,500,268	507,703	17,311,990	2.9%

In its market-building strategy, I-REN will work with industry stakeholders in the region to identify and support the development of green workforce pathways. There are many organizations already working toward individual goals related to job placement-- WIBs, economic development departments, and others. Rather than duplicating their efforts, I-REN can serve as a facilitator to bring those organizations together and ensure that advanced energy and energy efficiency jobs are part of the focus in the region.

I-REN will also leverage its existing relationships with the building industry to help connect workforce advocates and employers. By convening and collaborating with these stakeholders I-REN's market-building initiatives will help illuminate the pathways for job seekers in the region to find advantageous employment to sustain their families and build careers in energy efficiency and advanced energy.

Major Trends

Unprecedented unemployment and economic contraction are the most significant trends affecting the WE&T sector, and the extent and depth of these challenges are major unknowns. As the pandemic and ensuing economic crisis continue to unfold, I-REN's WE&T initiatives and the cross-cutting activities proposed for the Public Sector and C&S will have an important role to play in guiding the region's job seekers and employers through current and future obstacles and opportunities.

¹⁶ Advancing Opportunity in California's Inland Empire, by Chad Shearer, Isha Shah, and Marek Gootman. Metropolitan Policy Program at Brookings. February 2019. Available at: <https://www.brookings.edu/wp-content/uploads/2019/02/Full-Report-Opportunity-Industries-Inland-California-Final-Shearer-Shah-Gootman.pdf> Accessed October 2020. p. 37

¹⁷ Ibid.

Chapter 4: Workforce Education & Training

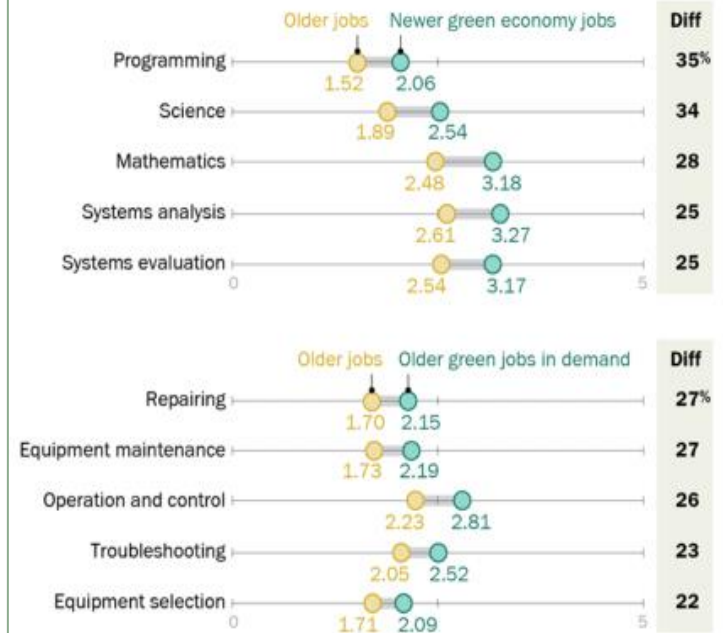
Other trends and issues that may affect I-REN's WE&T community include the following:

- Increasing the diversity of the energy efficiency workforce, including gender and race diversity, is essential to create greater equity and to meet the needs of the growing industry.
- Closing the skills gap and increasing the capabilities of the workforce to perform increasingly higher levels of advance building and technical building is fundamental to this industry and requires better coordination between elementary school and secondary school curriculum.
- Soft skills development has potential to increase the ability of the building industry to innovate business models, work and communicate effectively with customers, and be more resilient.
- The possibility of a "Green New Deal" and increased need and desire to address and adapt to climate change.
- Increased levels of certifications, particularly Building Performance Institute BPI, and similar.

Of these trends one of the most important is the need to increase the workforce's technical and analytical capabilities. Figure 4-8 illustrates how new green jobs require a higher level of analytical skills. As energy efficiency becomes more connected to advanced techniques, and complex modeling tools, the workforce needs to be better at using these skills.

In the green economy, newer jobs require more analytical skills, but older green jobs need more mechanical skills

Average importance ratings of selected skills in older jobs overall and in green economy jobs, both newer and older, on a scale from 1 (not important) to 5 (extremely important)



Note: "Older" jobs are 820 jobs that are not identified as "new and emerging" in the O*NET data. "Newer green economy" jobs are 71 jobs classified as both green and new and emerging in the O*NET. "Older green jobs" in demand are 64 occupations classified as "green increased demand" jobs. The skills shown are those with the five greatest percentage differences between the jobs that are compared. Differences shown are statistically significant at the 90% level of confidence.

Source: Pew Research Center analysis of O*NET (Version 24.2).

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Figure 4-8. Green Economy Job Skills

Kochhar, Rakesh, "New, emerging jobs and the green economy are boosting demand for analytical skills," Pew Research Center

Intervention Strategies and Objectives

In its approach to serving the WE&T sector, I-REN is guided by an overarching goal:

Goal 2: Ensure there is a trained workforce to support and realize energy efficiency savings goals across sectors.

The primary role of I-REN is to ensure workforce training and education programs in the Inland Empire are aware of emerging technologies and changing production processes related to energy efficiency and advanced energy, and to work with trade associations and training partners to assess new skill sets that arise from these changes in the industry. I-REN's WE&T sector strategies are designed to expand the skills and capacity for the local workforce to do energy efficiency work, by partnering with local education providers to deliver targeted training and facilitate pathways to high-road jobs in energy efficiency-related occupations. This effort will identify and address gaps in the existing marketplace in the region, using best practices and existing studies as well as industry engagement. Through these initiatives I-REN will coordinate with other training providers to enable a better trained energy efficiency workforce in Riverside and San Bernardino counties to support and realize energy efficiency savings goals in the region.

Table 4-4. Intervention Strategies, Tactics, and Objectives

	Intervention Strategy	Tactic	Objective
Local training for the existing workforce	S2.1 Establish local partnerships with existing and potential training providers in the region to deliver targeted, equitable, and relevant energy efficiency training for contractors and industry.	T2.1.1 Assess training opportunities available in the region. T2.1.2 Offer “train the trainer” support to providers on energy efficiency topics and trends. Encourage providers to focus on the needs of the local market. T2.1.3 Facilitate the development of multiple sites/delivery mechanisms for contractor and industry training programs.	<i>Create a robust local network of training programs that increase capacity and knowledge related to energy efficiency in the building industry.</i>
Developing the region's new green workforce	S2.2 Facilitate industry engagement and development of job pathways to identify demand and jobs for a trained workforce.	T2.2.1 Convene and engage partners and organizations to define and establish a green workforce. T2.2.2 Reinforce pathways from high school, trade schools, and colleges into jobs in the energy efficiency workforce, in collaboration with established community partners. T2.2.3 Facilitate identifying opportunities for building companies and local workforce partners to network and connect.	<i>Increase the number of skilled energy efficiency workers in the region.</i>

Approach to Overcoming Barriers

I-REN's intervention strategies are designed to overcome the problems and barriers described in Table 4-5, with tactics and activities to achieve the overarching goal of ensuring there is a trained workforce to support and realize energy efficiency savings goals in the region.

As indicated in the initial market analysis presented above, there is a gap between the demand and supply of existing trades people to provide energy efficiency services in the I-REN service territory. For contractors looking to expand their skills, career advancement and access to high-road jobs, the pathways for obtaining additional certifications can be complicated, costly, and limited by timing or distance.

Table 4-5. Barriers and Strategies for I-REN WE&T Sector

Problem	Barriers	Solutions	Strategies & Tactics
When employers are hiring for skilled positions in advanced energy and energy efficiency, they can't find people to hire.	Inability to find and retain skilled and qualified workers for the demand.	Foster connections between workforce and industry. Promote relevant training opportunities in collaboration with WIBs to upskill the workforce. Collaborate with employers to provide continuing education for professional development and employee retention.	S2.1 S2.2
Codes and standards compliance and energy efficiency programs require certain certifications and qualifications for builders to participate.	A limited number of builders in the region have the required certifications and qualifications.	Promote relevant training opportunities in collaboration with WIBs to upskill the workforce. Collaborate with employers to provide continuing education for professional development and employee retention.	S2.1
Energy efficiency and advanced energy projects and programs require qualifications that the local workforce does not have.	Lack of qualified workforce in Riverside/San Bernardino counties, especially in the more remote areas.	Foster connections between workforce and industry. Promote relevant training opportunities in collaboration with WIBs to upskill the workforce.	S2.1 S2.2
Job seekers cannot find jobs in energy efficiency and advanced energy.	Lack of job opportunities in energy efficiency and advanced energy in the region.	Foster connections between workforce and industry. Identify and illuminate the pathways to energy efficiency and advanced energy jobs.	S2.2

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Problem	Barriers	Solutions	Strategies & Tactics
Contractors aren't aware of energy efficiency projects, or they cannot or choose not to perform this work.	Lack of interest or knowledge of the opportunities and benefits of energy efficiency projects.	Foster connections between workforce and industry. Promote relevant training opportunities to upskill the workforce. Collaborate with employers to provide continuing education for professional development and employee retention.	S2.1 S2.2
Training is too far away and is offered infrequently or scheduled during work hours when it's inconvenient for contractors to attend. Also, existing training may be irrelevant to contractors or local projects' needs.	Training opportunities' availability and location pose challenges for contractors to be able to attend and are not designed for the particular needs of the local market.	Promote relevant training opportunities to upskill the workforce. Improve access to training by increasing the number of sites and delivery mechanisms. Collaborate with employers to provide continuing education for professional development and employee retention.	S2.1

Strategy 2.1 Establish local partnerships with existing and potential training providers in the region to deliver targeted, equitable, and relevant energy efficiency training for contractors and other industry stakeholders.

Objective: Create a robust local network of training programs that increase capacity and knowledge related to energy efficiency in the building industry.

Tactic 2.1.1: Assess training opportunities available in the region

I-REN will employ rigorous data collection to assess the training offerings in the region. This effort is crucial for informing a plan of action that will address gaps, build on promising opportunities, and avoid duplication of effort. This exercise also helps establish connections or build on existing partnerships among regional stakeholders. I-REN will examine the training marketplace through multiple lenses:

- **Stakeholders:** Who are the organizations currently providing training in the region? Who are the other organizations or entities that guide workers or employers to training providers? What support will workers need after completing a training program?
- **Content:** What topics, technologies, and skills are covered in currently available training? Are they appropriate for the needs of local employers? Are they appropriate for meeting the requirements of energy efficiency projects in the region?
- **Modalities:** How is training delivered? Modalities could include in-person classroom training, workplace training sponsored by an employer, field training at a project location, online classes or on-demand self-paced offerings, etc.
- **Metrics:** What metrics need to be tracked to ensure that trainings are effective? What impact do trainings have on job placement and access to high-road jobs? What tools and instruments have been developed to track student progress?
- **Geography:** For in-person training, where in the region are these trainings offered? When these training opportunities are mapped to population centers and locations of energy efficiency project activity in the region, do they overlap and where are the gaps? How far do participants have to travel to attend?
- **Equity:** Are underserved communities, DACs, tribes, and other marginalized groups able to take advantage of training opportunities? If so, what are the strengths among current offerings? If not, what are the barriers to increasing participation?
- **Access:** What are the barriers to accessing and hosting training, especially for disadvantaged workers? What are the costs for participants, employers, and providers? What are the knowledge thresholds or prerequisites? What is the timing of classroom training sessions? For online training, are there barriers associated with access to technology, e.g. are online offerings mobile-friendly or PC-required? What policies need to be implemented to ensure the local workforce has access to training that lead to high-road jobs.
- **Program and market needs:** What are the programs that will be offered by IOUs or other PAs that require specific skills? Are there opportunities to connect directly to active or planned programs to enhance the feasibility of the training for individuals? What energy-efficiency career pathways have been established for workers in the region?

Implementing this assessment may involve but not be limited to the following activities:

- Collaboration with stakeholders to design and deploy an effective survey instrument, via an online survey platform already utilized by I-REN.
- Additional in-depth phone interviews as needed to survey key decision makers and/or to fill identified educational, program, and policy gaps in response data.
- Review of secondary data sources obtained in collaboration with stakeholders.
- Compilation of results and preparation of report materials for sharing with stakeholders.
- Analysis of results, in cooperation with stakeholders, to inform program planning and EM&V.

Tactic 2.1.2: Offer “train the trainer” support to providers on energy efficiency topics and trends. Encourage providers to focus on the needs of the local market.

Based on the information gathered in Tactic 2.1.1, I-REN will collaborate with training providers and the IOUs to address gaps in educational offerings and determine the most effective way to bridge those gaps in the region. I-REN can also be a facilitator to ensure training opportunities are aligned with State energy efficiency goals including those outlined in SB 350 regarding doubling energy efficiency savings by 2030, along with policies and labor standards that support local workforce development.

One area of particular interest to I-REN is HVAC installation, especially due to the Inland Empire’s high cooling load. I-REN can work with existing educational providers to focus curriculum on advanced training for existing HVAC contractors. This “upskill” training would help them acquire advanced technical knowledge to support them in earning higher wages. Content could include but would not be limited to beyond code, smart sizing, and advanced building science skills.

In order to position the training providers to provide this advanced content, I-REN can provide “train the trainer” educational support. Through their work with both the public and private sectors the I-REN governing agencies bring connections to professionals in various trades who can lend their expertise to this effort.

I-REN can work with providers to develop and/or tailor content around energy efficiency topics and trends including but not limited to the following:

- Mechanical HVAC basics
- Passive house and zero net carbon/energy
- Heat pump water heaters, and other electrification measures
- Certified Energy Manager (CEM)
- Operations and facilities management
- Building Performance Institute (BPI) trainings
- Codes training including solar and battery installation and smart energy systems
- Building Envelope sealing (duct blower tests, insulation/radiant barrier checks, etc.)
- HERS and CHEERS certifications

Tactic 2.1.3: Facilitate the development of multiple sites/delivery mechanisms for contractor and industry training programs.

In a service territory as expansive as the Inland Empire, expanding the number of training sites and promoting multiple delivery mechanisms are crucial for improving access to workforce education. The data collected in Tactic 2.1.1 will inform I-REN's plans for this effort. Based on identified areas of need, I-REN will work with providers to develop approaches to expand training opportunities in the region.

Significant barriers exist for training providers in hosting in-person training in far-flung rural areas. If they offer a training event and attendance is lacking, providers are discouraged from serving that area in the future. I-REN can help providers identify underserved areas with a significant population that could benefit from training, and I-REN can also facilitate cooperation among other utilities and stakeholders to co-sponsor events. For example, I-REN is already in conversation with SoCalGas about collaborating to bring training opportunities to the region. Through co-sponsorship and I-REN's extensive network of connections with local governments, I-REN can help promote training events with marketing and outreach to increase awareness and encourage participation.

I-REN can also provide outreach to employers to support decision-making around onsite training in the workplace or hands-on field training for employees. Workplace training shows the employer's support for professional development and can aid in employee retention, while also improving the company's ability to take on energy efficiency projects that require highly skilled work. On-the-job training can also provide workers the opportunity to receive pay while being trained.

Industry stakeholders have asserted that hands-on training, such as the California Advanced Lighting Controls Training Program (CALCTP), is preferred.¹⁸ I-REN is in contact with CALCTP to explore possibilities for partnering to offer training in the region. CALCTP certifies electricians in advanced lighting controls and offers one of the two approved Acceptance Testing Technicians training programs. They are a key collaborator for both WE&T and cross-cutting activities in support of I-REN's C&S initiatives. For areas of the region where in-person training is challenging for cost reasons or limited participation numbers, I-REN will work with local stakeholders and employers to assess the applicability of online training options for supplementing local training. I-REN can recommend regionally appropriate training to pursue and assist with messaging and outreach to guide participants.

¹⁸ Opinion Dynamics. PY2013-2014 California Statewide Workforce Education and Training Program Contractor Training Market Characterization. June 2016. P.6

Strategy 2.2 Facilitate industry engagement and development of job pathways to identify demand and jobs for a trained workforce.

Objective: Increase the number of skilled energy efficiency workers in the region

Tactic 2.2.1: Convene and engage partners and organizations to define and establish a green workforce.

To define and foster the development of a green workforce in the Inland Empire, a collaborative relationship-based approach is crucial to success.

One of I-REN's greatest strengths is its engaged audience of stakeholders, described in Table 4-6. This network will form the foundation for convening partners and organizations who are members of the WE&T community. This could include but may not be limited to local government agencies; local and regional building industry professionals; WIBs and job placement organizations; labor unions; WE&T providers and educational institutions; and many others. I-REN can serve as a facilitator to lead the process of collaborating with key stakeholders on the topic of WE&T and the region's green workforce.

As part of its established committee structure, I-REN regularly engages with leaders in both the public sector and private industry. In establishing what the green workforce means to the Inland Empire, it will be important to consider the green job opportunities within cross-cutting areas such as the Public Sector and C&S community. For example, to maximize the benefits of energy efficiency in the region, local governments have a need for well-trained facility managers in publicly owned buildings, and knowledgeable permitting staff in building departments. Similarly, local and regional contractors and other members of the building community have a need for skilled workers to implement efficient construction and equipment installation practices.

Through this engagement tactic I-REN can gain valuable insight into each entity's role in this work, while creating connections between stakeholders and fostering a collective vision and mission for developing the Inland Empire's green workforce.

This important exercise will examine questions and themes including but not limited to the following:

- What are the advanced energy and energy efficiency jobs in the region?
- How do job seekers find these jobs?
- Do these jobs lead to career advancement?
- Who are the organizations supporting job seekers and where do they operate?
- What support services are in demand?
- What skills and trades do employers look for in hiring for these positions?
- Which skills are lacking in the current market?
- Codes and standards compliance and enforcement
- Public Sector facility management
- Energy efficiency resource program participation

Tactic 2.2.2: Reinforce pathways from high school, trade schools, and colleges into jobs in the energy efficiency workforce, in collaboration with established community partners.

I-REN will examine the information gathered from Tactic 2.1.1 and Tactic 2.2.1 and work with established community partners to identify the pathways that a student job seeker might follow in order to join the energy efficiency or advanced energy workforce.

“Journey mapping” is a technique that can be used to gain insight into the steps a student would take as they explore their options for employment. I-REN can work with community partners to establish specific and detailed example profiles of job seekers to use in this process. Examining these profiles and following the individual’s journey can help I-REN and its partners to discover the resources that are available and the barriers that are encountered by the types of individuals this WE&T tactic will support.

The collaborative journey mapping process can be especially helpful in learning about the lived experience of students from DACs and underserved communities as they seek to enter the workforce, and the unique challenges they face. I-REN’s key partners for this effort are experts in advocating for the communities they serve. In many cases they may have engaged in this type of journey mapping activity and can leverage that insight for this effort.

As the facilitator, I-REN’s role is to listen first, learn from the community experts, and collaborate to make measurable improvements. I-REN can identify synergies between partners and encourage cooperation in developing messaging that will illuminate the identified pathways for students in various situations. I-REN can then use its resources and extensive reach to deliver this messaging across the region, through its 52 local government partners and private industry connections. I-REN can also leverage its RENterns initiative (described at right) as a pathway for students to enter the workforce in a role supporting local governments’ energy efficiency and sustainability projects.

For this tactic I-REN will bring key partners to the table including but not limited to:

- Riverside County Workforce Development Board
- San Bernardino County Workforce Development Board
- California Youth Energy Services
- High schools in Riverside and San Bernardino counties
- Inland Empire/Desert Regional Consortium
- Youth development programs
- Community colleges
- Trade Schools
- Universities

RENterns: A Pathway to Advanced Energy Education & Employment

In a cross-cutting activity from the Public Sector chapter, I-REN plans to provide internship opportunities for “RENterns” to support local government agencies with energy efficiency projects, climate action planning, energy benchmarking, and other sustainability initiatives.

This initiative highlights the synergies between I-REN’s Public Sector and WE&T activities. RENterns will help build capacity within local governments to complete energy efficiency projects while gaining job skills for future careers in advanced energy.

The idea of RENterns originates from WRCOG’s successful Public Service Fellowship program, which has trained more than 75 Fellows over five years. The Fellowship Program has led to alumni being hired in the region, while other alumni use their experiences in the program to trailblaze new professional development opportunities like graduate school.

Tactic 2.2.3: Facilitate identifying opportunities for building companies and local workforce partners to network and connect.

Building on the groundwork of relationships and market insights from Tactic 2.2.1, I-REN can create opportunities for networking and connection among employers, workforce partners, the building industry, and the community, as appropriate. In the short-term this may be limited to online and virtual environments but will expand when possible to in-person and hybrid events.

More populous areas of the I-REN territory may have an established history of green job fairs and other events that could be leveraged to encourage these connections. I-REN can work with organizers to emphasize green jobs within the scope of larger events, or to plan new events focused on advanced energy and energy efficiency. I-REN can also provide outreach assistance to ensure participation by key stakeholders.

Rural areas and smaller job markets will especially benefit from I-REN's support for WE&T networking events. These areas may not have any existing infrastructure for job fairs or similar events. If they do, the events may not be tailored to advanced energy and energy efficiency. I-REN can work with local partners to develop event concepts, which could include targeted invitation-only mixers with a smaller crowd, or job fairs that are open to the public.

I-REN brings a wealth of experience in developing, promoting, and hosting events for local communities. In its committee work, the I-REN governing agencies are already engaged with many of the region's WE&T market actors. Regional construction firms regularly attend the I-REN governing agencies' committee meetings, as do public sector employers such as city planners and building departments. I-REN's support for WE&T networking events offers an excellent opportunity to create connections across I-REN's Public Sector and C&S initiatives.

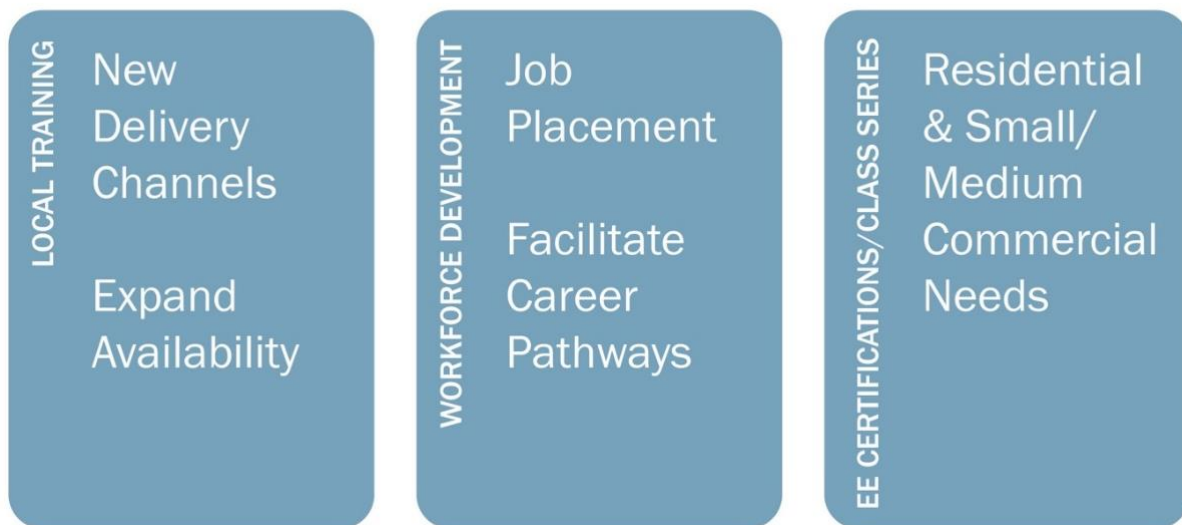
In addition, the I-REN governing agencies are experienced in working collaboratively with other PAs to host regional events and would leverage those connections to co-sponsor and conduct outreach and marketing to promote WE&T networking events.

Anticipated Programs

I-REN anticipates offering two non-resource programs to provide short and mid-term support for training and educating the regional workforce to realize energy efficiency savings goals for the residential and commercial markets. Those programs include but are not limited to the following:

- Training and Education – establish local partnerships with existing and potential training providers in the region to assess the training resources available in the region, offer “train the trainer” support to providers on energy efficiency topics and trends with a focus on the needs of the local market, and develop sites and delivery mechanisms to help ensure equitable access to training.
- Workforce Development – facilitate industry engagement and develop job pathways by convening local partners in the community, reinforcing pathways from schools into jobs in the energy efficiency workforce, and encouraging connections between industry and workforce development organizations.

WE&T Sector | Essential Program Elements



Evolving Approach

As a new REN, I-REN will coordinate with existing RENs doing this work to identify and build on best practices and build upon the work currently underway through the COGs and local government partnerships. I-REN will implement the strategies outlined here in collaboration with the key partners described in the section that follows. Based on EM&V and on monitoring progress toward performance metrics through the near and mid-term activities, I-REN will make adjustments to strategies for future implementation beyond the 2021-2025 timeline.

Leveraging I-REN's Existing Key Partners

I-REN's governing agencies have extensive networks of existing partners that will be important for collaborating on WE&T initiatives, and their work with local governments at the city and county level offer opportunities for cross-cutting activities with I-REN's proposed work in the Public Sector and C&S. I-REN is also building partnerships with local community colleges, local universities, and local workforce investment boards (WIBs) to establish a comprehensive network of WE&T offerings.

The following table shows relevant examples of the I-REN governing agencies' experience working with key partners in the region. I-REN will build on its existing relationships to include additional key partners representing all market actor segments as described earlier in the chapter (section entitled "Potential Partners").

Table 4-6. I-REN's Key Partnerships & Collaboration Experience in the WE&T Sector

Key Partners	Relevant Examples of Collaboration
Local Universities: Cal State San Bernardino UC Riverside	Through the 10-year Desert Cities Energy Partnership (DCEP) local government partnership, CVAG partnered with the local universities to hold multiple Title 24 training classes, which were offered to local building contractors, architects, and building and safety officials. CVAG has also partnered with the Palm Springs campus of UC Riverside to host codes and standards trainings in partnership with the IOUs and Energy Code ACE.
Local Community Colleges: College of the Desert	CVAG staff is part of a committee with College of the Desert to offer feedback and expertise in the creation and development of their workforce & training certification program, which allows students to take classes to become trained in installation and repair on systems such as HVAC, environmental management systems and more.
Middle Schools and High Schools	CVAG has hosted and presented at various sustainability expos which were held for hundreds of middle school and high school kids to learn about various programs and measures related to energy efficiency and recycling.
Trade associations, advocacy and stakeholder groups, and other industry organizations	Through I-REN's stakeholder coordination work and presentations to CAEECC, I-REN gained support and offers of assistance from groups such as the Natural Resources Defense Council (NRDC), California Labor Management Cooperation Committee, and the local Sheet Metal Workers union. These partners will be important for collaboration on I-REN's goal to improve the equity of WE&T opportunities for DAC, rural, underserved, and other vulnerable communities. The Riverside Chapter of the Building Industry Association (BIA) has been involved with WRCOG's TUMF Program with feedback on Transportation Program growth and is a potential partner for outreach and educational workshops. WRCOG leadership also brings connections to the USGBC Inland Empire Chapter (USGBC-IE), having previously served on the board.

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Key Partners	Relevant Examples of Collaboration
Employers, such as engineering, building, architecture, and construction-related firms	WRCOG hosts committee meetings where local and regional building firms are active participants. CVAG has hosted bus tours to various energy efficiency facilities to increase awareness of environmental and energy saving methods used by these facilities, including tours to an Anaerobic Digestion facility and a Zero Net Energy development. CVAG administers a Property Assessed Clean Energy (PACE) program and has service agreements with private firms to service CVAG's jurisdiction. As the Transportation Authority for the County of San Bernardino region, SBCOG brings relationships with numerous building and construction industry related firms. SBCOG brings connections to engineering, building, and construction firms through WTS International, an industry organization dedicated to advancing equity and access for women in the transportation industry, where a member of SBCOG's I-REN leadership team previously served as president of the Inland Empire chapter. This connection aligns with I-REN's goal to expand equity of WE&T opportunities in the region. SBCOG also works with its 24 cities and hundreds of employer sites throughout the region to promote ridesharing, reduce congestion and help improve air quality.
Other Program Administrators	SBCOG has experience conducting outreach as part of the San Bernardino Regional Energy Partnership with SCE and SoCalGas, working closely with 13 cities. CVAG partnered with SCE, SoCalGas, and Energy Code ACE to host codes and standards trainings at UC Riverside's Palm Springs campus. Through its stakeholder coordination work, I-REN has continued to build working relationships with SCE and SoCalGas, as well as other RENs such as SoCalREN and BayREN.
Local Governments	The three I-REN governing agencies have all had or currently have LG partnerships – with various connections including City Manager, Planning, local utilities. They bring multiple local experts into the conversation on a monthly/quarterly basis. WRCOG has committee structures engaged with planning directors and public work directors. They work with building department decision-makers and coordinate with permit technicians and all other staff face to face. CVAG has hosted many annual Energy & Water summits, which were attended by over 500 participants, in order to educate and update about relevant programs, energy efficient programs, and strategies from like-minded agencies. SBCOG Cities participated in a county-wide ZEV Readiness and Implementation Plan funded through the CEC. The Climate Resiliency Study "Resilient IE" is currently underway, which includes the participation of all 24 cities in San Bernardino County.

Budget and Metrics

Budget

The budget shown in Table 4-7 will facilitate the forecasted short and mid-term metrics targets with the expectation that increased participation and project volume is achieved as initial efforts scale and gain traction.

Table 4-7. Workforce Education & Training Budget

Budget (\$)	2021	2022	2023	2024	2025
Administration	231,221	225,329	239,343	243,716	267,465
Marketing and outreach	138,732	135,198	143,606	146,230	160,479
Direct implementation - non incentive	1,942,255	1,892,768	2,010,477	2,047,218	2,246,706
Direct implementation - incentives	-	-	-	-	-
Total	2,312,208	2,253,295	2,393,426	2,437,164	2,674,650

Metrics

Based on the intervention strategies I-REN developed for WE&T, the following metrics are proposed to track program performance.

Table 4-8. Program Performance Metrics

Workforce Education and Training					
Metric	Baseline Year	Short Term Target 2021	Short Term Target 2022	Short Term Target 2023	Mid Term Target (2024-2025)
Number of collaborations by Business Plan sector to jointly develop or share training materials or resources.	2021	TBD	4	8	12
Number of participants by sector	N/A	TBD	90	120	150
Percent of participation relative to eligible target population for curriculum	N/A	N/A	TBD	TBD	TBD
Percent of total WE&T training program participants that meet the definition of disadvantaged worker.	N/A	TBD	TBD	TBD	TBD
Percent of incentive dollars spent on contracts* with a demonstrated commitment to provide career pathways to disadvantaged workers	N/A	N/A	TBD	TBD	TBD
Number Career & Workforce Readiness (CWR) participants who have been employed for 12 months after receiving the training	N/A	N/A	TBD	TBD	TBD

Cross-Cutting & Coordinating Activities

Marketing, Education & Outreach

The I-REN governing agencies serve as a trusted voice and advocate for local communities within their two counties. They can use this position to coordinate Marketing, Education and Outreach (ME&O) activities to promote workforce education and training in the region. I-REN can serve as a facilitator for coordination with other PAs and statewide programs and initiatives ME&O activities.

Effective marketing and outreach activities are fundamentally important to I-REN's strategies for WE&T. The I-REN governing agencies bring in-house capacity to design, develop, and deploy creative marketing content for various channels, from printed materials and website content to email communicators, social media, videos, and podcasts. They are skilled at designing well-branded promotional campaigns to engage their local government audiences.

I-REN anticipates its WE&T-related marketing could include but would not be limited to the following activities, in alignment with the proposed intervention strategies and tactics.

Table 4-9. Marketing Activities for I-REN WE&T Sector

Intervention Strategy	Tactic	Marketing Activities
S2.1 Establish local partnerships with existing and potential training providers in the region to deliver targeted, equitable, and relevant energy efficiency training for contractors and industry.	T2.1.1 Assess training opportunities available in the region. T2.1.2 Offer "train the trainer" support to providers on energy efficiency topics and trends. Encourage providers to focus on the needs of the local market. T2.1.3 Facilitate the development of multiple sites/delivery mechanisms for contractor and industry training programs.	<i>Develop and deploy effective survey instruments to gather data on current training opportunities.</i> <i>Collaborate with training providers and employers to design and deliver effective messaging to increase awareness and encourage participation in training events.</i> <i>Conduct relationship building meetings and outreach events - online and in person.</i>
S2.2 Facilitate industry engagement and development of job pathways to identify demand and jobs for a trained workforce.	T2.2.1 Convene and engage partners and organizations to define and establish a green workforce. T2.2.2 Reinforce pathways from high school, trade schools, and colleges into jobs in the energy efficiency workforce, in collaboration with established community partners. T2.2.3 Facilitate identifying opportunities for building companies and local workforce partners to network and connect.	<i>Develop and deploy materials to promote stakeholder events through I-REN governing agencies' existing marketing channels, through local government partnerships, and through building industry communication networks.</i> <i>Develop and deploy messaging in collaboration with educational and workforce partners to illuminate the green job pathways in the region.</i>

Codes & Standards

I-REN's WE&T initiatives offer an important cross-cutting opportunity to support C&S. I-REN's approach to serving the C&S sector focuses heavily on training for local building department staff, to help those individuals perform their jobs and build capacity in their departments to better enforce codes and standards. This is significant for WE&T as it helps build a skilled workforce in some of the rural jurisdictions with less resources in their local building departments.

I-REN's service territory also includes several relatively new cities incorporated in recent years; these cities are building their local capacity and establishing their infrastructure. They will benefit from training and education for their local government employees.

Another of I-REN's cross-cutting strategies for both WE&T and C&S involves outreach to building professionals in the private sector, contributing to their professional development and supporting the development of a capable regional workforce trained in advanced energy efficient building practices.

By aligning its C&S training activities and WE&T activities, I-REN can help to maximize benefits to the region's workforce, local governments, and building professionals.

EM&V Considerations

The recently-published report from the California Workforce Development Board (CWDB) "Putting California on the High Road: A Jobs and Climate Action Plan for 2030" (referred to herein as "June 2020 CWDB report") highlights the importance of data collection, tracking and evaluation studies to develop beneficial WE&T initiatives and improve them over time.¹⁹ Accordingly, for its WE&T cross-cutting sector programs, I-REN proposes data collection and identifies an anticipated study need to support both external EM&V by the CPUC and internal research and program development activities.

As a new REN, I-REN is interested in collaborating with the CPUC, CEC, Energy Division, other PAs, and the WE&T community to support statewide and regional efforts around WE&T EM&V Roadmaps and Plans. I-REN will collaborate with the CPUC and other stakeholders to ensure that data collection activities are embedded in C&S program design to capture the information necessary to meet evaluation requirements and also to help expand the understanding of REN program impacts in this cross-cutting sector.

Data Collection Needs

I-REN's data collection needs correspond to identified metrics and indicators, and the intervention strategies outlined for its WE&T sector programs. To support external EM&V activities, I-REN will collect data to keep the CPUC and stakeholders apprised of program progress. I-REN will work collaboratively with Energy Division staff to ensure data collection meets their needs, to enable evaluation that can:

- 1) inform the program selection process,

¹⁹ "Putting California on the High Road: A Jobs and Climate Action Plan for 2030" California Workforce Development Board (CWDB). Prepared by the UC Berkeley Center for Labor Research and Education. June 2020. Available [online](#).

Chapter 4: Workforce Education & Training

- 2) provide early feedback to program implementers,
- 3) produce impact evaluations at the end of the funding period, and
- 4) feed the planning process for future program cycles.²⁰

Data collection will also support I-REN's internal EM&V activities and inform the measuring of progress toward established program goals and targets, CPUC metrics and indicators, and PA determined value metrics. I-REN's value metrics emphasize equity and building workforce capacity.

Real-time program performance tracking enabled by data collection will support the delivery of timely feedback to implementers and/or program administration staff. This in turn will support continuous improvement and inform future program planning efforts. Table 4-10 shows the research questions and data collection needs I-REN has identified for its WE&T initiatives, in alignment with CPUC metrics and indicators and I-REN's internal goals and value metrics, and informed by the June 2020 CWDB report.

Table 4-10. I-REN Workforce Education & Training Sector Data Collection

Topic Focus	Research Questions/Data Collection Needs	EM&V Objective	Timeframe
WE&T regional characterization	- Who are the training providers, job placement partners, and other WE&T stakeholders? - What topics, technologies, and skills are covered in available training content? - How is training delivered? - Where are in-person trainings located, relative to Inland Empire population centers and demand? - Do DACs, tribes, and other underserved or vulnerable populations have equitable training opportunities? - What are the barriers to increased access and equity? - What job skills are needed to participate in EE programs offered by other Pas?	Understand the WE&T sector market and identify areas of highest need	Short-term
Depth of I-REN interventions	- How many 'train the trainer' or upskill trainings are conducted? - How many collaborations occur with other organizations to jointly develop or share training materials or resources? - How many partners and organizations are convened for green workforce leadership and engagement? - How many RENTerns are placed in positions to support local governments? - How many RENTerns go on to pursue further education or careers related to EE, advanced energy, climate resilience, and sustainability? - How are I-REN collaborations expanding WE&T access for workers from DACs, tribes, and other underserved or vulnerable populations?	Program performance tracking	Short-term/ Mid-term

²⁰ Energy Efficiency Policy Manual, version 6, April 2020, p.44.

I-REN's WE&T sector strategic interventions center on fostering partnerships and facilitating industry engagement rather than developing and delivering curriculum. However, additional EM&V efforts could include examining the feasibility of working with training providers to collect data on secondary effects of I-REN interventions. This could include collaborating with key partners to assess the feasibility of collecting and evaluating data to track key metrics identified in the June 2020 CWDB report:²¹

- Enrollees and number of graduates
- Attainment of industry-recognized credentials
- Job placement and job retention
- Initial wages and wage mobility over time

Anticipated Study Needs

The June 2020 CWDB report highlights the importance of identifying data collection and analysis methods and the resources to support them prior to making field investments. Accordingly, I-REN anticipates the need for an initial study to identify current resources as well as gaps and barriers in the I-REN region's WE&T sector. This effort aligns with the intervention strategy described in *Tactic 2.1.1: Assess training opportunities available in the region.*

The proposed study will assess the region's WE&T stakeholders as well as training content, modalities, geography, equity, access, and program and market needs. I-REN will use the information and analysis from this study to foster partnerships and develop targeted approaches to WE&T sector activities. This data will also inform ongoing data collection activities and help form baselines against which to measure program performance during deployment and ensure that ratepayer investments are used judiciously to benefit communities and workers with the greatest need.

I-REN anticipates collecting this data initially to gain near-term feedback, then repeating the assessment after a few years to examine program progress and make improvements for program delivery in the mid-term timeframe and beyond.

In addition to I-REN's proposed data collection and study activities, the recently-released Energy Division & Program Administrator Energy Efficiency EM&V Plan Version 10 for 2019 – 2021 includes multiple studies underway that could provide useful insights for I-REN to incorporate in its WE&T initiatives.²²

I-REN will review the results of these studies as they are made available and incorporate findings however is appropriate to enhance I-REN WE&T program design and delivery.

Coordination with other PAs

I-REN is in communication with other PAs operating in the region to identify areas of potential coordination for WE&T activities. I-REN will ensure its activities are differentiated and avoid duplication of effort, while maintaining cooperation with other PAs to improve access to relevant training opportunities across the I-REN counties.

²¹ "Putting California on the High Road: A Jobs and Climate Action Plan for 2030" California Workforce Development Board (CWDB). Prepared by the UC Berkeley Center for Labor Research and Education. June 2020. Available [online](#).

²² Energy Division & Program Administrator Energy Efficiency Evaluation, Measurement and Verification Plan FINAL 2019 – 2021 Version 10. California Public Utilities Commission, Energy Division. December 30, 2020. Available [online](#).

Appendix A: CPUC Checklist

Table A-1. CPUC Checklist with I-REN Notes

Map to NRDC Compilation Document	Business Plan Element	I-REN Notes / Indicate Complete
New Requirements for BP Motion per D.19-12-021		Ch. 1: Portfolio Summary
	<i>Represent more than one LG</i>	About I-REN, page 1.4-1.6
	<i>Present BP proposal at CAEECC</i>	Regulatory Requirements, page 1.19
BP must contain per D.19-12-021		Ch. 1: Portfolio Summary, Appendices
	<i>New and Unique Value</i>	Providing Value, page 1.21
	<i>Governance Structure</i>	I-REN Organization, page 1.5
	<i>Letter of Commitment to Cooperate</i>	Appendix C: Letters of Commitment & Support
	<i>CAEECC & Other Stakeholder Feedback Resolution</i>	Appendix D: Stakeholder Input Resolution
	<i>Energy Savings Targets</i>	Goals & Budget, beginning page 1.27
	<i>Goals & Metrics</i>	Goals & Budget, beginning page 1.27
	<i>Benefits & Costs (TRC, PACT)</i>	Goals & Budget, beginning page 1.27
REN Activities Criteria		Ch. 1: Portfolio Summary
	<i>Meet at least one of three</i>	Regulatory Requirements, page 1.19
Portfolio Summary		Ch. 1: Portfolio Summary
0	Executive Summary	Ch. 1: Portfolio Summary
	<i>Company description</i>	About I-REN, page 1.4-1.6
	<i>Definition of market</i>	Definition of Market, page 1.7-1.14
	<i>Mission Statement</i>	I-REN Mission, page 1.3
	<i>Purpose of Business Plan</i>	Purpose of Business Plan, page 1.15
I.A.1, II.D.2	Overview	Ch. 1: Portfolio Summary
	<i>About EE/DSM</i>	Addressed throughout Business Plan
	<i>CA Energy Needs</i>	Supporting California's Energy Goals & Needs, page 1.17-1.18

Appendix A: CPUC Checklist

Map to NRDC Compilation Document	Business Plan Element	I-REN Notes / Indicate Complete
	<i>Regulatory Requirements</i>	Regulatory Requirements, page 1.19
	<i>Strategic Plan</i>	Supporting California's Energy Goals & Needs, page 1.17-1.18
	<i>Legislation (e.g., AB 758, SB 350, AB 802, AB 793)</i>	Supporting California's Energy Goals & Needs, page 1.17-1.18
	<i>IOUs/PAs/CPUC/etc. overall role</i>	Evolving from Past Cycles & I-REN's Role, page 1.26
I.A.2	<i>Broad socioeconomic and utility industry trends relevant to PA's EE programs (population, economics and markets, technology, environment/climate)</i>	Major Trends, page 1.23-1.25
I.B.1	<i>Vision (e.g., How PA thinks about and uses EE over next 10 years)</i>	I-REN Vision & Goals, page 1.6, and Evolving from Past Cycles & I-REN's Role, page 1.26
I.5	<i>Compare/contrast to past cycles</i>	Evolving from Past Cycles & I-REN's Role, page 1.26
I.B.2	Goals & Budget	Ch. 1: Portfolio Summary, 'Goals & Budget' Section
I.B.2 & I.C.2.a	<i>Energy Saving Goals</i>	Goals & Budget, beginning page 1.27
I.C.2.a	<i>Portfolio Budget (sector and portfolio level per xls checklist)</i>	Goals & Budget, beginning page 1.27
I.C.2.a, I.C.2.d	<i>Cost-effectiveness (sector and portfolio level per xls checklist)</i>	Goals & Budget, beginning page 1.27
I.C.2.b	<i>Explanation of Admin Budgets (e.g., Direct/Indirect Labor, Professional/Admin personnel)</i>	Goals & Budget, beginning page 1.27
I.C.2.c	<i>Explanation of accounting practices</i>	Goals & Budget, beginning page 1.27
I.C.3 and I.C.4	Intervention strategies (high level)	Ch. 1 Portfolio Summary, 'Intervention Strategies' Section
	<i>Overall issues/challenges/barriers</i>	Challenges & Barriers, page 1.34
	<i>High level summary of strategies and tools (e.g., AMI data, AB 802, procurement model, up/mid/downstream, etc.)</i>	Intervention Strategies, page 1.33
I.C.4; I.D	Solicitation plan	Ch. 1: Portfolio Summary, 'Solicitation Plan' Section
I.C.4	<i>Solicitation strategies/areas that could be SW</i>	Solicitation Plan, page 1.38
I.D; II.F	<i>Proposal for transitioning the majority of portfolios to be outsourced by the end of 2020.</i>	Solicitation Plan, page 1.38

Appendix A: CPUC Checklist

Map to NRDC Compilation Document	Business Plan Element	I-REN Notes / Indicate Complete
Sector Chapter (commercial, residential, public, agricultural, industrial, x-cutting)		Ch. 2: Public Sector, Ch. 3: Codes & Standards, and Ch. 4 Workforce Education & Training. See chapter subsections as indicated below.
II.A	Summary tables	
II.A	<i>Table with CE, TRC, PAC, emissions, savings, budget</i>	Sector Chapter: Budget and Metrics
I.C.7; II.E.1.b	<i>Metrics for sector</i>	Sector Chapter: Budget and Metrics
II.D	Market characterization (overview and market/gap and other analysis)	
II.D.1	<i>Electricity/NG</i>	Sector Chapter: Introduction/ Market Characterization
II.D.2	<i>State goals include acknowledgement of goals set by Strategic Plan, SB 350, AB758, guidance as appropriate)</i>	Ch. 1: Portfolio Summary, Supporting California's Energy Goals & Needs, page 1.17-1.18
II.D.3	<i>EE potential and goals</i>	Sector Chapter: Market Characterization
II.D.5	<i>Customer landscape (e.g., segments/subsegments, major end uses, participation rates, etc.)</i>	Sector Chapter: Market Characterization
II.D.6	<i>Major future trends that are key for the PA and its customers</i>	Sector Chapter: Major Trends
II.D.7	<i>Barriers to EE and other challenges to heightened EE (e.g., regulatory, market, data)</i>	Sector Chapter: Approach to Overcoming Barriers
II.2.a	Description of overarching approach to the sector	
	<i>Goals/strategies/approaches</i>	Sector Chapter: Introduction, Intervention Strategies and Objectives
I.C.6; I.D	<i>How portfolio meets Commission guidance</i>	Ch. 1: Portfolio Summary, Regulatory Requirements, page 1.19; addressed throughout Business Plan
II.C	<i>Description of how this chapter addresses the performance challenges/barriers</i>	Sector Chapter: Approach to Overcoming Barriers
I.C.4 a-c	Intervention strategies (detailed)	
II.D.2.a; II.E.3	<i>What specific strategies are being pursued (e.g., near, mid, long AND existing, modified, new)</i>	Sector Chapter: Intervention Strategies and Objectives
I [cmt with excerpt]	<i>Why specific strategies were chosen (e.g., ID current weaknesses, best practices, or other rationale to support choice)</i>	Sector Chapter: Intervention Strategies and Objectives
II.E.1.a; II.E.4	<i>How approaches advance goals discussed above</i>	Sector Chapter: Intervention Strategies and Objectives
I.C.4; I.E; II.D.4	<i>How strategies use lessons learned from past cycles and EM&V</i>	Sector Chapter: EM&V Considerations; Ch. 1: Portfolio Summary, Evolving from Past Cycles & I-REN's Role, page 1.26

Appendix A: CPUC Checklist

Map to NRDC Compilation Document	Business Plan Element	I-REN Notes / Indicate Complete
I	<i>How will interventions support/augment current approaches or solve challenges</i>	Sector Chapter: Approach to Overcoming Barriers, Intervention Strategies and Objectives
II.D.2	<i>Explanation for how these strategies address legislative mandates from AB 802, SB350, and AB 793, as well as other Commission directives for this sector, including strategic plan.</i>	Ch. 1: Portfolio Summary, Supporting California's Energy Goals & Needs, page 1.17-1.18
I.C.4	<i>Future expectations for intervention strategies</i>	Sector Chapter: Evolving Approach; Ch. 1: Portfolio Summary, Evolving from Past Cycles & I-REN's Role, page 1.26
I.C.1; II.E.6	<i>Description of pilots</i>	Sector Chapter: Anticipated Programs
II.F	<i>Key Partners</i>	Sector Chapter: Key Partners
I.C.5; I.D; II.B; II.C	Compare/contrast to past cycles	Sector Chapter: Evolving Approach; Ch. 1: Portfolio Summary, Evolving from Past Cycles & I-REN's Role, page 1.26
	<i>Budget changes as appropriate</i>	N/A
	<i>Modification to sector strategies</i>	N/A
	Cross-cutting (sector chapters and ME&O)	
II.E.2; II.H, II.K	<i>Program Administrator marketing and integration with SW MEO as applicable</i>	Sector Chapter: Marketing, Education & Outreach
II.E.5; II.H	<i>Workforce, education, and training</i>	Sector Chapter: Cross-Cutting & Coordinating Activities
II.H	<i>Emerging Technologies</i>	N/A
II.H	<i>Codes & Standards</i>	Sector Chapter: Cross-Cutting & Coordinating Activities
II.G	Cross PA and Offering Coordination	
II.G	<i>How strategies are coordination among regional PAs</i>	Sector Chapter: Intervention Strategies and Objectives, Key Partners, Cross-Cutting & Coordinating Activities
II.G	<i>Proposal of statewide program administrator/approaches for this sector</i>	N/A
II.G	<i>How the sector strategies are coordinated with statewide program activities</i>	Sector Chapter: Intervention Strategies and Objectives, Key Partners, Cross-Cutting & Coordinating Activities
II.G	<i>How are strategies coordinated with other state agencies and initiatives (e.g., AB 758)</i>	Sector Chapter: Intervention Strategies and Objectives, Key Partners, Cross-Cutting & Coordinating Activities
II.I	EM&V Considerations (statement of needs)	
II.I	<i>Data collection needs</i>	Sector Chapter: EM&V Considerations
II.I	<i>Anticipated study needs</i>	Sector Chapter: EM&V Considerations

Appendix A: CPUC Checklist

Map to NRDC Compilation Document	Business Plan Element	I-REN Notes / Indicate Complete
II.J	Demand Response	N/A
ED Guidance (p.8)	<i>How EE measures use up-to-date DR enabling technologies to be "DR ready"</i>	N/A
ED Guidance (p.8)	<i>How duplication of costs for ME&O, site visits, etc. is avoided for dual-purpose technologies</i>	N/A
ED Guidance (p.9)	<i>How strategies facilitate customer understanding of peak load, cost, and opportunities to reduce</i>	N/A
II.K	Residential Rate Reform	N/A
ED Guidance (p.9)	<i>How BPs will help reduce load during TOU periods</i>	N/A
ED Guidance (p.9)	<i>How BP will diminish barriers to load reduction during TOU periods</i>	N/A
ED Guidance (p.9)	<i>How strategies will provide info to customers and/or provide a tool to show how program may impact customer energy usage during different TOU periods</i>	N/A
ED Guidance (p.9)	<i>How strategies will analyze whether a customer may experience greater savings by switching to a different, opt-in TOU rate</i>	N/A
ED guidance (p.9)	<i>ME&O re: rate reform</i>	N/A
II.L	Integrated Demand Side Resources	N/A
II.M	Zero-Emission Vehicles (EVs)	N/A
II.N	EnergySavings Assistance (Multi-family Focused)	N/A
Appendices		
	<i>Additional Customer Data</i>	N/A
	<i>Cited research</i>	Appendix B: Public Sector Market Analysis
	<i>CAEECC stakeholder input resolution</i>	Appendix D: Stakeholder Input Resolution

Appendix B: Public Sector Market Analysis

Measure Selection and Savings Methodology

To estimate the energy savings for the I-REN Public Sector resource program, measures were selected based on their statewide availability as well as their viability towards a broad range of implementation opportunities.

The following categories of measures were identified as having high potential for application to the Public Sector, based on the specific application criteria listed.

Table B-1. Public Sector Measure Categories

Measure Category	Energy End Use
Plug loads	Exercise machines, tools, computers, office equipment, refrigerators, food prep equipment
Standard lighting	Virtually all indoor spaces except for specialty lighting listed below
Whole-Building HVAC	Likely to have rooftop unit or similar approach to HVAC; med-large buildings; may be in addition to or in lieu of central plant
Mechanical shop	Equipment plug loads, pumps /compressors /hydraulics, possibly high ventilation demand
High bay lighting	Assembly spaces, gyms, warehouses
Specialty Outdoor Lighting	Large parking areas, athletic fields, stadiums
Significant plumbing installation	High number of plumbing fixtures and subsequent demand for hot and cold water. Gyms, assembly spaces, airports, jails and prisons, commercial kitchens, large offices, etc.
Central plant	Pumps, boilers, chillers/cooling water
Gas appliances	Cooking and/or water heating equipment
High water heating loads	boilers/steam generators, heated pools, showers, laundering, ware washing, cooking, spa/sauna
Cooling-dominated HVAC loads	Assembly spaces, gyms, offices (typically), classrooms (typically), commercial kitchens, etc.
Water pumps	Pool, water treatment station, agricultural irrigation operations, hot water recirculation
Laboratories	Wet or dry. Depending on use may have high loads for: ventilation/exhaust; space heating/cooling; refrigeration; plug loads; water heating/cooling. Other specialized loads may exist on case-by-case basis
Other specialty lighting	Theatrical lighting, greenhouses, others
Data Center	Dedicated server room for large data operations
High Exhaust or Ventilation Loads	Labs, industrial / commercial operations, some healthcare, etc.

Appendix B: Public Sector Market Analysis

Measure Category	Energy End Use
Process Loads from misc. equipment	Airport/jail security, airport baggage equipment, warehouse conveyances, etc.
Heating-dominated HVAC loads	Occupied spaces in CZs with seasonal heating
Water Heating Process Loads	For commercial / industrial use, distinct from water heating for restrooms /showers /pools
Process Cooling and Heating Loads	For commercial and industrial use.

Target implementation was then based on a market assessment of available target opportunities as well as implementation feasibility during the first few years of program implementation across a broad variety of facilities in the targeted area.

A broad measure mix was then assembled based on both implementation feasibility as well as energy savings yield for each of the previously mentioned categories, and year over year savings yield was computed based on implementation potential and target penetration.

Yearly projections reflect a gradual increase in program participation as well as a slight increase in implementation costs (2.2% based on average yearly inflation rate).

Appendix C: Letters of Commitment & Support

Over the last year I-REN has worked with Southern California Edison, Southern California Gas, and Southern California Regional Energy Network to identify ways to coordinate in the region and “minimize negative overlap that could lead to customer confusion or duplicative administrative costs.”¹

I-REN is proud to have received Letters of Commitment to Cooperate from Southern California Edison, Southern California Gas, and Southern California Regional Energy Network. In accordance with D.19-12-021, I-REN is filing these letters with its Business Plan application, to be followed by a Joint Cooperation Memo after business plan approval.

I-REN has also received numerous Letters of Support from cities, Riverside and San Bernardino county officials, Western Community Energy, and the Southern California Association of Governments. These letters are indicative of I-REN’s strong existing relationships in the region, built over many years through the work of WRCOG, CVAG, and SBCOG with the local jurisdictions they serve.

¹ D.19-12-021, p. 81, Findings of Fact paragraph 6.

Contents

Letters of Commitment to Cooperate from other Program Administrators:

- Southern California Edison (SCE)
- Southern California Gas (SoCalGas)
- Southern California Regional Energy Network (SoCalREN)

Letters of Support for I-REN:

- Regional, County, and other Organizations
 - Southern California Association of Governments (SCAG)
 - County of San Bernardino
 - County of Riverside Fourth District Supervisor
 - Western Community Energy
- WRCOG Member Cities
 - City of Banning
 - City of Canyon Lake
 - City of Eastvale
 - City of Jurupa Valley
 - City of Lake Elsinore
 - City of Menifee
 - City of Moreno Valley
 - City of Murrieta
 - City of Temecula
 - City of Wildomar
- CVAG Member Cities
 - City of Cathedral City
 - City of Indian Wells
 - City of Indio
 - City of La Quinta
 - City of Palm Springs
- SBCOG Member Jurisdictions
 - City of Chino
 - City of Chino Hills
 - City of Colton
 - City of Highland
 - City of Montclair
 - City of San Bernardino
 - City of Twentynine Palms
 - Town of Yucca Valley

Letters of Commitment to Cooperate

The following pages contain Letters of Commitment to Cooperate from Southern California Edison, Southern California Gas, and Southern California Regional Energy Network.

REGIONAL ENERGY NETWORK
LETTER OF COMMITMENT TO COOPERATE
BETWEEN
INLAND REGIONAL ENERGY NETWORK (I-REN)
AND
SOUTHERN CALIFORNIA EDISON COMPANY (SCE)

PURPOSE

The purpose of this Letter of Commitment to Cooperate is to make the initial clarifying statement to highlight the cooperation between Western Riverside Council of Governments (WRCOG), as lead implementer of Inland Regional Energy Network (I-REN), and Southern California Edison Company (SCE).

BACKGROUND

I-REN, on behalf of the Coachella Valley Association of Governments, San Bernardino Council of Governments, and WRCOG, hereby submits this Letter of Commitment to Cooperate pursuant I-REN's Business Plan proposal to the California Public Utilities Commission (Commission).

On December 5, 2019, the Commission adopted the Decision Regarding Frameworks for Energy Efficiency Regional Energy Networks and Market Transformation.¹ The decision authorizes the continued operation of existing RENs and invites new REN proposals as business plans to be filed with the Commission if they meet certain additional requirements as defined in this decision. These new requirements for new RENs include:

1. RENs will be required to demonstrate unique value in achieving state goals;
2. RENs will represent more than one local government entity;
3. RENs will coordinate with existing program administrators in their geographic area prior to filing their business plans;
4. RENs will vet their proposal with stakeholders through the California Energy Coordinating Committee (CAEECC);
5. RENs will explain their governance structure in their business plan filing.

Program Parameters

I-REN and SCE will coordinate on the following program sectors below:

Public

Workforce Education & Training

¹ D. 19-12-021

Codes & Standards

Terms

The term of the agreement shall be updated to initiate the development of the Joint Cooperation Memo if I-REN's Business Plan is approved by the Commission. Upon approval, I-REN and SCE will work together on finalizing the program parameters to minimize duplication and avoid customer confusion. The parties will also work to develop and submit a Joint Cooperation Memo outlining similar programs and methods for cooperation.

[Signatures on the following page]

SIGNATURE PAGE TO
LETTER OF COMMITMENT TO COOPERATE
BETWEEN
INLAND REGIONAL ENERGY NETWORK (I-REN)
AND
SOUTHERN CALIFORNIA EDISON (SCE)

IN WITNESS WHEREOF, the Parties hereto have made and executed this Letter of Commitment to Cooperate as of the date first written above.

WRCOG

Western Riverside Council of
Governments

By:  11/30/2020

Casey Dailey
Director of Energy & Environmental
Programs

SCE

Southern California Edison Company

By:  12/1/2020

Michael Bushey
Director, DSM Program Operations

REGIONAL ENERGY NETWORK
LETTER OF COMMITMENT TO COOPERATE
BETWEEN
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS AND
SOUTHERN CALIFORNIA GAS COMPANY

PURPOSE

Pursuant to California Public Utilities Commission (“CPUC” or “Commission”) Decision D.19-12-021 (“Decision”), the purpose of this Letter of Commitment to Cooperate is to make the initial clarifying statement to highlight the cooperation between Western Riverside Council of Government (“WRCOG”) as the Program Administrator (“PA”) of the Inland Regional Energy Network (“I-REN”) and Southern California Gas Company (“SoCalGas”), an Investor Owned Utility. The WRCOG on behalf of the Coachella Valley Association of Governments (“CVAG”), San Bernardino Council of Governments (“SBCOG”) and itself in the matter of forming and administering I-REN hereby submits this Letter of Commitment to Cooperate along with the I-RENs Business Plan proposal to the CPUC.

BACKGROUND

The Commission adopted the Decision on December 5, 2019. The Decision authorized the continued operation of all existing Regional Energy Networks (“RENs”) and invited proposals for new RENs to be filed with the Commission via a motion in the open energy efficiency rulemaking, if they meet certain additional requirements as defined in the Decision. The additional requirements for new RENs are as follows:

1. RENs will be required to demonstrate unique value in achieving state goals;
2. RENs will represent more than one local government entity;
3. RENs will coordinate with existing program administrators in their geographic area prior to filing their business plans;
4. RENs must vet their proposal with stakeholders through the California Energy Efficiency Coordinating Committee (“CAEECC”);
5. RENs must explain their REN governance structure in their business plan filing;
6. RENs must provide an estimate of benefits and costs according to the Total Resource Cost and Program Administer Cost Tests;
7. RENs must provide a proposed set of energy savings targets;
8. RENs must provide a proposed set of goals and metrics.

Program Coordination

WRCOG and SoCalGas will coordinate on the following program sectors:

Public

Workforce Education & Training

Codes & Standards

Working with other Program Administrators, WRCOG and SoCalGas will initiate the development of the Joint Cooperation Memo if I-REN's Business Plan is approved by the Commission. Upon approval, WRCOG and SoCalGas will work together along with other Program Administrators on finalizing the program parameters and coordination details for the final submittal of the Joint Cooperation Memo.

[Signatures on the following page]

SIGNATURE PAGE TO

LETTER OF COMMITMENT TO COOPERATE
BETWEEN
Western Riverside Council of Governments
AND
Southern California Gas Company

IN WITNESS WHEREOF, the Parties hereto have made and executed this Letter of Commitment to Cooperate as of the date first written above.

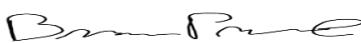
WRCOG

Investor Owned Utility

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

Southern California Gas Company

By: 
Casey Dailey
Director of Energy & Environmental Programs


By: Brian Prusnek
Director – Customer Programs &
Assistance

Date: 12/2/2020

Date: 11/25/2020

**SAN BERNARDINO COUNCIL OF GOVERNMENTS, COACHELLA VALLEY ASSOCIATION
OF GOVERNMENTS, WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AND
SOUTHERN CALIFORNIA REGIONAL ENERGY NETWORK (SoCalREN)**

LETTER OF COMMITMENT TO COOPERATE

PURPOSE

The purpose of this Letter of Commitment to Cooperate is to make an initial clarifying statement to highlight the cooperation between the Western Riverside Council of Governments, San Bernardino Council of Governments, and the Coachella Valley Association of Governments, and the Southern California Regional Energy Network (SoCalREN) in the implementation of a new proposed Regional Energy Network, Inland Regional Energy Network (I-REN), with overlapping territory in Riverside and San Bernardino Counties.¹

The Joint Parties submit this Letter of Commitment to Cooperate pursuant to the California Public Utilities Commission ("Commission") to Decision (D.) 19-12-021, Ordering Paragraph (OP) 2.²

BACKGROUND

On June 5, 2018, the Commission issued D.19-12-021, *Decision Regarding Frameworks For Energy Efficiency Regional Energy Networks and Market Transformation*, which adopted the guidelines for the continued operation of existing RENs and allows for the proposals of new RENs as business plans to be filed with the Commission. In addition, D.19-12-021 requires that any new REN proposals must include a "Letter of Commitment" to cooperate between each energy efficiency program administrator within the proposed overlapping service areas. Specifically, the directive states:

"[...], to ensure appropriate coordination with all other program administrators operating within the region that the new REN proposes to serve, we will require that initial "letters of commitment" to cooperate be included with the business plan proposal to the Commission. These "letters of commitment" will be necessarily higher level than JCMs required of existing administrators, as pointed out by WRCOG and SCE in comments on the proposed decision. But the "letters of commitment" from each of the other existing administrators in the prospective REN's geographic area should indicate that the prospective REN has coordinated with them, and that they have agreed to coordinate and cooperate to ensure no program conflicts, should the new REN proposal be approved by the Commission."³

DISCUSSION

Should the new I-REN proposal be approved by the Commission, the Joint Parties have agreed to coordinate and cooperate to ensure no program conflicts. The Joint Parties will coordinate their respective program offerings and resources to minimize duplicative offerings and work in an

¹ Hereto referred to as the "Joint Parties."

² D.19-12-021 at 88

³ Ibid., p. 22.

approach where collaboration will support efforts for services to remain complementary and supplemental to the markets' needs. The Joint Parties will work toward minimizing duplication of programs and provide choice amongst all offerings of Program Administrators allowing the customer to be the decision maker.

The Joint Parties will coordinate and cooperate as the market and program administration expands and gains new market actors. This approach is in the best interest of the customer providing a range of options to help them meet their energy efficiency goals.

[Signatures on the following page]

SIGNATURE PAGE TO

**SAN BERNARDINO COUNCIL OF GOVERNMENTS, COACHELLA VALLEY ASSOCIATION
OF GOVERNMENTS, WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AND
SOUTHERN CALIFORNIA REGIONAL ENERGY NETWORK (SoCalREN)
LETTER OF COMMITMENT TO COOPERATE**

IN WITNESS WHEREOF, the Parties hereto have made and executed this Letter of Commitment to Cooperate as of the date first written above.

INLAND REGIONAL ENERGY NETWORK

**SOUTHERN CALIFORNIA REGIONAL
ENERGY NETWORK**

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

COUNTY OF LOS ANGELES

By: *Casey Dailey*
[Casey Dailey \(Nov 23, 2020 10:22 PST\)](#)
Casey Dailey
Director of Energy & Environmental Programs
Western Riverside Council of Governments

Nov 23, 2020

By: *Minh Le*
[Minh Le \(Nov 23, 2020 09:21 PST\)](#)
Minh Le
General Manager
ISD- Environmental Energy Services
County of Los Angeles

Nov 23, 2020

Draft Letter of Commitment_SCR (SoCalREN Edits)_cd

Final Audit Report

2020-11-23

Created:	2020-11-23
By:	Minh Le (msle@isd.lacounty.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAPXJBpv245zstBFPgFr-H8Rn10_-Ngdlr

"Draft Letter of Commitment_SCR (SoCalREN Edits)_cd" History

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-  Document e-signed by Minh Le (msle@isd.lacounty.gov)
Signature Date: 2020-11-23 - 5:21:09 PM GMT - Time Source: server- IP address: 108.64.186.77- Signature captured from device with phone number XXXXXXXX7890
-  Document emailed to Casey Dailey (cdailey@wrcog.us) for signature
2020-11-23 - 5:21:10 PM GMT
-  Email viewed by Casey Dailey (cdailey@wrcog.us)
2020-11-23 - 5:22:10 PM GMT- IP address: 69.71.206.26
-  Document e-signed by Casey Dailey (cdailey@wrcog.us)
Signature Date: 2020-11-23 - 6:22:32 PM GMT - Time Source: server- IP address: 69.71.206.26
-  Agreement completed.
2020-11-23 - 6:22:32 PM GMT

Letters of Support

The following pages contain Letters of Support from cities, Riverside and San Bernardino county officials, and other regional organizations.



April 13, 2020

Mr. Rick Bishop
Executive Director
Western Riverside Council of Governments
3390 University Ave. #200
Riverside, CA 92501

RE: Letter of Support – CVAG, SBCOG, and WRCOG Regional Energy Network Development

SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017
T: (213) 236-1800
www.scag.ca.gov

REGIONAL COUNCIL OFFICERS

President
Bill Jahn, Big Bear Lake
First Vice President
Rex Richardson, Long Beach
Second Vice President
Clint Lorimore, Eastvale
Immediate Past President
**Alan D. Wapner, San Bernardino
County Transportation Authority**

COMMITTEE CHAIRS

Executive/Administration
Bill Jahn, Big Bear Lake
Community, Economic &
Human Development
**Peggy Huang, Transportation
Corridor Agencies**
Energy & Environment
Linda Parks, Ventura County
Transportation
Cheryl Viegas-Walker, El Centro

Dear Mr. Bishop:

On behalf of the Southern California Association of Governments, I would like to submit this letter of support for the Inland Regional Energy Network's (I-REN) application to the California Public Utilities Commission (CPUC) to become a REN Program Administrator of energy efficiency funds.

The Coachella Valley Association of Governments (CVAG), San Bernardino Council of Governments (SBCOG), and Western Riverside Council of Governments (WRCOG) have implemented energy efficiency programs and services locally in the combined regions of Riverside and San Bernardino Counties for nearly a decade. In this time, they have honed the skillsets, knowledge, and networks to identify and address the needs of their constituents. The member agencies have a deep familiarity with the Counties of Riverside and San Bernardino, their boards have elected officials and local government staff representation, and they are aware of the challenges and opportunities associated with the I-REN service territory's geographic arrangement and distance from major metropolitan areas.

Based on the member agencies' regional experience, I-REN proposes to provide services to market sectors including, but not limited to, the following three areas. I-REN's approach to serving these markets is detailed in the Sector Descriptions that accompany this letter.

1. **Public Sector:** Technical assistance support for municipal agencies looking to upgrade their community centers, libraries, cooling centers, and senior centers.
2. **Workforce Education & Training:** Partnership opportunities with local academia to develop and offer work force programs that can support high school / community college students with jobs in the field of energy efficiency.
3. **Codes and Standards:** Technical support to local contractors, city planning staff, and local planning firms to better understand the new energy efficiency building codes.

With the leadership of I-REN as a dedicated and regional community-focused Program Administrator, these sectors can benefit from improved energy efficiency in the public sector, increased compliance with codes and standards, and advancements in workforce development. I-REN brings the necessary local experience to continue and expand their

current work addressing the needs of underserved customers and ensuring affordable access to energy efficiency programs across the region.

We support I-REN's efforts and respectfully request that the CPUC give full and fair consideration to this important proposal.

Sincerely,

A handwritten signature in blue ink that reads "Kome Ajise". The signature is written in a cursive, flowing style. The first name "Kome" is written in a simple, slightly slanted cursive. The last name "Ajise" is more elaborate, with a large, looping 'A' and a trailing flourish.

Kome Ajise
Executive Director



County Administrative Office
Governmental & Legislative Affairs

Josh Candelaria
Director

April 14, 2020

RE: Inland Empire Regional Energy Network – SUPPORT

To whom it may concern:

The County of San Bernardino is pleased to support for the Inland Regional Energy Network (I-REN) application to the California Public Utilities Commission (CPUC) to become a REN Program Administrator of energy efficiency funds.

The County supports the efforts of I-REN application and its initiatives designed to fill gaps in existing program offerings from other providers, and provide technical assistance support for municipal agencies looking to upgrade community centers, libraries, senior centers, cooling centers and daycare centers. In addition this initiative that will work with local building departments to offer support and training for compliance with the California Building Energy Efficiency Code and engage with building departments, local contractors, and regional construction firms through mentorships, education, and outreach activities; and the promotion of online resources and communities.

The final piece is a Workforce, Education and Training aimed to address the current limited number of qualified contractors providing energy efficiency services within the region. I-REN will identify partnership opportunities with local academia to develop and offer work force programs that can support high school, community college and occupational/technical school students with job opportunities in the field of energy efficiency.

I-REN brings the necessary local experience to continue and expand their current work addressing the needs of underserved customers and ensuring affordable access to energy efficiency programs across the region.

For the reasons listed above, the County supports Inland Regional Energy Network application. If you have any questions regarding the County's position, please contact Josh Candelaria, Governmental and Legislative Director, at 909 387-4821 or jcandelaria@sbcountry.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Curt Hagman".

Curt Hagman
Fourth District Supervisor
Chair, San Bernardino County Board of Supervisors

BOARD OF SUPERVISORS

ROBERT A. LOVINGOOD
First District

JANICE RUTHERFORD
Second District

DAWN ROWE
Third District

CURT HAGMAN
Chairman, Fourth District

JOSIE GONZALES
Vice Chair, Fifth District

Gary McBride
Chief Executive Officer

County of Riverside

RIVERSIDE OFFICE:
4080 Lemon Street, 5th Floor
Riverside, CA 92502-1647
(951) 955-1040
Fax (951) 955-2194



DISTRICT OFFICE/MAILING ADDRESS
73-710 Fred Waring Drive, Suite 222
Palm Desert, CA 92260-2574
(760) 863-8211
Fax (760) 863-8905

SUPERVISOR V. MANUEL PEREZ FOURTH DISTRICT

October 5, 2020

RE: Letter of Support for Inland Regional Energy Network

To Whom It May Concern:

I am pleased to provide this letter of support for the Inland Regional Energy Network (I-REN) in its application to the California Public Utilities Commission to become a REN Program Administrator of energy efficiency funds.

I support the efforts of I-REN and its member agencies – the Western Riverside Council of Governments, the Coachella Valley Association of Governments and the San Bernardino Council of Governments – as they pursue ongoing energy efficiency opportunities within the region, as well as their proposed I-REN program sector initiatives, including, but not limited to the following:

- **Public Sector:** This initiative is designed to fill gaps in existing program offerings from other providers, and provide technical assistance support for municipal agencies looking to upgrade community centers, libraries, senior centers, cooling centers and daycare centers. The I-REN approach is to connect energy efficiency with community resilience. Its service territory experiences harsh climate conditions in summer months, and communities benefit from these public gathering places that offer protection from extreme heat. This will fill a gap in current utility-delivered service offerings.
- **Codes and Standards (C&S):** Through this initiative, I-REN will work with local building departments to offer support and training for compliance with the California Building Energy Efficiency Code (Title 24). I-REN will engage with building department staff, local contractors and regional construction firms through mentorship, marketing, education and outreach (ME&O) activities; and the promotion of online resources and communities such as Energy Code Ace.

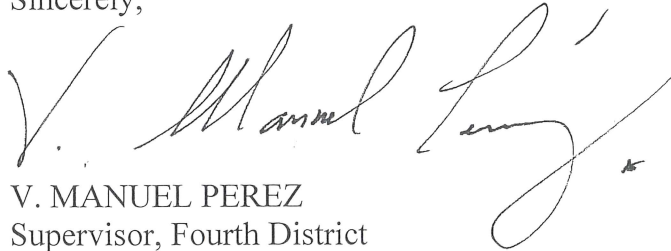
To Whom It May Concern
October 5, 2020
Page 2

- **Workforce, Education and Training (WE&T):** I-REN's WE&T initiatives aim to address the limited number of qualified contractors providing energy efficiency services within the region. I-REN will identify partnership opportunities with local educational institutions to develop and offer workforce programs that can support high school, community college and occupational/technical school students with job opportunities in the field of energy efficiency.

With the leadership of I-REN as a dedicated and regional community-focused Program Administrator, these sectors can benefit from improved energy efficiency in the public sector, increased compliance with codes and standards, and advancements in workforce development. I-REN brings the necessary local experience to continue and expand its current work addressing the needs of underserved customers and ensuring affordable access to energy efficiency programs across the region.

As supervisor for Riverside County's Fourth District, representing the eastern two-thirds of Riverside County, I respectfully offer my support of I-REN in its application to become a REN Program Administrator, and I look forward to collaborating with them in this important work.

Sincerely,

A handwritten signature in black ink, appearing to read "V. Manuel Perez", with a stylized flourish at the end.

V. MANUEL PEREZ
Supervisor, Fourth District

VMP:das

cc: Nils Strindberg, California Public Utilities Commission Energy Division



RESOLUTION NO. 2020-22

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
WESTERN COMMUNITY ENERGY
SUPPORTING SUBMITTAL OF A PROPOSAL TO THE CALIFORNIA PUBLIC
UTILITIES FOR SUPPORT OF THE I-REN BUSINESS PLAN**

WHEREAS, Senate Bill 350 (2015, De Leon) requires the State Energy Resources Conservation and Development Commission to establish annual targets for statewide energy efficiency savings and AB/SB 32 (2006, Pavley) further tasks the State Air Resources Board to ensure that statewide greenhouse gas emissions are reduced to 40% below the 1990 level by 2030; and

WHEREAS, the Inland Regional Energy Network Business Plan supports the goals of SB 350 and AB/SB32 by working with local governments and its communities to set energy efficiency saving targets and reduce its greenhouse gas emissions through current / new developed facilities; and

WHEREAS, the Executive Committee of the Western Riverside Council of Governments (WRCOG) has authorized WRCOG to submit a proposal for the Inland Regional Energy Network (I-REN) and WRCOG has requested that WCE support WRCOG's proposal; and

WHEREAS, a successful proposal for the I-REN will provide a funding opportunity to plan and further implement energy efficiency programs to local governments in the region of both Riverside and San Bernardino Counties.

NOW, THEREFORE, THE WESTERN COMMUNITY ENERGY BOARD OF DIRECTORS DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

1. That the Board of Directors supports WRCOG's proposal to the California Public Utilities Commission in pursuit of establishing an I-REN to offer energy efficiency services to local governments and the communities of Riverside and San Bernardino Counties.

PASSED AND ADOPTED by the Board of Directors on December 9, 2020.

Ben Benoit, Chairperson
Western Community Energy

Rick Bishop, Secretary
Western Community Energy

Approved as to form:

Steven DeBaun
Western Community Energy Legal Counsel

AYES: 6

NAYS: 0

ABSENT: 1

ABSTAIN: 0



City of Banning

Office of the City Manager

January 17, 2020

Rick Bishop
Executive Director
Western Riverside Council of Governments
3390 University Ave., Suite 200
Riverside, CA 92501

Subject: Letter of Support for CVAG, SBCOG, and WRCOG Regional Energy Network Development

Dear Mr. Bishop:

The City of Banning is pleased to support the development of a Regional Energy Network (REN) in partnership with the Western Riverside Council of Governments (WRCOG), Coachella Valley Association of Governments (CVAG) and the San Bernardino Council of Governments (SBCOG). We commit to supporting this initiative by actively assisting with identifying and engaging future energy projects, supporting outreach at existing community themed events, and providing ongoing feedback on how to continue to grow the programs for the REN.

We are eager to be involved and continue to learn more about the program areas as they are being developed. The City will support the program areas listed below for ongoing energy efficiency opportunities within the region:

1. Public: Technical assistance support for municipal agencies looking to upgrade their community centers, libraries, cooling centers, and senior centers.
2. Workforce Education & Training: Partnership opportunities with local academia to develop and offer work force programs that can support high school / community college students with jobs in the field of energy efficiency.
3. Codes & Standards: Technical support to local contractors, city planning staff, and local planning firms to better understand the new energy efficiency building codes.

With the recent California Public Utilities Commission approval on the future of RENs, we see this as a great opportunity to develop a REN within the Counties of Riverside and San Bernardino.

Please feel free to contact me at (951) 922-3104 or dschulze@banningca.gov should you have any questions.

Sincerely,

Douglas Schulze
City Manager



CITY OF CANYON LAKE

February 27, 2020

Rick Bishop
Executive Director
Western Riverside Council of Governments
3390 University Ave., Suite 200
Riverside, CA 92501

Subject: Letter of Support for CVAG, SBCOG, and WRCOG Regional Energy Network Development

Dear Mr. Bishop:

The City of Canyon Lake is pleased to support the development of a Regional Energy Network (REN) in partnership with the Western Riverside Council of Governments (WRCOG), Coachella Valley Association of Governments (CVAG) and the San Bernardino Council of Governments (SBCOG). We commit to supporting this initiative by actively assisting with identifying and engaging future energy projects, supporting outreach at existing community themed events, and providing ongoing feedback on how to continue to grow the programs for the REN.

We are eager to be involved and continue to learn more about the program areas as they are being developed. The City will support the program areas listed below for ongoing energy efficiency opportunities within the region:

1. Public: Technical assistance support for municipal agencies looking to upgrade their community centers, libraries, cooling centers, and senior centers.
2. Workforce Education & Training: Partnership opportunities with local academia to develop and offer work force programs that can support high school / community college students with jobs in the field of energy efficiency.
3. Codes & Standards: Technical support to local contractors, city planning staff, and local planning firms to better understand the new energy efficiency building codes.

With the recent California Public Utilities Commission approval on the future of RENs, we see this as a great opportunity to develop a REN within the Counties of Riverside and San Bernardino.

Please feel free to contact me at (951) 246-2025 or chrismann@cityofcanyonlake.com should you have any questions.

Sincerely,

Chris Mann
City Manager



CITY OF EASTVALE

12363 Limonite Avenue | Suite 910 | Eastvale, CA 91752
951.361.0900

January 28, 2020

Rick Bishop
Executive Director
Western Riverside Council of Governments
3390 University Ave., Suite 200
Riverside, CA 92501

Subject: Letter of Support for CVAG, SBCOG, and WRCOG Regional Energy Network Development

Dear Mr. Bishop:

The City of Eastvale is pleased to support the development of a Regional Energy Network (REN) in partnership with the Western Riverside Council of Governments (WRCOG), Coachella Valley Association of Governments (CVAG) and the San Bernardino Council of Governments (SBCOG). We commit to supporting this initiative by actively assisting with identifying and engaging future energy projects, supporting outreach at existing community themed events and providing ongoing feedback on how to continue to grow the programs for the REN.

We are eager to be involved and continue to learn more about the program areas as they are being developed. The City will support the program areas listed below for ongoing energy efficiency opportunities within the region:

1. **Public:** Technical assistance support for municipal agencies looking to upgrade their community centers, libraries, cooling centers, and senior centers.
2. **Workforce Education & Training:** Partnership opportunities with local academia to develop and offer workforce programs that can support high school/community college students with jobs in the field of energy efficiency.
3. **Codes & Standards:** Technical support to local contractors, city planning staff, and local planning firms to better understand the new energy efficiency building codes.

With the recent California Public Utilities Commission approval on the future of RENs, we see this as a great opportunity to develop a REN within the Counties of Riverside and San Bernardino.

Please feel free to contact me at (951) 703-4425 or ggibson-williams@eastvaleca.gov should you have any questions.

Sincerely,

Gina Gibson-Williams
Community Development Director

City of Jurupa Valley

Anthony Kelly, Jr. Mayor, Lorena Barajas Mayor Pro Tem,
Micheal Goodland, Council Member, Chris Barajas, Council Member, Brian Berkson, Council Member

Rick Bishop
Executive Director
Western Riverside Council of Governments
3390 University Ave., Suite 200
Riverside, CA 92501

Subject: Letter of Support for CVAG, SBCOG, and WRCOG Regional Energy Network Development

Dear Mr. Bishop:

The City of Jurupa Valley is pleased to support the development of a Regional Energy Network (REN) in partnership with the Western Riverside Council of Governments (WRCOG), Coachella Valley Association of Governments (CVAG) and the San Bernardino Council of Governments (SBCOG). We commit to supporting this initiative by actively assisting with identifying and engaging future energy projects, supporting outreach at existing community themed events, and providing ongoing feedback on how to continue to grow the programs for the REN.

We are eager to be involved and continue to learn more about the program areas as they are being developed. The City will support the program areas listed below for ongoing energy e opportunities within the region:

1. Public: Technical assistance support for municipal agencies looking to upgrade their community centers, libraries, cooling centers, and senior centers.
2. Workforce Education & Training: Partnership opportunities with local academia to develop and offer work force programs that can support high school / community college students with jobs in the field of energy efficiency.
3. Codes & Standards: Technical support to local contractors, city planning staff, and local planning firms to better understand the new energy efficiency building codes.

With the recent California Public Utilities Commission approval on the future of RENs, we see this as a great opportunity to develop a REN within the Counties of Riverside and San Bernardino.

Please feel free to contact me at (951) 332-6464 or rbutler@jurupavalley.org should you have any questions.

Sincerely,



Rod Butler
City Manager

8930 Limonite Ave., Jurupa Valley, CA 92509-5183
Phone: (951) 332-6464, FAX (951) 332-6995
www.jurupavalley.org



January 22, 2020

Rick Bishop
Executive Director
Western Riverside Council of Governments
3390 University Ave., Suite 200
Riverside, CA 92501

Subject: Letter of Support for CVAG, SBCOG, and WRCOG Regional
Energy Network Development

Dear Mr. Bishop:

The City of Lake Elsinore is pleased to support the development of a Regional Energy Network (REN) in partnership with the Western Riverside Council of Governments (WRCOG), Coachella Valley Association of Governments (CVAG) and the San Bernardino Council of Governments (SBCOG). We commit to supporting this initiative by actively assisting with identifying and engaging future energy projects, supporting outreach at existing community themed events, and providing ongoing feedback on how to continue to grow the programs for the REN.

We are eager to be involved and continue to learn more about the program areas as they are being developed. The City will support the program areas listed below for ongoing energy efficiency opportunities within the region:

1. Public: Technical assistance support for municipal agencies looking to upgrade their community centers, libraries, cooling centers, and senior centers.
2. Workforce Education & Training: Partnership opportunities with local academia to develop and offer work force programs that can support high school/community college students with jobs in the field of energy efficiency.
3. Codes & Standards: Technical support to local contractors, city planning staff, and local planning firms to better understand the new energy efficiency building codes.

With the recent California Public Utilities Commission approval on the future of RENs, we see this as a great opportunity to develop a REN within the Counties of Riverside and San Bernardino.

Please feel free to contact me at (951) 674-3124, ext 204 or gyates@lake-elsinore.org should you have any questions.

Sincerely,

Grant Yates, City Manager
CC: Lake Elsinore City Council

951.674.3124

130 S. MAIN STREET

LAKE ELSINORE, CA 92530

WWW.LAKE-ELSINORE.ORG

January 21, 2020

Rick Bishop
Executive Director
Western Riverside Council of Governments
3390 University Ave., Suite 200
Riverside, CA 92501

Subject: Letter of Support for CVAG, SBCOG, and WRCOG Regional Energy Network Development

Dear Mr. Bishop:

The City of Menifee is pleased to support the development of a Regional Energy Network (REN) in partnership with the Western Riverside Council of Governments (WRCOG), Coachella Valley Association of Governments (CVAG) and the San Bernardino Council of Governments (SBCOG). We commit to supporting this initiative by actively assisting with identifying and engaging future energy projects, supporting outreach at existing community themed events, and providing ongoing feedback on how to continue to grow the programs for the REN.

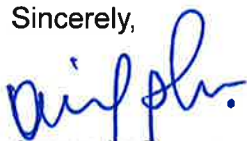
We are eager to be involved and continue to learn more about the program areas as they are being developed. The City will support the program areas listed below for ongoing energy efficiency opportunities within the region:

1. **Public:** Technical assistance support for municipal agencies looking to upgrade their community centers, libraries, cooling centers, and senior centers.
2. **Workforce Education & Training:** Partnership opportunities with local academia to develop and offer workforce programs that can support high school / community college students with jobs in the field of energy efficiency.
3. **Codes & Standards:** Technical support to local contractors, City Planning staff, and local Planning firms to better understand the new energy efficiency Building Codes.

With the recent California Public Utilities Commission approval on the future of RENs, we see this as a great opportunity to develop a REN within the Counties of Riverside and San Bernardino.

Please feel free to contact me at (951) 723-3700 or avilla@cityofmenifee.us should you have any questions.

Sincerely,



Armando G. Villa
City Manager



City Manager's Office
14177 Frederick Street
P. O. Box 88005
Moreno Valley CA 92552-0805
Telephone: 951.413.3020

February 4, 2020

Rick Bishop
Executive Director
Western Riverside Council of Governments
3390 University Ave., Suite 200
Riverside, CA 92501

Subject: Letter of Support for CVAG, SBCOG and WRCOG Regional Energy Network Development

Dear Mr. Bishop:

The City of Moreno Valley is pleased to support the development of a Regional Energy Network (REN) in partnership with the Western Riverside Council of Governments (WRCOG), Coachella Valley Association of Governments (CVAG) and the San Bernardino Council of Governments (SBCOG). We commit to supporting this initiative by actively assisting with identifying and engaging future energy projects, supporting outreach at existing community themed events, and providing ongoing feedback on how to continue to grow the programs for the REN.

We are eager to be involved and continue to learn more about the program areas as they are being developed. The City will support the program areas listed below for ongoing energy efficiency opportunities within the region:

1. Public: Technical assistance support for municipal agencies looking to upgrade their community centers, libraries, cooling centers, and senior centers.
2. Workforce Education & Training: Partnership opportunities with local academia to develop and offer work force programs that can support high school / community college students with jobs in the field of energy efficiency.
3. Codes & Standards: Technical support to local contractors, city planning staff, and local planning firms to better understand the new energy efficiency building codes.

With the recent California Public Utilities Commission approval on the future of RENs, we see this as a great opportunity to develop a REN within the Counties of Riverside and San Bernardino.

If you have any questions, please feel free to contact me at 951-413-3020 or citymanager@moval.org.

Sincerely,

A handwritten signature in black ink that reads "Mike Lee". The signature is written in a cursive, slightly slanted style.

Mike Lee
Interim City Manager



CITY OF MURRIETA

January 21, 2020

Rick Bishop
Executive Director
Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501

RE: Letter of Support for CVAG, SBCOG, and WRCOG Regional Energy Network Development

Dear Mr. Bishop:

The City of Murrieta is pleased to support the development of a Regional Energy Network (REN) in partnership with the Western Riverside Council of Governments (WRCOG), Coachella Valley Association of Governments (CVAG) and the San Bernardino Council of Governments (SBCOG). We commit to supporting this initiative by actively assisting with identifying and engaging future energy projects.

We are eager to be involved and continue to learn more about the program areas as they are being developed. The City will support the program areas listed below for ongoing energy efficiency opportunities within the region:

1. Public: Technical assistance support for municipal agencies looking to upgrade their community centers, libraries, cooling centers, and senior centers.
2. Workforce Education & Training: Partnership opportunities with local academia to develop and offer work force programs that can support high school / community college students with jobs in the field of energy efficiency.
3. Codes & Standards: Technical support to local contractors, city planning staff, and local planning firms to better understand the new energy efficiency building codes.

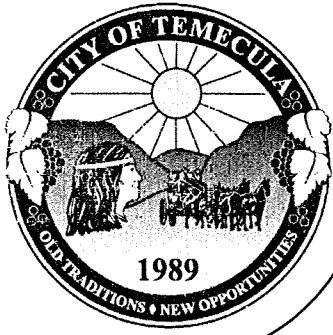
With the recent California Public Utilities Commission approval on the future of RENs, we see this as a great opportunity to develop a REN within the Counties of Riverside and San Bernardino.

Please feel free to contact me at (951) 461-6008 or KSummers@MurrietaCA.gov should you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kim S.", is positioned above the printed name of the signatory.

Kim Summers
City Manager



City of Temecula

City Council/City Manager
41000 Main Street • Temecula, CA 92590
Phone (951) 694-6444 • TemeculaCA.gov

January 28, 2020

Rick Bishop
Executive Director
Western Riverside Council of Governments
3390 University Ave., Suite 200
Riverside, CA 92501

**Subject: Letter of Support for CVAG, SBCOG, and WRCOG Regional
Energy Network Development**

Dear Mr. Bishop:

The City of Temecula is pleased to support the development of a Regional Energy Network (REN) in partnership with the Western Riverside Council of Governments (WRCOG), Coachella Valley Association of Governments (CVAG) and the San Bernardino Council of Governments (SBCOG). We commit to supporting this initiative by actively assisting with identifying and engaging future energy projects, supporting outreach at existing community themed events, and providing ongoing feedback on how to continue to grow the programs for the REN.

We are eager to be involved and continue to learn more about the program areas as they are being developed. The City will support the program areas listed below for ongoing energy efficiency opportunities within the region:

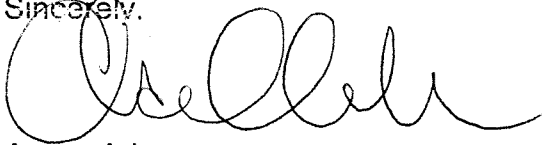
1. Public: Technical assistance support for municipal agencies looking to upgrade their community centers, libraries, cooling centers, and senior centers.
2. Workforce Education & Training: Partnership opportunities with local academia to develop and offer work force programs that can support high school / community college students with jobs in the field of energy efficiency.
3. Codes & Standards: Technical support to local contractors, city planning staff, and local planning firms to better understand the new energy efficiency building codes.

Rick Bishop
Executive Director
January 28, 2020
Page 2

With the recent California Public Utilities Commission approval on the future of RENs, we see this as a great opportunity to develop a REN within the Counties of Riverside and San Bernardino.

Please feel free to contact me or our Public Works Director, Patrick Thomas at 951-506-5163 or Patrick.thomas@temeculaca.gov should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Adams', written over the word 'Sincerely,'.

Aaron Adams
City Manager

cc: Greg Butler, Assistant City Manager
Patrick Thomas, Public Works Director
Luke Watson, Community Development Director

Dustin Nigg, Mayor, Dist. 2
Bridgette Moore, Mayor Pro Tem, Dist. 4
Ben J. Benoit, Council Member, Dist. 1
Joseph Morabito Council Member, Dist. 3
Marsha Swanson, Council Member, Dist. 5



23873 Clinton Keith Rd, Ste 201
Wildomar, CA 92595
951.677.7751 Phone
951.698.1463 Fax
www.CityofWildomar.org

October 12, 2020

Rick Bishop
Executive Director
Western Riverside Council of Governments
3390 University Ave. #200
Riverside, CA 92501

Subject: Letter of Support for CVAG, SBCOG, and WRCOG Regional Energy Network Development

Dear Mr. Bishop:

The City of Wildomar is pleased to support the development of a Regional Energy Network (REN) in partnership with the Western Riverside Council of Governments (WRCOG), Coachella Valley Association of Governments (CVAG) and the San Bernardino Council of Governments (SBCOG). We commit to supporting this initiative by actively assisting with identifying and engaging future energy projects, supporting outreach at existing community themed events, and providing ongoing feedback on how to continue to grow the programs for the REN.

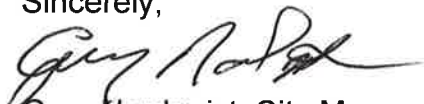
We are eager to be involved and continue to learn more about the program areas as they are being developed. The City will support the program areas listed below for ongoing energy efficiency opportunities within the region:

1. Public: Technical assistance support for municipal agencies looking to upgrade their community centers, libraries, cooling centers, and senior centers.
2. Workforce Education & Training: Partnership opportunities with local academia to develop and offer work force programs that can support high school / community college students with jobs in the field of energy efficiency.
3. Codes & Standards: Technical support to local contractors, city planning staff, and local planning firms to better understand the new energy efficiency building codes.

With the recent California Public Utilities Commission approval on the future of RENs, we see this as a great opportunity to develop a REN within the Counties of Riverside and San Bernardino.

Please feel free to contact me at 951-677-7751 x209 or gnordquist@cityofwildomar.org should you have any questions.

Sincerely,


Gary Nordquist, City Manager



September 28, 2020

Subject: Letter of Support for Inland Regional Energy Network

To whom it may concern:

The City of Cathedral City is pleased to provide this letter of support for the Inland Regional Energy Network (I-REN) in submitting an application to the California Public Utilities Commission (CPUC) to become a REN Program Administrator of energy efficiency funds.

The City of Cathedral City supports the efforts of I-REN and its member agencies of Western Riverside Council of Governments, Coachella Valley Association of Governments, and San Bernardino Council of Governments with their ongoing energy efficiency opportunities within the region, as well as their proposed I-REN program sector initiatives, including but not limited to the following;

- **Public Sector:** Initiatives are designed to fill gaps in existing program offerings from other providers, and provide technical assistance support for municipal agencies looking to upgrade community centers, libraries, senior centers, cooling centers and daycare centers. The I-REN approach is to connect energy efficiency with community resilience. Its service territory experiences harsh climate conditions in summer months, and communities benefit from these public gathering places that offer protection from extreme heat. This will fill a gap in current utility-delivered service offerings.
- **Codes and Standards (C&S):** Through this initiative, I-REN will work with local building departments to offer support and training for compliance with the California Building Energy Efficiency Code (Title 24). I-REN will engage with building department staff, local contractors, and regional construction firms through mentorship; marketing, education, and outreach (ME&O) activities; and the promotion of online resources and communities such as Energy Code Ace.
- **Workforce, Education and Training (WE&T):** I-REN's WE&T initiatives aim to address the limited number of qualified contractors providing energy efficiency services within the region. I-REN will identify partnership opportunities with local academia to develop and offer workforce programs that can support high school, community college and occupational/technical school students with job opportunities in the field of energy efficiency.

With the leadership of I-REN as a dedicated and regional community-focused Program Administrator, these sectors can benefit from improved energy efficiency in the public sector, increased compliance

with codes and standards, and advancements in workforce development. I-REN brings the necessary local experience to continue and expand their current work addressing the needs of underserved customers and ensuring affordable access to energy efficiency programs across the region.

We respectfully offer our enthusiastic support of I-REN in its application to become a REN Program Administrator, and we are excited to collaborate with them in this important work.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Aguilar". The signature is fluid and cursive, with the first name "John" and last name "Aguilar" clearly distinguishable.

John Aguilar
Mayor
City of Cathedral City

cc. Nils Strindberg, CPUC Energy Division



October 2, 2020

Subject: Letter of Support for Inland Regional Energy Network

To whom it may concern:

The City of Indian Wells is pleased to provide this letter of support for the Inland Regional Energy Network (I-REN) in submitting an application to the California Public Utilities Commission (CPUC) to become a REN Program Administrator of energy efficiency funds.

The City of Indian Wells supports the efforts of I-REN and its member agencies of Western Riverside Council of Governments, Coachella Valley Association of Governments, and San Bernardino Council of Governments with their ongoing energy efficiency opportunities within the region, as well as their proposed I-REN program sector initiatives, including but not limited to the following;

- **Public Sector:** Initiatives are designed to fill gaps in existing program offerings from other providers, and provide technical assistance support for municipal agencies looking to upgrade community centers, libraries, senior centers, cooling centers and daycare centers. The I-REN approach is to connect energy efficiency with community resilience. Its service territory experiences harsh climate conditions in summer months, and communities benefit from these public gathering places that offer protection from extreme heat. This will fill a gap in current utility-delivered service offerings.
- **Codes and Standards (C&S):** Through this initiative, I-REN will work with local building departments to offer support and training for compliance with the California Building Energy Efficiency Code (Title 24). I-REN will engage with building department staff, local contractors, and regional construction firms through mentorship; marketing, education, and outreach (ME&O) activities; and the promotion of online resources and communities such as Energy Code Ace.
- **Workforce, Education and Training (WE&T):** I-REN's WE&T initiatives aim to address the limited number of qualified contractors providing energy efficiency services within the region. I-REN will identify partnership opportunities with local academia to develop and offer workforce programs that can support high school, community college and occupational/technical school students with job opportunities in the field of energy efficiency.

With the leadership of I-REN as a dedicated and regional community-focused Program Administrator, these sectors can benefit from improved energy efficiency in the public sector, increased compliance with codes and standards, and advancements in workforce development. I-REN brings the necessary local experience to continue and expand their current work addressing the needs of underserved customers and ensuring affordable access to energy efficiency programs across the region.

We respectfully offer our enthusiastic support of I-REN in its application to become a REN Program Administrator, and we are excited to collaborate with them in this important work.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Ty Peabody', with a large, stylized initial 'T' and a long horizontal stroke extending to the right.

Ty Peabody
Mayor
City of Indian Wells

cc. Nils Strindberg, CPUC Energy Division

February 13, 2020



Subject: Letter of Support for Inland Regional Energy Network

To whom it may concern:

The City of Indio is pleased to provide this letter of support for the Inland Regional Energy Network (I-REN) in submitting an application to the California Public Utilities Commission (CPUC) to become a REN Program Administrator of energy efficiency funds.

Indio supports the efforts of I-REN and its member agencies of Western Riverside Council of Governments, Coachella Valley Association of Governments, and San Bernardino Council of Governments with their ongoing energy efficiency opportunities within the region, as well as their proposed I-REN program sector initiatives, including but not limited to the following;

- **Public Sector:** Initiatives are designed to fill gaps in existing program offerings from other providers, and provide technical assistance support for municipal agencies looking to upgrade community centers, libraries, senior centers, cooling centers and daycare centers. The I-REN approach is to connect energy efficiency with community resilience. Its service territory experiences harsh climate conditions in summer months, and communities benefit from these public gathering places that offer protection from extreme heat. This will fill a gap in current utility-delivered service offerings.
- **Codes and Standards (C&S):** Through this initiative, I-REN will work with local building departments to offer support and training for compliance with the California Building Energy Efficiency Code (Title 24). I-REN will engage with building department staff, local contractors, and regional construction firms through mentorship; marketing, education, and outreach (ME&O) activities; and the promotion of online resources and communities such as Energy Code Ace.
- **Workforce, Education and Training (WE&T):** I-REN's WE&T initiatives aim to address the limited number of qualified contractors providing energy efficiency services within the region. I-REN will identify partnership opportunities with local academia to develop and offer workforce programs that can support high school, community college and occupational/technical school students with job opportunities in the field of energy efficiency.

With the leadership of I-REN as a dedicated and regional community-focused Program Administrator, these sectors can benefit from improved energy efficiency in the public sector, increased compliance with codes and standards, and advancements in workforce development. I-REN brings the necessary local experience to continue and expand their current work addressing the needs of underserved customers and ensuring affordable access to energy efficiency programs across the region.

We respectfully offer our enthusiastic support of I-REN in its application to become a REN Program Administrator, and we are excited to collaborate with them in this important work.

Sincerely,



Glenn Miller
Mayor, City of Indio

cc. Nils Strindberg, CPUC Energy Division

September 30, 2020

Subject: Letter of Support for Inland Regional Energy Network

To Whom It May Concern:

The City of La Quinta is pleased to provide this letter of support for the Inland Regional Energy Network (I-REN) in submitting an application to the California Public Utilities Commission (CPUC) to become a REN Program Administrator of energy efficiency funds.

The City of La Quinta supports the efforts of I-REN and its member agencies of Western Riverside Council of Governments, Coachella Valley Association of Governments, and San Bernardino Council of Governments with their ongoing energy efficiency opportunities within the region, as well as their proposed I-REN program sector initiatives, including but not limited to the following;

- **Public Sector:** Initiatives are designed to fill gaps in existing program offerings from other providers, and provide technical assistance support for municipal agencies looking to upgrade community centers, libraries, senior centers, cooling centers and daycare centers. The I-REN approach is to connect energy efficiency with community resilience. Its service territory experiences harsh climate conditions in summer months, and communities benefit from these public gathering places that offer protection from extreme heat. This will fill a gap in current utility-delivered service offerings.
- **Codes and Standards (C&S):** Through this initiative, I-REN will work with local building departments to offer support and training for compliance with the California Building Energy Efficiency Code (Title 24). I-REN will engage with building department staff, local contractors, and regional construction firms through mentorship; marketing, education, and outreach (ME&O) activities; and the promotion of online resources and communities such as Energy Code Ace.
- **Workforce, Education and Training (WE&T):** I-REN's WE&T initiatives aim to address the limited number of qualified contractors providing energy efficiency services within the region. I-REN will identify partnership opportunities with local academia to develop and offer workforce programs that can support high school, community college and occupational/technical school students with job opportunities in the field of energy efficiency.

With the leadership of I-REN as a dedicated and regional community-focused Program Administrator, these sectors can benefit from improved energy efficiency in the public

sector, increased compliance with codes and standards, and advancements in workforce development. I-REN brings the necessary local experience to continue and expand their current work addressing the needs of underserved customers and ensuring affordable access to energy efficiency programs across the region.

We respectfully offer our enthusiastic support of I-REN in its application to become a REN Program Administrator, and we are excited to collaborate with them in this important work. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Linda Evans".

Linda Evans, Mayor
City of La Quinta

cc: La Quinta City Council
Nils Strindberg, CPUC Energy Division



City of Palm Springs

Office of the City Council

Mayor Geoff Kors • Mayor Pro Tem Christy Holstege

Lisa Middleton • Grace Garner • Dennis Woods

3200 E. Tahquitz Canyon Way • Palm Springs, California 92262

Tel: 760.323.8200 • Fax: 760.323.8207 • TDD 760.864.9527 • www.palmspringsca.gov

October 1, 2020

Subject: Letter of Support for Inland Regional Energy Network

To whom it may concern:

The City Council of the City of Palm Springs is pleased to provide this letter of support for the Inland Regional Energy Network (I-REN) in submitting an application to the California Public Utilities Commission (CPUC) to become a REN Program Administrator of energy efficiency funds.

We, the City Council of the City of Palm Springs, support the efforts of I-REN and its member agencies of Western Riverside Council of Governments, Coachella Valley Association of Governments, and San Bernardino Council of Governments with their ongoing energy efficiency opportunities within the region, as well as their proposed I-REN program sector initiatives, including but not limited to the following;

- **Public Sector:** Initiatives are designed to fill gaps in existing program offerings from other providers, and provide technical assistance support for municipal agencies looking to upgrade community centers, libraries, senior centers, cooling centers and daycare centers. The I-REN approach is to connect energy efficiency with community resilience. Its service territory experiences harsh climate conditions in summer months, and communities benefit from these public gathering places that offer protection from extreme heat. This will fill a gap in current utility-delivered service offerings.
- **Codes and Standards (C&S):** Through this initiative, I-REN will work with local building departments to offer support and training for compliance with the California Building Energy Efficiency Code (Title 24). I-REN will engage with building department staff, local contractors, and regional construction firms through mentorship; marketing, education, and outreach (ME&O) activities; and the promotion of online resources and communities such as Energy Code Ace.
- **Workforce, Education and Training (WE&T):** I-REN's WE&T initiatives aim to address the limited number of qualified contractors providing energy efficiency services within the region. I-REN will identify partnership opportunities with local academia to develop and offer workforce programs that can support high school, community college and occupational/technical school students with job opportunities in the field of energy efficiency.

Post Office Box 2743 • Palm Springs, California 92263-2743

October 1, 2020

Page 2

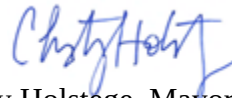
With the leadership of I-REN as a dedicated and regional community-focused Program Administrator, these sectors can benefit from improved energy efficiency in the public sector, increased compliance with codes and standards, and advancements in workforce development. I-REN brings the necessary local experience to continue and expand their current work addressing the needs of underserved customers and ensuring affordable access to energy efficiency programs across the region.

We respectfully offer our enthusiastic support of I-REN in its application to become a REN Program Administrator, and we are excited to collaborate with them in this important work.

Sincerely,



Geoff Kors, Mayor



Christy Holstege, Mayor Pro Tem



Lisa Middleton, Council Member



Dennis Woods, Council Member

cc. Nils Strindberg, CPUC Energy Division

EUNICE M. ULLOA
Mayor

TOM HAUGHEY
Mayor Pro Tem



MARK HARGROVE
MARC LUCIO
PAUL A. RODRIGUEZ Ed.D.
Council Members

MATTHEW C. BALLANTYNE
City Manager

CITY of CHINO

February 25, 2020

San Bernardino County
Transportation Authority
1170 West 3rd Street, 2nd Floor
San Bernardino, CA 92410

RE: Letter of Support for Inland Empire Regional Energy Network

To Whom it may concern:

The City of Chino (the "City") is pleased to provide this letter of support for the Inland Regional Energy Network (I-REN) in applying to the California Public Utilities Commission (CPUC) to become a REN Program Administrator of energy efficiency funds.

Additionally, the City supports I-REN and its member agencies with their ongoing energy efficiency opportunities along with their proposed I-REN program sector initiatives that include but are not limited to the following:

- **Public Sector:** Initiatives are designed to fill gaps in existing program offerings from other providers and provide technical support for municipal agencies looking to upgrade community centers, libraries, senior centers, cooling centers and daycare centers. The I-REN territory experiences extreme climate conditions in the summer; our communities will benefit from these public gathering places. Additionally, this will fill a gap in current utility-delivered service offerings.
- **Codes and Standards:** Through this initiative, I-REN will work with local building departments to offer support and training for compliance with the California Building Energy Efficiency Code (Title 24). I-REN will engage with building departments, local contractors, and regional construction firms through mentorships, education, outreach activities, and the promotion of online resources and communities.



- Workforce, Education and Training: I-REN's Workforce, Education and Training initiatives aim to address the current limited number of qualified contractors providing energy efficiency services within the region. I-REN will identify partnership opportunities with local academia to develop and offer work force programs that can support high school, community college and occupational/technical school students with job opportunities in the field of energy efficiency.

With I-REN as a dedicated and regional community-focused Program Administrator, these sectors can benefit from improved energy efficiency. I-REN brings the necessary local experience to continue and expand their current work in addressing the needs of underserved customers and ensuring affordable access to energy efficiency programs across the region. As such, we respectfully support I-REN in its application to become a REN Program Administrator.

Sincerely,



Matthew C. Ballantyne

City Manager

City of Chino

cc. Niles Strindberg, CPUC Energy Division



February 10, 2020

14000 City Center Drive
Chino Hills, CA 91709
(909) 364-2600

www.chinohills.org

San Bernardino Council of Governments
1170 West Third Street, Second Floor
San Bernardino, CA 92410

Subject: Letter of Support for Inland Empire Regional Energy Network

To whom it may concern:

The City of Chino Hills is pleased to provide this letter of support for the Inland Regional Energy Network (I-REN) in submitting an application to the California Public Utilities Commission (CPUC) to become a REN Program Administrator of energy efficiency funds.

Chino Hills supports the efforts of I-REN and its member agencies of San Bernardino Council of Governments, Western Riverside Council of Governments and Coachella Valley Association of Governments with their ongoing energy efficiency opportunities within the region, as well as their proposed I-REN program sector initiatives, including but not limited to the following:

- **Public Sector:** Initiatives are designed to fill gaps in existing program offerings from other providers, and provide technical assistance support for municipal agencies looking to upgrade community centers, libraries, senior centers, cooling centers and daycare centers. The I-REN territory experiences extreme climate conditions in the summer, and communities benefit from those public gathering places that offer protection from extreme heat. This will fill a gap in current utility-delivered service offerings.
- **Codes and Standards:** Through this initiative, I-REN will work with local building departments to offer support and training for compliance with the California Building Energy Efficiency Code (Title 24). I-REN will engage with building departments, local contractors, and regional construction firms through mentorships, education, and outreach activities, and the promotion of online resources and communities.
- **Workforce, Education and Training:** I-REN's Workforce, Education and Training initiatives aim to address the current limited number of qualified contractors providing energy efficiency services within the region. I-REN will identify partnership opportunities with local academia to develop and offer work force programs that can support high school, community college, and occupational/technical school students with job opportunities in the field of energy efficiency.

With the leadership of I-REN as a dedicated and regional community-focused Program Administrator, these sectors can benefit from improved energy efficiency. I-REN brings the necessary local experience to continue and expand their current work addressing the needs of underserved customers and ensuring affordable access to energy efficiency programs across the region.

We respectfully offer our enthusiastic support of I-REN in its application to become a REN Program Administrator, and we are excited to collaborate with them in this important work.

Sincerely,



Benjamin Montgomery
City Manager

BM:DB:SO:JM:dk

cc: Niles Strindberg, CPUC Energy Division
Daniel Bobadilla, P.E., Director of Public Works/ City Engineer
Sean O'Connor, Maintenance and Operations Manager
Jarrod Manual, Facilities Maintenance Supervisor



1-5-2021

Subject: Letter of Support for Inland Empire Regional Energy Network

To Whom it may concern::

The City of Colton is pleased to provide this letter of support for the Inland Regional Energy Network (I-REN) in submitting an application to the California Public Utilities Commission (CPUC) to become a REN Program Administrator of energy efficiency funds.

The City of Colton supports the efforts of I-REN and its member agencies of San Bernardino Council of Governments, Western Riverside Council of Governments and Coachella Valley Association of Governments with their ongoing energy efficiency opportunities within the region, as well as their proposed I-REN program sector initiatives, including but not limited to the following;

- **Public Sector:** Initiatives are designed to fill gaps in existing program offerings from other providers, and provide technical assistance support for municipal agencies looking to upgrade community centers, libraries, senior centers, cooling centers and daycare centers. The I-REN territory experiences extreme climate conditions in the summer, and communities benefit from those public gathering places that offer protection from extreme heat. This will fill a gap in current utility-delivered service offerings.
- **Codes and Standards:** Through this initiative, I-REN will work with local building departments to offer support and training for compliance with the California Building Energy Efficiency Code (Title 24). I-REN will engage with building departments, local contractors, and regional construction firms through mentorships, education, and outreach activities; and the promotion of online resources and communities.
- **Workforce, Education and Training:** I-REN's Workforce, Education and Training initiatives aim to address the current limited number of qualified contractors providing energy efficiency services within the region. I-REN will identify partnership opportunities with local academia to develop and offer work force programs that can support high school, community college and occupational/technical school students with job opportunities in the field of energy efficiency.

With the leadership of I-REN as a dedicated and regional community-focused Program Administrator, these sectors can benefit from improved energy efficiency. I-REN brings the necessary local experience to continue and expand their current work addressing the needs of underserved customers and ensuring affordable access to energy efficiency programs across the region.

We respectfully offer our enthusiastic support of I-REN in its application to become a REN Program Administrator, and we are excited to collaborate with them in this important work

Sincerely,

Jessica Sutorus
Environmental Conservation Supervisor
City of Colton

cc. CPUC Energy Division

CIVIC CENTER
650 N. LA CADENA DRIVE
COLTON, CA 92324
PH: (909) 370-5060
FX: (909) 370-5192
WEB: www.coltonca.gov

2-11-20

Subject: Letter of Support for Inland Empire Regional Energy Network

To Whom it may concern::

The City of Highland is pleased to provide this letter of support for the Inland Regional Energy Network (I-REN) in submitting an application to the California Public Utilities Commission (CPUC) to become a REN Program Administrator of energy efficiency funds.

The City of Highland supports the efforts of I-REN and its member agencies of San Bernardino Council of Governments, Western Riverside Council of Governments and Coachella Valley Association of Governments with their ongoing energy efficiency opportunities within the region, as well as their proposed I-REN program sector initiatives, including but not limited to the following:

- **Public Sector:** Initiatives are designed to fill gaps in existing program offerings from other providers, and provide technical assistance support for municipal agencies looking to upgrade community centers, libraries, senior centers, cooling centers and daycare centers. The I-REN territory experiences extreme climate conditions in the summer, and communities benefit from those public gathering places that offer protection from extreme heat. This will fill a gap in current utility-delivered service offerings.
- **Codes and Standards:** Through this initiative, I-REN will work with local building departments to offer support and training for compliance with the California Building Energy Efficiency Code (Title 24). I-REN will engage with building departments, local contractors, and regional construction firms through mentorships, education, and outreach activities; and the promotion of online resources and communities.
- **Workforce, Education and Training:** I-REN's Workforce, Education and Training initiatives aim to address the current limited number of qualified contractors providing energy efficiency services within the region. I-REN will identify partnership opportunities with local academia to develop and offer work force programs that can support high school, community college and occupational/technical school students with job opportunities in the field of energy efficiency.

With the leadership of I-REN as a dedicated and regional community-focused Program Administrator, these sectors can benefit from improved energy efficiency. I-REN brings the necessary local experience to continue and expand their current work addressing the needs of underserved customers and ensuring affordable access to energy efficiency programs across the region.

We respectfully offer our enthusiastic support of I-REN in its application to become a REN Program Administrator, and we are excited to collaborate with them in this important work

Sincerely,



Joseph Hughes
City Manager
City of Highland

cc. Niles Strindberg, CPUC Energy Division



January 25, 2021

Subject: Letter of Support for Inland Empire Regional Energy Network

To Whom it may concern:

The City of Montclair is pleased to provide this letter of support for the Inland Regional Energy Network (I-REN) in submitting an application to the California Public Utilities Commission (CPUC) to become a REN Program Administrator of energy efficiency funds.

The City of Montclair supports the efforts of I-REN and its member agencies of San Bernardino Council of Governments, Western Riverside Council of Governments and Coachella Valley Association of Governments with their ongoing energy efficiency opportunities within the region, as well as their proposed I-REN program sector initiatives.

With the leadership of I-REN as a dedicated and regional community-focused Program Administrator, these sectors can benefit from improved energy efficiency. I-REN brings the necessary local experience to continue and expand their current work addressing the needs of underserved customers and ensuring affordable access to energy efficiency programs across the region.

We respectfully support of I-REN in its application to become a REN Program Administrator, and we are excited to collaborate with them in this important work.

Sincerely,

Steve Stanton
Engineering Division Manager
City of Montclair

cc. CPUC Energy Division



City of
San Bernardino

Office of the City Manager | Robert D. Field, City Manager

January 7, 2021

Mr. Rick Bishop
Executive Director
Western Riverside Council of Governments
3390 University Ave. #200
Riverside, California 92501

Subject: Letter of Support for CVAG, SBCOG, and WRCOG Regional Energy
Network Development

Dear Mr. Bishop:

The City of San Bernardino supports the development of a Regional Energy Network (REN) in partnership with the Western Riverside Council of Governments (WRCOG), the Coachella Valley Association of Governments (CVAG) and the San Bernardino Council of Governments (SBCOG). We commit to supporting this initiative by actively assisting with identifying and engaging future energy projects, supporting outreach at existing community themed events, and providing ongoing feedback on how to continue to grow the programs for the REN.

We are prepared to be involved and continue to learn more about the program areas as they are being developed. The City will support the program areas listed below for ongoing energy efficiency opportunities within the region:

Public: Technical assistance support for municipal agencies looking to upgrade their community centers, libraries, cooling centers, and senior centers.

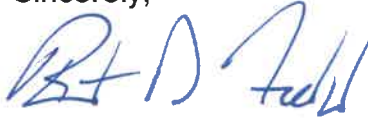
Workforce Education & Training: Partnership opportunities with local academia to develop and offer work force programs that can support high school / community college students with jobs in the field of energy efficiency.

Codes & Standards: Technical support to local contractors, city planning staff, and local planning firms to better understand the new energy efficiency building codes.

With the recent California Public Utilities Commission approval on the future of RENs, we appreciate the opportunity to develop a REN within the Counties of Riverside and San Bernardino.

Should you have any questions, please contact Kris Jensen, Director of Public Works, at (909) 384-5140 or Jensen_Kr@sbcity.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. D. Field".

Robert D. Field
City Manager

CITY OFFICES:
6136 ADOBE ROAD
TWENTYNINE PALMS, CA 92277
(760) 367-6799
Fax (760) 367-4890
www.29palms.org



COUNCILMEMBERS
Joel A. Klink, Mayor
Daniel L. Mintz, Sr., Mayor Pro Tem
Steven Bilderain
Karmollette O'Gilvie
McArthur Wright

CITY MANAGER
Frank J. Luckino, MPA

February 20, 2020

Subject: Letter of Support for Inland Empire Regional Energy Network

To Whom it may concern:

The City of Twentynine Palms is pleased to provide this letter of support for the Inland Regional Energy Network (I-REN) in submitting an application to the California Public Utilities Commission (CPUC) to become a REN Program Administrator of energy efficiency funds.

The City of Twentynine Palms supports the efforts of I-REN and its member agencies of San Bernardino Council of Governments, Western Riverside Council of Governments and Coachella Valley Association of Governments with their ongoing energy efficiency opportunities within the region, as well as their proposed I-REN program sector initiatives, including but not limited to the following:

- **Public Sector:** Initiatives are designed to fill gaps in existing program offerings from other providers and provide technical assistance support for municipal agencies looking to upgrade community centers, libraries, senior centers, cooling centers and daycare centers. The I-REN territory experiences extreme climate conditions in the summer, and communities benefit from those public gathering places that offer protection from extreme heat. This will fill a gap in current utility-delivered service offerings.
- **Codes and Standards:** Through this initiative, I-REN will work with local building departments to offer support and training for compliance with the California Building Energy Efficiency Code (Title 24). I-REN will engage with building departments, local contractors, and regional construction firms through mentorships, education, and outreach activities; and the promotion of online resources and communities.
- **Workforce, Education and Training:** I-REN's Workforce, Education and Training initiatives aim to address the current limited number of qualified contractors providing energy efficiency services within the region. I-REN will identify partnership opportunities with local academia to develop and offer work force programs that can support high school, community college and occupational/technical school students with job opportunities in the field of energy efficiency.

With the leadership of I-REN as a dedicated and regional community-focused Program Administrator, these sectors can benefit from improved energy efficiency. I-REN brings the necessary local experience to continue and expand their current work addressing the needs of underserved customers and ensuring affordable access to energy efficiency programs across the region.

We respectfully offer our enthusiastic support of I-REN in its application to become a REN Program Administrator, and we are excited to collaborate with them in this important work.

Sincerely,

A handwritten signature in blue ink, appearing to be 'F. Luckino', with a stylized, looping flourish.

Frank J. Luckino
City Manager
The City of Twentynine Palms

cc. Niles Strindberg, CPUC Energy Division

January 21, 2021

Subject: Letter of Support for Inland Empire Regional Energy Network

To Whom it may concern:

The Town of Yucca Valley is pleased to provide this letter of support for the Inland Regional Energy Network (I-REN) in submitting an application to the California Public Utilities Commission (CPUC) to become a REN Program Administrator of energy efficiency funds.

The Town of Yucca Valley supports the efforts of I-REN and its member agencies of San Bernardino Council of Governments, Western Riverside Council of Governments and Coachella Valley Association of Governments with their ongoing energy efficiency opportunities within the region, as well as their proposed I-REN program sector initiatives, including but not limited to the following;

- **Public Sector:** Initiatives are designed to fill gaps in existing program offerings from other providers, and provide technical assistance support for municipal agencies looking to upgrade community centers, libraries, senior centers, cooling centers and daycare centers. The I-REN territory experiences extreme climate conditions in the summer, and communities benefit from those public gathering places that offer protection from extreme heat. This will fill a gap in current utility-delivered service offerings.
- **Codes and Standards:** Through this initiative, I-REN will work with local building departments to offer support and training for compliance with the California Building Energy Efficiency Code (Title 24). I-REN will engage with building departments, local contractors, and regional construction firms through mentorships, education, and outreach activities, and the promotion of online resources and communities.
- **Workforce, Education and Training:** I-REN's Workforce, Education and Training initiatives aim to address the current limited number of qualified contractors providing energy efficiency services within the region. I-REN will identify partnership opportunities with local academia to develop and offer work force programs that can support high school, community college and occupational/technical school students with job opportunities in the field of energy efficiency.

With the leadership of I-REN as a dedicated and regional community-focused Program Administrator, these sectors can benefit from improved energy efficiency. I-REN brings the necessary local experience to continue and expand their current work addressing the needs of underserved customers and ensuring affordable access to energy efficiency programs across the region.



The Town of
Yucca Valley

57090 Twentynine Palms Highway • Yucca Valley, California 92284
760/369-7207 • Fax (760) 369-0626

We respectfully offer our enthusiastic support of I-REN in its application to become a REN Program Administrator, and we are excited to collaborate with them in this important work.

Sincerely,



Curtis Yakimow
Town Manager
Town of Yucca Valley

cc. Niles Strindberg, CPUC Energy Division

Appendix D: Stakeholder Input Resolution

Table D-1. CAEECC Issue Tracker with Stakeholder Feedback and I-REN Resolution Discussion

ID #	Chapter	Issue	I-REN Resolution Type	I-REN Resolution Discussion
1	Public	SoCalREN Suggested a more targeted focus on low income and disadvantaged communities. In particular, while San Bernardino has three of the most impoverished based on the last Census, the letters of support are from more affluent communities. Suggest ramping up engagement and marketing efforts to disadvantaged local governments and communities. Also, for Public Sector strategy, appreciate seeing SoCal REN strategies replicated – since a main purpose of RENs is to focus on hard-to-reach (HTR) communities.	Addressed in general section of BP or Testimony in Application; Deferred to Implementation Plan or Program Design Stage	I-REN intends to ensure engagement and service across the territory, particularly assisting those local governments who have been historically underserved or unable to access previous or current programs. Letters of support received to date are included in Appendix C of I-REN's Business Plan.
2	Public	BayREN Expressed an appreciation of the focus on governance, infrastructure, and coordination plan for statewide programs and other actors. Noted the plan looks well thought out. Plan speaks to one of the founding principles/needs of RENs: serving hard to reach communities. Acknowledged that certain activities such as Statewide Energy Efficiency Collaborative (SEEC) which were previously funded by IOUs, are especially important in current times of declining local government funding.	Deferred to Implementation Plan or Program Design Stage	I-REN intends to work with the other RENs to incorporate best practices and connect its local work with large state policy making efforts.

Appendix D: Stakeholder Input Resolution

ID #	Chapter	Issue	I-REN Resolution Type	I-REN Resolution Discussion
3	Public	Small Business Utility Advocates Agreed with comments on SEEC, HTR, and low-income considering local government and economic conditions are very strained. This business plan is 2021-2025; small-medium business (SMB) plans is listed under the future business plan; asked if programs be offered to them sooner.		This plan focuses on three sectors (Public, Workforce, Codes & Standards). For the future I-REN is looking towards SMB and residential, but the current focus is building a foundation before expanding. I-REN has had discussions on third party solicitations and is working on as many parallel paths as possible.
4	WE&T, Public	SoCalREN Noted possible duplicative resource program between WET and public sector. The third party solicitation is set to sail at the same time that I-REN's business plan is reviewed. Asked how avoided duplication is being ensured.	Addressed in Sector Chapter of BP	I-REN added a Resource program for the Public sector based on the suggestion from Commission staff. If it's duplicative, WRCOG can adjust as appropriate. I-REN does not see any duplication currently nor has any been brought up in discussions with current PAs.
5	WE&T	BayREN Suggested working with Sheet Metal Workers Union or other CAEECC Members on workforce metrics. Sheet Metal Workers Union Stated that IOUs and RENs must focus on cost-effectiveness, and sometimes miss contractors who have greater expertise in engaging disadvantaged communities; noted that they are happy to discuss further offline.	Addressed in Sector Chapter of BP	I-REN is interested in working with stakeholders and organizations to help inform and shape a successful workforce program. I-REN will incorporate a clear goal for engaging and serving disadvantaged communities through its workforce training and education program. See WE&T Strategies in Chapter 4: Workforce Education & Training.

Appendix D: Stakeholder Input Resolution

ID #	Chapter	Issue	I-REN Resolution Type	I-REN Resolution Discussion
6	WE&T	California Labor Management Cooperation Committee Offered to provide assistance on workforce and reaching disadvantaged communities.	Deferred to Implementation Plan or Program Design Stage	I-REN is interested in working with stakeholders and organizations to help inform and shape a successful workforce program.
7	WE&T	NRDC Suggested looking at the UC Berkeley Labor Center's recently released report on workforce demand and supply. NRDC's Bethany Jones was a witness for low-income workforce; can share a document that provides key solutions. RENs have more opportunities to explore strategies that IOU and MCE PAs need to comply with. 3C-REN Also offered support.	Deferred to Implementation Plan or Program Design Stage	See above.
8	WE&T	Sheet Metal Workers Local 104 Noted that slide 22 (goals and strategies) looks more like goals. Echoed comments on disadvantaged communities; wanted to see it incorporated into workforce offering. Noted that applying to building departments can be an issue, asked what the associated plan is.	Addressed in Sector Chapter of BP	I-REN will incorporate a clear goal for engaging and serving disadvantaged communities through its workforce training and education program. See WE&T Strategies in Chapter 4: Workforce Education & Training.

Appendix D: Stakeholder Input Resolution

ID #	Chapter	Issue	I-REN Resolution Type	I-REN Resolution Discussion
9	WE&T	Energy Division Asked what the synergy is between I-REN's workforce education training and the CPUC low income energy assistance programs, and if there's overlapping goals/duplication, how it is being addressed. BayREN BayREN's residential programs aren't income qualified. Have seen success with MCE's multifamily program, and we have case studies to show how we've layered the two programs. In sum, we work in partnership to provide a more holistic and higher incentive for low income SoCalREN SoCalREN's Workforce Education Program is nationally recognized. SoCalREN analyzed all programs, including IOU workforce education. Recommended to I-REN, and RENs at large, to continuously look for creative ways to offer value without duplication; programs must be customized so they don't duplicate. There are still significant gaps that RENs can fill.	Deferred to Implementation Plan or Program Design Stage	I-REN is interested in making sure that WET offerings serve and address the specific needs of San Bernardino and Riverside Counties' residents and businesses. I-REN will be laser focused on locally driven program elements that will help to ensure there is no duplication. One of the most important reasons for being a REN is to bring this localized approach to a community.

Appendix D: Stakeholder Input Resolution

ID #	Chapter	Issue	I-REN Resolution Type	I-REN Resolution Discussion
10	Multiple Sectors	Asked how I-REN is working to deal with overlap with existing programs in the relevant geographic area.	Addressed in general section of BP or Testimony in Application	I-REN has been in regular communication with SCE, SoCalGas and SoCalREN. The first strategy is to target any areas that haven't yet been touched, including disadvantaged communities, high desert, cities that haven't yet been engaged, and the Arizona and Nevada borders. If there is overlap, I-REN will ensure through coordinated efforts that there is no duplication of services.
12	NA	BayREN BayREN especially appreciated two aspects of the proposal: (1) Board oversight; and (2) Services to Tribes.	Addressed in general section of BP or Testimony in Application	I-REN appreciates these comments. I-REN's governance is described in the Portfolio Summary chapter and the approach to serving tribes is referenced throughout the Business Plan.

Appendix E: Acronyms & Abbreviations

AB	Assembly Bill
ACCA	Air Conditioning Contractors of America
AHJ	Authority Having Jurisdiction
AIA	American Institute of Architects
APWA	American Public Works Association
BOMA	Building Owners and Managers Association
BPI	Building Performance Institute
BSC	Building Standards Commission
BUC	Building Upgrade Concierge
C&S	Codes and Standards
CAISO (or ISO)	California Independent System Operator
CALBO	California Building Officials
CARB (or ARB)	California Air Resources Board
CBSC	California Building Standards Commission
CCA	Community Choice Aggregator
CCC	California Community Colleges
CDE	California Department of Education
CEA	California Energy Alliance
CEC	California Energy Commission
CEESP	California Energy Efficiency Strategic Plan
CEU	Continuing Education Unit
CO2	Carbon Dioxide
CPUC	California Public Utilities Commission
CSAC	California State Association of Counties
CSD	Community Services and Development

Appendix E: Acronyms & Abbreviations

CSI	California Solar Initiative
CSU	California State University
CVAG	Coachella Valley Association of Governments
DAC	Disadvantaged Community
DAS	Division of Apprenticeship Standards
DEER	Database for Energy Efficient Resources
DOE	U.S. Department of Energy
DOF	Department of Finance
DSM	Demand Side Management
EBEE	Existing Buildings Energy Efficiency
ED	California Public Utilities Energy Division
EE	Energy Efficiency
EIA	Energy Information Administration
EM&V	Evaluation, Measurement and Verification
ESCO	Energy Service Company
ET	Emerging Technology or Emerging Technologies
GHG	Greenhouse Gas
GWh	Gigawatt Hour
HERS	Home Energy Rating System
HVAC	Heating, Ventilation and Air Conditioning
ICC	International Code Council
IHACI	Institute of Heating and Air Conditioning Industries
IOU	Investor Owned Utility
kW	Kilowatt
kWh	Kilowatt Hour
LG	Local Government
LGP	Local Government Partnerships
ME&O	Marketing, Education and Outreach
MSA	Metropolitan Statistical Area

Appendix E: Acronyms & Abbreviations

MW	Megawatt
MWh	Megawatt Hour
NMEC	Normalized Metered Energy Consumption
NRDC	Natural Resources Defense Council
NREL	National Renewable Energy Laboratory
OPR	Governor's Office of Planning and Research
PA	Program Administrator
PACE	Property Assessed Clean Energy
PG&E	Pacific Gas and Electric Company
REN	Regional Energy Network
RFP	Request for Proposals
SB	Senate Bill
SBCOG	San Bernardino Council of Governments
SCE	Southern California Edison
SEP	Strategic Energy Plan
TRC	Total Resource Cost
WE&T	Workforce Education and Training
WIB	Workforce Investment Boards
WRCOG	Western Riverside Council of Governments
ZNE	Zero Net Energy

Item 6.A

I-REN Activities Update

Attachment 2

Letter of Support

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[Enter date]

Commissioner Marybel Batjer
California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102

Subject: Letter of Support for CVAG, SBCOG, and WRCOG Inland Regional Energy Network (I-REN) Business Plan

Dear President Batjer:

The [Insert Agency Name] is pleased to support the business plan of the Inland Regional Energy Network (I-REN) in partnership with the Western Riverside Council of Governments (WRCOG), Coachella Valley Association of Governments (CVAG) and the San Bernardino Council of Governments (SBCOG). We commit to supporting this initiative by actively assisting with identifying and engaging future energy projects, supporting outreach at existing community themed events, and providing ongoing feedback on how to continue to grow the programs for I-REN.

We see this program as a great opportunity to continue the growth and involvement of energy efficiency within the Inland Empire. The [Insert Agency Name] will support the program areas listed below for ongoing energy efficiency opportunities within the region:

1. Public: Technical assistance support for municipal agencies looking to upgrade their community centers, libraries, cooling centers, senior centers, and other city / local government facilities.
2. Workforce Education & Training: Partnership opportunities with local academia to develop and offer workforce programs that can support high school / community college students, trade workers, and aspiring students looking to work within the field of energy efficiency.
3. Codes & Standards: Technical support to local contractors, city planning staff, and local planning firms to better understand the new energy efficiency building codes.

With the California Public Utilities Commission approval on the future of RENs, we see this as a great opportunity to have another REN formed within the Counties of Riverside and San Bernardino. We are eager to be involved and look forward to collaborating with I-REN in the foreseeable future.

Please feel free to contact me at (XXX) XXX-XXXX or [enter email] should you have any questions.

Sincerely,

Name
City Manager / Director

Cc: Commissioner Genevieve Shiroma

Commissioner Martha Guzman Aceves
Commissioner Clifford Rechtschaffen
Commissioner Darcie Houck

DRAFT



Western Riverside Council of Governments

Administration & Finance Committee

Staff Report

Subject: A Look Forward for Fiscal Year 2021/2022

Contact: Andrew Ruiz, Chief Financial Officer, aruiz@wrcog.us, (951) 405-6741

Date: April 14, 2021

The purpose of this item is to provide information on WRCOG's financial performance through the first half of the fiscal year and a look into the Fiscal Year (FY) 2021/2022 Agency Budget.

Requested Action:

1. Receive and file.

Current Overall Financial Outlook

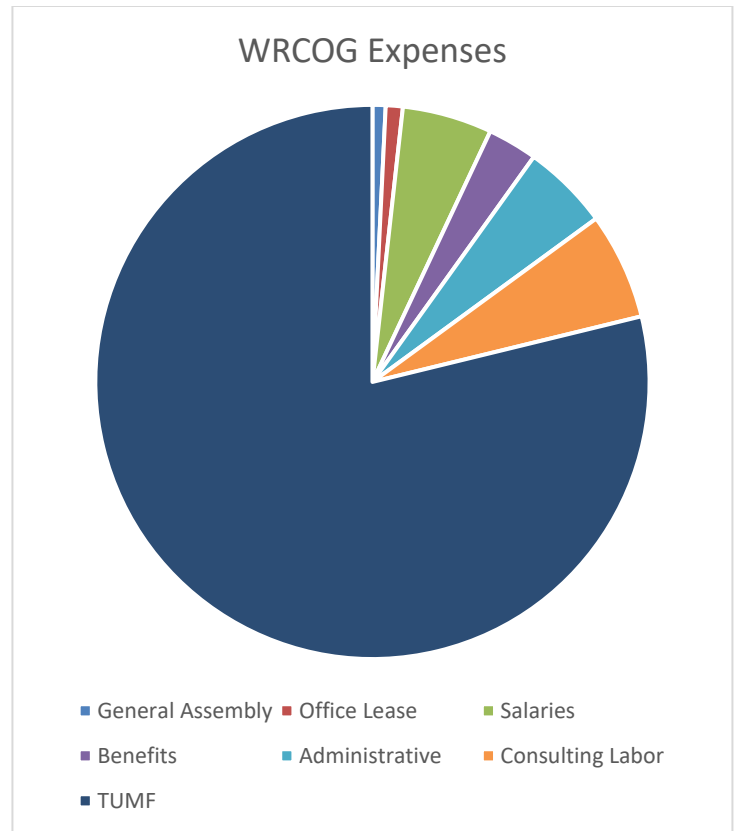
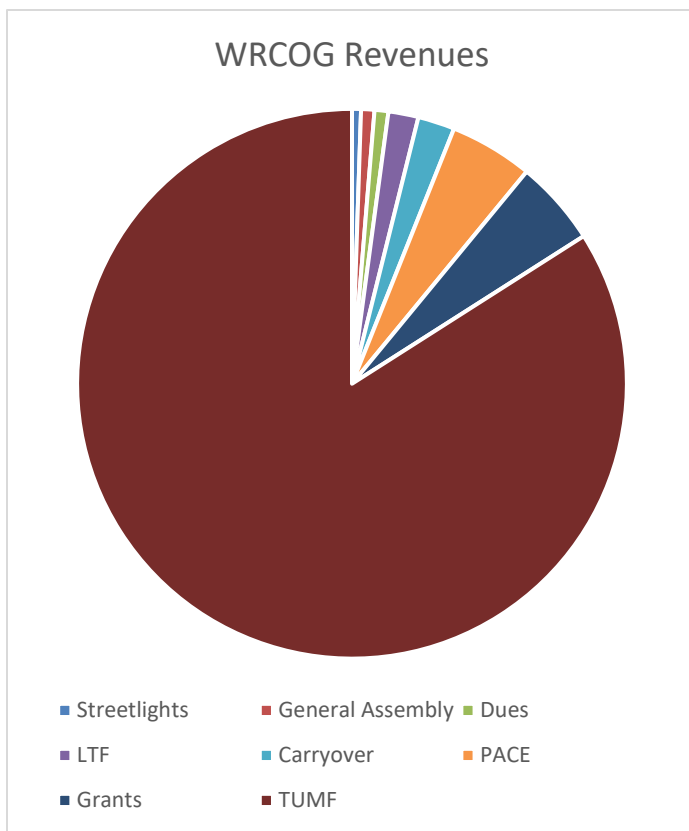
As the FY 2020/2021 budget was developed and ultimately adopted, staff took a conservative approach in its development due to the uncertain long-term impacts of COVID-19. Overall, the Agency's Budget was cut by approximately 30%. Certain programs were conservatively budgeted for and staff also took into consideration impacts to its liabilities, such as pension obligations to CalPERS, as those were anticipated to be impacted as well. Much of this reduction was associated with the TUMF Program, whereby TUMF revenues were forecasted to decrease by 30% from the previous year.

There are two significant changes from the anticipated budget. The first changes are related to the TUMF Program. While TUMF revenue was forecasted to decrease, there has instead been a significant increase in TUMF collections. While the Budget forecasted approximately \$32M in revenue, WRCOG has so far collected \$38M for the first part of the fiscal year. If current trends continue, staff expects to see collections between \$50M and \$55M for the fiscal year. This increase in collections provides additional funding for TUMF staff and overall program operations as well as additional funding for projects. Staff are convening a series of TUMF Zone meetings to allocate this additional funding to member agencies.

The second major change was related to WRCOG's PACE Program revenues. WRCOG's partner in the residential HERO Program (R-PACE), Renovate America, decided to terminate the HERO product and subsequently filed for Chapter 11 Bankruptcy at the end of December 2020, ending the Program. Additionally, at the December 2020 WRCOG Executive Committee meeting, staff was directed to terminate the remaining R-PACE administration agreements with the two other companies that have partnered with WRCOG, Renew Financial and PACE Funding Group (PFG). The overall impact to the Agency's Budget is nominal since the number of new residential assessments had significantly decreased over the past several years. Additionally, many of the staff working on the PACE Program are funded through sources such as maintenance fees on existing assessments and other related revenue sources.

Revenue and Expenditures

Below is a graphical depiction of WRCOG's revenues and expenditures:



While WRCOG has a Budget of approximately \$40M, most of it is comprised of TUMF revenues and expenditures. The TUMF Program is accounted for in a separate fund as these funds are considered restricted for accounting purposes and can only be used for TUMF-related projections. Additionally, WRCOG's second largest funding source is grants, which are also all mostly restricted based on the grant's guidelines.

FY 2021/2022 Budget and Future Items

Even with the improvement of all overall economic conditions and a reopening of the County as COVID-19 restrictions are lifted, staff will continue to be conservative in its budget development for its existing programs. There will be three major changes to WRCOG's programs going into next fiscal year: residential PACE, I-REN, and REAP.

As noted, the PACE residential programs have been terminated. Even though the Program will no longer be collecting revenues for new projects, WRCOG is still obligated to service these assessments throughout their remaining life and will continue to collect revenues related to administrative functions, including customer support.

A REN, or Regional Energy Network, would be a scaled-up version of what WRCOG's WREP (Western Riverside Energy Partnership) Program is, which means it would be able to offer energy efficiency programs, such as energy upgrades towards local government buildings, financing mechanisms for energy upgrades, and workforce development programs. These funds are allocated from the California Public Utilities Commission and are from ratepayer charges. It is anticipated that CPUC approval to form WRCOG's REN will occur later this year with funding available in the latter half of FY 2021/2022.

The Reginal Early Action Planning (REAP) Program provides funding for regional planning efforts to support housing. WRCOG was awarded nearly \$1.7M from the Southern California Association of Governments (SCAG) for this Program. These funds will be used to fund studies, such as WRCOG's effort to develop a comprehensive mapping and visualization tool for housing projects. This funding will also be allocated to evaluate a proposed Housing Trust Fund, which will fully reimburse WRCOG for all costs related to this effort.

Overall, WRCOG's financial outlook remains positive. For the upcoming Budget, programs will still be conservatively budgeted for, even though the situation with COVID-19 appears to be improving. There could potentially be delayed repercussions from COVID-19 that could show itself in the upcoming years. Additionally, staff continue to not only look at short-term budgetary impacts, but also long-term financial obligations, such as its pension obligations to CalPERS. WRCOG did create a Section 115 Trust for its CalPERS Unfunded Liability and hopes to continue to be able to accelerate payment on that as well as its Other Post Employment Benefit liabilities.

WRCOG's reserves remain steady and have not been utilized this fiscal year, nor is it anticipated reserves will be utilized in the next fiscal year. Regardless, throughout the fiscal year, staff will closely monitor any financial changes and make the necessary adjustments to ensure the Budget remains balanced.

Prior Action:

None.

Fiscal Impact:

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

Attachment:

None.

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Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: WRCOG's Fiscal Year 2019/2020 Financial Audit

Contact: Andrew Ruiz, Chief Financial Officer, aruiz@wrcog.us, (951) 405-6741

Date: April 14, 2021

The purpose of this item is to provide information on WRCOG's Fiscal Year (FY) 2019/2020 audit.

Requested Action:

1. Receive and file.

Terry Shea, partner from Rogers, Anderson, Malody, and Scott (RAMS) will be presenting on WRCOG's FY 2019/2020 audit. For any questions related to the audit, Terry Shea, RAMS Audit Partner, can be reached at (909) 889-0871 or terry@ramscpa.net.

FY 2019/2020 Audit

WRCOG's auditors are providing an unmodified opinion on the FY 2019/2020 CAFR. An unmodified opinion is the highest form of assurance an auditing firm can provide to its client and means that the audit and associated Agency financials are both in good form and the accounting practices are solid.

WRCOG received the distinguished "Certificate of Achievement for Excellence in Financial Report" from the Government Finance Officers Association for seven consecutive years and has also received the FY 2019/2020 Award. The Award recognizes that the Agency is transparent, has provided full disclosure of its financial statements, and that the users of the CAFR have all the information needed to draw a financial conclusion of the Agency.

Prior Action:

None.

Fiscal Impact:

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

Attachments:

1. Fiscal Year 2019/2020 CAFR.
2. GAGAS Report.
3. SAS 114 Report.

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Item 6.C

WRCOG's Fiscal Year 2019/2020
Financial Audit

Attachment 1

Fiscal Year 2019/2020 CAFR

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Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2020

Western Riverside Council of Governments
Riverside, CA



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2020

Submitted by:
Fiscal Department
Western Riverside Council of Governments

WESTERN RIVERSIDE COUNTY | CALIFORNIA

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**JUNE 30, 2020
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**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**JUNE 30, 2020
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Introductory Section

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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 • Riverside County Superintendent of Schools

February 1, 2020

To the Western Riverside Council of Governments and Citizens of Western Riverside County:

Letter of Transmittal

The Comprehensive Annual Financial Report for the Western Riverside Council of Governments (WRCOG) for the fiscal year ended June 30, 2020 is hereby submitted in accordance with the provision of Section 6505 of the Government Code of the State of California (the State). The report contains financial statements that have prepared in conformity with generally accepted accounting principles (GAAP) in the United States prescribed for governmental entities. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Western Riverside Council of Governments (WRCOG). To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and changes in financial position of the various funds of WRCOG. All disclosure necessary to enable the reader to gain an understanding of WRCOG's financial activities have been included. Because the cost of an internal control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of material misstatements.

Rogers, Anderson, Malody & Scott., LLP has issued an unmodified opinion on WRCOG's financial statements for the year ended June 30, 2020. The independent auditor's report is located at the front of the financial section of this report.

The management's discussion and analysis (MD&A) immediately follows the independent auditors report and provides a narrative, overview, and analysis of the basic financial statements. The MD&A was designed to complement this letter of transmittal and should be read in conjunction with it.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to WRCOG for its CAFR for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

Profile of the Government

WRCOG was formed in November 1989 as a California Joint Powers Authority under the Government Code Section 6500 et.seq., of the State of California. WRCOG strives to unify Western Riverside County so that it can speak with a collective voice on important issues that affect its members. Representatives from 17 cities, the County of Riverside, the Eastern and Western Municipal Water Districts, the Riverside County Superintendent of Schools and the Morongo Band of Mission Indians have seats on WRCOG Executive Committee, the group that sets policy for the Agency. WRCOG's many areas of activity cover such programs as transportation, energy, community growth and development, and environment.

Major Initiatives

Transportation Uniform Mitigation Fee (TUMF) Program: WRCOG developed and administers the TUMF Program, a multi-jurisdictional fee program that ensures that new development in the subregion does not create additional congestion on regional highways. Fees paid by new residential and non-residential development will contribute to the construction of nearly \$3 billion in transportation and transit improvements in Western Riverside County. The TUMF Program will construct 3,100 new lane miles, improve 47 interchanges, construct 39 bridges and 10 railroad grade separations, provide more than \$61 million for regional transit improvements, and nearly \$60 million for acquisition of sensitive habitat.

To date, WRCOG has received more than \$850 million in TUMF revenue since program inception in 2003. Over 100 TUMF-funded projects have been completed; 12 are under construction; 13 are in engineering or right-of-way acquisition; and 20 are in the planning and environmental stages. The TUMF Program has funded and delivered more than \$1 billion in transportation projects since it began in 2003.

Property Assessed Clean Energy Program (PACE) Program: In 2011, WRCOG launched the HERO Program, a regional effort that provides financing to residential and commercial property owners for the installation of energy efficient, renewable energy, seismic strengthening, and water conservation improvements to homes and businesses in the subregion. Currently, more than \$1.9 billion in applications have been approved. Over 28,000 residential projects have been completed, representing nearly \$537 million in funding. These completed projects have saved over 3.85 billion kWh, 2.39 billion gallons of water, and over 1.03 million tons of greenhouse gas emissions (GHG) saved.

Program participants complete an application and work with a contractor to make the improvements. Repayment occurs through the property owner's annual property tax bill, allowing property owners to pay the assessment over time. The Program includes multiple benefits. For property owners, energy and water conservation improvements will yield reduced utility bills and can improve property values. For Western Riverside County, the Program will create energy savings for the fast-growing region, reduce GHG emissions associated with energy use, and bring and retain needed jobs for area contractors.

The HERO Program has also expanded throughout California. As of 2019, 366 jurisdictions have joined the statewide Program, continuing to save billions of gallons of water, reducing millions of tons of GHG, and saving billions of kWh. This expansion has allowed commercial PACE to increase its presence and give business owners new financing opportunities, including new construction and retrofitting older buildings. PACE financing continues to offer homeowners and businesses with alternative financing while offering renewable energy, water conservation, and energy efficient products.

Western Community Energy: Established in 2018, WCE is a Joint Powers Authority (JPA), that represents 7-member cities to provide electric generation service within its respective jurisdictions. WCE is a CCA program that gives local government the opportunity to buy electricity directly from its source and then offers it to the community at a more competitive rate than the current utility provider. WCE has an Implementation and Management Services Agreement with WRCOG to provide administrative services to the Agency.

WCE is expected to launch in mid-2020 and has outlined its objectives: 1) provide local control in rate setting 2) provide overall rates that are lower and/or competitive with those offered by SCE for

similar power supplies, 3) provide options to residents and businesses, 4) provide expanded options for economic development, and 5) supply an energy portfolio that will use local and/or regional renewable resources (in the future), including existing facilities, to the maximum extent technically and economically feasible.

Used Oil and Filter Collection Program: WRCOG's Regional Used Oil Program helps protect groundwater and the environment from the hazards of improperly disposed motor oil. WRCOG's Used Oil and Oil Filter Exchange events have been an effective tool in educating and facilitating the proper recycling of used motor oil and used oil filters in various WRCOG jurisdictions. The primary objective of hosting the events is to educate individuals who change their own oil, the Do-It-Yourselfer (DIYer), promoting the recycling of used oil and oil filters; therefore, an auto parts store is a great venue for educating the DIYer. In addition to promoting used oil / oil filter recycling, WRCOG staff informs the DIYer about the County-wide HHW Collection Program where residents can drop-off other automotive and household hazardous products for free.

Western Riverside Energy Partnership (WREP): This Partnership originally consisted of WRCOG, Southern California Edison, and 14 member jurisdictions. In 2013, Southern California Gas Company joined the Partnership. The Partnership is designed to optimize opportunities for participating jurisdictions to achieve both short- and long-term sustainable energy savings, reduce utility bills, and enhance the level of comfort by retrofitting municipal buildings and facilities. A public outreach program encouraging residents in Western Riverside County to conserve energy is also part of the Partnership.

Clean Cities Coalition (Coalition): WRCOG's Clean Cities Coalition is nationally-recognized for its efforts to promote clean air by encouraging the use of alternative fuel vehicles and development of alternative fuel infrastructure, technologies and education. The Coalition hosts a number of educational forums and conferences, including an annual Environmental Youth Conference which brings together more than 200 middle school students to discuss and learn about sustainable lifestyles.

Solid Waste Cooperative: Under the leadership of the California Department of Resources Recycling and Recovery (CalRecycle), the state is nearly two-thirds of the way towards achieving ambitious waste diversion goals set forth by the Legislature. Since 1990, the partnership of the State, local governments, the waste industry, businesses, environmental groups, and millions of committed Californians has diverted more than 100 million tons of materials from landfills, and nearly 60 cities and counties have already met or exceeded the mandate to cut their trash in half.

Streetlight Program: 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.

Sustainability Framework: WRCOG's Sustainability Framework provides the foundation for a healthy communities planning movement in Western Riverside County. Implementation of ideas in the Framework can yield positive co-benefits in health and move the region towards a better quality of life. For example, recently, twelve cities in Western Riverside County joined together to develop a Subregional Climate Action Plan (CAP). The CAP goals include promoting economic development and job growth, energy and cost savings for residents and business owners, water efficiency and conservation, reduction in solid waste, improved air quality, and the promotion of active and healthy communities. The CAP strategies can be uniformly applied, or tailored as needed, for adoption by individual jurisdictions.

Beyond Program: At the end of Fiscal Year 2014/2015, WRCOG created a new program titled, "Beyond." For Fiscal Year 2016/2017, WRCOG is allocating \$2.3 million for use by WRCOG member agencies through its "BEYOND" initiative. BEYOND is an economic development and sustainability local assistance funding program intended to help member agencies develop and implement projects that can improve the quality of life in Western Riverside County by addressing critical growth components such as economy, water, education, environment, health, and transportation.

The cornerstone of BEYOND is WRCOG's Economic Development and Sustainability Framework. The Framework was approved by WRCOG's Executive Committee in 2012, and can be accessed on WRCOG's website at <http://www.wrcog.us/community/sustainability>. It serves, as the title implies, as a framework or guide that members can draw from in developing approaches to improve their communities. The premise of the Framework is that economic development, at its core, is tied to quality of life. While defining "quality of life" may be difficult, there is little debate that major contributing factors include critical components such as education, water, health, transportation, energy, and environment. When attention is given to each of these components, undoubtedly the subregion's quality of life improves, and as such economic desirability improves as well.

Fellowship Program: In February 2016, the Executive Committee approved the creation of a one-year pilot Public Service Fellowship Program, to be administered by WRCOG in Western Riverside County, in partnership with the University of California, Riverside (UCR), and California Baptist University (CBU). The goal of this Program is to retain local students to fulfill the subregion's need for a robust public sector workforce and to combat the often-mentioned "brain drain" that Riverside County experiences when local students graduate but then leave the region to seek full-time employment elsewhere. The Fellowship Program is geared towards students graduating from UCR and CBU to engage them in career opportunities with local governments and agencies in a way that is mutually beneficial to both the Fellows and the agency.

WRCOG is responsible for general Program administration and oversight, maintaining employment of the Fellows, soliciting interest from local government agencies, serving as the liaison between member agencies and the universities, providing Program funding, and coordinating payment of Fellowship stipends. UCR and CBU are responsible for soliciting interest from students, reviewing applications and conducting interviews, recommending local government agency placements, and communicating regularly with Fellows. WRCOG, UCR, and CBU also provide ongoing training to Fellows on career readiness and other theoretical topics during regular Networking Sessions to support their hands-on work experience. A representative from each University serves as an "advisor" to answer questions from the Fellows or host agencies, monitor the Fellows' performance,

handle HR-related issues or complaints in collaboration with WRCOG, and provide needed support to ensure that the Fellowship placement is successful

Financial Planning

A successful fiscal year always starts during the creation of the budget process. Management staff will begin to gather data and discuss planning of the budget around January of every year. Management will describe their needs in terms of increased line items and justify that with any increases they foresee in revenues for the upcoming fiscal year.

The first time the draft budget is presented publicly at WRCOG's sub-committee level. The Administration & Finance Committee, which is comprised of 11 of WRCOG's Executive Committee members, will review and discuss the budget, usually at its March or April meeting and make any recommendations and have it forwarded on to the Technical Advisory Committee (TAC), which is comprised of the City Managers and Agency Directors of WRCOG's member agencies. This meeting of the TAC usually occurs within the same month as the Administration & Finance Committee. After it is recommended for approval, the budget's next stop is at WRCOG's Executive Committee meeting (usually in June). Once approved by the Executive Committee, the budget is approved by the General Assembly. The General Assembly is usually held at an off-site location and generally on the fourth Thursday of every June. The General Assembly is comprised of a majority of all City Councils, County Board of Supervisors, and other Board Members that represent WRCOG.

The budget itself is presented at the function level. It is displayed as follows: general government, transportation, energy, and environment. With the exception of the general government, each function is self-sufficient and able to fund its own expenditures through revenue generated. The general government; however, does not bring in enough revenue to cover all of the expenditures such as rent, legal, consulting, and payroll, and because of this, must charge overhead to offset the difference. The overhead is calculated during the budget process and allocated to each function in the most equitable method possible. This is usually based on the amount of revenue generated as a percentage of the total agency revenue.

The creation of the budget entries is part of the internal control process. One member of the Fiscal staff is to enter the journal, while another member approves. WRCOG's IT consulting firm is the only member of WRCOG that is allowed to assign functions within the accounting system. The goal of creating internal controls is to ensure that one person cannot create, approve, and issue a check, wire, or any other sensitive piece of information. WRCOG follows the policy that at least two, if not three, signatures are required to approve any check requests and the amount must be verified against the approved budget to ensure there are sufficient funds available to expend.

The Executive Committee of WRCOG has provided outstanding leadership and has provided staff with excellent resources, which are reflected in the programs delivered to the various members. WRCOG continues to be counted on to provide regional perspective while respecting local control.

WRCOG's Executive Committee approves all financial policies relevant to every aspect of the agency's accounting and as such, none of the policies approved during the year, or in year's past, had a significant impact on the current period's financial statements.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Western Riverside Council of Governments for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

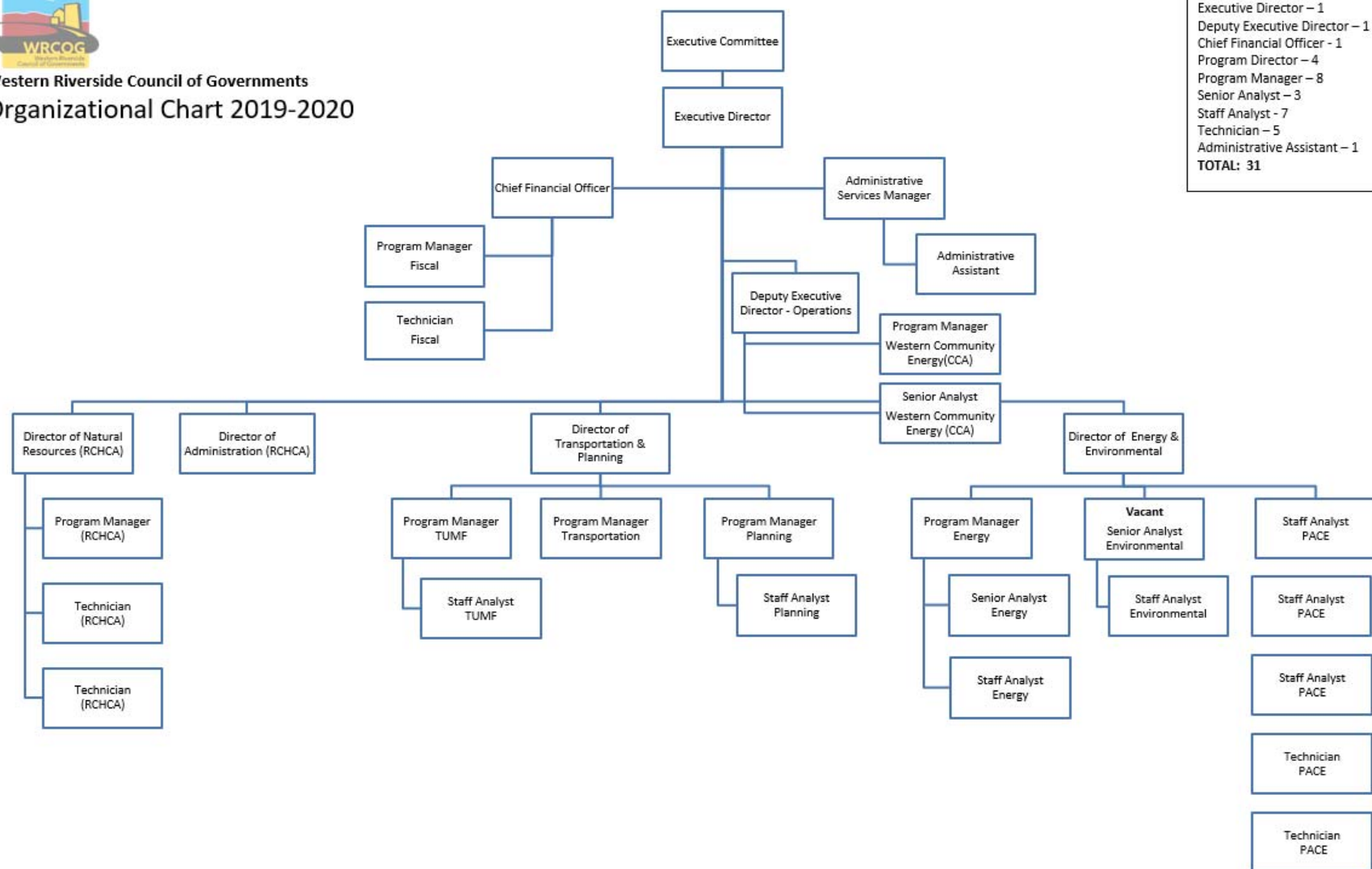
Sincerely,

A handwritten signature in black ink, appearing to read 'ARj', is positioned above the printed name and title.

Andrew Ruiz
Chief Financial Officer



Western Riverside Council of Governments
Organizational Chart 2019-2020



Executive Director – 1
Deputy Executive Director – 1
Chief Financial Officer - 1
Program Director – 4
Program Manager – 8
Senior Analyst – 3
Staff Analyst - 7
Technician – 5
Administrative Assistant – 1
TOTAL: 31

Western Riverside Council of Governments

List of Principal Officials As of June 30, 2020

Executive Committee Members

Name and Position	Title	Agency
Kevin Bash	Chair	City of Norco
Karen Spiegel	Vice-Chair	County of Riverside, District 2
Crystal Ruiz	2nd Vice-Chair	City of San Jacinto
Daniela Andrade	Member	City of Banning
Mike Lara	Member	City of Beaumont
Jeff Cervantez	Member	City of Calimesa
Jordan Ehrenkranz	Member	City of Canyon Lake
Jason Scott	Member	City of Corona
Joseph Tessari	Member	City of Eastvale
Bonnie Wright	Member	City of Hemet
Micheal Goodland	Member	City of Jurupa Valley
Brian Tisdale	Member	City of Lake Elsinore
Matt Liesemeyer	Member	City of Menifee
Victoria Baca	Member	City of Moreno Valley
Kelly Seyarto	Member	City of Murrieta
Rita Rogers	Member	City of Perris
Rusty Bailey	Member	City of Riverside
James Stewart	Member	City of Temecula
Ben Benoit	Member	City of Wildomar
Kevin Jeffries	Member	County of Riverside, District 1
Chuck Washington	Member	County of Riverside, District 3
Jeff Hewitt	Member	County of Riverside, District 5
Brenda Dennstedt	Member	Western Municipal Water Dist.
Ronald Sullivan	Member	Eastern Municipal Water Dist.
Dr. Judy White	Member	Riverside County Supt. of Schools
Robert Martin	Member	Morongo Band of Mission Indians

Management Staff

Rick Bishop, Executive Director
Barbara Spoonhour, Deputy Executive Director - Operations
Andrew Ruiz, Chief Financial Officer
Casey Dailey, Director of Energy & Environmental Programs
Christopher Gray, Director of Transportation & Planning Programs



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Western Riverside Council of Governments
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Merrill

Executive Director/CEO



Financial Section

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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INDEPENDENT AUDITOR'S REPORT

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST

Executive Committee
Western Riverside Council of Governments
Riverside, California

MANAGERS / STAFF

Charles De Simoni, CPA
Gardenya Duran, CPA
Brianna Schultz, CPA
Jingjie Wu, CPA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Tara R. Thorp, CPA, MSA
Laura Arvizu, CPA
Louis Fernandez, CPA
Abigail Hernandez Conde, CPA, MSA
Zoe Xinlu Zhang, CPA, MSA
John Maldonado, CPA, MSA

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Western Riverside Council of Governments (WRCOG), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise WRCOG's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

*Employee Benefit Plan
Audit Quality Center*

California Society of
Certified Public Accountants

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of WRCOG as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise WRCOG's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statement of changes in fiduciary assets and liabilities are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic

financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of changes in fiduciary assets and liabilities are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2021, on our consideration of WRCOG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WRCOG's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
February 1, 2021

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**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Management's Discussion and Analysis
For the Year Ended June 30, 2020**

This section of the Western Riverside Council of Governments (WRCOG) Comprehensive Annual Financial Report presents a narrative overview and analysis of WRCOG's financial activities for the fiscal year ended June 30, 2020. Management encourages readers to consider the information presented here in conjunction with the Letter of Transmittal.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis (MD&A) is intended to serve as an introduction to WRCOG's basic financial statements. WRCOG's basic financial statements include three components:

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Basic Financial Statements

The following required supplemental information has been included in this report:

- Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund
- Schedule of WRCOG's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date
- Schedule of Plan Contributions
- Schedule of Changes in the Net OPEB Liability and Related Ratios
- Schedule of Other Postemployment Benefits Plan Contributions

The following supplemental information has been included in this report:

- Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds
- Statistical Section

Government-Wide Financial Statements are designed to provide readers with a broad overview of WRCOG finances in a manner similar to private-sector business.

The *Statement of Net Position* presents information on all WRCOG's assets and deferred outflows of resources as well as liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of WRCOG is improving or declining.

The *Statement of Activities* presents information showing how WRCOG's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (such as revenues pertaining to uncollected TUMF fees or expenses pertaining to earned but unused vacation and sick leave).

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Management's Discussion and Analysis
For the Year Ended June 30, 2020

Fund Financial Statements only utilizes governmental funds. The focus of governmental fund financial statements is on major funds. Major funds are determined based on minimum criteria set forth by the Governmental Accounting Standards Board (GASB). Like other state and local governments, WRCOG uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting is also used to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds are used to account for essentially the same functions as *governmental activities* in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements often have a budgetary orientation, are prepared on the modified accrual basis of accounting, and focus primarily on the sources, uses, and balances of current financial resources.

Because the focus of governmental funds is narrower than that of the governmental-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental funds' balance sheet and statement of revenues, expenditures, and changes in fund balances are accompanied by reconciliation to the government-wide financial statements in order to facilitate comparison between governmental funds and governmental activities.

WRCOG maintains two major governmental funds organized to their type (general and special revenue). The governmental fund statements present the financial information of each major fund in separate columns.

Notes to the Basic Financial Statements provide additional information other than that displayed on the face of the financial statements and are essential for the fair presentation of the financial information in the government-wide and fund financial statements.

Required Supplementary Information, in addition to this MD&A, presents schedules of the proportionate share of net pension liability, schedule of plan contributions, schedule of changes in net OPEB liability, schedule of OPEB contributions, plus budget and actual information.

FINANCIAL HIGHLIGHTS

- Total net position of WRCOG was (\$4.4) million and consisted of net investment in capital assets of \$293,345, restricted net position of \$111,838, and unrestricted net position of (\$4.8) million.
- At June 30, 2020, WRCOG's assets of \$90.9 million plus deferred outflows of resources of \$1.7 million was less than its liability of \$95.3 million and deferred inflows of resources of \$1.7 million resulting in a net position of negative \$4.4 million.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Management's Discussion and Analysis
For the Year Ended June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position – Net Position may serve as a useful indicator of a government's financial position. At the end of the current fiscal year, WRCOG reported negative net position, with total assets and deferred outflows of resources less than liabilities and deferred inflows of resources by \$4.4 million.

Net pension liability is the amount needed to fully fund WRCOG's defined benefit plan. The net pension liability at June 30, 2019 was \$2.6 million and increased to \$2.8 million at June 30, 2020.

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. WRCOG reports deferred outflows related to pensions and OPEB.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. WRCOG reports deferred inflows also related to pensions and OPEB.

The table below provides summarized data from the Statement of Net Position for WRCOG as of June 30, 2020, as compared to the prior year:

Statement of Net Position
As of June 30

	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 90,622,940	\$ 96,266,351
Capital assets being depreciated	<u>293,345</u>	<u>362,054</u>
Total Assets	<u>90,916,285</u>	<u>96,628,405</u>
Deferred Outflows of Resources	<u>1,743,482</u>	<u>883,418</u>
Current and other liabilities	76,213,720	70,342,928
Long-term obligations	<u>19,115,080</u>	<u>17,150,347</u>
Total Liabilities	<u>95,328,800</u>	<u>87,493,275</u>
Total Deferred Inflows or Resources	<u>1,741,105</u>	<u>977,686</u>
Net Position:		
Net investment in capital assets	293,345	362,054
Restricted	111,838	1,907,303
Unrestricted	<u>(4,815,321)</u>	<u>6,771,505</u>
Total Net Position	<u><u>\$ (4,410,138)</u></u>	<u><u>\$ 9,040,862</u></u>

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Management's Discussion and Analysis
For the Year Ended June 30, 2020**

WRCOG's total net position decreased by 149%, or \$14.6 million, during fiscal year 2019-2020 compared to the prior year's decrease of \$21.7 million. The decrease in net position was mostly due to a decrease in TUMF reimbursements. Total liabilities increased 9%, or \$7.8 million, during fiscal year 2019-2020 compared to the prior year, mostly due to the increase in TUMF reimbursements. TUMF project liabilities are programmed according to the anticipated revenue on the Transportation Improvement Program (TIP). Current assets decreased from \$96.3 million in FY 2018/2019 to \$90.6 million, or 5.9%. This decrease in current assets is attributable to the difference in TUMF revenues received over projects completed and paid out. Below are the three components of net position and their respective fiscal year-end balances:

- **Net Investment in Capital Assets** represents negative 6.7%, or \$293 thousand of WRCOG's total net position for fiscal year 2019-2020 compared to 3.6%, or \$362 thousand, for fiscal year 2018-2019. The decrease is attributable to the depreciation of existing capital assets and write-offs due to WRCOG moving its offices.
- **Restricted net position** accounts for negative 2.5%, or \$112 thousand, of WRCOG's total net position for fiscal year 2019-2020 compared to 18.7%, or \$1.9 million, for fiscal year 2018-2019. This component of net position represents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. All of the restricted net position applies to TUMF as the administration plan requires that WRCOG hold the funds until a Zone has an opportunity to claim use of the funds through the Transportation Improvement Program (TIP). The jurisdiction located within that particular zone must demonstrate it has expended its own funds and is requesting reimbursement and has provided the appropriate supporting documentation.
- **Unrestricted net position** accounts for 109.2%, or negative \$4.8 million, of WRCOG's total net position for fiscal year 2019-2020 compared to 74.9% or \$6.8 million for fiscal year 2018-2019. This component of WRCOG's total net position may be used to meet WRCOG's ongoing obligations to creditors.

Governmental Activities

Revenues: WRCOG's governmental activities rely on the following sources of revenue to finance ongoing operations:

- General revenue related to governmental activities primarily consists of fees, other revenues, and investment earnings. Investment earnings increased from \$2.3 million to \$2.4 million due to more TUMF funds being invested.
- Charges for services are revenues received related to the sponsorship of the PACE Program. WRCOG receives 1.463% of the amount financed for its participation in the program. In addition, the PACE Program recording fees are included in the revenue balance.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Management's Discussion and Analysis
For the Year Ended June 30, 2020**

- Operating grants and contributions decreased by \$16.5 million, or 24.3%, from \$68 million in fiscal year 2018-2019 to \$51.5 million in the current fiscal year. This decrease was due to more TUMF revenues collected during the Fiscal Year. Total expenses decreased from \$95.3 million to \$70.2 million due to a decreased amount of TUMF project reimbursements paid out.
- Operating Grants and Contributions are revenues received from parties outside of WRCOG, such as state agencies, and are generally restricted to one or more specific programs. TUMF revenue is the largest governmental activities program revenue with \$50.4 million recognized during the year, as compared to \$66.8 million for fiscal year 2018-2019, which represents a decrease of 24.6% or \$16.4 million.

Expenses: Total program expenses for governmental activities were \$70.2 million for the current fiscal year, a decrease of 26.4%, or \$25.1 million compared to prior fiscal year increase of \$48 million. The decrease in expenses is mostly attributable to a lesser amount of TUMF Projects that were reimbursed during the fiscal year, as well as a decrease in PACE related expenses.

The following table provides information from the Statement of Activities for WRCOG for the fiscal year 2019-2020, as compared to the prior year:

**STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30**

	2020	Percent of Total	2019	Increase (Decrease) From 2019	Percent Increase (Decrease)
Revenues					
Program revenues:					
Charges for services	\$ 2,966,193	5.2%	\$ 3,364,946	\$ (398,753)	-11.9%
Operating grants and contributions	51,489,671	90.6%	67,954,129	(16,464,458)	-24.2%
General revenues:					
Investment earnings	2,356,692	4.1%	2,262,464	94,228	4.2%
Total revenues	56,812,556	100.0%	73,581,539	(16,768,983)	-22.8%
Expenses					
General government	3,674,580	5.2%	6,966,676	\$ (3,292,096)	-47.3%
Transportation	63,456,285	90.3%	85,033,676	(21,577,391)	-25.4%
Energy	2,349,851	3.3%	2,779,274	(429,423)	-15.5%
Environmental	704,465	1.0%	533,897	170,568	31.9%
Loss on disposal of capital assets	78,375	0.1%	-	78,375	100.0%
Total expenses	70,263,556	100.0%	95,313,523	(25,049,967)	-26.3%
Change in Net Position	(13,451,000)		(21,731,984)	8,280,984	
Net Position, Beginning of Year as restated (Note 17)	9,040,862		31,922,547	(22,881,685)	
Net Position, End of Year	\$ (4,410,138)		\$ 10,190,563	\$ (14,600,701)	-143.3%

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Management's Discussion and Analysis
For the Year Ended June 30, 2020**

FINANCIAL ANALYSIS OF FUND STATEMENTS

As previously noted, WRCOG uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of WRCOG's governmental funds is to provide information on the sources, uses, and balances of spendable resources. Such information is useful in assessing WRCOG's short-term financial requirements. In particular, the total fund balance less the non-spendable amount may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by WRCOG include the General and Special Revenue Funds.

The General Fund is the chief operating fund for WRCOG. At the end of the current fiscal year, the General fund's total fund balance was \$11.8 million, as compared to \$10.7 million for the prior fiscal year. The increase of \$1.1 million, or (10.2%), was mostly a result of the decreased expenditures in the general government category. As a measure of the General Fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. The non-spendable portion of fund balance was \$209 thousand; the assigned portion was \$1.3 million, which includes the Fellowship Program of \$609 thousand and the Beyond program of \$703 thousand, and the unassigned portion at \$10.3 million. The current year's unassigned fund balance is 173% of the total General Fund expenditures of \$6.4 million, as compared to 96% of the total General Fund expenditures for fiscal year 2018-2019. The total fund balance of the General fund for the current year is 186% of the total general fund expenditures as compared to 116% for the prior year.

The TUMF Fund is a Special Revenue Fund for WRCOG. At the end of the current fiscal year, the TUMF Fund's total fund balance was \$2.5 million, as compared to \$15.1 million for the prior fiscal year. The decrease of \$12.6 million, or 83.5%, was mostly a result of the increase in TUMF projects that were reimbursed during the fiscal year and more TUMF project liabilities booked in FY 19/20. TUMF project liabilities are programmed according to the anticipated revenues on a five-year budget known as the Transportation Improvement Program (TIP). At the end of each fiscal year, the unexpended projects are rolled over on the TIP into the next fiscal year and the unexpended, current year projects on the TIP, are booked into the current fiscal year. As such, the TIP assumed more projects to be programmed into the current fiscal year, which resulted in a higher liability, and in combination with decreased revenues, decreased the TUMF fund's net position.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Management's Discussion and Analysis
For the Year Ended June 30, 2020**

GENERAL FUND FINANCIAL ANALYSIS

Revenues for the General Fund, including comparative amounts from the preceding year are shown in the following tabulation:

	2020	Percent of Total	2019	Increase (Decrease) From 2019	Percent Increase (Decrease)
Revenues					
Intergovernmental	\$ 800,250	10.7%	\$ 775,500	\$ 24,750	3.2%
TUMF mitigation fees	1,954,024	26.2%	2,547,444	(593,420)	-23.3%
PACE fees	2,512,229	33.7%	2,752,932	(240,703)	-8.7%
Other revenues	2,060,571	27.6%	2,357,848	(297,277)	-12.6%
Investment income	127,757	1.7%	178,994	(51,237)	-28.6%
Total revenues	<u>\$ 7,454,831</u>	<u>100%</u>	<u>\$ 8,612,718</u>	<u>\$ (1,157,887)</u>	<u>-13.4%</u>

Intergovernmental revenues remained mostly stable with a minor increase. TUMF mitigation fees were lower because less permits were issued during the fiscal year resulting in a decreased amount of revenue from the TUMF program. PACE fees decreased significantly due to market saturation and other PACE providers entering the market. Lastly, investment income decreased in the general fund due to a decreased interest rate return.

Expenditures for the General Fund, including comparative amounts from the preceding year, are shown in the following tabulation:

	2020	Percent of Total	2019	Increase (Decrease) From 2019	Percent Increase (Decrease)
Expenditures					
General government	\$ 3,531,873	55.5%	\$ 6,039,969	\$ (2,508,096)	-41.5%
Energy	2,349,851	37.0%	2,779,274	(429,423)	-15.5%
Environmental	476,388	7.5%	402,552	73,836	18.3%
Total expenditures	<u>\$ 6,358,112</u>	<u>100.0%</u>	<u>\$ 9,221,795</u>	<u>\$ (2,863,683)</u>	<u>-31.1%</u>

The decrease in expenditures in the General Government was due the one-time expenditures for the BEYOND program. In FY 18/19, the BEYOND program paid out most of its remaining balance. Energy expenditures have decreased primarily due to the decline of the PACE programs. Lastly, the Environmental Department experienced an increase in expenditures due to additional work performed in the Used Oil and Clean Cities programs.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Management's Discussion and Analysis
For the Year Ended June 30, 2020**

TUMF FUND FINANCIAL ANALYSIS

Revenues for the TUMF Fund, including comparative amounts from the preceding year are shown in the following tabulation:

	2020	Percent of Total	2019	Increase (Decrease) From 2019	Percent Increase (Decrease)
Revenues					
TUMF mitigation fees	\$ 46,896,575	95.4%	\$ 61,138,647	\$ (14,242,072)	-23.3%
Other revenues	25,000	0.1%	1,494,380	(1,469,380)	-98.3%
Investment income	2,228,934	4.5%	2,083,458	145,476	7.0%
Total revenues	<u>\$ 49,150,509</u>	<u>100%</u>	<u>\$ 64,716,485</u>	<u>\$ (15,565,976)</u>	<u>-24.05%</u>

The decrease in TUMF mitigation revenues is due to a higher than usual year of collections in the prior fiscal year. Last year, the TUMF program saw an increase in its industrial land use, as many large warehouses, such as fulfillment centers and parcel hubs, were being constructed. The decrease in other TUMF revenues is related to revenue recovery associated with WRCOG's TUMF dispute with the City of Beaumont, where most revenues were recovered in 2018 and some recovery revenues continued to come in 2019. Lastly, investment income increased in the general fund due to an improving economy and increased interest rate return; however, that is anticipated to decrease due to COVID-related impacts.

Expenditures for the TUMF Fund, including comparative amounts from the preceding year, are shown in the following tabulation:

	2020	Percent of Total	2019	Increase (Decrease) From 2019	Percent Increase (Decrease)
Expenditures					
Transportation	\$ 61,740,570	100.0%	\$ 87,741,176	\$ (26,000,606)	-29.6%
Total expenditures	<u>\$ 61,740,570</u>	<u>100.0%</u>	<u>\$ 87,741,176</u>	<u>\$ (26,000,606)</u>	<u>-29.6%</u>

The decrease in TUMF expenditures is due to less TUMF projects being paid out and completed, and more projects programmed onto the Transportation Improvement Program (TIP). TUMF project liabilities are programmed according to the anticipated revenues on a five-year budget known as the Transportation Improvement Program (TIP). At the end of each fiscal year, the unexpended projects are rolled over on the TIP into the next fiscal year and the unexpended, current year projects on the TIP, are booked into the current fiscal year. As such, the TIP assumed less projects to be programmed into the current fiscal year, which resulted in a lower liability.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Management's Discussion and Analysis
For the Year Ended June 30, 2020**

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences exist between final budgeted amounts versus actual mostly due to the timing in which the fourth quarter budget amendments are taken to WRCOG's Administration & Finance Committee. To be finalized for year end, the fourth quarter amendments are presented at the July Administration & Finance Committee and approved at the August Executive Committee meeting.

Because of this timing, each category of the budget for revenue has some variation with the largest occurring with the intergovernmental revenues. When the final budget was presented to the Executive Committee, it was anticipated revenues in the General Fund would be \$7.6 million; however, the actual amount was only \$7.4 million, leaving a variance of \$225 thousand. This variance was mostly due to the decreased TUMF admin fee revenue, decreased PACE revenue and an increase in interest income.

On the expenditure side for the General Fund, it was anticipated expenditures would be \$9.9 million; however, actual expenditures were only \$6.4 million, leaving a variance of \$3.6 million. This was mostly due because overhead is budgeted as a transfer-in, rather than a reduction of expenditures, which accounts for \$2 million of the variance. The remaining variance is due to less consulting costs than anticipated as well as WRCOG no longer hosting its General Assembly, which accounts for \$300 thousand.

CAPITAL ASSETS AND LONG TERM OBLIGATIONS

As of June 30, 2020, WRCOG had capital assets of \$293,345, net of accumulated depreciation, invested in mostly office items such as furniture, computers, office improvements, and vehicles.

Additional information to WRCOG's capital assets can be found on Note 4 to the financial statements.

Long-term liabilities have increased from \$17.1 million in FY 2018/2019, to \$19.1 million, including net pension and net OPEB liabilities, in FY 2019/2020, or an increase of 12%. The increase in long-term liabilities can mostly be attributed to an increase in TUMF liabilities.

Additional information to WRCOG's long-term liabilities can be found on Note 5, Note 6, and Note 8 to the financial statements.

ECONOMIC FACTORS AND OTHER FACTORS

On June 1, 2020 WRCOG adopted the fiscal year 2020/2021 budget. The budget is presented by function, which includes: Administration, Transportation, Energy, and Environmental. The majority of budgeted expenditures are in the Transportation category because of the TUMF program and the size of the program relative to all of WRCOG's other programs. The TUMF program, saw a decrease in revenues of 25.8% in Fiscal Year 2019/2020. While the program has declined in comparison to the prior year, the revenues collected in Fiscal Year 2018/2019 were higher than anticipated due to several large developments being completed. Leading economic indicators suggest that the housing market has stabilized, which has helped balance the WRCOG budget; however, COVID-19 related impacts should be considered for future years.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Management's Discussion and Analysis
For the Year Ended June 30, 2020**

CONTACTING WRCOG'S MANAGEMENT

This financial report is designed to provide a general overview of WRCOG's finances for all those with an interest in the government's finances and to show WRCOG's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Interim Chief Financial Officer, Finance Department at Western Riverside Council of Governments, 3390 University Avenue, Suite 200, Riverside, California 92501.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Statement of Net Position
June 30, 2020

	Governmental Activities
ASSETS	
Cash and investments	\$ 81,293,553
Receivables:	
Grants	564,292
Interest	9
Mitigation fees receivable	5,379,948
Due from other governments	3,175,430
Prepaid items	209,708
Capital assets, net of accumulated depreciation	293,345
Total Assets	<u>90,916,285</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	912,359
Deferred amounts related to OPEB	831,123
Total Deferred Outflows of Resources	<u>1,743,482</u>
LIABILITIES	
Accounts payable	2,057,837
Deposits payable	3,584
Due to other governments	72,708,960
Accrued wages and benefits	188,437
Unearned revenue	1,254,902
Non-current liabilities:	
Due within one year	34,296
Due in more than one year:	
Compensated absences	308,665
TUMF liabilities	14,954,470
Net pension liability	2,873,074
Net OPEB liability	944,575
Total Liabilities	<u>95,328,800</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	217,005
Deferred amounts related to OPEB	1,524,100
Total Deferred Inflows of Resources	<u>1,741,105</u>
NET POSITION	
Net investment in capital assets	293,345
Restricted for:	
Foundation	111,838
Unrestricted	<u>(4,815,321)</u>
Total Net Position (Deficit)	<u>\$ (4,410,138)</u>

The accompanying notes are an integral part of these financial statements.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Statement of Activities
For the Fiscal Year Ended June 30, 2020**

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Primary Government:				
Governmental activities:				
General government	\$ 3,674,580	\$ -	\$ 341,563	\$ (3,333,017)
Transportation	63,456,285	-	50,389,714	(13,066,571)
Energy	2,349,851	2,966,193	-	616,342
Environmental	704,465	-	758,394	53,929
Total Governmental Activities	<u>\$70,185,181</u>	<u>\$ 2,966,193</u>	<u>\$ 51,489,671</u>	<u>\$ (15,729,317)</u>
General Revenues:				
				2,356,692
				(78,375)
				<u>2,278,317</u>
				(13,451,000)
				<u>9,040,862</u>
				<u>\$ (4,410,138)</u>

The accompanying notes are an integral part of these financial statements.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Balance Sheet – Governmental Funds
June 30, 2020**

	Major Funds		Non Major Funds	
	General Fund	Special Revenue TUMF	Clean Cities/ WRCOG Foundation	Total Governmental Funds
ASSETS				
Cash and investments	\$ 10,318,656	\$ 70,854,820	\$ 120,077	\$ 81,293,553
Receivables:				
Grants	564,292	-	-	564,292
Interest	9	-	-	9
Mitigation fees receivable	-	5,379,948	-	5,379,948
Due from other governments	3,175,430	-	-	3,175,430
Prepaid items	209,708	-	-	209,708
Advances to other funds	-	442,107	-	442,107
Total Assets	<u>\$ 14,268,095</u>	<u>\$ 76,676,875</u>	<u>\$ 120,077</u>	<u>\$ 91,065,047</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 577,068	\$ 1,480,769	\$ -	\$ 2,057,837
Deposits payable	3,584	-	-	3,584
Due to other governments	98,993	72,601,728	8,239	72,708,960
Accrued wages and benefits	188,437	-	-	188,437
Unearned revenue	1,144,376	110,526	-	1,254,902
Advances from other funds	442,107	-	-	442,107
Total Liabilities	<u>2,454,565</u>	<u>74,193,023</u>	<u>8,239</u>	<u>76,655,827</u>
Fund Balances				
Nonspendable:				
Prepaid items	209,708	-	-	209,708
Restricted:				
Transportation projects	-	2,483,852	-	2,483,852
Foundation	-	-	111,838	111,838
Assigned:				
BEYOND Program	702,559	-	-	702,559
Fellowship Program	609,412	-	-	609,412
Unassigned	10,291,851	-	-	10,291,851
Total Fund Balances	<u>11,813,530</u>	<u>2,483,852</u>	<u>111,838</u>	<u>14,409,220</u>
Total Liabilities and Fund Balances	<u>\$ 14,268,095</u>	<u>\$ 76,676,875</u>	<u>\$ 120,077</u>	<u>\$ 91,065,047</u>

The accompanying notes are an integral part of these financial statements.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position
June 30, 2020**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - Governmental Funds	\$ 14,409,220
Capital assets, net of accumulated depreciation used in governmental activities, are not current financial resources and therefore are not reported in the funds.	293,345
Non-current liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(342,961)
TUMF liabilities	(14,954,470)
Net pension liability	(2,873,074)
Net OPEB liability	(944,575)
Deferred outflows and inflows of resources related to pension and OPEB are not reported in the governmental funds:	
Pension and OPEB related deferred outflows of resources	1,743,482
Pension and OPEB related deferred inflows of resources	<u>(1,741,105)</u>
Net Position of Governmental Activities	<u><u>\$ (4,410,138)</u></u>

The accompanying notes are an integral part of these financial statements.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds
For the Fiscal Year Ended June 30, 2020

	Major Funds		Non Major Funds	
	General Fund	Special Revenue TUMF	Clean Cities/ WRCOG Foundation	Total Governmental Funds
REVENUES				
Intergovernmental	\$ 800,250	\$ -	\$ 267,770	\$ 1,068,020
TUMF mitigation fees	1,954,024	46,896,575	-	48,850,599
PACE fees	2,512,229	-	-	2,512,229
Other revenues	2,060,571	25,000	-	2,085,571
Investment income	127,757	2,228,934	-	2,356,691
Total Revenues	<u>7,454,831</u>	<u>49,150,509</u>	<u>267,770</u>	<u>56,873,110</u>
EXPENDITURES				
Current:				
General government	3,531,873	-	-	3,531,873
Transportation	-	61,740,570	-	61,740,570
Energy	2,349,851	-	-	2,349,851
Environmental	476,388	-	228,077	704,465
Total Expenditures	<u>6,358,112</u>	<u>61,740,570</u>	<u>228,077</u>	<u>68,326,759</u>
Net Change in Fund Balances	1,096,719	(12,590,061)	39,693	(11,453,649)
Fund Balances, Beginning of Year	<u>10,716,811</u>	<u>15,073,913</u>	<u>72,145</u>	<u>25,862,869</u>
Fund Balances, End of Year	<u>\$ 11,813,530</u>	<u>\$ 2,483,852</u>	<u>\$ 111,838</u>	<u>\$ 14,409,220</u>

The accompanying notes are an integral part of these financial statements.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2020**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (11,453,649)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This activity is reconciled as follows:

Cost of assets capitalized, less disposals	19,322
Depreciation expense	(88,031)

The payment of amounts pursuant to long-term TUMF agreements is recorded as an expenditure in the governmental funds. This transaction does not have an effect on the net position in the government-wide financial statements.	1,000,000
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Net change in compensated absences	56,717
Pension expense net adjustment	(225,903)
Net OPEB liability net adjustment	16,813
Net change in TUMF liabilities	(2,715,715)

Revenues reported as unavailable revenue in the governmental funds and recognized in the Statement of Activities.	(60,554)
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Change in Net Position of Governmental Activities	\$ (13,451,000)
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The accompanying notes are an integral part of these financial statements.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Statement of Fiduciary Net Position
June 30, 2020**

	Agency Fund
ASSETS	
Cash and investments	<u>\$ 9,428,244</u>
LIABILITIES	
Deposits payable	<u>\$ 9,428,244</u>

The accompanying notes are an integral part of these financial statements.

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**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Western Riverside Council of Governments (WRCOG) was formed in 1989 under the California Government Code Section 6500 et. seq. WRCOG is a special district governed by twenty-four Executive Committee Members consisting of seventeen members from the cities in Western Riverside County (excluding the City of Beaumont), four Riverside County Supervisors, two members, each from the Eastern and Western Municipal Water Districts, and one member from the Riverside County Superintendent of Schools.

Accounting principles generally accepted in the United States of America require that these financial statements present the accounts of WRCOG and any of its component units. Component units are legally separate entities for which WRCOG is considered to be financially accountable or otherwise has a relationship, which is such that the exclusion of the entity would cause the financial statements to be misleading. Blended component units are considered, in substance, part of WRCOG's operations so the accounts of these entities are to be combined with the data of WRCOG. Component units, which do not meet these requirements, are reported in the financial statements as discrete units to emphasize their separate legal status.

Blended Component Unit

WRCOG Supporting Foundation (the Foundation). WRCOG has created a foundation to support its mission and objectives under IRC 509(a)(3) as an organization that is supervised and controlled in connection with a publicly supported organization. All contributions to the Foundation are exempt under section 501(c)(3) of the Internal Revenue Code. WRCOG executive committee members are the governing board of the Foundation, and management of WRCOG has operational responsibility for the component unit. The Foundation is reported as a separate nonmajor fund in these financial statements.

B. Basis of Presentation

WRCOG's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These statements require that the financial statements described below be presented.

Government-wide Financial Statements. The Statement of Net Position and the Statement of Activities report information on all activities of WRCOG. All fiduciary activities are reported only in the fund financial statements.

The effect of interfund activity has been removed from the government-wide financial statements. Governmental activities are supported by fees, taxes, and intergovernmental revenues and are not eliminated in the process of consolidation.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basis of Presentation, Continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. General assembly revenues and other items that do not meet the definition of program revenues are reported instead as general revenues.

Fund Financial Statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. WRCOG considers all revenues reported in the governmental funds to be available if they are collected within 60 days after year end, except for cost reimbursement-based grants where due to the nature of these grants 180 days after year end is used. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

D. Fund Classifications

WRCOG reports the following major governmental funds:

General Fund. The general fund is WRCOG's primary operating fund. It accounts for all financial resources of WRCOG, except those required to be accounted for in another fund.

Transportation Uniform Mitigation Fees (TUMF) Special Revenue Fund. This fund is used to account for the proceeds of Transportation Uniform Mitigation Fees which are legally restricted to expenditures for specified purposes.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. Fund Classifications, Continued

Additionally, WRCOG reports the following fiduciary fund:

Agency Fund. WRCOG's agency fund is used to account for deposits relating to the payoff of Property Assessed Clean Energy (PACE) program loans. Agency funds are custodial in nature (assets equal liabilities) and do not involve the recording of revenues and expenses.

E. Financial Statement Elements

(1) Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for non-negotiable certificates of deposit and investment contracts that are reported at cost. These investments are not transferrable, and they have terms that are not affected by changes in market interest rate. Investment income includes interest earnings and the net increase (decrease) in fair value of investments. WRCOG categorized the fair value measurements for its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments classified in Level 2 of the fair value hierarchy are valued using of matrix pricing techniques maintained by the pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

(2) Interfund Balances and Transfers

Activities between funds that are representative of lending and borrowing arrangements outstanding at year end are referred to as advances to/from other funds.

(3) Capital Assets

Capital assets, which include furniture and computers, are reported in the government-wide financial statements. WRCOG defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight-line method over the estimated useful lives varying from five to ten years.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

E. Financial Statement Elements, Continued

(4) Compensated Absences

A total of 10 days of vacation per year may be accumulated by each employee with three years of service, 15 days with four years of service, and 20 days with ten or more years of service. However, employees are not paid for their accumulated sick leave upon retirement until they have been employed for five years, at which time 50% of accumulated sick leave hours is paid out. WRCOG accrued a liability for compensated absences, which meets the following criteria:

- WRCOG's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered,
- The obligation relates to rights that vest or accumulate,
- Payment of the compensation is probable,
- The amount can be reasonably estimated.

Compensated absences not expected to be liquidated with expendable available financial resources are reported in the government-wide financial statements.

(5) Fund Balance – Governmental Funds

The following fund balance classifications describe the relative strength of the spending constraints on WRCOG's fund balances:

- Nonspendable fund balance – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, contributors, or laws or regulations of other governments).
- Committed fund balance – amounts constrained to specific purposes by WRCOG itself, using its highest level of decision-making authority (i.e., Executive Committee ordinance). To be reported as committed, amounts cannot be used for any other purpose unless WRCOG takes the same highest-level action to remove or change the constraint.
- Assigned fund balance – amounts WRCOG intends to use for a specific purpose. Intent is expressed by the Executive Committee.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts can only be reported in the general fund.

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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

E. Financial Statement Elements, Continued

(5) Fund Balance – Governmental Funds, Continued

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, WRCOG considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, WRCOG considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Executive Committee or management has provided otherwise in its commitment or assignment actions.

(6) Estimates

The preparation of these financial statements requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts and the disclosures. Actual results could differ from those estimates.

(7) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

(8) Other Post-Employment Benefit (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the WRCOG'S plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are reported at fair value.

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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

E. Financial Statement Elements, Continued

(8) Other Post-Employment Benefit (OPEB), Continued

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

(9) Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. The government only has one item that qualifies for reporting in this category: deferred amounts related to pensions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. The government has only one type of item of this: deferred amounts related to pensions. For the fund level statements, deferred inflows of resources represent unavailable resources.

(10) Net Position Flow Assumption

Sometimes WRCOG will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resource are considered to be applied.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 2 – CASH AND INVESTMENTS

Cash and investments at June 30, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 81,293,553
 Fiduciary Funds	
Cash and investments	9,428,244
Total Cash and Investments	<u>\$ 90,721,797</u>

Cash and investments as of June 30, 2020, consist of the following:

Deposits and petty cash	\$ 15,797,940
Investments	74,923,857
Total Cash and Investments	<u>\$ 90,721,797</u>

A. Authorized Investments

The following investments are authorized under California Government Code and, where more restrictive, WRCOG's Investment Policy:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	100%	None
U.S. Agency Securities	5 years	100%	None
Supranational Obligations	5 years	30%	None
State of California Obligations	5 years	30%	5%
Local Agency Obligations	5 years	30%	5%
Asset-Backed Securities	5 years	20%	5%
Repurchase Agreements	1 year	20%	20%
Commercial Paper	270 days	30%	5%
Banker's Acceptances	180 days	40%	30%
Medium Term Notes	5 years	30%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Money Market Mutual Funds	N/A	20%	None
Riverside County Treasurer's Pooled Investment	N/A	100%	None
Local Agency Investment Fund (LAIF)	N/A	100%	\$75 million **

** Limit set by LAIF governing Board, not California Government Code

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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 2 – CASH AND INVESTMENTS, (Continued)

B. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of the year end, the weighted average maturity of the investments contained in the Local Agency Investment Fund (LAIF) pool was approximately 200 days. WRCOG's investment policy recognizes the interest rate risk and therefore places maximum maturity limits (up to five years) on various types of allowable investments.

Investment Type	Total	Remaining Maturity		
		12 months or less	13 to 24 months	25 to 36 months
U.S. Treasury Obligations	\$ 21,750,300	\$ 9,138,040	\$ 8,437,008	\$ 4,175,252
U.S. Agency Securities	8,487,666	1,012,586	830,922	6,644,158
Supranational	850,031	-	508,032	341,999
Corporate Note	8,834,512	1,601,401	2,901,379	4,331,732
Negotiable CDs	3,634,639	2,100,432	382,360	1,151,847
Asset-Backed Securities	5,212,527	78,014	614,252	4,520,261
LAIF	840,385	840,385	-	-
CAMP	24,984,222	24,984,222	-	-
Money Market Account	329,575	329,575	-	-
Total	<u>\$ 74,923,857</u>	<u>\$ 40,084,655</u>	<u>\$ 13,673,953</u>	<u>\$ 21,165,249</u>

C. Fair Value Classifications

Fair value measurements are categorized based on the valuation inputs used to measure fair value. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments classified in Level 2 of the fair value hierarchy are valued using of matrix pricing techniques maintained by the pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 2 – CASH AND INVESTMENTS, (Continued)

C. Fair Value Classifications, Continued

Fair value measurements for investments are as follows as of June 30, 2020:

Investment Type	Fair Value	Level 1	Level 2	Level 3
U.S. Treasury Obligations	\$ 21,750,300	\$ -	\$ 21,750,300	\$ -
U.S. Agency Securities	8,487,666	-	8,487,666	-
Supranational	850,031	-	850,031	-
Asset-Backed Securities	5,212,527	-	5,212,527	-
Negotiable CDs	3,634,639	-	3,634,639	-
Corporate Note	8,834,512	-	8,834,512	-
Total Leveled Investments	48,769,675	\$ -	\$ 48,769,675	\$ -

Investments not Subject to Hierarchy:

LAIF	840,385
CAMP	24,984,222
Money Market Account	329,575
	<u>\$ 74,923,857</u>

Deposits and withdrawals to/from LAIF are made on the basis of \$1 and not fair value. As such, the measurement of fair value is uncategorized and not defined as a Level 1, Level 2 or Level 3 input. The balance of the money market account is considered a cash equivalent.

D. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the WRCOG's investment policy, or debt agreements, and the actual Standard and Poor's rating as of year-end for each investment type.

Investment Type	Total	Minimum Legal Rating	AAA	AA+	AA	AA-	A+	A	A-	BBB-	A-1+	A-1	Not Rated
U.S. Treasury Obligations	\$ 21,750,300	N/A	\$ -	\$ 21,750,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Agency Securities	8,487,666	N/A	-	7,498,299	-	-	-	139,321	-	-	850,046	-	-
Supranational	850,031	AA	850,031	-	-	-	-	-	-	-	-	-	-
Corporate Note	8,834,512	A	-	528,123	529,483	627,285	1,660,999	2,086,360	3,255,717	146,545	-	-	-
Negotiable CDs	3,634,639	N/A	-	-	-	765,378	386,469	382,360	-	-	462,564	1,637,868	-
Asset-Backed Securities	5,212,527	AA	4,976,474	-	-	-	-	-	-	-	-	-	236,053
LAIF	840,385	N/A	-	-	-	-	-	-	-	-	-	-	840,385
CAMP	24,984,222	N/A	-	-	-	-	-	-	-	-	-	-	24,984,222
Money Market Account	329,575	N/A	-	-	-	-	-	-	-	-	-	-	329,575
	<u>\$ 74,923,857</u>		<u>\$ 5,826,505</u>	<u>\$ 29,776,722</u>	<u>\$ 529,483</u>	<u>\$ 1,392,663</u>	<u>\$ 2,047,468</u>	<u>\$ 2,608,041</u>	<u>\$ 3,255,717</u>	<u>\$ 146,545</u>	<u>\$ 1,312,610</u>	<u>\$ 1,637,868</u>	<u>\$ 26,390,235</u>

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 2 – CASH AND INVESTMENTS, (Continued)

E. Concentration of Credit Risk

At June 30, 2020 Investments in any one issuer (other than U.S. Treasury securities and external investment pools) that represent 5% or more of WRCOG's total investments are as follows:

Issuer	Investment Type	Reported Amount	Percent of Portfolio
Freddie Mac	U.S Agency Securities	\$ 6,178,340	8%

F. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the WRCOG's policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure WRCOG deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

Of WRCOG's deposits with financial institutions, \$17,011,817 was in excess of federal depository insurance limits. The uninsured deposits were held by financial institutions, which are legally required by the California Government Code to collateralize the WRCOG's deposits as noted above.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 2 – CASH AND INVESTMENTS, (Continued)

G. Investment in State Investment Pool

WRCOG is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provide oversight to the management of the fund. The fair value of WRCOG's investment in this pool is reported in the accompanying financial statements at amounts based upon WRCOG's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. All investments with LAIF are secured by the full faith and credit of the State of California. Separate LAIF financial statements are available from the California State Treasurer's Office on the Internet at www.treasurer.ca.gov.

H. Investment in JPA Pool/CAMP

WRCOG is a voluntary participant in the CAMP Trust (Trust), which was established as a nontaxable investment portfolio under provisions of the California Joint Exercise of Powers Act to provide California Public Agencies with comprehensive investment management services. There are no minimum deposit requirements or limits on deposits and withdrawals. Dividends from net investment income are declared on a daily basis and paid on the last day of the month. Dividends paid are automatically reinvested in each account by the purchase of additional shares. The contract creating the Trust specifies the types of investments that can be made by the investment portfolio with available cash: U.S. Government securities, securities of federally sponsored agencies, repurchase agreements, banker's acceptances, negotiable certificates of deposit and commercial paper. The fair value of WRCOG's investment in this pool is reported in the accompanying financial statements at amounts based upon WRCOG's pro-rata share of the fair value provided by CAMP.

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Advances to Other Funds

WRCOG's interfund receivables and payables represent amounts advanced from the TUMF Fund to the General Fund for OPEB costs. The advance is anticipated to be repaid over a ten-year period which began in fiscal year 2014-15 with equal annual payments.

The composition of interfund balance as of June 30, 2020, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
TUMF	General	\$ 442,107

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 4 – CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2020, is shown below:

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Governmental Activities:				
Capital assets, being depreciated:				
Furniture and Computer Equipment	\$ 876,903	\$ 97,697	\$ (164,170)	\$ 810,430
Other Capital Assets	33,037	-	-	33,037
Total Depreciable Capital Assets	<u>909,940</u>	<u>97,697</u>	<u>(164,170)</u>	<u>843,467</u>
Less Accumulated Depreciation for:				
Furniture and Computer Equipment	(521,457)	(81,424)	85,795	(517,086)
Other Capital Assets	(26,429)	(6,607)	-	(33,036)
Total Accumulated Depreciation	<u>(547,886)</u>	<u>(88,031)</u>	<u>85,795</u>	<u>(550,122)</u>
Capital Assets net of Accumulated Depreciation	<u>\$ 362,054</u>	<u>\$ 9,666</u>	<u>\$ (78,375)</u>	<u>\$ 293,345</u>

Depreciation expense of \$88,031 was charged to the general government function of the governmental activities.

NOTE 5 – LONG-TERM LIABILITIES

A schedule of changes in the long-term liabilities for the year ended June 30, 2020, is shown below:

	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u>	<u>Due within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 399,678	\$ 185,019	\$ (241,736)	\$ 342,961	\$ 34,296
Refund Liability	8,745,255	4,173,792	(1,458,077)	11,460,970	-
City of Moreno Valley Agreement	4,493,500	-	(1,000,000)	3,493,500	-
Total Long-term Liabilities	<u>\$ 13,638,433</u>	<u>\$ 4,358,811</u>	<u>\$ (2,699,813)</u>	<u>\$ 15,297,431</u>	<u>\$ 34,296</u>

Compensated absences will be liquidated primarily from the General Fund.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 5 – LONG-TERM LIABILITIES, (Continued)

A. Refund Liability

WRCOG maintains a listing of developers who are owed a refund for various reasons including expired permits, duplicate payments, and credit agreements entered into with the developer. Some of the refunds are included on the Transportation Improvement Program (TIP) and some are not but are generally not paid out until the zone has enough money to repay the refund. Each zone within the TIP maintains its own refund amounts and as funds become available, the refunds are paid out. No interest is calculated on refunds granted back to the developer. The refunds will be liquidated from the TUMF Fund.

B. City of Moreno Valley Agreement

In 2011, WRCOG entered into an agreement with the City of Moreno Valley to fund a portion of the Nason/SR-60 Interchange Project. Pursuant to the agreement, the City incurred project-related costs which will be reimbursed through TUMF as funds become available through the annual TUMF allocation process. The total authorized by the agreement was \$11,128,000. As of June 30, 2020, the remaining amount to be reimbursed to the City is \$3,493,500. The liability will be liquidated from the TUMF Fund.

NOTE 6 – TRANSPORTATION UNIFORM MITIGATION FEES

WRCOG developed an ordinance and an administrative plan effective June 1, 2003, to implement the Transportation Uniform Mitigation Fee (TUMF). This ordinance and the administrative plan allows for the collection of mitigation fees over 25 years related to the planning and construction of a regional transportation system throughout the western region of Riverside County. The municipalities located within the western region of Riverside County (grouped by zones) and the County of Riverside collect these fees and remit them to WRCOG on a monthly basis. WRCOG is responsible for the administration of these fees, subject to certain restrictions, and approves plans that meet the goals (nexus) of the legislation.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 6 – TRANSPORTATION UNIFORM MITIGATION FEES, (Continued)

WRCOG is entitled to an administration fee of up to 4% annually of TUMF revenues collected, with a maximum of 1% that can be used to offset salaries and benefits related to TUMF administration. In 2020, the total administration fee collected was 4%. Riverside Conservation Agency (RCA) also receives a percentage of the TUMF revenues collected of 1.47%, which is included as an expense in the TUMF Fund.

The fees allocated among the zones, Riverside County Transportation Commission (RCTC), and Riverside Transit Authority (RTA) are 45.7%, 45.7% and 3.13%, respectively. These allocations are remitted monthly to RCTC and quarterly to RTA; however, the zones must submit project plans for approval to WRCOG before funds can be released. RCA must submit potential sites designated for conservation for approval before funds are released.

NOTE 7 – EMPLOYEE BENEFITS

California Public Employees' Retirement System (CalPERS)

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. WRCOG sponsors two miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and WRCOG resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Benefits Provided, Continued

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plan's provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Miscellaneous	
	Classic	New Members
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit formula	2.7% at 55	2.0% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of annual salary	2.0% to 2.7%	1.0% to 2.5%
Required employer contribution rates	15.35%	7.67%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2020 were \$466,492. The actual employer payments of \$236,092 made to CalPERS by WRCOG during the measurement period ended June 30, 2019 differed from WRCOG's proportionate share of the employer's contributions of \$375,536 by \$139,444, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Net Pension Liability

WRCOG's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15%
Mortality Rate Table (1)	Derived using CalPERS' membership data for all funds
Post Retirement Rate Increase	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies.

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates includes 15 years of projected mortality improvements using 90% of scale MP 2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions reported from December 2017 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2018, valuation was based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at www.calpers.ca.gov.

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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class (1)	Assumed Asset Allocation	Real Return Years 1-10 (2)	Real Return Years 11+ (3)
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	0%	-0.92%
Total	<u>100%</u>		

(1) In the System's CAFR, Fixed Income is included in Global Debt Securities;
Liquidity is included in Short-term Investments; Inflation Assets are included
in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.00% used for this period

(3) An expected inflation of 2.92% used for this period

Change in Assumptions

There were no changes in assumptions.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and Other Post-Employment Benefits (OPEB) expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

Proportionate Share of Net Pension Liability

The following table shows the Plans' proportionate share of the net pension liability over the measurement period.

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2018 (VD)	\$ 11,301,871	\$ 8,680,495	\$ 2,621,376
Balance at: 6/30/2019 (MD)	\$ 11,936,106	\$ 9,063,032	\$ 2,873,074
Net changes during 2018-2019	\$ 634,235	\$ 382,537	\$ 251,698

Valuation Date (VD), Measurement Date (MD)

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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Proportionate Share of Net Pension Liability, Continued

WRCOG's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. WRCOG's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov.

WRCOG's proportionate share of the net pension liability for miscellaneous Plan as of the June 30, 2018 and 2019 measurement dates was as follows:

Proportion Share - June 30, 2018	0.0272%
Proportion Share - June 30, 2019	0.0280%
Change - Increase	0.0008%

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents WRCOG's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability	\$ 4,478,517	\$ 2,873,074	\$ 1,547,895

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2019 is 3.8 years, which was obtained by dividing the total service years of 530,470 (the sum of remaining service lifetimes of the active employees) by 140,593 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2018), WRCOG's net pension liability was \$2,621,376. For the measurement period ending June 30, 2019 (the measurement date), WRCOG incurred a pension expense of \$692,395.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions, Continued

At June 30, 2020, WRCOG reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 199,547	\$ 15,461
Changes in assumptions	137,001	48,566
Differences between projected and actual investment earnings	-	50,230
Differences between employer's contributions and proportionate share of contributions	13,026	102,748
Change in employers proportion	96,293	-
Pension contributions subsequent to the measurement date	466,492	-
	<u>\$ 912,359</u>	<u>\$ 217,005</u>

These amounts above are net of outflows and inflows recognized in the 2018-19 measurement period expense. Contributions subsequent to the measurement date of \$466,492 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2020	\$ 244,251
2021	(35,214)
2022	9,675
2023	10,150
2024	-
Thereafter	-
	<u>\$ 228,862</u>

Payable to the Pension Plan

At June 30, 2020, WRCOG reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

WRCOG has established agent multiple employer plan that provides post-retirement health care benefits for retired employees and their dependents. Benefits are as follows:

<u>Tier</u>	<u>Date of Hire</u>	<u>Benefit</u>
1	< 1/1/98	100% of premium (ee + dep.)
2	1/1/98 - 6/30/01	Cost of Kaiser coverage (ee + dep.)
3	7/1/01 - 9/1/04	Up to employee + 1 Kaiser premium
4	> 9/1/04	50% of weighted average of 4 top plans + 40% of weighted average for 1 dep. for 4 top plans. Vesting is 50% of premium at 10 years graded to 100% at 20 years.

In April 2012 WRCOG joined the Public Agencies Post-Retirement Health Care Plan, a multiple-employer trust administered by the Public Agency Retirement Services.

Employees Covered

As of the June 30, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	28
Inactive employees or beneficiaries currently receiving benefits	9
Inactive employees entitled to, but not yet receiving benefits	<u>1</u>
Total	<u><u>38</u></u>

Contributions

Benefit provisions are established and may be amended by the Executive Committee. WRCOG contributes 100% of the cost of health insurance premiums for retirees.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), (Continued)

Net OPEB Liability

WRCOG'S net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019, based on the following actuarial methods and assumptions:

Actuarial Assumptions	June 30, 2019 Measurement Date
Actuarial Valuation Date	June 30, 2019
Actuarial Cost Method	Entry age normal cost, level percent of pay.
Asset Valuation Method	Market value
Discount Rate	5.70%
General Inflation	2.50%
Salary Increases	3.00% per year; since benefits do not depend on salary, this is used to allocate the cost of benefits between service years.
Healthcare Cost Trend Rate	5.40% in 2021 fluctuating down to 4.00% by 2076.
Mortality	CalPERS 2017 experience study

Discount Rate

A discount rate of 5.70% was used in the valuation. This discount rate assumes the WRCOG continues to fully fund for its retiree health benefits.

Change of Assumptions

Discount Rate	Decreased from 6.25% to 5.70%.
Demographic Assumptions	Mortality rates updated to 2017 CalPERS experience study.
Mortality Improvement	Scale updated to 2020 MacLeod Watts Scale.
General Inflation Rate	Decreased from 2.75% to 2.50% per year.
Salary Increase	Decreased from 3.25% to 3.00% per year.
Medical Trend	Updated to use the Getzen healthcare trend model.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), (Continued)

Changes in the OPEB Liability (Asset)

The changes in the net OPEB liability (asset) for the Plan are as follows:

	(a)	(b)	(a) - (b) = (c)
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2019 (6/30/18 measurement date)	\$2,688,654	\$1,798,116	\$ 890,538
Changes recognized for the measurement period:			
Service cost	150,146	-	150,146
Interest	173,314	-	173,314
Differences between expected and actual experience	(836,051)	-	(836,051)
Changes of assumptions	763,070	-	763,070
Contributions – employer	-	106,392	(106,392)
Net investment income	-	97,621	(97,621)
Benefit payments	(131,557)	(131,557)	-
Administrative expense	-	(7,571)	7,571
Net changes	118,922	64,885	54,037
Balance at June 30, 2020 (6/30/19 measurement date)	\$2,807,576	\$1,863,001	\$ 944,575

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the WRCOG if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
Net OPEB Liability	\$ 1,360,342	\$ 944,575	\$ 609,342

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), (Continued)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability (asset) of the WRCOG if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

		Current Healthcare Cost Trend Rates	
	1% Decrease		1% Increase
Net OPEB Liability	\$ 574,726	\$ 944,575	\$ 1,414,366

OPEB Plan Fiduciary Net Position

PARS issues a publicly available financial report that may be obtained from the Public Agency Retirement Services, 4350 Von Karman Ave, Newport Beach, CA 92660.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2020, the WRCOG recognized OPEB expense of \$123,844. As of fiscal year ended June 30, 2019, the WRCOG reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 690,466	\$ -
Differences between expected and actual experience	-	1,448,621
Net differences between projected and actual earnings on investments	-	75,479
Contributions to OPEB plan subsequent to the measurement date	140,657	-
Total	<u>\$ 831,123</u>	<u>\$ 1,524,100</u>

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB, Continued

The \$140,657 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2021.

Amounts reported as deferred outflows or inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2021	\$ (95,827)
2022	(95,827)
2023	(95,825)
2024	(67,004)
2025	(69,751)
Thereafter	(409,400)
	<u>\$ (833,634)</u>

Other Benefits

WRCOG also provides a deferred compensation plan under Section 457 of the Internal Revenue Code. As a result of changes in tax law, these benefits have been placed in a trust for the exclusive benefit of the employees requesting such deferrals.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

WRCOG has participated in various federal and state assisted grant programs. These programs are subject to financial and compliance audits by the grantor or their representatives, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Management believes that any liability for reimbursement, which may arise as a result of these audits, is not material.

NOTE 10 – RELATED PARTY TRANSACTIONS

WRCOG purchased services during the current year from the County of Riverside, which is also a member of WRCOG, for parking costs, which amounted to \$280 and are included as expenditures in the General Fund.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 11 – PROPERTY ASSESSED CLEAN ENERGY PROGRAM

In 2011, WRCOG launched the Property Assessed Clean Energy (PACE) Program, a regional effort that provides financing to residential and commercial property owners to install energy-efficient, renewable energy, and water conservation improvements to homes and businesses in the subregion.

Program participants complete an application, select a contractor, and make the improvements. Repayment occurs through the owner's annual property tax bill, and in most cases, the assessment stays with the property, to be assumed by the next owner upon sale of the property. For property owners, energy and water conservation improvements will yield reduced utility bills. For Western Riverside County, the Program will create energy savings for the fast-growing region, reduce greenhouse gas emissions associated with energy use, and bring and retain jobs for area contractors.

The PACE Program has expanded statewide; nearly 150 municipalities throughout California have joined the Program. What makes the PACE Program particularly unique is that the financing is provided entirely by private investment funds to implement the Program.

Under the PACE Program, a contractual assessment is entered into by the property owner. The amount of the contractual assessment is equal to the cost to pay for the eligible improvements, the issuance of the bonds that will finance the program, and the costs to administer the program. The assessments are billed and collected on the County property tax bill. Repayments made by the property owners flow through the County to the trustee to fund the debt service. WRCOG does not receive the special assessments. As the sponsor of the PACE program, WRCOG receives a percentage of the amount financed for its participation in the program.

During the year, WRCOG received 1.463% of the amount financed, for each assessment, in the residential program. A program management fee of \$55 per assessment is collected at the initiation of the assessment to pay for recordation. Also collected is a \$50 annual administrative fee, per assessment, used to levy on county tax rolls.

For the commercial program, WRCOG received 1.15% of the amount financed, for each assessment, in the program. A program management fee of \$95 per assessment is collected at the initiation of the assessment to pay for recordation. Also collected is a \$390 annual administrative fee, per assessment, used to levy on county tax rolls.

PACE revenues are broken out by two types: Program and Recording. For FY 19/20, Program revenue totaled \$1,931,057, while recording revenue totaled \$429,355. Recording revenues are recouped from each bond assessment and charged to recover the amount paid to each County for recording, essentially offsetting the fees paid.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 12 – BEYOND PROGRAM

In June 2015, WRCOG launched the BEYOND Framework Fund Program (BEYOND), to provide local assistance funding to help its member agencies develop and implement plans and programs that can help improve the quality of life in Western Riverside County. BEYOND projects address critical growth components such as economic development, water, education, environment, energy, health, and transportation.

The BEYOND Program is funded by net PACE program revenues. Funds are required to be expended pursuant to program guidelines. Funds are provided to member agencies on a reimbursement basis. During the year, reimbursements to various member agencies for projects approved by WRCOG totaled \$124,858 from BEYOND Round I funding, and \$1,706,449 for Round II were reimbursed. The remaining \$702,559 was re-assigned within the General Fund for the Experience, Fellowship and Grant Writing programs.

NOTE 13 – FELLOWSHIP PROGRAM

In November 2015, WRCOG launched the Fellowship Program. The Fellowship Program is administered in partnership with the University of California, Riverside and California Baptist University. The purpose of the program is to encourage students to seek careers in public policy and local government. Based on available funding and member agency's needs, each member agency is provided with a student intern who is employed by WRCOG, to be used to support local government departments.

The Fellowship Program is funded by net PACE program revenues. In the fiscal year ending June 30, 2020, reimbursements to various member agencies for hired interns approved by WRCOG totaled \$185,078. The remaining \$609,412 was assigned within the General Fund for the Fellowship Program with additional funding re-assigned from the BEYOND Program.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 14 – RISK MANAGEMENT

WRCOG is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; and natural disasters which are covered through the purchase of insurance policies.

At June 30, 2020, WRCOG's insurance policies are as follows:

- Errors & Omission/ Employment Practices Liability: WRCOG is insured up to \$5,000,000 per occurrence and \$25,000 deductible per occurrence.
- Office Equipment: WRCOG is insured up to \$1,000,000 per occurrence and \$122,000 personal property and \$1,000 deductible per occurrence.
- Crime Insurance: WRCOG is insured up to \$5,000,000 per occurrence and \$25,000 deductible per occurrence.
- Excess Liability: WRCOG is insured up to \$4,000,000 per occurrence.
- Workers Compensation: WRCOG is insured up to \$1,000,000 per occurrence.
- Employee Dishonest Bond: WRCOG is insured up to \$25,000 bond limit.
- Business Auto Policy: WRCOG is insured up to \$1,000,000 liability limit.
- There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

NOTE 15 – Western Community Energy

Western Community Energy ("WCE") was organized on August 23, 2018 pursuant to the Joint Exercise of Powers Agreement by City of Canyon Lake, City of Eastvale, City of Hemet, City of Jurupa Valley, City of Perris, and City of Wildomar ("Member Agencies"). In 2002, AB 117 was signed into law allowing public agencies to aggregate the electrical load of interested consumers within their jurisdictional boundaries and purchase electricity on behalf of those consumers. The WCE was formed with the purpose and intent to collectively study, promote, develop, conduct, operate and manage energy, energy efficiency and conservation, and other energy-related and climate change programs related to a Community Choice Aggregation program ("CCA Program"), and exercise all other powers necessary and incidental to accomplishing this purpose. The Member Agencies have each adopted an ordinance electing to implement through the Authority a community choice aggregation program pursuant to California Public Utilities Code § 366.2.

The WCE will be initially administered by the Western Riverside Council of Governments ("WRCOG"), which shall provide Executive Director, staff, and consultant services to WCE. WRCOG shall provide administrative services for three years from the Effective Date of Joint Exercise of Powers Agreement. The term and conditions of the administrative services agreement may be extended by mutual agreement of WRCOG and the WCE without further amendment of the original JPA Agreement.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 16 – COVID-19 Considerations

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. As a result, the outbreak has caused uncertainty in the financial markets. The duration of these uncertainties and the ultimate financial impact effects cannot be estimated at this time.

NOTE 17 – Prior Period Restatement

Updated Actuary Valuation Reported Amounts - GASB 75 Other Post Employee Benefits

WRCOG implemented GASB Statement No. 75 (GASB 75) effective July 1, 2017. GASB 75, among other provisions, amended prior guidance with respect to the reporting of postemployment benefits other than pensions (OPEB). GASB 75 establishes standards for measuring and recognizing liabilities, deferred outflows or resources, and deferred inflows of resources, and expenses. An "updated" valuation report provided amounts that needed to be applied retroactively in the government wide financial statements.

The cumulative effects of applying the updated actuarial valuation report amounts of GASB 75 have been reported as a restatement of beginning net position for the year ended June 30, 2020 in accordance with the Statement as follows:

Government-Wide Statements

Statement of Activities - Governmental Activities	
Net position, beginning of year, prior to restatement	\$ 10,190,563
OPEB Liability calculated under GASB 75	(74,455)
Deferred Outflow calculated under GASB 75	(205,027)
Deferred Inflow calculated under GASB 75	<u>(870,219)</u>
Restatement	<u>(1,149,701)</u>
Net position, beginning of year, as restated	<u>\$ 9,040,862</u>

REQUIRED SUPPLEMENTARY INFORMATION

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2020**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	\$ 775,000	\$ 775,000	\$ 800,250	\$ 25,250
TUMF mitigation fees	1,980,000	1,980,000	1,954,024	(25,976)
PACE fees	2,251,319	2,424,646	2,512,229	87,583
Other revenues	1,858,188	2,372,440	2,060,571	(311,869)
Investment income	25,000	127,758	127,757	(1)
Total revenues	6,889,507	7,679,844	7,454,831	(225,013)
Expenditures:				
Current:				
General government	6,723,012	7,051,106	3,531,873	3,519,233
Energy	2,537,074	2,404,133	2,349,851	54,282
Environmental	484,967	490,624	476,388	14,236
Total Expenditures	9,745,053	9,945,863	6,358,112	3,587,751
Net change in fund balance	<u>\$ (2,855,546)</u>	<u>\$ (2,266,019)</u>	1,096,719	<u>\$ 3,362,738</u>
Fund balance:				
Balance, beginning of year			10,716,811	
Balance, end of year			<u>\$ 11,813,530</u>	

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Schedule of the WRCOG's Proportionate Share
of the Net Pension Liability and Related Ratios as of the Measurement Date
Last Ten Years*
As of the Year Ended June 30, 2020**

Measurement Date	Employer's Proportion of the Collective Net Pension Liability ¹	Employer's Proportionate Share of the Collective Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	Pension's Plans Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2014	0.0229%	\$ 1,421,911	\$ 1,422,424	99.96%	79.82%
6/30/2015	0.0263%	1,808,565	1,616,828	111.86%	78.40%
6/30/2016	0.0265%	2,297,048	1,760,643	130.47%	78.40%
6/30/2017	0.0271%	2,689,185	2,062,647	130.38%	74.33%
6/30/2018	0.0272%	2,621,376	2,413,255	108.62%	76.81%
6/30/2019	0.0280%	2,873,074	2,530,409	113.54%	75.93%

¹ Proportion of the collective net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk pools excluding the 1959 Survivors Risk Pool.

* Historical information is required only for measurement period for which GASB 68 & 71 were applicable. Future years' information will be displayed up to 10 years as information becomes available.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Schedule of Plan Contributions
Last Ten Years*
As of the Year Ended June 30, 2020**

<u>Fiscal Year</u>	<u>Actuarially Determined Contributions</u>	<u>Contributions in Relation to the Actuarially Determined Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2014-15	\$ 294,471	\$ (294,471)	\$ -	\$ 1,616,828	18.21%
2015-16	305,212	(305,212)	-	1,760,643	17.34%
2016-17	323,200	(323,200)	-	2,062,647	15.67%
2017-18	345,428	(345,428)	-	2,413,255	14.31%
2018-19	236,092	(236,092)	-	2,530,409	9.33%
2019-20	466,492	(466,492)	-	2,504,167	18.63%

Notes to Schedule:

Change in Benefit Terms: None

Changes in Assumptions: There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

* Historical information is required only for measurement period for which GASB 68 & 71 were applicable. Future years' information will be displayed up to 10 years as information becomes available.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2020**

Measurement Period	June 30, 2017	June 30, 2018	June 30, 2019
Total OPEB Liability			
Service cost	\$ 108,879	\$ 171,367	\$ 150,146
Interest	159,498	160,645	173,314
Differences between expected and actual experience	(156,922)	-	(836,051)
Changes of assumptions	-	-	763,070
Benefit payments	(113,278)	(84,617)	(131,557)
Net change in total OPEB liability	(1,823)	247,395	118,922
Total OPEB liability - beginning	2,443,082	2,441,259	2,688,654*
Total OPEB liability - ending (a)	2,441,259	2,688,654	2,807,576
Plan Fiduciary Net Position			
Contributions – employer	-	120,000	106,392
Net investment income	104,450	(5,368)	97,621
Benefit payments	(105,916)	(84,617)	(131,557)
Administrative expense	(7,361)	(6,574)	(7,571)
Net change in plan fiduciary net position	(8,827)	23,441	64,885
Plan fiduciary net position - beginning	1,783,502	1,774,675	1,798,116*
Plan fiduciary net position - ending (b)	1,774,675	1,798,116	1,863,001
Net OPEB liability - ending (a) - (b)	\$ 666,584	\$ 890,538	\$ 944,575
Plan fiduciary net position as a percentage of the total OPEB liability	72.70%	66.88%	66.36%
Covered payroll	\$ 2,211,299	\$ 2,617,222	\$ 2,817,402
Net OPEB liability as a percentage of covered payroll	30.14%	34.03%	33.53%

Notes to Schedule:

Changes in assumptions:

Discount rate: Decreased from 6.25% to 5.70%.

Demographic assumptions: Mortality rates updated to 2017 CalPERS experience study.

Mortality improvement: Scale updated to 2020 MacLeod Watts Scale.

General inflation rate: Decreased from 2.75% to 2.50% per year.

Salary increase: Decreased from 3.25% to 3.00% per year.

Medical trend: Updated to use the Getzen healthcare trend model.

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

*As restated, see Note 17.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Schedule of OPEB Plan Contributions – Last Ten Years*
For the Year Ended June 30, 2020**

Fiscal Year	Actuarially Determined Contribution (ADC)	Contributions in relation to the ADC	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2018	\$ 185,075	\$ 185,075	\$ -	\$ 2,617,222	7.07%
June 30, 2019	202,857	202,857	-	2,817,402	7.20%
June 30, 2020	256,928	140,657	116,271	2,664,693	5.28%

Notes to Schedule:

Valuation Date: Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine the actuarially determined contribution:	
Valuation Date	June 30, 2019
Actuarial Cost Method	Entry age normal cost, level percent of pay.
Amortization Methodology	Level \$, closed 30 year period
Asset Valuation Method	Market value
Discount Rate	5.70%
General Inflation	2.50%
Salary Increases	3.00%
Medical Trend	5.4% in 2021 fluctuating down to 4.0% by 2076.
Mortality	CalPERS 2017 experience study
Retirement Age	From 50 to 75

*Fiscal year 2017-18 was the first year of implementation. Additional years to be presented as information becomes available.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Notes to the Required Supplementary Information
For the Year Ended June 30, 2020**

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

By state law, WRCOG's Governing Board must approve a tentative budget no later than July 1 and adopt a final budget no later than September 15. A public hearing must be conducted to receive comments prior to adoption. WRCOG's Governing Board satisfied these requirements. A budget is adopted for all expenditures by financial responsibility for the General Fund. All budgets are adopted on a basis consistent with generally accepted accounting principles.

WRCOG is entitled to an administration fee of up to 4% annually of TUMF revenues collected, with a maximum of 1% that can be used to offset salaries and benefits related to TUMF administration. In 2020, the total administration fee collected was 4%. Riverside Conservation Agency (RCA) also receives a percentage of the TUMF revenues collected of 1.47%, which is included as an expense in the TUMF Fund.

The fees allocated among the zones, Riverside County Transportation Commission (RCTC), and Riverside Transit Authority (RTA) are 45.7%, 45.7% and 3.13%, respectively. These allocations are remitted monthly to RCTC and quarterly to RTA; however the zones must submit project plans for approval to WRCOG before funds can be released. RCA must submit potential sites designated for conservation for approval before funds are released.

The TUMF Fund does not have an adopted budget that is approved by the WRCOG General Assembly, therefore, the TUMF Fund does not present a budget to actual comparison.

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**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2020**

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2020</u>
Assets				
Cash and investments	<u>\$ 1,391,727</u>	<u>\$ 39,506,818</u>	<u>\$ 31,470,301</u>	<u>\$ 9,428,244</u>
Total assets	<u><u>\$ 1,391,727</u></u>	<u><u>\$ 39,506,818</u></u>	<u><u>\$ 31,470,301</u></u>	<u><u>\$ 9,428,244</u></u>
 Liabilities				
Deposits payable	<u>\$ 1,391,727</u>	<u>\$ 69,643,640</u>	<u>\$ 61,607,123</u>	<u>\$ 9,428,244</u>
Total liabilities	<u><u>\$ 1,391,727</u></u>	<u><u>\$ 69,643,640</u></u>	<u><u>\$ 61,607,123</u></u>	<u><u>\$ 9,428,244</u></u>

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Statistical Section

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**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Statistical Section Overview
For the Fiscal Year Ended June 30, 2020**

This section of the Western Riverside Council of Government's Comprehensive Annual Financial Report presents additional detail, historical perspective, and context to assist annual financial report users in understanding the financial statements, note disclosures, required supplementary information, and assessing WRCOG's financial condition.

Financial Trends: These schedules contain trend information to assist readers in understanding and assessing how WRCOG's financial position has changed over time.

*Net Position by Component
Changes in Net Position
Fund Balances of Governmental Funds
Changes in Fund Balances in Governmental Funds*

Revenue Capacity: These schedules contain information to help the reader assess WRCOG's most significant local revenue source, Member Dues and Mitigation Fees.

WRCOG Revenues

Demographic and Economic Information: These schedules offer demographic and economic indicators to help the reader understand the environment within the government's financial activities take place. These schedules include:

*Demographic and Economic Statistics for Riverside County
Principal Employers of Riverside County*

Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. These schedules include:

Full-time Equivalent Employees by Function/Program

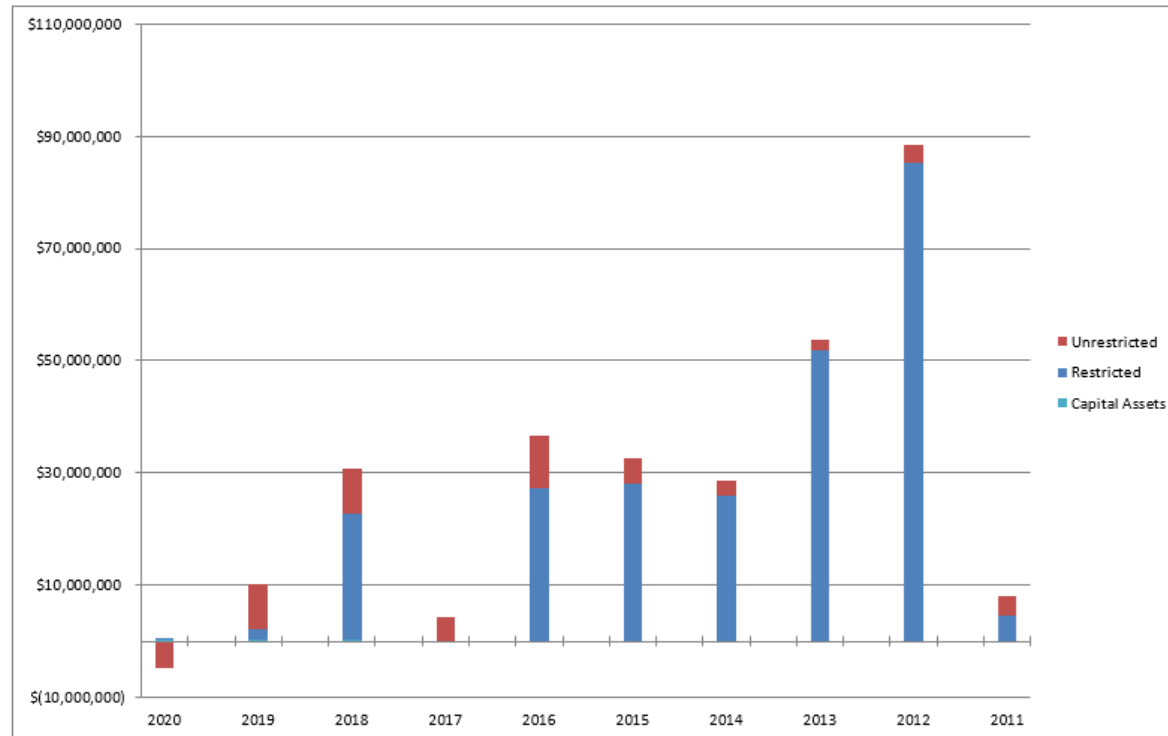
Sources: WRCOG Finance Department
California State Department of Finance
U.S. Department of Commerce Bureau of Economic Analysis
Riverside County Economic Development Agency
State of California Economic Development Department
FRED Economic Data Economic Research Federal Reserve Bank of St. Louis

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Net Position by Component
Last Ten Fiscal Years
(Accrual Basis)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
Net investment in										
Capital Assets	\$ 293,345	\$ 362,054	\$ 413,343	\$ 93,875	\$ 100,296	\$ 54,038	\$ 30,021	\$ 20,735	\$ 32,918	\$ 47,304
Restricted	111,838	1,907,303	22,211,582	11,702	27,079,334	28,033,173	25,869,263	51,733,864	85,054,212	4,632,048
Unrestricted	(4,815,321)	6,771,505	8,130,795	4,232,803	9,385,943	4,556,290	2,632,813	1,880,401	3,361,861	3,279,968
Total governmental activities net position/(deficit)	\$ (4,410,138)	\$ 9,040,862	\$ 30,755,720	\$ 4,338,380	\$ 36,565,573	\$ 32,643,501	\$ 28,532,097	\$ 53,635,000	\$ 88,448,991	\$ 7,959,320

Source: Finance Department



**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis)**

	Fiscal Year Ended June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities:										
General government	\$ 3,674,580	\$ 6,966,676	\$ 5,416,418	\$ 4,028,482	\$ 2,520,688	\$ 2,031,313	\$ 2,245,634	\$ 2,401,116	\$ 3,392,955	\$ 1,974,339
Transportation	63,456,285	85,033,676	34,971,790	74,542,061	41,631,788	33,114,224	54,779,449	50,187,717	21,194,918	18,983,962
Energy	2,349,851	2,779,274	6,333,946	5,622,980	5,629,560	4,926,278	2,445,533	1,608,694	476,844	20,033
Environmental	704,465	533,897	570,687	513,137	423,667	531,945	647,781	576,600	520,748	-
Total primary government expenses	<u>70,185,181</u>	<u>95,313,523</u>	<u>47,292,841</u>	<u>84,706,660</u>	<u>50,205,703</u>	<u>40,603,760</u>	<u>60,118,397</u>	<u>54,774,127</u>	<u>25,585,465</u>	<u>20,978,334</u>
Program Revenues										
Governmental activities:										
General government	341,563	569,301	567,640	512,876	513,188	349,268	420,810	528,756	63,102	1,515,581
Transportation	50,389,714	66,842,236	67,483,341	42,731,611	43,508,888	37,430,113	24,905,073	25,966,400	14,122,996	8,121,757
Energy	2,966,193	3,364,946	6,003,534	9,316,452	9,779,134	7,473,816	3,198,814	1,482,940	190,142	-
Environmental	758,394	542,592	515,141	528,775	464,885	620,836	618,415	619,388	712,040	-
Total primary government program revenues	<u>54,455,864</u>	<u>71,319,075</u>	<u>74,569,656</u>	<u>53,089,714</u>	<u>54,266,095</u>	<u>45,874,033</u>	<u>29,143,112</u>	<u>28,597,484</u>	<u>15,088,280</u>	<u>9,637,338</u>
Net (Expense)/Revenue										
Total primary government net expense	<u>(15,729,317)</u>	<u>(23,994,448)</u>	<u>27,276,815</u>	<u>(31,616,946)</u>	<u>4,060,392</u>	<u>5,270,273</u>	<u>(30,975,285)</u>	<u>(26,176,643)</u>	<u>(10,497,185)</u>	<u>(11,340,996)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Other revenues	-	-	-	-	36,112	241,763	259,349	308,294	852,752	647,701
Investment income	2,356,692	2,262,464	273,559	(12,645)	509,228	552,021	706,876	(285,642)	806,546	638,791
Loss on sale of capital assets	(78,375)	-	-	-	-	-	-	-	-	-
Total primary government	<u>2,278,317</u>	<u>2,262,464</u>	<u>273,559</u>	<u>(12,645)</u>	<u>545,340</u>	<u>793,784</u>	<u>966,225</u>	<u>22,652</u>	<u>1,659,298</u>	<u>1,286,492</u>
Changes in Net Position										
Total primary government	<u>\$ (13,451,000)</u>	<u>\$ (21,731,984)</u>	<u>\$ 27,550,374</u>	<u>\$ (31,629,591)</u>	<u>\$ 4,605,732</u>	<u>\$ 6,064,057</u>	<u>\$ (30,009,060)</u>	<u>\$ (26,153,991)</u>	<u>\$ (8,837,887)</u>	<u>\$ (10,054,504)</u>

Source: Finance Department

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis)**

		Fiscal Year									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>GENERAL FUND</u>											
General fund:											
Nonspendable											
Prepaid Expenses	\$	209,708	\$ 96,486	\$ 43,859	\$ 167,212	\$ 90,762	\$ 82,987	\$ 70,111	\$ 67,357	\$ 36,386	\$ 52,047
Restricted											
LTF		-	-	-	-	-	-	581,358	578,909	591,273	650,397
Assigned		-	-	-	11,702.00	-	-	-	-	-	-
BEYOND Program		702,559	702,559	2,533,866	3,305,419	1,556,763.00	-	-	-	-	-
Fellowship Program		609,412	304,733	514,732	121,272	400,000.00	-	-	-	-	-
Unassigned		10,291,851	9,613,033	8,233,431	8,988,826	7,888,825	5,415,947	1,275,895	456,939	392,965	76,440
Total general fund		<u>\$ 11,813,530</u>	<u>\$ 10,716,811</u>	<u>\$ 11,325,888</u>	<u>\$ 12,594,431</u>	<u>\$ 9,936,350</u>	<u>\$ 5,498,934</u>	<u>\$ 1,927,364</u>	<u>\$ 1,103,205</u>	<u>\$ 1,020,624</u>	<u>\$ 778,884</u>
<u>ALL OTHER GOVERNMENTAL FUNDS</u>											
All other governmental funds:											
Committed											
TUMF	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,530,712
Restricted											
Transportation		2,483,852	15,073,913	38,098,604	9,373,801	51,540,293	53,379,614	49,094,887	65,104,205	95,670,753.00	-
Foundation		111,838	72,145	11,733.00	-	11,690	11,695	11,604	20,550	11,370	48,346
Assigned											
TUMF		-	-	-	-	-	-	-	-	-	31,175,659
Total all other governmental funds		<u>\$ 2,595,690</u>	<u>\$ 15,146,058</u>	<u>\$ 38,110,337</u>	<u>\$ 9,373,801</u>	<u>\$ 51,551,983</u>	<u>\$ 53,391,309</u>	<u>\$ 49,106,491</u>	<u>\$ 65,124,755</u>	<u>\$ 95,682,123</u>	<u>\$ 103,754,717</u>

Source: Finance Department

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis)**

		Fiscal Year									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues											
Intergovernmental	\$	1,068,020	\$ 967,270	\$ 931,500	\$ 1,145,570	\$ 1,058,265	\$ 1,461,999	\$ 1,350,596	\$ 1,830,454	\$ 1,216,550	\$ 1,515,581
TUMF Mitigation fees		48,850,599	63,686,091	51,305,031	42,239,340	42,615,158	36,507,739	24,306,973	25,361,053	13,871,730	8,165,385
Pace fees		2,512,229	2,752,932	5,684,817	9,028,003	9,562,139	7,159,144	2,197,585	-	-	-
Other revenues		2,085,571	3,852,228	16,648,307	894,488	848,957	986,914	1,547,307	1,714,271	852,752	647,701
Investment income (loss)		2,356,691	2,262,464	273,560	(12,645)	509,229	552,021	420,526	(285,642)	806,546	638,791
Total revenues		56,873,110	73,520,985	74,843,215	53,294,756	54,593,748	46,667,817	29,822,987	28,620,136	16,747,578	10,967,458
Expenditures											
Current:											
General Government		3,531,873	6,039,994	4,493,570	3,965,880	2,681,489	2,070,885	2,191,112	2,321,713	3,969,631	3,650,185
Programs:											
Transportation		61,740,570	87,741,176	35,974,673	82,703,352	44,125,019	30,998,608	44,901,088	52,612,593	23,624,407	28,039,139
Energy		2,349,851	2,779,274	6,336,292	5,632,488	5,647,563	4,929,398	2,431,687	1,589,887	675,950	-
Environmental		704,465	533,897	570,687	513,137	435,670	534,027	638,549	564,061	653,485	-
Debt service		-	-	-	-	-	-	-	1,500,000	-	-
Capital outlay		-	-	-	-	-	-	-	-	-	6,647
Total expenditures		68,326,759	97,094,341	47,375,222	92,814,857	52,889,741	38,532,918	50,162,436	58,588,254	28,923,473	31,695,971
Excess (deficiency) of revenues over (under) expenditures		<u>(11,453,649)</u>	<u>(23,573,356)</u>	<u>27,467,993</u>	<u>(39,520,101)</u>	<u>1,704,007</u>	<u>8,134,899</u>	<u>(20,339,449)</u>	<u>(29,968,118)</u>	<u>(12,175,895)</u>	<u>(20,728,513)</u>
Other financing sources (uses):											
Loan proceeds		-	-	-	-	-	-	-	1,500,000	-	-
Total other financing sources (uses)		-	-	-	-	-	-	-	1,500,000	-	-
Net change in fund balances		<u>\$ (11,453,649)</u>	<u>\$ (23,573,356)</u>	<u>\$ 27,467,993</u>	<u>\$ (39,520,101)</u>	<u>\$ 1,704,007</u>	<u>\$ 8,134,899</u>	<u>\$ (20,339,449)</u>	<u>\$ (28,468,118)</u>	<u>\$ (12,175,895)</u>	<u>\$ (20,728,513)</u>
Debt service as a percentage of noncapital expenditures		<u>0.0%</u>									

Source: Finance Department

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Revenue by Funds
Last Ten Fiscal Years
(Accrual Basis)**

	Fiscal Year Ended June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
GENERAL FUND:										
Member dues:										
Banning	\$ 3,941	\$ 3,941	\$ 3,941	\$ 3,941	\$ 3,941	\$ 3,957	\$ 3,957	\$ 3,957	\$ 3,957	\$ 3,957
Beaumont	5,000	5,000	-	-	-	5,255	5,255	5,255	5,255	5,255
Calimesa	1,049	1,049	1,049	1,049	1,049	1,102	1,102	1,102	1,102	1,102
Canyon Lake	1,406	1,406	1,406	1,406	1,406	2,256	2,256	2,256	2,256	2,256
Corona	20,290	20,290	20,290	20,290	20,290	25,886	25,886	25,886	25,886	25,886
Eastvale	7,171	7,171	7,171	7,171	7,171	-	-	-	-	-
Hemet	9,797	9,797	9,797	9,797	9,797	10,386	10,386	10,386	10,386	10,386
Jurupa Valley	12,710	12,710	12,710	12,710	12,710	-	-	-	-	-
Lake Elsinore	6,933	6,933	6,933	6,933	6,933	7,904	7,904	7,904	7,904	7,904
Menifee	10,491	10,491	10,491	10,491	10,491	10,147	10,147	10,147	10,147	10,147
Moreno Valley	25,780	25,780	25,780	25,780	25,780	25,413	25,413	25,413	25,413	25,413
Murietta	13,794	13,794	13,794	13,794	13,794	17,954	17,954	17,954	17,954	17,954
Norco	3,573	3,573	3,573	3,573	3,573	4,482	4,482	4,482	4,482	4,482
Perris	9,215	9,215	9,215	9,215	9,215	8,173	8,173	8,173	8,173	8,173
Riverside	40,512	40,512	40,512	40,512	40,512	42,894	42,894	42,894	42,894	42,894
San Jacinto	5,889	5,889	5,889	5,889	5,889	5,504	5,504	5,504	5,504	5,504
Temecula	13,424	13,424	13,424	13,424	13,424	18,714	18,714	18,714	18,714	18,714
Wildomar	4,298	4,298	4,298	4,298	4,298	4,863	4,863	4,863	4,863	4,863
County of Riverside	48,136	48,136	48,136	48,136	48,136	43,520	43,520	43,520	43,520	43,520
County of Riverside - Office of Superintendent	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	-
Eastern Municipal Water District	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Western Municipal Water District	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Morongo Band of Mission Indians	-	17,000	17,000	17,000	9,500	10,000	10,000	-	-	-
Total Member dues	\$ 294,410	\$ 311,410	\$ 306,410	\$ 306,410	\$ 298,910	\$ 299,410	\$ 299,410	\$ 289,410	\$ 289,410	\$ 272,410

ALL OTHER GOVERNMENTAL FUNDS

Transportation Uniform Mitigation Fee (TUMF):

Banning	16,719	\$ 12,165	\$ 16,040	\$ 40,930	\$ 6,326	\$ 54,738	\$ 4,116	\$ -	\$ 89,603	\$ 2,057
Beaumont	661,889	1,133,974	514,351	-	-	-	-	-	-	-
Calimesa	357,530	188,577	4,055	103,835	10,359	133,217	65,387	1,310	1,144	22,963
Canyon Lake	41,949	44,605	38,832	18,525	20,583	27,055	22,642	4,117	1,028	6,169
Corona	500,855	2,599,705	140,921	1,153,262	2,743,488	1,989,728	114,644	104,773	1,272,328	215,876
Eastvale	819,704	660,354	1,735,201	1,249,621	1,705,338	1,241,685	1,438,152	1,478,348	665,522	434,531
Hemet	200,532	247,002	217,626	52,392	351,010	545,597	736,612	531,470	194,078	145,284
Jurupa Valley	1,707,104	1,919,323	995,072	2,400,109	2,302,649	1,738,387	242,216	112,044	32,901	-
Lake Elsinore	1,588,824	912,194	56,629	800,725	969,533	898,098	868,004	646,241	259,098	263,885
March JPA	1,503,832	1,196,382	1,668,406	765,627	222,482	239,874	-	227,695	-	-
Menifee	2,369,260	2,589,565	1,944,365	1,374,603	1,203,549	909,230	1,665,304	821,673	628,138	1,108,611
Moreno Valley	1,861,624	4,400,523	300,521	883,562	1,356,327	2,343,895	1,138,394	693,588	29,612	425,411
Murietta	667,417	1,115,593	2,585,547	884,391	1,452,155	1,496,315	70,944	81,192	64,386	702,612
Norco	136,181	523,643	1,867,071	304,411	100,355	101,444	11,288	8,232	-	65,000
Perris	726,994	789,812	918,236	1,235,325	1,167,113	1,069,887	1,498,823	320,608	124,896	187,814
Riverside	1,928,733	3,018,415	1,484,544	3,113,205	1,852,839	1,461,429	594,363	1,365,025	955,549	837,989
San Jacinto	784,469	984,137	3,212,024	843,818	698,893	259,021	200,630	70,674	90,480	123,462
Temecula	676,132	646,123	1,448,549	810,938	809,664	679,386	227,028	1,772,534	944,090	1,288,039
Wildomar	316,900	134,061	87,114	826,659	384,865	83,178	219,722	1,032,017	16,451	30,063
County - Northwest	3,237,826	998,669	272,790	569,203	414,258	216,343	183,616	189,161	248,635	685,058
County - Southwest	1,421,458	730,000	1,643,915	863,473	636,493	1,529,926	1,288,379	1,622,276	598,885	367,429
County - Central	189,085	1,403,293	1,125,077	911,716	1,040,489	593,671	46,173	434,159	37,570	127,594
County - Pass	37,617	64,879	815,242	12,349	20,581	16,502	4,116	431,198	2,181	3,347
County - Hemet/San Jacinto	946,277	2,254,436	538,809	376,151	299,821	91,090	82,324	30,103	15,701	6,316
Regional Transit Authority	1,554,652	1,956,588	1,203,022	692,725	698,889	314,621	367,630	423,339	194,423	185,257
Riverside County Transportation Commission	22,698,912	28,567,429	23,630,936	19,594,830	19,769,172	17,480,991	10,899,357	11,978,440	5,494,327	5,438,916
WRCOG	1,986,776	2,500,431	2,056,290	1,689,574	1,704,607	2,076,008	974,049	1,027,871	505,866	544,408
MSHCP	730,140	918,909	783,850	667,382	673,319	602,662	369,011	407,929	191,743	194,668
Total TUMF	\$ 49,669,391	\$ 62,510,785	\$ 51,305,034	\$ 42,239,341	\$ 42,615,159	\$ 38,193,977	\$ 23,332,924	\$ 25,816,019	\$ 12,658,634	\$ 13,412,759

Source: Finance Department

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Demographic and Economic Statistics for the County of Riverside
Last Ten Calendar Years**

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2020	2,442,304	\$ 104,794,676	\$ 42,418	14.90%
2019	2,440,124	95,140,992	39,261	4.60%
2018	2,415,955	87,827,068	36,782	4.70%
2017	2,390,702	88,000,000	35,883	5.80%
2016	2,317,924	89,500,000	31,762	6.90%
2015	2,329,271	83,500,000	31,344	8.40%
2014	2,292,507	76,289,477	30,815	9.80%
2013	2,227,577	70,376,019	29,986	11.50%
2012	2,239,620	67,024,780	29,927	13.20%
2011	2,189,641	63,900,000	29,035	14.70%

Sources: California State Department of Finance as of January 1
 FRED Economic Data Economic Research Federal Reserve Bank of St. Louis
 U.S. Department of Commerce Bureau of Economic Analysis
 State of California Employment Development Department as of June
 Riverside County Economic Development Agency

Represents most recent data available

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Employment Statistics by Industry for Riverside County
Calendar Years 2019 and Nine Calendar Years**

Industry Type	2019	% of Total Employment	2010	% of Total Employment
Agricultural service	12,900	1.7%	12,400	2.2%
Mining and logging	500	0.1%	500	0.1%
Construction	67,600	8.8%	40,400	7.2%
Manufacturing	45,100	5.9%	39,000	7.0%
Transportation, warehousing, and public utilities	49,300	6.4%	19,700	3.5%
Wholesale trade	25,700	3.3%	18,700	3.3%
Retail trade	93,500	12.2%	78,800	14.1%
Information	6,500	0.8%	8,500	1.5%
Finance and insurance	11,100	1.4%	11,800	2.1%
Real estate and rental and leasing	10,500	1.4%	8,900	1.6%
Professional & business services	73,100	9.5%	53,700	9.6%
Education & health services	120,700	15.7%	71,300	12.7%
Leisure and hospitality	97,300	12.7%	68,700	12.3%
Other services	23,100	3.0%	18,100	3.2%
Federal government, civilian	7,200	0.9%	6,900	1.2%
State government	17,700	2.3%	15,800	2.8%
Local government	106,700	13.9%	86,600	15.5%
Total	768,500	100.0%	559,800	100.0%

Source: State of California Economic Development Department

Represents most recent data available

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Full-time Equivalent Employees by Function/Program
Last Ten Fiscal Years**

Function/Program	As of June 30									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Management services and administration	7	7	7	9	7.8	7.2	5.5	5.9	6.0	6.5
Transportation & Planning	6	7	4	3.5	5.5	4.9	4.9	5.8	5.0	6.3
Energy	11	7	14	15.3	8.3	7.2	4.6	3.1	2.2	3.2
Environmental	2	3	4.5	2.3	1.3	3.4	3.0	3.0	2.0	3.0
RCHCA	5	-	-	-	-	-	-	-	-	-
Total full time equivalents	31.0	24.0	29.5	30.1	22.8	22.7	18.0	17.8	15.2	19.0

Source: Finance Department

For FY 19/20 the amount reflected includes both WRCOG and RCHCA employees, since WRCOG provides administrative services to RCHCA per the service agreement.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Economic Indicators by Function/Program
Last Ten Fiscal Years**

	As of June 30									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Property Assessed Clean Energy Programs										
Energy Efficiency Projects Completed	7,437	1,895	9,061	24,538	31,670	22,710	9,728	7,210	1,574	n/a
Solar Projects Completed	2,049	782	3,934	9,633	10,628	12,102	5,459	3,170	763	n/a
Water Efficiency Projects Completed	471	140	697	2,148	2,880	1,798	403	36	5	n/a
Energy Savings Programs										
Energy Savings (kWh)	n/a	14,443,467	2,534,586	152,304	n/a	n/a	n/a	1,380,809	644,889	n/a
Gas Savings (Therms)	n/a	52,547	n/a	9,862	n/a	n/a	n/a	n/a	n/a	n/a
Environmental Programs										
Gallons of Gasoline Equivalent Reduced	n/a	n/a	9,630,272	9,747,951	9,730,702	8,963,115	10,376,763	8,399,294	6,916,638	5,819,901
Tons Greenhouse Gas Emissions Reduced	n/a	n/a	15,703	15,610	15,255	12,829	25,146	21,818	16,836	12,227
Used Oil Gallons Recycled	n/a	n/a	207,996	230,000	328,686	157,556	213,140	148,959	142,190	227,020
Used Oil Filters Recycled	n/a	n/a	17,378	1,428	1,418	194	250	28,000	18,000	11,235
Solid Waste - Disposal Amount (tons):	n/a	n/a	723,493	708,996	637,811	617,666	584,569	533,829	511,654	509,869
Transportation Programs										
Single Family Home Permits Issued	3,150	3,659	3,580	3,179	2,916	2,360	1,821	2,453	1,314	1,572
Multi-family Home Permits Issued	1,044	1,990	557	450	1,032	1,199	281	1,375	972	314
New Retail Construction (square foot)	618,445	428,260	622,387	479,982	366,654	265,173	396,902	292,879	324,869	333,653
New Commercial Construction (square foot)	461,103	482,308	613,916	512,886	691,077	269,918	85,772	328,923	340,597	575,997
New Industrial Construction (square foot)	4,254,754	7,540,010	6,083,631	4,089,710	2,906,471	3,045,491	1,242,931	3,860,571	329,484	1,476,539

Source: Finance Department

Item 6.C

WRCOG's Fiscal Year 2019/2020
Financial Audit

Attachment 2

GAGAS Report

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST

Independent Auditor's Report

To the Executive Committee
Western Community Energy
Riverside, California

MANAGERS / STAFF

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Jingjie Wu, CPA
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Laura Arvizu, CPA
Louis Fernandez, CPA
Abigail Hernandez Conde, CPA, MSA
Zoe Xinlu Zhang, CPA, MSA
John Maldonado, CPA, MSA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Western Community Energy (WCE) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise WCE's basic financial statements, and have issued our report thereon dated February 1, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered WCE's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of WCE's internal control. Accordingly, we do not express an opinion on the effectiveness of the WCE's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether WCE's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of WCE's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the WCE's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
February 1, 2021

Item 6.C

WRCOG's Fiscal Year 2019/2020
Financial Audit

Attachment 3

SAS 114 Report

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To the Executive Committee
Western Riverside Council of Governments

We have audited the financial statements of Western Riverside Council of Governments (WRCOG) as of and for the year ended June 30, 2020, and have issued our report thereon dated February 1, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 1, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the WRCOG's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of WRCOG's solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by WRCOG is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the fair value of investments is based on observable market inputs and information from WRCOG's safekeeping custodian banks. We evaluated the key factors and assumptions used to develop the fair value of investments and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimate of the net pension liability/net OPEB liability and related deferred inflows and deferred outflows is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting WRCOG's financial statements relate to:

The disclosure of fair value of investments in Note 2 to the financial statements represents amounts susceptible to market fluctuations.

The disclosure of net pension liability in Note 7 to the financial statements is based on actuarial assumptions. Actual future liabilities may vary from disclosed estimates.

The disclosure of the net OPEB liability and related deferred inflows and deferred outflows in Note 8 to the financial statements is based on actuarial assumptions. Actual future liabilities/assets may vary from disclosed estimates.

The disclosure related to the effects of COVID-19 in Note 16.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to WRCOG's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated February 1, 2021.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with WRCOG, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Western Riverside Council of Government's auditors.

We applied certain limited procedures to management's discussion and analysis, the schedule of proportionate share of net pension liability, the schedule of plan contributions, the schedule of changes in the net OPEB liability, schedule of OPEB plan contributions and the General Fund budgetary comparison schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI. We were not engaged to report on the introductory section or the statistical section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Executive Committee, and management of WRCOG and is not intended to be and should not be used by anyone other than these specified parties.

Rogers, Anderson, Malachy & Scott, LLP.

San Bernardino, California
February 1, 2021



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 • Riverside County Superintendent of Schools

February 1, 2021

Rogers, Anderson, Malody and Scott, LLP
735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408

This representation letter is provided in connection with your audit of the financial statements of Western Riverside Council of Governments (WRCOG) as of June 30, 2020 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of WRCOG in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated May 1, 2020 for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.

- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to financial statement preparation services provided, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- WRCOG has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which WRCOG is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- WRCOG has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Required Supplementary Information

With respect to the Schedule of the WRCOG's Schedule of Revenues, Expenditures, and Changes in Fund Balance, Schedule of Changes in the Net Other Post-Employment Benefits Liability, Schedule of Other Post-Employment Benefit Plan Contributions, Proportionate Share of Plans' Net Pension Liability and the Schedule of Plan Contributions accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the RSI in accordance with U.S. GAAP.
- We believe the RSI, including its form and content, is measured and fairly presented in accordance with the applicable criteria.
- The methods of measurement or presentation have not changed from those used in the prior period.

- We believe the significant assumptions or interpretations underlying the measurement or presentation of the RSI, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.



Rick Bishop
Executive Director



Andrew Ruiz
Chief Financial Officer



Western Riverside Council of Governments

Administration & Finance Committee

Staff Report

Subject: 2021 General Assembly & Leadership Address Activities Update

Contact: Rachel Singer, External Affairs Manager, rsinger@wrcog.us, (951) 405-6754

Date: April 14, 2021

The purpose of this item is to receive an update on the 2021 General Assembly & Leadership Address and to consider nominees for WRCOG's Annual Outstanding Community Service Award. Awardees will be recognized at the General Assembly & Leadership Conference.

Requested Action:

1. Discuss nominations for the 2021 WRCOG Award for Outstanding Community Service and recommend a candidate(s) to the Executive Committee for final approval.

Background

Due to COVID-19 restrictions, WRCOG was unable to hold an annual General Assembly & Leadership Address last year. With many of the same challenges still present in 2021, staff is engaged in efforts to plan a 2021 General Assembly event that upholds the following three goals:

1. Retains and upholds best practices concerning COVID-19 safety, as outlined by local and state guidelines.
2. Recognizes some of the notable regional achievements from the past year, in alignment with WRCOG's Economic Development & Sustainability Framework.
3. Provides an inspirational message to the subregion's leaders.

After months of research that included speaking to WRCOG's leadership, surveying past event sponsors, and engaging with other event partners on best practices, WRCOG's leadership and staff have decided that the ideal format for the 2021 General Assembly event is through a virtual format.

Virtual General Assembly

In a virtual format, the 2021 General Assembly event will provide the opportunity to recognize the region's achievements and receive an inspirational message from a featured speaker, while upholding the best practices set in place by local health officials. The focal point of the virtual event will be highlighting some of the innovative practices and honorable ways the community came together and implemented programs over the past fiscal year despite many health, economic, and social challenges. To streamline the virtual event, the business portion of the General Assembly, inclusive of the proposal of the Fiscal Year 2021/2022 Agency Budget, will be addressed through WRCOG's committee structure as it was in 2020.

Featured Speaker Update

In 2020, staff executed two contracts to have Reince Priebus, former White House Chief of Staff under past President Donald Trump, and Dennis McDonough, former White House Chief of Staff under past President Barack Obama, to be featured as the 2020 General Assembly event speakers. WRCOG's leadership and staff

believed that the pairing could address bipartisan collaboration and that the speakers would share stories of their respective experiences in the White House. After the 2020 event was canceled, staff executed addendums that extended the contracts so that both speakers could be featured at WRCOG's prospective 2021 event.

Most recently, in February 2021, Dennis McDonough was confirmed as the new Veteran Affairs Secretary under President Joe Biden's administration. With this confirmation, it thereby cancels Dennis McDonough's speaker contract with WRCOG. Since the original intent of the 2020 speaker pairing was to host a balanced discussion, WRCOG has canceled the speaker contract with Reince Priebus and are looking into alternative options for the 2021 General Assembly featured speaker.

Given the financial and economic challenges experienced in the subregion over the last year specifically, WRCOG's leadership and staff are most interested in hosting a featured speaker from the private industry who can speak to resilience, collaboration, innovation, and economic development. Staff is working with the Speaker's Bureau to identify and select a speaker that aligns with this vision.

Community Service Awards

The Community Service Awards highlight community members that have gone above and beyond their respective roles and responsibilities to support the community. Staff opened the nomination period for the awards in March 2021, and Committee members were encouraged to first consider examples of exemplary volunteerism when submitting nominations. Community Service Award nominations are split into two categories: individuals and organizations.

All nominations will be discussed at the upcoming Administration & Finance Committee on Wednesday, April 14, 2021. After the discussion, the Administration & Finance Committee's award recommendation(s) will be forwarded to the Executive Committee for approval at its May 3, 2021, meeting. All approved award recipients will be honored at the following Executive Committee meeting scheduled for Monday, June 7, 2021.

Next Steps

In addition to coordinating the new featured speaker contract, staff is also collaborating with WRCOG's multimedia consultant to strategize the implementation of the 2021 General Assembly event.

Prior Action:

October 14, 2020: The Administration & Finance Committee received and filed.

Fiscal Impact:

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

Attachment:

None.



Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: WRCOG Investment Policy Update

Contact: Andrew Ruiz, Chief Financial Officer, aruiz@wrcog.us, (951) 405-6741

Date: April 14, 2021

The purpose of this item is to provide an update on WRCOG's Investment Policy.

Requested Action:

1. Direct the Executive Committee to authorize the Executive Director to develop a waiver of rating requirement in WRCOG's Investment Policy for potential investment in local agency debt.

Staff will initiate discussion and possible action on waiver of rating requirement in WRCOG's Investment Policy for potential investment in local agency debt.

Prior Action:

None.

Fiscal Impact:

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

Attachment:

None.

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