



MENDOCINO COUNCIL OF GOVERNMENTS

STAFF REPORT

Agenda # 9
Regular Calendar
MCOG Meeting
12/6/2021

TITLE: Consideration of Participation in New RuralREN Program

DATE PREPARED: 11/29/21

MEETING DATE: 12/06/21

SUBMITTED BY: Nephele Barrett, Executive Director

BACKGROUND: In light of an increasing interest in reducing the region's carbon footprint and climate impacts, the MCOG Board appointed an ad hoc committee for the purposes of exploring options for a regional role in these efforts. Based on other regional efforts around the State, the ad hoc committee discussed two potentially overlapping concepts—joining or creating a Regional Energy Network program and forming a regional climate protection agency. At the November MCOG meeting, based on the ad hoc recommendation, the Board directed staff to explore options for joining an existing Regional Energy Network or developing a new Regional Energy Network (REN) program and forming a regional climate protection agency.

As part of the exploration of options for REN participation and/or formation, and based on recommendations from BayREN staff, we scheduled a meeting with the Humboldt County Association of Governments and Redwood Coast Energy Authority (RCEA) to discuss the potential for forming a new REN. At that meeting, we were surprised to learn that they are already in the process of forming a Rural REN, led by RCEA, with other rural counties that are part of an existing Rural Hard to Reach working group. In addition to RCEA, member counties/agencies are Sierra Business Council, San Luis Obispo County, Association of Monterey Bay Area Governments, Kern County, Ventura Regional Energy Alliance, High Sierra Energy Foundation and San Joaquin Valley Clean Energy Organization. The group is preparing to submit their business plan/application to the California Public Utilities Commission in February for consideration.

Because of the short timeframe before their filing date, it's not possible for Mendocino County to go through the steps involved in being a full REN partner at this time. The full member agencies have been working over the last year to formalize plans, develop MOUs, etc. However, RCEA representatives suggested that some of the programs could initially be conducted in a limited capacity in Mendocino through a subcontract. Mendocino could then work toward becoming a full Rural REN member to implement local programs with the Budget Filings for 2025. As I understand it, the new REN programs will be up and running in early 2023, so there would be about two years of limited program offerings before becoming a full REN member.

The Rural REN will have several program offerings, including Public Agency Equity Program, Residential Equity Program, Work Force Education and Training, Codes and Standards, Financing, Residential Resource Program (incentives and direct install), Non-Residential Resource Program (incentives and direct install). Initially, it would not be feasible to conduct all of these programs in Mendocino County. If there's support for participating in this REN, it's recommended that only the Residential and Non-Residential Resource Programs be offered initially. Because the City of Ukiah provides electricity, it is unclear what level of participation customers within the City might have in these programs initially as program offerings within the City would need to be related to natural gas service rather than electricity.

ACTION REQUIRED: Today the Board should consider whether or not there is a desire to participate in the new Rural REN. Unfortunately, due to the timing of the Rural REN filing with the CPUC, there's little time to consider this before action is needed. RCEA staff coordinating the effort has asked for letters of support from MCOG and member agencies in order to participate. If the Board would like to move forward,

they should direct staff to send a letter of support for participation in the REN and request letters of support from member agencies. Prior to the filing, staff would work with the REN administrators to work out an initial budget for Mendocino County.

ALTERNATIVES: Due to the short timeframe to consider this action, the Board may wish to take a more conservative approach. A limited amount of benefits is currently available to Mendocino County residents outside of the City of Ukiah. The region could continue with that in the short term, but work with the new Rural REN with the plan to transition to that program by the 2025 Budget Filings.

RECOMMENDATION: If the Board would like to move forward with participating in the new Rural REN, the following is recommended:

1. Direct staff to prepare and send a letter of support to the Rural REN administrators expressing our desire to participate via subcontract in the resource programs that will be offered through the REN with the intent of becoming full REN partners at the time of the Budget Filings for 2025.
2. Direct staff to request similar letters of support from member agencies, as appropriate, to participate in the Rural REN.

Enclosure:

Rural Regional Energy Network (REN) abstract