



COUNTY of VENTURA

COUNTY EXECUTIVE OFFICE
SEVET JOHNSON, PsyD
County Executive Officer

COUNTY EXECUTIVE OFFICE

Mike Pettit
Assistant County Executive Officer

July 23, 2024

Scott Powers
County Chief Financial Officer

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

Approval of, and Authorization for the Ventura County Executive Officer (CEO) to Sign, Amendment No. 1 to the Contract with Frontier Energy, Inc. (Frontier) for Services Related to the Tri-County Regional Energy Network's (3C-REN) Single-Family Home Energy Savings and Commercial Energy Savings Programs, Increasing the Not-to-Exceed Amount to \$14,478,361 (an Increase of \$9,920,611) and Extending the Term to December 31, 2025; Approval of, and Authorization for the General Service Agency (GSA) Purchasing Agent to Sign, Amendment No. 6 to County Contract No. 8038 with Moore, Iacofano, Goltsman Inc. (MIG) for Services Related to 3C-REN's Portfolio, Increasing the Not-To-Exceed Amount to \$369,814 (an Increase of \$54,209), Effective Through December 31, 2024; Authorization for the CEO and the GSA Purchasing Agent to Make Limited Amendments to the Frontier Contract and the MIG Contract, Respectively; Authorization for the Auditor-Controller to Process the Accounting Transactions Necessary to Establish Appropriations and Unanticipated Revenue (Recommendation No. 5 Below Requires 4/5ths Vote).

Recommendations:

1. Approve, and authorize the Ventura County Executive Officer (CEO) or designee to sign, Amendment No. 1 to the contract with Frontier Energy, Inc. for services related to the implementation of 3C-REN's Single-Family Home Energy Savings and Commercial Energy Savings Programs, increasing the not-to-exceed amount to \$14,478,361 (an increase of \$9,920,611) and extending the term of the contract to December 31, 2025. (Exhibit 1)

2. Authorization for the CEO or designee to approve amendments and modifications to the Frontier contract to make corrections, clarifications, and other non- substantive changes so long as the amendments and modifications are consistent with the original purpose of the contract, do not result in additional costs to the County or 3C-REN, and are reviewed and approved as to form by County Counsel.
3. Approval of, and authorization for the Ventura County General Services Agency (GSA) Purchasing Agent to sign, Amendment No. 6 to County Contract No. 8038 with Moore, Iacofano, Goltsman Inc. (MIG), increase the contract amount to \$369,814 (an increase of \$54,209), effective through December 31, 2024. (Exhibit 2)
4. Authorization for the GSA Purchasing Agent to approve amendments and modifications to the MIG contract to make corrections, clarifications, and other non-substantive changes so long as the amendments or modifications are consistent with the original purpose of the contract, do not result in additional costs to the County or 3C-REN, and are reviewed and approved as to form by County Counsel.
5. Authorize the Auditor-Controller to process the accounting transactions necessary to establish appropriations and unanticipated revenue as follows (4/5ths vote required):

INCREASE UNIT 1010-1021	Services and Supplies	\$9,974,820
INCREASE UNIT 1010-1021	Intergovernmental Revenue	\$9,974,820

FISCAL/MANDATES IMPACT:

Mandatory:	No
Source of Funding:	California Public Utilities Commission Utility Ratepayer Public Benefit Energy Efficiency Fund
Funding Match Required:	No
Impact on Other Departments:	None

Summary of Revenues and Costs:		FY 2024-25	FY2025-26
Revenues:		\$4,886,982	\$5,087,838
Costs:			
Direct		\$4,886,982	\$5,087,838
Indirect-Dept		\$	\$
Indirect-County CAP		\$	\$
Total Cost		<u>\$4,886,982</u>	<u>\$5,087,838</u>
Net County Cost		\$0	\$0
Recovered Indirect Costs		\$0	\$0

FY 2024-25 Budget Projection for County Executive Office – Sustainability Division 1021				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$ 12,422,538	\$ 12,422,538	\$ 12,422,538	\$ 0
Revenue	\$ 11,954,561	\$ 11,954,561	\$ 11,954,561	\$ 0
Net Cost	\$ 467,977	\$ 467,977	\$ 467,977	\$ 0

Strategic Plan:

The County of Ventura CEO Sustainability Division's (Sustainability Division) efforts towards meeting the 3C-REN program goals supports the *Reliable Infrastructure and Sustainability Strategic Priority* of your Board's Strategic Plan by providing *robust infrastructure, facilities, technology, and land-use policies to enable vibrant and sustainable communities*. While 3C-REN programs fulfill all three goals under that Strategic Priority, 3C-REN programs will, in particular, support Goal (1): *Maintain and improve dependable public resources to serve the needs of our diverse communities*.

BACKGROUND:

3C-REN is a carefully coordinated regional collaboration between Ventura, Santa Barbara, and San Luis Obispo Counties designed to best utilize ratepayer dollars to implement regional energy programs that meet the goals of local climate action plans, and the energy efficiency/reduction needs of residents, building departments, and building professionals in Ventura, Santa Barbara, and San Luis Obispo Counties (the Tri-County Region).

On October 4, 2018, the California Public Utilities Commission ("CPUC") approved 3C-REN, with the County of Ventura as the lead agency for the 3C-REN, to receive up to \$48,256,091 in ratepayer dollars to administer energy efficiency programs for the Tri-County Region through 2025. Since 2019, 3C-REN has offered energy saving opportunities for households including single family residents and multifamily property owners, with an emphasis on underserved communities. For industry, 3C-REN offers capacity-building services including workforce training and technical code support. Serving both public and private sector professionals, 3C-REN responds to the needs of the local building industry. Together, 3C-REN's residential and industry programs support energy-efficient, resilient, and healthy buildings throughout the Tri-County Region.

In late 2021, the CPUC asked 3C-REN to prepare a new Business Plan for an eight-year funding cycle. In response, 3C-REN filed a Business Plan application to

continue already approved programs and requested approval of three new additional programs. On June 29, 2023, CPUC Decision 23-06-055 approved 3C- REN's new energy efficiency portfolio for 2024-2027 and its Business Plan for 2024-2031.

Discussion:

Recommendation Nos. 1 and 2: Frontier Energy Amendment

The 3C-REN residential Home Energy Savings Program relies on a network of energy efficiency contractors who opt into our implementers program as "Aggregators." The Aggregators work directly with single-family home residents to sell and install energy efficiency measures. The Aggregators offer a suite of measures that generate savings, which can include lighting, heating, and air-conditioning, water heaters, insulation, smart thermostats, water heater controls, and storage. The program does not have a list of eligible measures but rather allows for customized solutions. The flexibility of the approach allows Aggregators to work directly with customers to meet their needs in identifying projects that result in metered energy savings.

The incentive structure is designed so that Aggregators have a vested interest in the ongoing performance and associated energy savings of the work that they do. The incentives are paid directly to the Aggregator, but it is expected that the savings will flow down to the residential customers as Aggregators can offer more competitive pricing based on expected incentive payments, and especially competitive pricing in sectors with incentive multipliers.

On July 22, 2022, your board approved a contract with Frontier Energy Inc (Frontier) as best suited to handle customer incentives and rebates. Since July 2022 Frontier has been successfully paying incentives directly to aggregators. Up to date, \$2.5 million has been paid, and an additional \$2 million committed to aggregators and local contractors that participate in the Single-Family Home Energy Savings Program. 3C-REN's continued partnership with Frontier will ensure continued success of the Program that, as of June 2024, has already committed all 2024 Program incentive funds.

In addition, the Commercial Program within 3C-REN's expanding portfolio will adopt the same model of offering aggregators and local contractors incentive payments for projects completed in commercial buildings. Frontier's already established process to pay incentives will easily adapt to the addition of commercial projects. In addition, Frontier's comprehensive experience and historical knowledge of 3C-REN's program portfolio is essential to the continued success of 3C-REN.

Therefore, the Sustainability Division recommends your Board approve, and authorize the CEO or designee to execute, a first amendment to the existing contract with Frontier to increase the contract amount by \$9,920,611, bringing the total not-to-exceed amount to \$14,478,361. (Exhibit 1) This new total amount includes the incentive payments already approved and included in 3C-REN's 2024 and 2025 Single-Family Home Energy Savings and the Commercial Energy Savings Programs in the CPUC approved budgets. This amendment also extends the term through December 31, 2025, allowing Frontier to continue managing customer incentives and rebates. The continuation of this contract allows for continued energy efficiency projects and timely payments to participants. In order to timely administer the Frontier contract, the Sustainability Division also recommends that your Board authorize the CEO or designee to approve amendments and modifications to the Frontier contract, as amended, to make corrections, clarifications, and other non- substantive changes so long as the amendments and modifications are consistent with the original purpose of the Frontier contract, do not result in additional costs to the County or 3C-REN, and are reviewed and approved as to form by County Counsel.

Recommendation Nos 3 and 4: MIG Amendment

In compliance with County policy, the CEO collaborated with the General Services Agency Procurement Services to complete a Request for Proposals (RFP) to engage with consultants for the provision of 3C-REN branding and marketing services. The RFP was released in June 2019; after RFP review and interviews, the MIG team was selected. The firm provides a comprehensive, highly skilled suite of professionals with ready-to-deploy ideas that will ensure a successful brand and program launch and ongoing marketing support. Contract 8038 was signed August 1, 2019, with contract terms running from August 1, 2019, through June 30, 2020 in the amount of \$195,300. Amendment No. 1 was approved April 4, 2020, increasing the contract an additional \$4,700, with a not-to-exceed amount of \$200,000. Amendment No. 2 was approved August 1, 2020, with a term running from July 1, 2020, through June 30, 2021, with a not-to-exceed amount of \$199,274. Amendment No. 3 was approved June 22, 2021, with a term running from July 1, 2021, through June 30, 2022, with a not-to-exceed amount of \$224,909. Amendment No. 4 was approved July 12, 2022, with a term running from July 1, 2022, through December 31, 2023, with a not-to-exceed amount of \$315,605. Amendment No. 5 was the extension of one more year, with a term running from January 1, 2024, through December 31, 2024, with a not-to-exceed amount of \$315,605.

MIG's performance complies with the scope of work, and they have delivered successful marketing and branding campaigns for 3C-REN programs. MIG has met all terms and conditions, and we anticipate that they will continue to meet or exceed expectations for service delivery in the next term. Therefore, we are asking for a sixth amendment to increase Contract by \$54,209, for a not-to-exceed amount of \$369,814.

For these reasons, the Sustainability Division recommends that your Board approve, and authorize the GSA Purchasing Agent or designee to sign, Amendment No. 6 to County Contract No. 8038 with MIG, increasing the total contract amount to \$369,814 (an increase of \$54,209), effective through December 31, 2024. (Exhibit 2) In order to timely administer the MIG contract, the Sustainability Division also recommends that your Board authorize the GSA Purchasing Agent or designee to approve amendments and modifications to the Contract to make corrections, clarifications, and other non-substantive changes so long as the amendments or modifications are consistent with the original purpose of the Contract, do not result in additional costs to the County or 3C-REN, and are reviewed and approved as to form by County Counsel.

Lastly, it is recommended that your Board authorize the Auditor-Controller to process the accounting transactions necessary to establish appropriations and unanticipated revenue to support the Frontier contract and the MIG contract, as amended. This recommendation requires a 4/5ths vote of your Board.

This letter has been reviewed by the County Executive Office, Auditor-Controller's Office, and County Counsel. If you have any questions regarding this item, please contact Sustainability Officer, Alejandra Téllez at (805) 654-3835.

Sincerely,

A handwritten signature in blue ink, appearing to be 'AJT', with a stylized flourish at the end.

Alejandra Téllez
Sustainability Officer

A handwritten signature in blue ink, appearing to be 'Sevet Johnson', with a long, flowing horizontal stroke at the end.

Dr. Sevet Johnson, PsyD
County Executive Officer

Exhibit 1 – Amendment No. 1 to County of Ventura Contract with Frontier Energy, Inc.
Exhibit 2 – Amendment No. 6 to County of Ventura Contract Number 8038