



COUNTY of VENTURA

COUNTY EXECUTIVE OFFICE
SEVET JOHNSON, PsyD
County Executive Officer

December 13, 2022

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

Mike Pettit
Assistant County Executive Officer

Kaye Mand
County Chief Financial Officer

Shawn Atin
Assistant County Executive Officer/
Human Resources Director
Labor Relations

SUBJECT: Approval of, and Authorization for the County Executive Officer or Designee to Sign Amendment No. 4 to Frontier Energy, Inc. Contract to Increase Contract Amount by \$72,000 and Allow for one Additional one-year Extension in an amount not to exceed \$469,800 for Services to Continue with the Design and Implementation of the Tri-County Regional Energy Network (3C-REN) Programs, Consistent with California Public Utilities Commission Requirements Effective January 1, 2023, through December 31, 2023.

RECOMMENDATIONS:

It is recommended that your Board:

1. Approve, and authorize the County Executive Officer (CEO) or designee to sign, Amendment No. 4 to the County of Ventura contract with Frontier Energy, Inc. (Frontier) to increase Contract amount by \$72,000 and allow for one additional one-year extension in an amount not to exceed \$469,800 for services to assist with the design and implementation of the Tri-County Regional Energy Network (3C-REN) programs consistent with the California Public Utilities Commission's (CPUC) requirements, effective January 1, 2023, through December 31, 2023.

FISCAL/MANDATES IMPACTS:

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

Summary of Revenues and Costs:

	<u>FY 2022-23</u>	<u>FY 2023-24</u>
Revenue	\$306,900	\$234,900
Costs		
Direct	\$306,900	\$234,900
Indirect-Agency/Dept	-	-
Indirect-County CAP	-	-
Total Costs	\$306,900	\$234,900
Net County Cost	-	-
Recovered Indirect Costs	-	-

FY 2022-23 Budget Projection for County Executive Office – Division 1010				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$ 30,380,814	\$ 50,521,751	\$ 50,521,751	\$ 0
Revenue	\$ 14,755,016	\$ 27,568,266	\$ 27,568,266	\$ 0
Net Cost	\$ 15,625,798	\$ 22,953,485	\$ 22,953,485	\$ 0

*Sufficient appropriations are included in the FY23 budget.

Discussion:

On January 23, 2017, the County of Ventura, on behalf of San Luis Obispo, Santa Barbara, and Ventura Counties, filed with the California Public Utilities Commission (CPUC) a 3C-REN Business Plan in the Rolling Energy Efficiency Portfolio in an effort to obtain funding and allow for improved locally administered energy efficiency programs. On May 31, 2018, in CPUC Decision 18-05-041, the CPUC designated 3C-REN as Regional Energy Network program administrator and approved, in part, the 3C-REN Rolling Energy Efficiency Portfolio Business Plan. This designation allows 3C-REN to receive ratepayer funding directly from the CPUC as an alternative to investor-owned utilities' managed programs. This decision allows 3C-REN to serve customers in the Tri-County region, targeting hard-to-reach and

underserved communities by providing services that include residential energy efficiency programs, provision of code compliance assistance to building departments, and delivery of local workforce education and training programs regarding energy efficiency building, remodeling, and retrofitting. On October 4, 2018, 3C-REN, with the County of Ventura (County) as the lead agency, was approved to administer energy efficiency programs for the Tri-County region through 2025.

The goal of 3C-REN is to implement regional energy programs that help reduce energy use and meet the goals of local climate action plans. 3C-REN is a carefully coordinated, regional collaboration between the Counties of Ventura, Santa Barbara, and San Luis Obispo to best utilize ratepayer dollars to meet the needs of residents, building departments, and building professionals. On December 8, 2021, 3C-RENs 2022-2023 budget, was approved for \$21,461,429.

Frontier has been the lead consultant for 3C-REN since 2018, and provides a comprehensive, highly skilled suite of professionals with design and implementation expertise advising the 3C-REN team in application development, and regulatory filings. CPUC regulatory requirements require very specific technical expertise; Frontier Energy, Inc. has that experience and has provided needed assistance for 3C-REN to successfully meet ongoing regulatory requirements.

The Contract with Frontier ("Contract") was signed June 4, 2019, with contract terms running from June 4, 2019, through December 31, 2019, in the amount of \$232,052. Amendment No. 1 was approved February 27, 2020, with a term running from January 1, 2020, through December 31, 2020, with a not-to-exceed amount of \$397,800. Amendment No. 2 was approved January 21, 2021, with a term running from January 1, 2021, through December 31, 2021, with a not-to-exceed amount of \$397,800. Amendment No. 3 was approved January 5, 2022, with a term running from January 1, 2022, through December 31, 2022, with a not-to-exceed amount of \$397,800.

In 2022, 3C-REN submitted to the CPUC a new application for the continued offering of programs and the proposed expansion into other sectors, this would approve 3C-REN programs until 2031. This activity in addition to an unprecedented number of data requests from statewide stakeholders and other regulatory activities in the months of October and November, required additional support from Frontier. Therefore, we are asking for approval of an increase of \$72,000 to the Contract so we can successfully continue the regulatory process until the end of 2022.

The Contract allowed for three one-year extensions. We are asking for an additional one-year extension to the Contract. This extension will allow for work with Frontier to continue under the current Scope of Work until the end of 2023 with a total not to exceed amount of \$469,800. With the expected approval by the CPUC of the application for the expansion of programs, we will come back to your Board with a revised Scope of Work for 2024. This Decision by the CPUC is expected Q3 of 2023.

The source of funding is 3C-RENS Utility Ratepayer Public Benefit Energy Efficiency Fund approved by CPUC on December 8, 2021; therefore, there is no net County cost.

For these reasons, it is recommended that your Board approve the fourth amendment to Contract with Frontier which increases the 2022 amount by \$72,000 and approves a one-year extension for 2023 with Frontier Energy, Inc., in an amount not to exceed \$469,800 and authorize the CEO, or his designee, to sign the contract.

This letter has been reviewed by County Counsel and the Auditor-Controller's Office. If you have questions concerning this item, please contact Alejandra Téllez, at (805) 654-3836.

Sincerely,



Alejandra Téllez
CEO Sustainability Officer



Sevet Johnson, PsyD.
County Executive Officer

Attachment 1 – Amendment No. 4 to Contract between the County of Ventura and Frontier Energy, Inc.