



ENERGY EFFICIENCY PROGRAMS

SoCalREN Cross-Cutting Sector Public Agency Revolving Loan Fund Publicly Known As Revolving Savings Fund (RSF) Program Implementation Plan

*Prepared by the County of Los Angeles on behalf
of the Southern California Regional Energy Network*

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Program Overview

In advancement of the Commission’s Environmental and Social Justice (ESJ) Action Plan, the Southern California Regional Energy Network (SoCalREN) Revolving Loan Fund (RLF) Program, publicly known as the Revolving Savings Fund (RSF) Program, provides opportunities and access to energy efficiency to underserved and hard-to-reach communities¹ by offering a low-cost financing option to fund energy upgrades. RLF aims to improve disparities in access for underserved communities to energy efficiency programs, consistent with the purpose of the Equity Segment, and increase energy efficiency adoption through its cross-cutting financing program designed to help public agencies overcome budgetary barriers through up-front construction financing for small to midsize projects at 0% interest. It can be paired with other financing options and aims to accelerate energy projects that would otherwise be delayed pending budget allocation by providing the funds for approved but not-yet-budgeted projects. Loans are financed with \$2.2 million in non-ratepayer initial seed capital secured from the California Energy Commission (CEC). California Public Utilities Commission (CPUC) ratepayer funds support program management and marketing. The RLF is a catalyst for agency enrollment in SoCalREN and energy project development.

Program Budget and Savings

1. Program and/or Sub-Program Name
Public Agency Revolving Loan Fund
2. Program / Sub-Program ID number
SCR-FIN-C1
3. Program / Sub-program Budget Table

Table 1: Program Budget

Year	Admin	Marketing	Direct Implementation	Total
2024	\$50,000	\$30,000	\$420,000	\$500,000
2025	\$29,000	\$34,800	\$516,200	\$580,000
2026	\$30,400	\$36,480	\$541,120	\$608,000
2027	\$32,500	\$39,000	\$578,500	\$650,000

4. Program / Sub-program Gross Impacts Table
N/A
5. Program / Sub-Program Cost Effectiveness (TRC)

¹As defined by Cal. Pub. Util. Code Section 1601(e), California Public Utility Commission Decision 23-06-055, and SoCalREN legacy criteria for underserved communities

- N/A
6. Program / Sub-Program Cost Effectiveness (PAC)
N/A
7. Type of Program / Sub-Program Implementer (PA-delivered, third party-delivered or Partnership)
Third party-delivered
8. Market Sector(s) (i.e., residential, commercial, industrial, agricultural, public)
Cross Cutting
9. Program / Sub-program Type (i.e., Non-resource, Resource)
Non-resource (equity)
i. The RLF Program aligns with the Equity Segment
10. Market channel(s) (i.e., downstream, midstream, and/or upstream) and Intervention Strategies (e.g., direct install, incentive, finance, audit, technical assistance, etc.), campaign goals, and timeline.

Market Channel: Downstream
Intervention Strategy: Finance

Implementation Plan Narrative

Program Description

The Southern California Regional Energy Network (SoCalREN) Revolving Loan Fund (RLF) Program is delivered through and supports the SoCalREN’s Public Agency Distributed Energy Resources Disadvantaged Communities (DER DAC) Project Delivery Program, the Normalized Metered Energy Consumption (NMEC) Program, and the Streamlined Savings Pathway Program (SSP). The RLF Program is a financing cross-cutting program designed to support energy upgrades to buildings and facilities owned by public agencies located within underserved communities via loans that accelerate the implementation of projects. These loans provide upfront construction financing for approved but not-yet-budgeted projects that would otherwise be delayed pending budget allocation. The RLF can also be paired with other financing options such as On-Bill Financing (OBF), incentives, rebates, and other external financing such as CEC loans.

The RLF Program administration and its marketing and outreach is supported by ratepayer funds from the California Public Utilities Commission. The program is designed to be delivered as part of the SoCalREN Public Agency Programs. The program fund has \$2.2 million in seed capital, provided through the County of Los Angeles (LAC or County, the program administrator of the SoCalREN), that is used exclusively to issue loans to enrolled and participating agencies. The County of Los Angeles is using American Reinvestment and Recovery Act (ARRA) funds already granted by the California Energy Commission (CEC) for the seed capital and no utility ratepayer funds will be utilized for the loans. Consistent with the ESJ Action Plan, and the overall goals of the Equity Segment, the RLF directly supports the following the ESJ Action Plan 2.0² goals:

Table 2. Program Objectives

²California Public Utility Commission, “Environmental & Social Justice Action Plan Version 2.0,” 2021

Objective	SoCalREN Core Value	ESJ Action Plan Goals
Stimulate participation in SoCalREN programs and accelerate project development and implementation in underserved communities	Climate Leadership; Expand access to EE benefits	ESJAP # 5
Help SoCalREN program participants, in underserved communities, overcome barriers to accessing capital due to funding and budget challenges	Deliver energy & climate impacts; Expand access to EE benefits	ESJAP # 1, 2
Provide awareness to low cost of capital and low risk financing for underserved SoCalREN participants' energy efficiency projects	Build energy capacity and economic resilience; Expand access to EE benefits	ESJAP # 5
Build awareness of the lifecycle financial benefits of low cost financing options for energy efficiency projects and services	Build energy capacity and economic resilience;	ESJAP # 5
Increase the number of financing resources for underserved communities	Build energy capacity and economic resilience; Expand access to EE benefits	ESJAP # 2
Drive more energy projects in underserved communities to completion through financing solutions	Build energy capacity and economic resilience	ESJAP # 2

Program Delivery and Customer Services

Borrowing agencies (customers) are first enrolled with the SoCalREN under its public agency project delivery programs (PDP and DER DAC).

They receive comprehensive energy efficiency project delivery services and are offered the RLF loan. The loans make possible energy efficiency projects that would not otherwise be completed. The loans accelerate project implementation by financing projects that are not expected to be budgeted in the immediate term. In each of these cases, the RLF Program delivers energy savings by helping agencies take advantage of all applicable utility incentive programs (downstream, midstream, upstream, etc.).

The program will reach customers by targeting public agencies in SoCalREN's service

territory.

SoCalREN's service territory includes ratepayers in Southern California Edison and/or Southern California Gas Company territory. This includes all or portions of the counties of Los Angeles, Orange, San Bernardino, Riverside, Ventura, Mono, Santa Barbara, Inyo, Kern, Imperial, San Luis Obispo, Fresno and Tulare, financing projects serving underserved communities. The RLF Program is available to enrolled agencies of the SoCalREN Public Agency Programs as applicable projects are identified and evaluated. Non-enrolled agencies are targeted in conjunction with the outreach and enrollment efforts of the SoCalREN Public Agency Programs. The enhanced service offering is expected to stimulate enrollment and increase public agency participation in energy efficiency programs, one of the RLF Program's core objectives.

The RLF Program will develop marketing and education materials that are grounded in authentic community engagement best practices and will serve as outreach and engagement communications tools. These materials will include but are not limited to newsletters, e-blasts, and fact sheets. Initial contact will be made through agency enrollment in the SoCalREN as well as during the project development process. Additionally, to maximize program potential, the RLF Program will develop educational content to build awareness of the lifecycle financial benefits of low-cost financing options as a funding source for energy efficiency projects and services.

The RLF Program is a streamlined and fully supported financing loan product.

The RLF Program has a streamlined administrative structure with loan application review and approval, fund management, and debt service all managed by SoCalREN. The program also manages its own marketing and outreach, project identification and development, financing options analysis, and support for completing loan applications. By making the RLF Program an integral part of SoCalREN's financial support services, the RLF can benefit from oversight into every aspect of the project. Among the many benefits, this hands-on approach to customer service mitigates risks such as adherence to utility incentive and on-bill financing application requirements and ensuring construction contracts deliver on the energy savings performance specified.

Program Design and Best Practices

The RLF Program is designed to be delivered alongside the SoCalREN Public Agency Programs not only because the customer base is the same, but also because the Public Agency Programs' support helps address a sector-specific market gap: the lack of internal resources to research and identify financing options, apply for the financing, and execute financing agreements. Described below are some of the best practices that will be applied to this program offering.

The Program addresses funding barriers specific to public agencies.

The RLF Program is designed to help underserved communities overcome barriers to accessing upfront capital to fund energy efficiency projects due to budget challenges. Public agencies often face barriers accessing upfront capital needed to fund energy efficiency projects, accessing funding to cover full project costs, or complete lack of access to capital for energy projects. Typical

funding strategies such as incentives and OBF are paid after project completion requiring an agency to separately secure all of the funds for an energy efficiency project before construction can commence. Given the difficulty of securing capital improvement funds for public agency deferred maintenance projects, it is not surprising that a 100% upfront capitalization requirement for the installation of new energy efficiency measures can be a significant hindrance to project implementation. The RLF Program overcomes this barrier by providing access to upfront funds that cover 100% of the project construction costs.

The Program’s evaluation criteria tie RLF to broader public sector goals.

Loan application evaluation will emphasize three main criteria: 1) support for projects serving underserved communities; 2) high level of confidence that the projects will result in the projected bill savings; and 3) an appropriate and feasible strategy for loan repayment within five years to return funds to the loan pool and maximize RLF access across agencies. Loans will be equitably allocated through a restriction on the total loan amount for any one agency to ensure several agencies will be able to simultaneously access funding.

Innovation

The SoCalREN Revolving Loan Fund (RLF) will serve as a catalyst for agency enrollment, project development, and increased public agency participation in energy efficiency programs. The program’s advantageous loan terms will complement and supplement other financing options such as On-Bill Financing (OBF), incentives or rebates, and other external financing options such as CEC loans. The program offers a unique resource to help public agencies overcome budgetary barriers through low-cost financing, and it will continue to improve by adopting best practices.

Metrics

The table below shows key program performance metrics and illustrates the corresponding collection method and frequency.

Table 3. Metrics

Activity	Metric	Method	Frequency
Program marketing and outreach	Number of touch - points where RSF Program is presented	Deliver RSF Program loan informational overviews to potential borrowing agencies	Annual
Perform project feasibility analysis for RSF loan	Number of Project Proposals delivered	Deliver Project Proposals that present project economics with an RSF loan	Annual

Prepare and submit RSF Program loan application	Number of RSF loan applications	Evaluate an agency's ability to take advantage of the RSF loan	Annual
Provide the Offer to Finance for the RSF loan	Number of agency-approved loans	Provide eligible agencies an opportunity to use an RSF Loan	Annual

Program indicators are as follows:

- kWh, kW, and therm savings supported by the funding
- Lifetime GHG emissions avoided

To-Code Savings Claims

This section is not applicable.

Pilots

This program does not currently propose pilot activities.

Workforce Education and Training

This section is not applicable.

Workforce Standards

This section is not applicable.

Disadvantaged Worker Plan

This section is not applicable.

Additional Information

This section is not applicable.

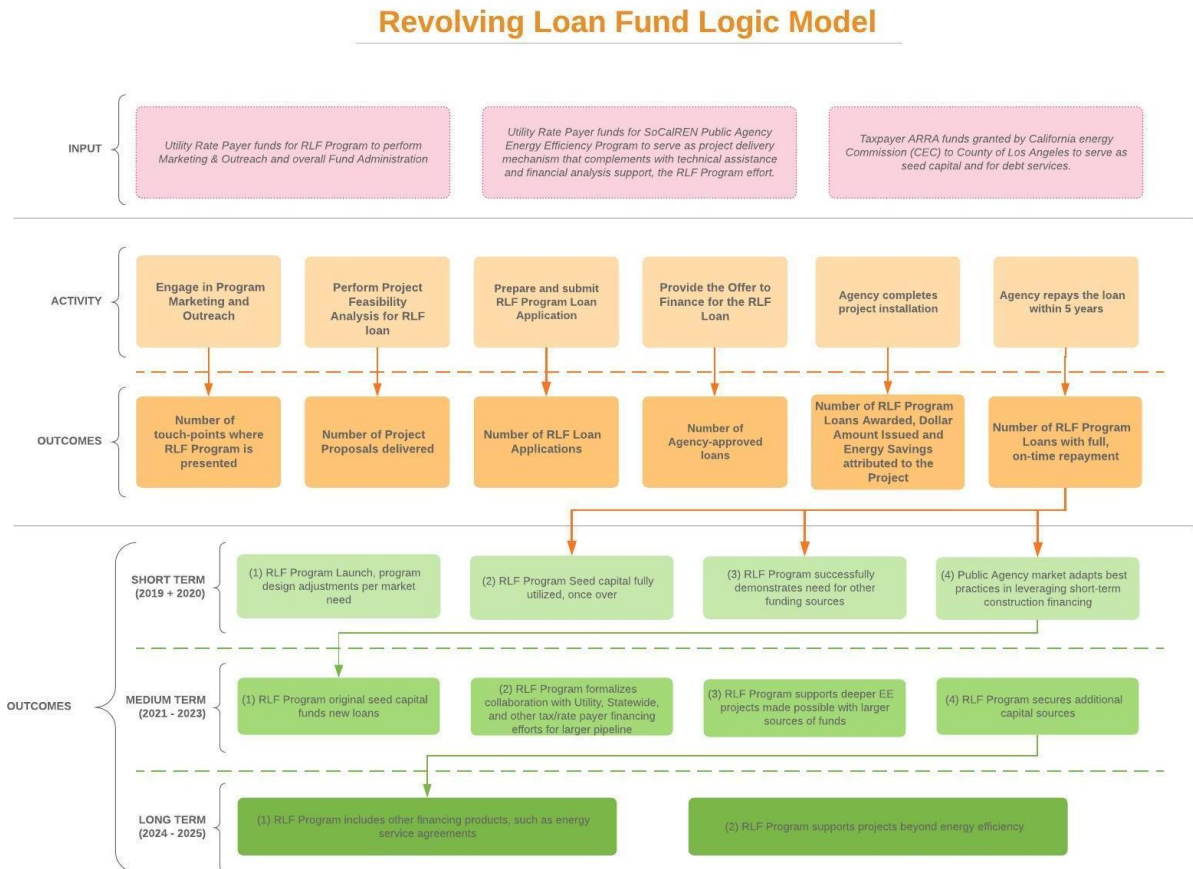
Supporting Documents

Program Manual and Program Rules

The program manual will be updated upon program approval.

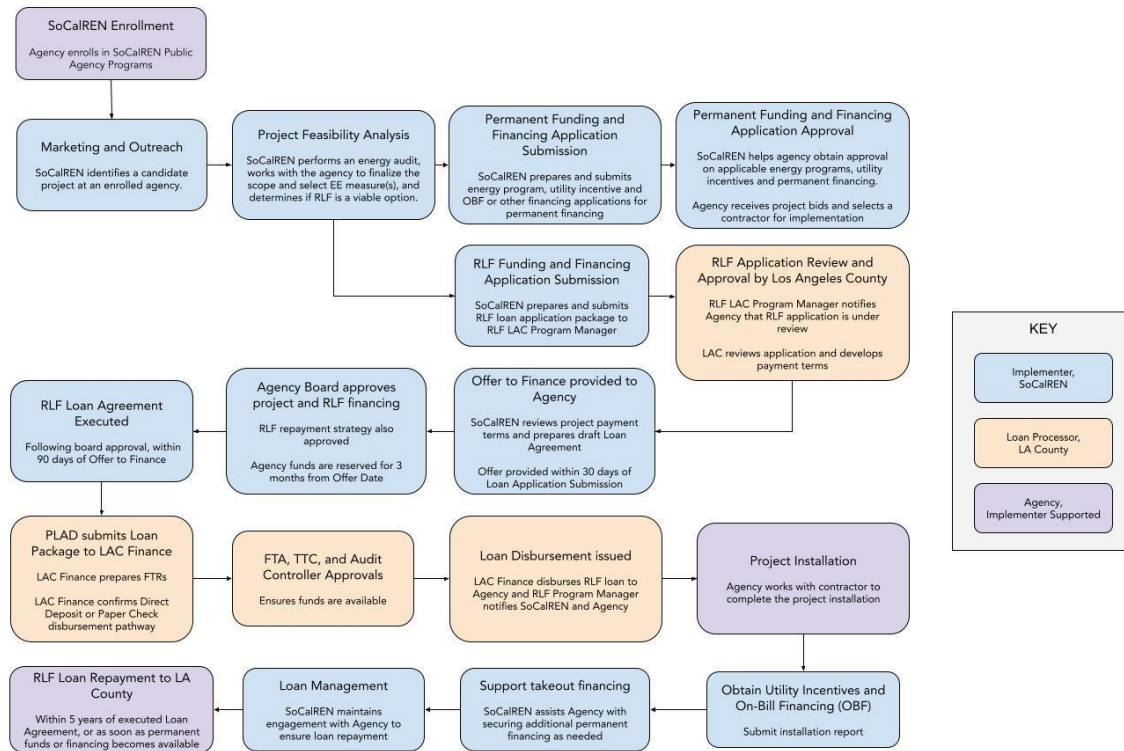
Program Theory and Program Logic Model

Figure 1: Program Theory and Program Logic Model



Process Flow Chart

Figure 2: Process Flow Chart



Incentive Tables, Workpapers, and Software Tools

This section is not applicable.

Quantitative Program Targets

The outcome of the program is primarily focused on issuing financing to public agencies. The metrics below are primary metrics of program success.

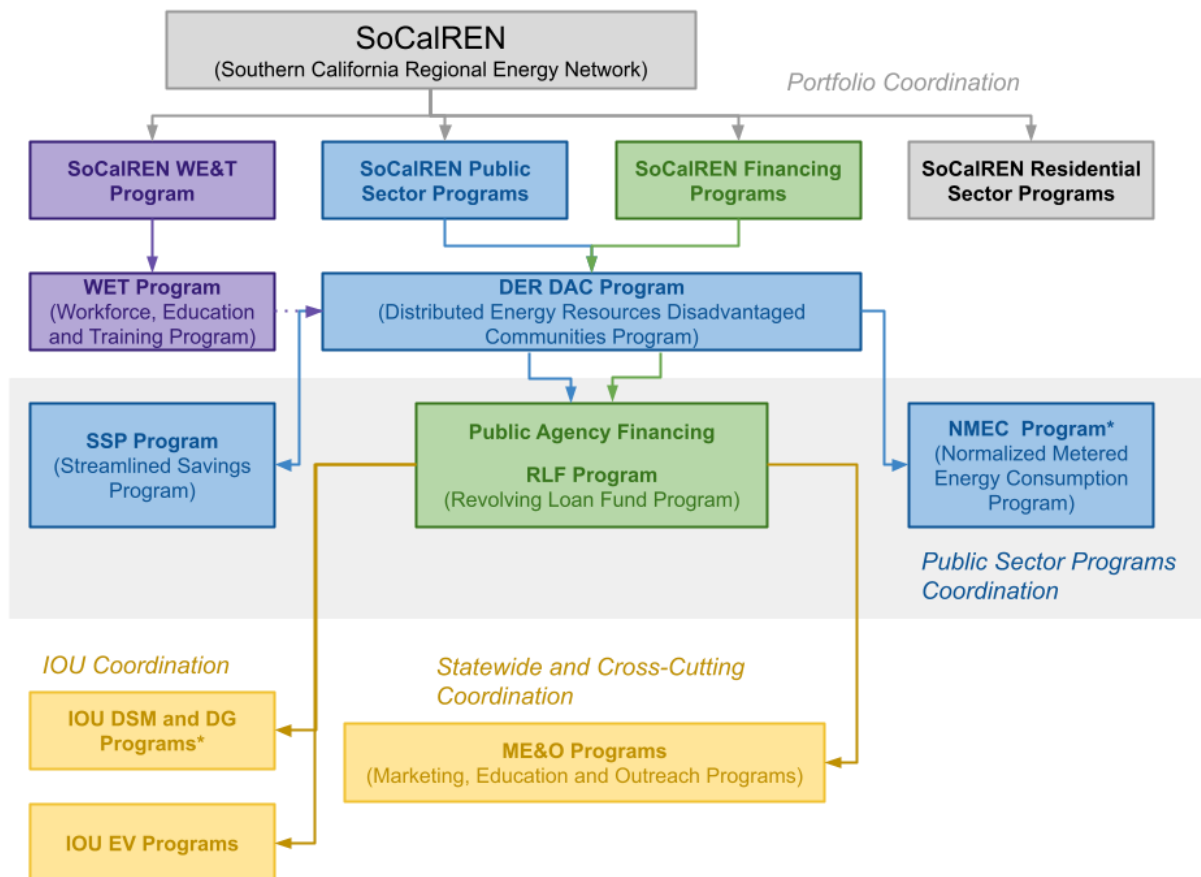
Table 4. 2024-2027 Cumulative Program Targets

Activity	Tactic	Metric	2024-2027 Targets
Program marketing and outreach	Number of touch-points where RSF Program is presented	Deliver RSF Program loan informational overviews to potential borrowing agencies	36
Perform project feasibility analysis for RSF	Number of Project Proposals delivered	Deliver Project Proposals that present	36

loan		project economics with an RSF loan	
Prepare and submit RSF Program loan application	Number of RSF loan applications	Evaluate an agency's ability to take advantage of the RSF loan	8
Provide the Offer to Finance for the RSF loan	Number of agency-approved loans	Provide eligible agencies an opportunity to use an RSF Loan	8

Diagram of Program

Figure 3. Diagram of Program



Evaluation, Measurement, and Verification (EM&V)

SoCalREN, in line with its authority to manage its own EM&V process, is interested in conducting studies to better understand what financing structures are best suited to energy projects in the public sector. Knowing what factors contributed to whether an RLF Program loan was used or not

can help the program to better understand public agency needs and inform changes in program design.

Furthermore, SoCalREN would benefit from EM&V studies that characterize agency type and their corresponding funding structures and unique financing needs for different project types and sizes.

To prepare for effective program evaluation, the implementer will work closely with the program administrator for the setup, design, and implementation of EM&V studies.

The existing customer relationship management (CRM) system used by the Public Agency Programs will be leveraged for data collection, management and reporting during program implementation. The data collected will include:

- Customer name and contact information
- Total project costs and financing methods
- Total loan amount
- Influence of program services in implementation of project
- Data related to program performance metrics
- Number of participants
- Loan terms
- Coordination with partner programs
- Marketing, education and outreach efforts

Normalized Metered Energy Consumption (NMEC)

This section is not applicable.