

VALLEY CLEAN ENERGY ALLIANCE**Staff Report - Item 19**

TO: Board of Directors

FROM: Mitch Sears, Executive Officer
Rebecca Boyles, Director of Customer Care and Marketing
Sierra Huffman, Program and Community Engagement Analyst

SUBJECT: Approval of Electrification Retrofit Rebate Outreach Program (ERRO)
Implementation Elements

DATE: April 11, 2024

RECOMMENDATIONS

1. Approve Electrification Retrofit Rebate Outreach Program (ERRO) Implementation Elements:
 - a. Task Order Amendment (1) with Sacramento Municipal Utilities District (SMUD) for implementation and support of the Concierge Service in an amount not to exceed \$184,234.
2. Authorize the Executive Officer and/or his designee to execute and take all actions necessary to implement the services contracts substantially in the form attached hereto on behalf of VCE, and in consultation with legal counsel, to approve minor changes to the services contract so long as the terms and amounts are not changed.
3. Approve ERRO Program & Concierge Service Budget of \$270,000 and 2024 Programs budget transfer of \$160,000 to ERRO Program including \$70,000 in reimbursable revenues and \$90,000 non-reimbursable costs (Net neutral impact 2024 Budget)

BACKGROUND

In June 2023 the Board approved VCE's participation in Yolo County's Electrification Retrofit Rebate Outreach (ERRO) Program. ERRO is a comprehensive outreach program designed to connect low-income households with \$1 billion in existing State electrification rebates, as well as other related electrification retrofit rebates for existing residential homes. Helping these households reduce ongoing energy-related costs by targeting direct outreach to them will have long-term economic as well as potential indoor air quality benefits. As noted in June, the ERRO program is aligned with VCE's strategic plan goals to advance energy efficiency in disadvantaged communities and lower income households.

The purpose of the recommended actions is to approve implementation measures associated with the ERRO program.

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ERRO Program Design

The ERRO Program is designed to identify lower income households who have had difficulty paying their utility bills and provide support for accessing State electrification rebates. VCE will be monitoring rebate and grant opportunities as they emerge and change, to provide maximum support for customers.

VCE will work with Yolo County to reach out to households and/or landlords of multifamily dwellings to connect them with information about electrification rebates, help fill out applications, and help facilitate retrofits if needed. This project is anticipated to create replicable models for electrification retrofit rebate programs throughout the County, region, and state. The outreach program will provide template outreach materials which other jurisdictions could use to implement similar programs.

ERRO program planning has been completed and outreach for the program is slated to commence Q2-3 2024 after finalizing the draft Outreach Plan. VCE plans to work with its incumbent customer service provider (SMUD) and marketing contractor (REACH Strategies), to minimize staff impact related to program execution. It is anticipated that enhanced REACH marketing support would only be needed for 2-3 months before and during the launch of customer outreach efforts in Q2-3 2024.

ANALYSIS

The two primary implementation elements that will be employed by VCE are (1) Design/Execution Outreach Plan, and (2) an enhanced customer support platform to receive/respond to customer inquiries related to the ERRO program (Concierge Service). The two implementation elements are outlined below.

Outreach Plan – REACH Strategies

- Program Kick-Off - REACH will work with the VCE and County teams to schedule a program kick-off. During this call, the timeline and project approach will be finalized.
- Program Materials - As determined by the kick-off meeting, materials may be developed to support the program. Materials may include email templates, educational flyers, website content and landing pages, and more. Materials will be made available in English and Spanish as requested.
- Ongoing Marketing Efforts - In coordination with the VCE and County teams, REACH will support ongoing marketing campaign efforts. Marketing campaigns may include email or direct mail outreach, coordination with local community groups, attending community events, and more.
- Program Impact Assessment - REACH will support the quarterly program impact evaluation and reporting.

As noted, REACH currently performs similar services for VCE which allows VCE and the County to benefit from their familiarity with VCE's customers and service territory.

Concierge Service – SMUD

During the planning phase for the ERRO program, staff identified what could be a very important tool to help facilitate ERRO's success: the Concierge Service. SMUD has developed an add-on service for CCAs that provides a heightened customer experience, but adds in

program-related education, as well as technical support. In essence, this would be a “help desk” for VCE customers. The ERRO funding allows VCE to off-set a portion of the costs to establish and run the service for the time-period that ERRO would run. At the end of the ERRO program VCE could evaluate the value provided by the enhanced customer service platform and decide if it should continue to offer the service. Note: Silicon Valley Clean Energy (CCA) currently offers this service via SMUD.

The basic customer experience would include: call, email or chat inquiries on a range of efficiency-related topics, as well as in-depth topics such as evaluating several contractor bids on electrification projects. Because SMUD has access to VCE customer data as VCE’s call center provider, with this enhanced service SMUD agents will be able to help customers gain a better understanding of their electricity bill/use and take the extra step to develop a plan to reduce their use/cost.

The SMUD team consistently earns high praise for VCE’s Customer Care, and staff sees the Concierge service as a natural extension of that success. Customers may call in initially to ask about electrification, but end up having an in-depth conversation about their electric bills, or CCA in general, and the SMUD team will have all of this information at hand, as well as the ability to track the information in the customers’ records for future program offerings.

Community Advisory Committee

The Community Advisory Committee evaluated the Concierge Service at its March 28th, 2024, meeting as part of the ERRO program review and voted unanimously to recommend approval to the Board.

Please note that the CAC’s 3/28/24 recommendation was based on a different cost share than staff is now proposing: the CAC’s recommendation was based on ERRO funds (external ARP funds) covering 60% of the two-year Concierge Service implementation, with VCE Program Funds covering 40% of the two-year implementation. Staff is now recommending a 50/50 cost share between ERRO funds and VCE Program funds as staff’s estimate for use by non-ERRO VCE customers has been adjusted up to 50%.

As part of the CAC’s discussion, feedback was provided by the CAC as well as the public. The main themes focused on:

- The split incentive between owners and renters in decision-making for electrification upgrades
- Having in-language collateral and website materials available (Spanish)
- The customer-facing name: Concierge Service should be changed to avoid customer confusion

Final program design and the ERRO Outreach Plan will integrate this feedback.

FISCAL IMPACT

Because of the direct applicability of the Concierge Service to the ERRO program, Yolo County has agreed that part of the \$100,000 budget allotted to VCE for program administration can be spent on the Concierge Service. Because the service would also be accessible to VCE customers

that do not qualify for the ERRO program (i.e. CARE/FERA customers), staff is recommending a 50/50 cost share between ERRO (external) funds and VCE's Local Program Reserve.

Overall, the ERRO and Concierge Service would have a net neutral effect on VCE's 2024 Budget. The total impact on VCE's Local Programs Reserve (LPR) through the end of 2025 of \$170,000.

ATTACHMENTS

1. Program Preliminary Design/Implementation Form: Concierge Service
2. Resolution 2024-XXX (Amendment 1 to SMUD Task Order 8)



Program Preliminary Design/Implementation Form

Program Concept: Concierge Service

Date: 2.22.24

Staff Resources and Support:

Assigned Program Managers: Rebecca Boyles; Sierra Huffman

Programs Task Group members: TBD

Consultant name (if applicable): SMUD

Scope: A “white glove” customer care service that will help customers to better understand and apply for available rebates for electrification and energy efficiency. SMUD Customer Care Team would take the calls/chats/emails and would also be able to answer questions about billing, etc.

Timing: 2024 and beyond

Program Design Criteria Evaluation:

	Criteria 1	Criteria 2	Criteria 3
Criteria Type	Availability of Funds:	Staff Time	Strategic Plan Alignment
Reasoning for Program Score	There are available funds to initiate and continue the program without having a big effect on the Programs Fund. Additionally, APR funds for the ERRO program can cover part of the budget.	Scored high on Staff Time as it will take very little staff time to manage	<u>Scored high on strategic plan alignment:</u> Reduces GHG Emissions More efficient and electrified homes would lead to less emissions – this will help customers to do that Customer Satisfaction Customers will get complimentary access to information on rebates for EE and electrification, making their homes more comfortable and sustainable. Addresses Environmental Justice Addresses the needs of lower-income customers by making EE and electrification more accessible Regulatory & Legislative Goals Alignment Aligns with state goals of increasing EE and electrification in CA Strategic Partnerships High level of collaboration with SMUD, low-income communities, community-based organizations, and additional stakeholders

Program Metrics and Goals: Number of customers served, number of rebates applied for or assisted with



Proposed Programs Budget:

Resource	Source	Budget	\$ Remaining in Program Funds after Proposed Program Funds Spent
External Funds	ARP funds for ERRO	\$25,000-75,000	
SMUD Consultant Support: Concierge Service	VCE Programs Fund	\$55,000-\$105,000	
	Total*	\$130,000	\$709,000

**Please note that the total budget is to implement the Concierge Service, and for the year 1 fees. For subsequent years, the charge would be approximately \$40,000.*

Organizational Goals Addressed:

Alignment with VCE’s Strategic Plan

- **Goal 3:** Prioritize VCE’s community benefits and increase customer satisfaction and retention.
 - **Objective 3.1:** Develop engagement strategies to increase awareness of, and participation in, local control of VCE’s energy supply and programs with a particular focus on engaging disadvantaged and historically marginalized communities.
 - **Objective 3.4:** Build awareness and trust of the VCE brand through direct engagement with customers, communities, and organizations in VCE’s service territory.
 - **Objective 3.5:** Develop customer programs and initiatives that prioritize decarbonization, community resiliency and customer savings.
 - **Objective 3.7:** Integrate and address the concerns and priorities of emerging and historically marginalized communities in the design and implementation of VCE’s services and programs.
- **Goal 4.** Promote and deploy local decarbonization and grid innovation programs to improve grid stability, reliability, community energy resilience, and safety
 - **Objective 4.4:** Identify external funding sources to support decarbonization and grid-related programs and initiatives.



Program Eligibility: all VCE customers. For ERRO, low-income customers are key demographic.

Marketing, Education and Outreach (ME+O) Strategy: Work with SMUD to devise customer-facing materials. If approved, use Concierge Service to promote the ERRO program, as well as to provide bill inquiry and general CCA support.

Board, CAC, POTG Input: POTG has evaluated and provided positive feedback. Service was introduced to the Board, with positive feedback.

Next Steps: Finalize budget share of Concierge Service.

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2024 - ____

A RESOLUTION OF VALLEY CLEAN ENERGY ALLIANCE APPROVING AMENDMENT 1 TO TASK ORDER 8 – CONSULTING SERVICES OF THE SACRAMENTO MUNICIPAL UTILITIES DISTRICT PROFESSIONAL SERVICES AGREEMENT AND AUTHORIZING THE EXECUTIVE OFFICER IN CONSULTATION WITH LEGAL COUNSEL TO FINALIZE AND EXECUTE AMENDMENT 1 TO TASK ORDER 8.

WHEREAS, The Valley Clean Energy Alliance (“VCE”) was formed as a community choice aggregation agency (“CCA”) on November 16, 2016, Under the Joint Exercise of Power Act, California Government Code sections 6500 et seq., among the County of Yolo, and the Cities of Davis and Woodland, to reduce greenhouse gas emissions, provide electricity, carry out programs to reduce energy consumption, develop local jobs in renewable energy, and promote energy security and rate stability in all of the member jurisdictions. The City of Winters, located in Yolo County, was added as a member of VCE and a party to the JPA in December of 2019; and,

WHEREAS, on August 31, 2017, the VCE Board considered a proposal by the Sacramento Municipal Utilities District (“SMUD”) to provide program launch and operational services and subsequently directed VCE staff to negotiate a services agreement between VCEA and SMUD for consideration and action by the VCEA Board; and,

WHEREAS, on September 21, 2017, the SMUD Board of Directors authorized its CEO to enter into a contract with VCE to provide Community Choice Aggregate (CCA) support services; and,

WHEREAS, on April 13, 2023, the VCE Board approved Amendment 1 to the Master Services Agreement (MSA) extending the term of the MSA through December 31, 2028; approved Amendment 32 to Task Order 3 (Wholesale Energy Services) reducing the scope of work; and, approved Task Order 7 (Data Management and Customer Call Center Services), Task Order 8 (Consulting Services); and Task Order 9 (Debt Collection Services) with an expiration date of December 31, 2028; and,

WHEREAS, in anticipation of VCE’s strategic goal to increase electrification, and because of VCE’s role in the Electrification Retrofit Rebate Outreach Program (ERRO), additional customer service needs will need to be met by customer service representatives with technical training in assisting customers with electrification inquiries.

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance resolves as follows:

1. Approve Amendment 1 to Task Order 8 (Consulting Services) providing Concierge Service to assist with enhanced customer service offerings for customer electrification support through December 31, 2025, with a not-to-exceed amount of \$184,234; and,

2. Authorize the Executive Officer in consultation with legal counsel to finalize and execute Amendment 1 to Task Order 8 (Consulting Services) for Concierge Service.

PASSED, APPROVED AND ADOPTED, at a special meeting of the Valley Clean Energy Alliance, held on the _____ day of _____ 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Lucas Frerichs, VCE Chair

Alisa M. Lembke, VCE Board Secretary

Attachments:

1. Amendment 1 to SMUD MSA Task Order 8 (Consulting Services) for Concierge Service

AMENDMENT 1 TO EXHIBIT A: SCOPE OF SERVICES Task Order 8 – Consulting Services

Concierge Service

The Sacramento Municipal Utility District (SMUD) and Valley Clean Energy (VCE) agree to the following services, terms and conditions described in this Amendment 1 to Task Order 8 the provisions of which are subject to the terms and conditions of the Master Service Agreement (MSA) between the Parties. If any specific provisions of this Amendment 1 to Task Order 8 conflict with any general provisions in the MSA, Task Order 8, or any preceding Amendments to Task Order 8, the provisions of this Amendment to Task Order 8 shall take precedence. Capitalized terms used in this Amendment which are not defined in this Amendment will have the respective meanings ascribed to them in the MSA.

The Effective Date of this Task Order 8 is the date of last signature below.

Section 1, SCOPE OF WORK is amended to include:

1.1 Perform the following services:

Task #	Task Title	VCE Involvement/Milestone
1	Project management	
	Prep for, hold and draft minutes for monthly check in meeting	Attend monthly meetings
2	Develop implementation plan	
	Draft implementation plan	
	Send draft to VCE for review	
	Adjust implementation plan	Provide feedback into draft plan
	Send draft to VCE for review	
	Finalize implementation plan	Approve draft plan
3	Develop use interface and utilize a CRM	
	Develop preliminary hotline	
	Develop preliminary web experience	
	Develop preliminary CRM	
	Provide live demonstration of preliminary UI for hotline and web	
	Adjust preliminary UI for hotline and web	Provide feedback hotline/web
	Finalize preliminary UI for hotline and web	Approve hotline/web
	Provide live demonstration of UI for CRM	
	Adjust UI for CRM	Provide feedback into CRM
	Finalize UI for CRM	Approve CRM
4	Train concierge personnel	
	Develop training materials	
	Be trained	

	Deliver training	
5	Launch and manage concierge services	
	Deploy hotline	
	Deploy web	
	Deploy CRM	
	Send report format	
	Adjust report format	Provide feedback into report
	Finalize report format	Approve report
	Prepare and send monthly reports	
	Answer questions/provide ad hoc reporting	
	Send customer survey	
	Adjust customer survey	Provide feedback into survey
	Finalize customer survey	Approve customer survey
	Prepare and send weekly surveys	
	Take hotline calls year 1 (10 mins)	
	Take incentive layering calls year 1 (10 min)	
	Take technical assistance calls year 1 (30 min)	
	Take electrification plan calls year 1 (60 min)	
	Prepare electrification plans year 1 (120 min)	

Section 4.2, Optional Service Fees, is added to include:

Task #	Task Title	Hours	2024	Hours	2025
1	Project management	9.00	\$ 1,603	12.00	\$ 2,202
2	Develop implementation plan	23	\$ 4,052		
3	Develop use interface and utilize a CRM	394	\$ 70,179		
4	Train concierge personnel	26	\$ 4,505	26	\$ 4,641
5	Launch and manage concierge services	265	\$ 43,392	209	\$ 34,410
	License		\$ 3,125		\$ 3,125
	Total	717	\$ 139,857	247	\$ 44,377

[Signature Page follows]


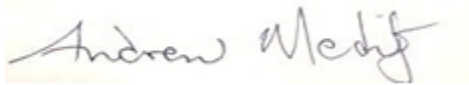
SIGNATURES

The Parties have executed this Task Order 8 Amendment 1, and it is effective as of the date of last signature below.

Valley Clean Energy

By _____
Name _____
Title _____
Date _____
Approved As To Form _____

Sacramento Municipal Utility District

By  _____
Name Tracy Carlson
Title Director Community Energy Services
Date 3/8/2024
Approved As To Form  _____