County of Santa Barbara
Planning and Development
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August 5, 2009

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 09-OII-01
1516 Ninth Street
Sacramento, CA 95814-5512
Email: sep@energy.state.ca.us

To Whom It May Concern:

The County of Santa Barbara appreciates the opportunity to comment on the California Energy Commissionôs recently proposed draft guidelines for the State Energy Program. Along with many jurisdictions in the state, the County recognizes the tremendous opportunity that has been presented by American Recovery and Reinvestment Act to help further local efforts to improve energy efficiency, and reduce greenhouse gas emissions in accordance with CA state law, while spurring economic renewal and job creation. Weôd like to request that further revisions provide a clear roadmap by which to leverage these opportunities for long term impact.

Specifically, the County would like to see further clarification in the language related to jurisdictions seeking to design and implement Municipal Financing District programs. While the County understands and respects the role of energy efficiency standards in meeting State energy and climate goals, the County would appreciate some flexibility to design eligible improvements that are realistic given our current labor constraints. According to the eligible improvement requirements listed in the Guidelines (p. 21, 22 and 36), in order to be eligible for Municipal Financing District Funds, applicants must demonstrate their ability to meet the second and third tier of the California Comprehensive Residential Building Retrofit Program. Unfortunately, the ability for most jurisdictions like ours to achieve whole home retrofits in the beginning phases of program design is limited, considering our skilled labor pool is relatively small and workforce development has not yet been fully engaged. A preliminary scan indicates Santa Barbara County currently has only a handful of HERS II raters or contractors with certain specialties available to service the area. Such rigid requirements may be counterproductive in jurisdictions like ours.

Additionally, the requirements regarding a ñRegional Approachò to encourage multiple jurisdiction partnerships in developing Municipal Financing districts (p. 22) should be more clearly articulated. It is not clear the extent to which collaborations between ñgroups of cities or countiesò (p.28) must be formed. The County is in discussions with incorporated cities within Santa Barbara County as well as neighboring jurisdictions including Ventura County and San Luis Obispo County in order to attain a necessary scale

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for program success. While regional collaboration is important, given the time constraints, requirements for formal collaborations should not be overly burdensome. For example, the process of forming a Joint Powers Agreement or even adopt formal collaboration agreements in advance of applying for the SEP grant would be incredibly time intensive.

On a related matter of concern, the California Energy Commission staff hosting the August 3rd workshop on the Energy Efficiency and Conservation Block Grant (EECBG) program appeared unaware of an important aspect of attaining State Energy Program funding, which requires a match of EECBG funds. Specifically, page 21 of the SEP Guidelines describes this matching fund requirement:

> *In order for the program to be considered for SEP funds, you must be willing to match the Energy Commission's SEP funds received with an equal amount of your own Energy Efficiency Conservation Block Grants (EECBG), or the total amount of EECBG received, whichever is lower, or other match funding approved by the Commission. This requirement may be waived if your city or county has an unemployment rate that is higher than the state average.*

While the County welcomes the opportunity to leverage both funding streams, we would suggest coordinating internally with the CEC staff responsible for developing the EECBG program guidelines to ensure consistency. As it stands, the goals and eligible projects of each funding streams do not appear to be in perfect alignment, which has created some confusion.

Given this requirement, the County would also suggest coordinating the timing of such requirements. As stated by the CEC in previous presentations, the EECBG funding solicitation will be issued by September 17, 2009. Applications will be accepted between October 1 and February, 15, 2010. Meanwhile, the State Energy Program will issue its funding solicitation on September 30, 2009. Proposals are due on October 30th, and winners will be announced on November 30th. Therefore winners of the SEP will be announced before EECBG applications are due, and will require a portion or all of a jurisdictions EECBG funding. In fact, large jurisdictions may have no chance of attaining SEP funding because they were required to submit EECBG proposals in June.

Lastly, the County would be interested in taking advantage of an opportunity to apply for climate planning funding through the remaining funding available through discretionary grants (approximately $12 million).

Thank you for considering our comments as you continue to refine the SEP Guidelines.

Sincerely,

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