

# **Local Government Partnerships: Maximizing Local Energy Savings Opportunities**

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## **ABSTRACT**

The California Public Utilities Commission (CPUC) and the state's investor-owned utilities (IOU) have sponsored energy efficiency programs at the local government level for over 5 years. Currently, there are diverse partnership programs in California that combine successful IOU energy efficiency program strategies with local government resources. There has been a wide range in partnership results, depending on the existing local government resources and how the partnership is being implemented. Partnerships are expanding to tap this increasingly important delivery mechanism for achieving the CPUC's aggressive short-term energy savings goals and its long-term strategic vision. This paper presents the results of an ongoing process evaluation of Pacific Gas & Electric Company's (PG&E's) Local Government Partnership program.

The most successful local government partnership programs meet aggressive energy-savings goals while making meaningful progress towards fulfilling the state's long-term strategic goals. Successful partnerships have fully engaged local governments working closely with program staff and often third-party contractor implementers. They typically have dedicated energy departments with complementary city goals.

Other partnerships, however, are less cost-effective, but utilize local government implementation and target hard-to-reach customers and provide a more comprehensive set of measures. These partnerships spend resources on building energy efficiency infrastructure at the local level. They also effectively leverage the California IOUs' statewide program resources.

The least successful partnerships do not meaningfully engage the local government, but offer mainly third-party implemented direct install. This type of partnership is cost-effective, but will not contribute to long-term, sustainable local market changes.

## **Introduction**

This paper describes the results of research conducted on PG&E's Local Government Partnership (LGP) program from January 2008 to October 2009, which was an integral part of the 2006-2008 Mass Market Process Evaluation.<sup>1</sup> LGPs were a vital program delivery channel within the California IOUs energy efficiency program portfolio during the 2004-2005 program cycle and continued as such for 2006-2008. Prior to that in 2005, the LGP program was piloted by the city of San Francisco.

During 2004-2005, the CPUC set aside 20 percent of the portfolio budget for LGP and third party energy efficiency programs, with the remainder earmarked for statewide IOU programs. LGPs and third party implementers submitted bids to the CPUC, who evaluated and selected bids based on cost-effective short-term energy savings as well as meeting other objectives such as serving the hard-to-reach and creating

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<sup>1</sup> In Decision 05-01-055, the Commission described evaluations that could be managed by the IOUs. These types of studies, which include LGPs, provide program implementers with information needed on a real-time basis to improve program delivery.

long-term market effects.<sup>2</sup> The utilities were the contract administrators for the 2004-05 LGP and third party contracts, which essentially involved paying CPUC-approved invoices with funds collected via the public benefits charge.

The state's Energy Action Plan<sup>3</sup> (EAP) determined that energy efficiency should be the first resource in the energy procurement loading order. In line with the EAP, the CPUC determined that the IOUs are accountable for energy procurement, placing them back in the role as energy efficiency program administrators for all programs, including third party and LGP<sup>4</sup>. The CPUC then set energy efficiency savings targets for the 2006-2008 program portfolio that were nearly double the savings achieved in the previous cycle. This change in regulatory context had implications on the management of LGP programs. Developing a portfolio that delivered quantifiable cost-effective energy savings was now the utilities' priority, resulting in more stringent criteria for selecting and managing LGP programs. Programs that offered only soft targets such as addressing hard-to-reach customer segments or providing long-term benefits that are not easily measured were no longer a priority.

For 2009, the Utilities proposed to continue implementation during the bridge funding period of certain third-party programs, local government partnership programs and utility core programs (collectively Transition Programs).<sup>5</sup> The CPUC approved the California IOUs' energy efficiency portfolios and budgets for the next 3-year program cycle on October 1, 2009, continuing the LGP program through 2012.<sup>6</sup>

## **Program Description**

Local government partnerships are innovative, market-based, local and statewide energy efficiency efforts for cities, groups of cities, counties, and other local jurisdictions within PG&E's service territory. During the 2004-2005 program cycle, several local government agencies in PG&E's service territory implemented publicly funded energy efficiency programs either as third parties or in partnership with PG&E. The most successful of the 2004-2005 programs were continued during the 2006-2008 program cycle, and new partnerships were formed. A total of eighteen partnerships comprised PG&E's partnership portfolio for 2006-2008. Table 1 lists the partnerships by category (excluding the 18<sup>th</sup> partnership, the local government energy action resources, comprised of various locations): city, county and regional partnerships.

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<sup>2</sup> CPUC Energy Efficiency Policy Manual Version 2, August 2003.

<sup>3</sup> The State of California Energy Action Plan was approved in 2003, and a second Energy Action Plan was adopted by both the California Energy Commission and the California Public Utilities Commission to reflect the policy changes and actions of the ensuing two years. An update to the plan was prepared in February 2008 (<http://www.energy.ca.gov/2008publications/CEC-100-2008-001/CEC-100-2008-001.PDF>). The state's energy policies have been significantly influenced by the passage of Assembly Bill 32, the California Global Warming Solutions Act of 2006.

<sup>4</sup> Decision 05-01-055 January 27, 2005, Interim Opinion on The Administrative Structure For Energy Efficiency: Threshold Issues.

<sup>5</sup> Decision 03-03-028 authorized continued bridge funding until the final decision, which was reached in Decision 03-04-55.

<sup>6</sup> Decision 09-09-047 October 1, 2009, approving 2010 to 2012 energy efficiency portfolios and budgets.

**Table 1.** 2006-2008 PG&E Partnerships by Category

<b>Partnerships</b>		
<b>City/Cities</b>	<b>County/Counties</b>	<b>Regional</b>
<ul style="list-style-type: none"> <li>• Fresno</li> <li>• San Francisco</li> <li>• Stockton</li> <li>• Madera</li> <li>• Merced/Atwater</li> <li>• San Joaquin</li> </ul>	<ul style="list-style-type: none"> <li>• Bakersfield/Kern</li> <li>• Santa Barbara</li> <li>• Marin</li> <li>• Sonoma</li> </ul>	<ul style="list-style-type: none"> <li>• East Bay</li> <li>• Silicon Valley</li> <li>• Silicon Valley Leadership Group</li> <li>• Motherlode</li> <li>• Association of Bay Area Governments</li> <li>• Association of Monterey Bay Area Governments (AMBAG)</li> <li>• Redwood Coast</li> </ul>

The overarching vision for the partnership effort is to achieve immediate energy and peak demand savings, provide added support alongside and in coordination with core programs and establish a permanent framework for a sustainable, long-term energy management program for local governments.

To achieve this vision, PG&E’s 2006-2008 LGP Program relied on a number of implementation strategies to achieve its immediate energy savings goals, including providing incentives for energy efficiency retrofits to residential and commercial buildings and local government facilities, providing outreach and direct install of energy efficiency measures (such as lighting, heating and cooling equipment) to hard-to-reach customer segments, and energy audits and technical services.

The program also provides services for which there are no immediate energy savings but will help establish an infrastructure for sustainable, long-term management of energy efficiency. These services included workshops and trainings for contractors and end-use customers, development and enforcement of building codes and standards for residents and businesses, hard-to-reach customer energy efficiency marketing and outreach (such as to non-English speaking residents), and building local governments’ internal energy efficiency resources.

PG&E’s 2006-2008 LGP program budget, energy savings goals and claimed accomplishments are listed in Table 2.

**Table 2.** 2006-2008 PG&E LGP Program Goals and Claimed Accomplishments

<b>Units</b>	<b>Goal</b>	<b>Claimed Accomplishments</b>	<b>% Accomplishments of Goal</b>
Energy savings (kWh)	307,695,553	216,294,956	70%
Demand savings (kW)	59,081	38,387	65%
Gas savings (therms)	2,382,908	1,076,352	45%
Budget	\$87,151,234	\$76,495,123	88%

Source: PG&E 2006-2008 Energy Efficiency Monthly Report, December 2008.

The CPUC did not adopt the 2009-2011 IOU energy efficiency portfolio applications well into early 2009. In order to keep energy IOU-sponsored energy efficiency programs running in 2009, the CPUC adopted a ruling to make 2009 a bridge funding year for the programs. The adopted ruling set the 2009 goals and budgets at one-third of the 2006-2008 program goals and budgets. In October 2009, the CPUC adopted a decision to make the next program cycle for energy efficiency programs run from 2010-2012. Twenty-two local government partnerships were approved in the PG&E service territory. The 2010-2012 LGP program savings goals and budgets are listed in Table 3.

**Table 3.** 2010-2012 PG&E LGP Program Goals

Units	Goal	% of 2006-2008 Goal
Energy savings (kWh)	377,660,863	123%
Demand savings (kW)	56,513	96%
Gas savings (therms)	2,406,694	101%
Budget	\$199,548,799	229%

Source: Decision 09-09-047 October 1, 2009, approving 2010 to 2012 energy efficiency portfolios and budgets.

### Strategic Program Planning

On October 18, 2007, CPUC Commissioners adopted a decision mandating California’s IOUs, working in collaboration with publicly owned utilities, state agencies, and other stakeholders, to prepare a statewide energy efficiency Strategic Plan for the period 2009-2020. This plan is intended to:

- address all end use sectors for gas and electricity – residential, commercial, industrial, and agricultural;
- give special attention to several ambitious long-range Big Bold Programmatic Initiatives with specific suggested performance targets;
- indicate how these plans will better integrate delivery to customers of the full range of demand side management (DSM) options (energy efficiency, distributed generation and solar, and demand response); and
- ensure effective use of and support for funds for marketing, outreach, training and education.

The IOUs’ Strategic Plan was submitted on June 2, 2008, which dedicated a section to the roles of local government, describing the vision and presenting four strategies intended to address that vision:

**Vision.** “By 2020, California’s local governments will be leaders of community-based initiatives to reduce energy use and carbon dioxide emissions. Local governments will be using their authorities and resources – regulatory, legal and educational – to promote energy efficiency technologies and practices within their communities, in their own facilities and with their peers.”

**Strategies.**

- “Tap local government authority over planning and development policy to maximize energy efficiency in privately owned new construction and existing buildings;

- Lead by example with local governments’ facilities achieving economic energy efficiency, reducing CO2 emissions, and showcasing promising energy efficiency, DSM and renewables products and practices;
- Local governments should lead their communities to support clean energy goals; and
- Local governments should rapidly upgrade and expand energy efficiency knowledge and skills among their staff and officials to support the success of above strategies.”<sup>7</sup>

## Evaluation Objectives and Approach

The overarching objectives of the 2006-2008 evaluation effort were to evaluate the effectiveness of program processes and to guide PG&E’s program managers in improving program processes. The evaluation also addressed a series of specific objectives over three phases of activity. The major research activities included review of program materials and relevant regulatory filings and in-depth interviews with PG&E, local government, and implementation contractor staff. (KEMA 2009)

Table 3 (below) provides a summary of research activities by phase.

**Table 3.** Summary of Research Activities by Phase

Research Objectives	Research Activities	Research Timing	Deliverable
<b>Phase 1</b>			
Assess the effectiveness of implementation models and coordination between LGP and other related utility programs.	Review program materials and filings; Select 5 LGPs to study in-depth <sup>8</sup> ; Conduct in-depth interviews with utility, local government and contractor staff associated with the 5 selected LGPs.	Program review: January 2008; Interviews: February 2008	Phase 1 Draft Report (March 2008)
<b>Phase 2</b>			
Gather information about infrastructure LGP program activities and assess their value.	Conduct follow-up in-depth interviews with utility, local government and contractor staff associated with the 5 selected LGPs.	Interviews: May 2008	Phase 1 Draft Report (July 2008)

<sup>7</sup> California Energy Efficiency Strategic Plan, Rulemaking 06-04-010, June 2, 2008, [www.californiaenergyefficiency.com](http://www.californiaenergyefficiency.com), Section 12 pages 12-1 and 12-3.

<sup>8</sup> East Bay, San Francisco, AMBAG, Fresno and Silicon Valley Energy Watch LGPs were selected.

<b>Research Objectives</b>	<b>Research Activities</b>	<b>Research Timing</b>	<b>Deliverable</b>
<b>Research Phase 3</b>			
Indicate how PG&E is addressing recommendations in the 2009-2011 program. Combine prior 2 reports and finalize evaluation conclusions and recommendations.	Present Phase 1 and Phase 2 report findings and recommendations to PG&E; conduct follow-up interviews with PG&E program staff.	Presentations: third quarter 2008; Interviews: January 2009	Comprehensive 2006-2008 process evaluation report (by mid December 2009.)
<b>Research Phase 4</b>			
Assess how PG&E is addressing findings from the 2006-2008 process evaluation. Address ongoing research and evaluation needs arising during implementation of the 2009 program and planning for the 2010-2012 program cycle.	Conduct in-depth interviews with utility, local government and contractor staff; review program materials and tracking data; conduct customer research.	Late 2009 – early 2010	To be determined

Source: KEMA 2009

## **Program Theory**

Table 4 below displays the assumptions underlying PG&E’s LGP program activities, documented in PG&E’s 2006-2008 program implementation plans. (PG&E 2006) The diagram represents the wide range of activities offered by the portfolio of LGPs, with each individual partnership offering its own blend of activities with varying emphasis depending on their intrinsic capabilities and partnership design.

The table describes the range of program activities and the expected resulting outputs, following by the expected short- and long-term market outcomes.

**Table 4.** Generic LGP Program Theory – Activities and Outputs

Program Activities	Outputs
Marketing and outreach:	
<ul style="list-style-type: none"> <li>○ Coordination with the IOUs’ low-income weatherization and rate assistance programs to identify potential participants</li> <li>○ Partner w/ local governments to establish partnerships that promote energy efficiency programs to customers that typically are not aware or do not participate in other energy efficiency programs</li> <li>○ Partner with local planning and building organizations to identify potential commercial participants</li> <li>○ Develop marketing and website material to promote the LGPs programs to the targeted audiences</li> <li>○ Door-to-door canvassing to recruit participants</li> <li>○ Case studies</li> <li>○ Referrals to other energy efficiency programs</li> </ul>	<ul style="list-style-type: none"> <li>○ Partnerships established with the IOUs’ low-income weatherization and rate assistance program implementers in the local government partnership territories</li> <li>○ Partnerships with local governments, planning organizations and building organizations established</li> <li>○ Potential participants identified</li> <li>○ Marketing materials and website content created</li> <li>○ Houses canvassed</li> <li>○ Referrals made</li> </ul>
Incentives, direct installs and other energy services for end-use customers:	
<ul style="list-style-type: none"> <li>○ Direct installs</li> <li>○ Incentives for energy efficiency measures</li> <li>○ Energy audits</li> <li>○ Workshops on energy use and financial management for res customers</li> <li>○ Training to private building owners on financial packaging to incorporate energy efficiency into capital improvement projects</li> <li>○ Provide design and construction management support</li> </ul>	<ul style="list-style-type: none"> <li>○ Free measures, financial incentives and audits available</li> <li>○ Design and construction support available</li> <li>○ Energy use and financial management workshops held</li> <li>○ Training provided to building owners on financial packaging to incorporate energy efficiency into capital improvement projects</li> </ul>
Training activities for mid-market actors:	
<ul style="list-style-type: none"> <li>○ Title 24 training relating to improving compliance with building codes</li> <li>○ Technical training seminars designed for building owners, designers, engineers and architects</li> </ul>	<ul style="list-style-type: none"> <li>○ Title 24 and technical training seminars provided</li> </ul>

Source: KEMA 2009

**Table 4.** Generic LGP Program Theory – Expected Outcomes

<b>Expected Outcomes</b>	
<b>Short-Term</b>	<b>Long-Term</b>
<ul style="list-style-type: none"> <li>○ Local governments promote the partnerships</li> <li>○ Increased awareness of the partnerships</li> <li>○ energy efficiency measures installed</li> <li>○ Technical assistance provided during energy stages of building processes</li> <li>○ Referrals made to other energy efficiency programs</li> <li>○ Increased participation in other energy efficiency programs resulting from referrals</li> <li>○ Electricity, peak demand and gas savings</li> </ul>	<ul style="list-style-type: none"> <li>○ Larger commercial projects completed</li> <li>○ More efficient building stock</li> <li>○ Increased awareness of energy efficiency, greater recognition of the benefits of investing in energy efficiency technology</li> <li>○ Increased demand for energy efficiency products and services</li> <li>○ Increased availability of energy efficiency products and services</li> <li>○ Market participants incorporate energy efficiency products and practices as standard practice</li> <li>○ Sustained and equitable electricity, peak demand and gas reductions</li> </ul>

Source: KEMA 2009

## **Program Evaluation Findings and Recommendations**

The evaluation findings and recommendations are described below.<sup>9</sup>

### **Partnership Intent**

According to program filings, the LGP Program intends to both deliver immediate energy savings and to establish a permanent framework for sustainable, long-term local government energy management. During the 2006-2008 program cycle, the CPUC evaluated PG&E’s program performance based on immediate energy savings achievements and cost-effectiveness. Accordingly, the 2006-2008 LGP program was primarily focused on achieving its short-term objective of producing immediate savings, which came at the expense of making progress towards its long-term goals. Previous LGP program cycles had lower cost-effectiveness targets and had a greater emphasis on investment activities (such as development of local building codes and enforcement of statewide building standards) that would lead to mid- and long-term energy savings.

Going forward, the program needs to strike an appropriate balance between achieving immediate energy savings and meeting the program’s long-term strategic objectives. PG&E and the California Public Utilities Commission should track and monitor program strategies that are designed to yield long-term benefits and in line with the Strategic Plan.

<sup>9</sup> PG&E, in its 2009 programs and plans for 2010-2012 programs, has begun to address the evaluation recommendations described in this paper. The 2006-2008 draft report indicates PG&E’s plans for addressing the recommendation. PG&E is currently sponsoring additional process evaluation to assess its efforts at addressing the recommendations and to provide continuing feedback and guidance on program effectiveness (both short- and long-term) and efficiency.

## Integration of Services

PG&E offers a variety of energy programs and services to local governments and their constituents, addressing energy efficiency, demand response and renewable technologies. The energy efficiency programs include LGPs; PG&E's territory-wide core programs aimed at the mass market, low-income customers, businesses and industry; and programs delivered by third-party implementers to targeted customers. In most locations within PG&E's service territory, customers are eligible for program services from several programs. However, during the 2006-2008 Program period, PG&E did not effectively integrate its energy efficiency programs, which led to customer confusion and dissatisfaction and inefficiencies in program implementation. Additionally, PG&E did not provide access to its broader energy services to local government partners. This inhibited progress towards fully engaging local governments in achieving the state's long-term, strategic energy goals.

PG&E should develop a tracking system to monitor implementation traffic for utility third-party, LGP, core, and low-income program coordination and cross-referrals to be shared by local governments and PG&E. Likewise, PG&E should consider integrating its energy services that are applicable to local governments. PG&E should coordinate its service offerings related to energy efficiency, demand response, carbon reduction, and sustainability. Ideally, PG&E should create an integrated service offering in which local governments could take advantage and include in their programs to meet various community sustainability goals.

## Implementation Model

While there is no explicit classification of LGP program implementation models, there are at least three important distinctions that characterize the partnerships:

- **Implementer:** which organization is in charge of implementation,
- **Government engagement:** the degree to which the local government is engaged in the partnership, and
- **Resource goals:** whether the partnership is responsible for achieving measurable energy savings or is resource-only.

Table 5 maps the five partnerships that were studied closely by this evaluation in terms of their implementation characteristics.

**Table 5.** Partnership Implementation Characteristics

Partnership	Partnership Characterization		
	Implementer	Government Engagement	Resource Goals
East Bay	Third party contractor	High	Yes
City of San Francisco	Local government	High	Yes
AMBAG	Local government and utility	High	Yes
Fresno	Third party contractor	Low	Yes
City of San Jose	Local government	High	No

Source: KEMA 2009

Third-party implemented LGPs were more efficient in meeting short-term energy savings goals, while an engaged local government was most effective in meeting long-term LGP goals. Our interview results and review of program filings indicated that third-party implemented LGPs were more efficient than local government agencies at setting up contracts, launching the program and delivering short-term energy savings over the course of the program cycle. Local government agencies that implemented LGPs were less efficient at achieving immediate energy savings because they had broader objectives than third parties which were reflected by a more extensive contractual process (e.g., requiring the use of local contractors), broader customer targets, and measure mixes. Often those objectives were aligned with the LGP Program’s long-term goals, such as offering services to hard-to-reach customer segments, developing local building codes and adding local energy efficiency resources. However, we observed third-party implemented partnerships that were successful at meeting short-term energy savings goals while also making very meaningful long-term progress; the key factor was that the local government was very engaged in the program.

PG&E should balance the program’s objectives when establishing new partnerships and determining how they will be implemented, to ensure that the program meets its short-term energy savings goals while effectively engaging the local government to achieve its long-term strategic objectives.

**Contract and Program Administration**

PG&E manages each individual LGP Program contract, which is either with the local government or a third-party implementer. PG&E designates a program manager for each partnership, who oversees the contract and monitors program accomplishments. Other PG&E staff (e.g., contracts and information technology groups) also support the LGP Program as needed.

The 2006-2008 LGP Program contract process contributed to customer and partner dissatisfaction and reduced program cost-effectiveness. The process of getting contracts in place for 2006-2008 was very

lengthy and time-consuming for PG&E and its partners. Even though many partnerships were being carried over from the previous cycle, PG&E developed new contracts.<sup>10</sup> During this period, the program was still operating though rebates were not paid and energy savings were not claimed. This caused customer and partner dissatisfaction and impacted energy savings claims.

The contracts themselves were very complex, lacked flexibility to make mid-course changes to improve success and did not specify tracking of measures of success besides immediate energy savings claims.

PG&E systems, processes, and staffing levels were constrained during the 2006-2008 Program, which hindered LGP Program progress. Our interview results revealed that partners believed PG&E was too constrained in terms of managing and supporting LGP Program implementation. Most partners felt that the program managers were dedicated and worked very hard, yet the Customer Energy Efficiency group, in general, was understaffed. Moreover, the systems and support staff were constrained such that there were lengthy delays in facilitating program changes, data requests, rebate payments, and other day-to-day administrative processing.

PG&E should ensure that the next program cycle contract process does not adversely affect delivery of program services due to lengthy delays and excessive administrative requirements on implementers. Additionally, PG&E should set up new contracts to provide flexibility to make mid-course corrections in program implementation to maximize program success.

PG&E should add progress reporting (beyond counting of energy savings by measure) to the 2009-2011 contracts to monitor the successes and challenges of each program strategy. PG&E should determine whether its administrative infrastructure that supports the LGP Program is sufficient to accomplish its priorities and make improvements if warranted (e.g., add staff, update IT systems, etc.).

## **Conclusions and Recommendations**

The most successful local government partnership programs operating in PG&E's service territory during the 2006-2008 program cycle met aggressive energy-savings goals while making meaningful progress towards fulfilling the state's long-term strategic goals. Successful partnerships had fully engaged local governments working closely with PG&E program staff and often third-party contractor implementers. The local governments who were the most engaged typically already had a dedicated energy department with city goals related to energy, climate change and sustainability. The local government partnership program was another vehicle for helping to meet the cities' goals related to Assembly Bill 32, the California Global Warming Solutions Act of 2006.

Other partnerships were less cost-effective, but utilized local government implementation and targeted hard-to-reach customers and provided a more comprehensive set of measures. These partnerships spent resources on building energy efficiency infrastructure at the local level. They also effectively leverage the California IOUs' statewide program resources, such as sending local government staff to training classes offered by the Statewide Education and Training program, or leveraging information and collateral from the Statewide Marketing and Outreach program.

The least successful partnerships did not meaningfully engage the local government, but offered mainly third-party implemented direct install. This type of partnership is cost-effective, but will not contribute to long-term, sustainable local market changes within government or across local customers.

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<sup>10</sup> PG&E was responsible only for administering contracts during 2004-2005, whereas for 2006-2008 PG&E was additionally responsible for program success.

The following recommendations are based on the lessons learned from the evaluation and intended for program administrators and policymakers in California and nationwide:

- Program objectives should align well with how program performance is assessed. If there are multiple competing objectives, indicate priorities.
- Ensure that all the objectives can be met in the indicated timeframe given the budget and other constraints.
- Develop procedures for tracking program progress towards all its objectives, not just installations of measures. For example, develop a set of transparent and easy to measure metrics for monitoring progress towards long-term strategic goals. Conduct periodic market studies to routinely measure and reevaluate progress and goals.
- If local government partnership programs are operating in areas where other energy efficiency programs are already in place, coordinate program services and ensure they are not competing in the marketplace. Develop an integrated program theory for areas with overlapping programs to clearly identify each program's unique rationale and target market.
- The most effective partnerships occur where all partners are engaged and working toward a similar purpose. Allow sufficient time and resources for partners to learn each others' underlying capabilities, constraints and motivations.
- Local governments with little to no existing energy capabilities will be difficult to engage in a partnership. Consider the use of broader partnerships, e.g., encompassing a county or region, in such situations.
- Experienced energy efficiency implementation contractors can help realize aggressive energy savings goals. However, it is important to build sustainable, local energy efficiency capability in order for the local government to meet long-term climate change and sustainability goals. Take into account the local energy efficiency infrastructure when determining the partnership design.
- Overseeing many local government partnerships is resource intensive due to their uniqueness and the wide variety of program activities they each conduct. Partnerships that include activities directed at building local energy infrastructure will not be as cost-effective as other traditional resource-acquisition programs at least in the short-run. Strike an appropriate balance between achieving short-term energy savings goals and building long-term energy efficiency infrastructure based on budget constraints and short- and long-term energy efficiency goals.

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