



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** February 12, 2013

**TO:** Mayor and Councilmembers

**FROM:** Facilities Division, Public Works Department

**SUBJECT:** Approval Of Extension For The South Coast Energy Efficiency Partnership Agreement

### **RECOMMENDATION:**

That Council authorize the Public Works Director to extend the 2010-2012 Energy Partnership Agreement between Southern California Edison, the Southern California Gas Company and the City of Santa Barbara to cover the 2013-2014 transition period.

### **DISCUSSION:**

The California Public Utilities Commission (CPUC) and the California Energy Commission have made energy conservation and reduction a major goal for public utilities in the State of California. In 2006, the CPUC directed public utilities to form energy partnerships with local governments to help achieve this goal. Recognizing the need for increased energy efficiency, the CPUC formed the South Coast Energy Efficiency Partnership (SCEEP) Program.

The SCEEP Program (Program) is a partnership between the City of Carpinteria, the City of Goleta, the City of Santa Barbara, the County of Santa Barbara, the Southern California Edison Company (SCE) and the Southern California Gas Company (Gas Company). The Program has been designed to assist local governments with effectively leading their communities to increase energy efficiency, reduce greenhouse gas emissions, and protect air quality.

The Partnership's 2010-2012 cycle is being extended to cover the 2013 and 2014 calendar years, which will be transitional years until a new cycle begins. SCE is budgeting \$376,658 and the Gas Company is budgeting \$154,173 for both incentive and non-incentive funding for projects completed by SCEEP partners. Incentive funding is provided in relation to energy reductions achieved through projects, and non-incentive funding is reimbursement for partner participation and time.

The Program provides access to all SCE and Gas Company core programs, as well as providing additional enhanced incentives for the City to demonstrate energy efficiency

leadership in its community. As part of its core programs, SCE offers an incentive for projects with quantifiable energy reduction of \$0.05 per kWh reduced through energy retrofit projects. To SCEEP partners, it offers an enhanced incentive depending on Partner Energy Leader level. The City is currently at Silver Level, so we receive an additional \$0.06 per kWh, for a total of \$0.11 per kWh reduced. The Gas Company incentive level is up to \$1.00 per therm for gas usage reduction.

Through the SCEEP, the City has received almost \$350,000 in incentive dollars since the year 2006, making it possible to pursue a greater number of energy efficiency projects throughout City facilities. Examples of projects completed in the last cycle are listed in the table below.

<b>Project</b>	<b>Incentive Funding Received</b>	<b>Annual Energy Saved</b>	<b>Annual City Savings</b>
City Hall HVAC upgrade	\$6,531	102,234 kWh	\$14,313
Escondido & Bothin Pump Upgrades	\$6,627	44,414 kWh	\$6,218
Los Banos Boiler Upgrade	\$7,202	7,012 Therms	\$7,000
Central Library HVAC upgrade	\$6,000	6,000 Therms	\$6,000

The budget for the 2013 – 2014 extension period is \$530,831 for SCEEP partners to use. The tables below illustrate how the funds will be allocated by both SCE and the Gas Company.

The three-year budget for SCE is divided as follows:

<b>Purpose of Funds</b>	<b>Funds Available</b>
<u>Incentive</u> : Funds available to partners based on energy reduction	\$70,658
<u>Non-Incentive</u> : Funds available for marketing & outreach, technical assistance and direct implementation	\$306,000
<b>Total Partnership Funding from SCE</b>	<b>\$376,658</b>

The three-year budget for the Gas Company is divided as follows:

<b>Purpose of Funds</b>	<b>Funds Available</b>
<u>Incentive</u> : Funds available to partners based on gas reduction	\$28,000
<u>Non-Incentive</u> : Funds available for marketing & outreach, administration and direct implementation	\$126,173
<b>Total Partnership Funding from the Gas Company</b>	<b>\$154,173</b>

There is no explicit division of funds between the various partners and funds are awarded on a first-come, first-served basis.

**BUDGET/FINANCIAL INFORMATION:**

The 2013-2014 extension is funded by a Public Goods charge paid by California utility ratepayers, and is administered by SCE and the Gas Company under the auspices of the Public Utilities Commission.

**SUSTAINABILITY IMPACT:**

Adopting the 2013-2014 Partnership Agreement extension will continue the services currently provided to the community in the form of energy education and outreach programs to residences, businesses, and schools as well as other energy incentive programs. This Agreement will continue the Program's documented electricity savings in the City of Santa Barbara and provide incentives for municipal energy conservation retrofits.

**PREPARED BY:** Jim Dewey, Facilities and Energy Manager/AP/mh

**SUBMITTED BY:** Christine F. Andersen, Public Works Director

**APPROVED BY:** City Administrator's Office