



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 9, 2014

TO: Mayor and Councilmembers

FROM: Facilities Division, Public Works Department

SUBJECT: Approval Of Energy Efficiency Revolving Fund Award Agreement With Southern California Edison

RECOMMENDATION: That Council:

- A. Authorize the Public Works Director to enter into an agreement with Southern California Edison for grant funding in the amount \$52,250, to fund the feasibility study of an Energy Efficiency fund;
- B. Authorize the Public Works Director to enter into an agreement with Cadmus Group in the amount of \$51,750 for the Energy Efficiency Fund Feasibility Study; and
- C. Authorize the increase of estimated revenues and appropriations in the Facilities Management Fund in the amount of \$52,250.

DISCUSSION:

Southern California Edison (SCE) awarded \$52,250 in strategic planning funds to the City to conduct a feasibility study (Study) on an Energy Efficiency (EE) fund. The City is eligible for the funds through the South Coast EE Partnership, which provides funding for EE and conservation projects. Council authorized the receipt of these funds on August 13, 2013, and the City is now prepared to enter into an agreement with SCE for the use of these funds.

The City issued Request For Proposals to qualified firms to put together the Energy Efficiency Feasibility Study. Staff selected Cadmus Group (Cadmus) based on their thorough proposal and previous experience. Cadmus will analyze options to account for all energy savings - conservation and rate restructuring - and develop a set of approaches to continuously reinvest a portion of those savings in new energy conservation and efficiency projects. Cadmus will also identify opportunities to generate savings from energy conservation and efficiency projects and rate restructuring activities. The Study will also provide metrics for energy savings and provide methods to identify and rank potential energy saving measures in City facilities.

Once the Study is completed, staff will bring the proposed fund structure and implementation plan to Council for discussion and possible approval.

Currently, the City spends \$3.5 million per year on energy in total, including a General Fund building use of \$1.3 million. The objective of the Study is to provide options to ensure ongoing funding of energy conservation projects that provide reduced energy use and cost to City operations.

BUDGET/FINANCIAL INFORMATION:

The table below outlines the budget for this project:

Meet with Stakeholders	\$16,560
Develop EE Strategies (criteria, process, benchmarks, measurement and evaluation procedures)	\$18,945
Develop Project Report, Implementation Forecast and Report	\$10,300
Assessment Report	\$4,185
Develop EE Strategies White Paper	\$1,760
Administration (City Staff)	\$500
TOTAL PROJECT COST	\$52,250

SCE will reimburse the City after the City pays the vendor invoices.

SUSTAINABILITY IMPACT:

Analyzing the approaches to better capture the potential cost and energy benefits from EE projects will allow the City to better manage General Fund energy expenditures and recover energy savings that will be reinvested in future energy saving projects. The findings of the Study will be shared with other local governments to help them develop best practice strategies in EE funding. EE projects save operating costs and reduce green house gas emissions.

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

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office