



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** January 13, 2015

**TO:** Mayor and Councilmembers

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

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

### RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Authorizing the Public Works Director to Execute an Amendment Extending the 2010-2014 Energy Partnership Agreement Between the Southern California Edison Company, the Southern California Gas Company, and the City of Santa Barbara to Cover the 2015 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 is a partnership between the City of Carpinteria, the City of Goleta, the City of Santa Barbara (City), the County of Santa Barbara (County), Southern California Edison Company (SCE), and Southern California Gas Company (Gas Company). The SCEEP Program has been designed to assist local governments with effectively leading their communities in increasing energy efficiency, reducing greenhouse gas emissions, and protecting air quality.

The Partnership 2010-2012 cycle was previously extended to cover 2013 and 2014, and is now being extended by one year, through 2015, which will be a transitional year until a new cycle begins. SCE is budgeting \$203,849, and the Gas Company is budgeting \$196,081, 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 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 the 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 SCEEP, the City has received over \$500,000 in incentive dollars since 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</b>	<b>Annual Energy Saved</b>	<b>Annual City Savings</b>
Direct Install Lighting Upgrades	\$249,395	358,347 kWh	\$48,751
El Estero Outdoor Lighting Upgrade	\$36,042	307,781 kWh	\$32,411
Los Banos Pool Light Upgrade	\$1,690	12,074 kWh	\$1,690

The budget for the 2015 extension period is \$402,930. The funds will be allocated to the SCEEP partners by both SCE and the Gas Company for use as shown in the tables below.

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	\$50,849
<u>Non-Incentive</u> : Funds available for marketing and outreach, technical assistance and direct implementation	\$153,000
<b>Total Partnership Funding from SCE</b>	<b>\$203,849</b>

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

Purpose of Funds	Funds Available
<u>Incentive</u> : Funds available to partners based on gas reduction	\$94,805
<u>Non-Incentive</u> : Funds available for marketing and outreach, administration and direct implementation	\$101,276
<b>Total Partnership Funding from the Gas Company</b>	<b>\$196,081</b>

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

As the amendment extending the 2010-2014 Energy Partnership will cause the contract term to exceed five years, pursuant to Charter provision 521, an ordinance is required to authorize the Public Works Director to enter into the agreement.

**BUDGET/FINANCIAL INFORMATION:**

The 2015 SCEEP funds are from the Public Goods charge, paid by California utility ratepayers, and are administered by SCE and the Gas Company under the auspices of the Public Utilities Commission.

**SUSTAINABILITY IMPACT:**

Adopting the amendment, which will be identified as the 2015 Partnership Agreement, will extend 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:** Rebecca J. Bjork, Public Works Director

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