



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: March 29, 2016

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 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 a Third Amendment to the 2010-2015 Energy Partnership Agreement Between Southern California Edison, the Southern California Gas Company, and the City of Santa Barbara to Cover the 2016 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 utility providers 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, the County of Santa Barbara, 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 in the effort of increasing energy efficiency, reducing greenhouse gas emissions, and air quality protection.

The 2010-2012 SCEEP cycle was previously extended to cover 2013-2015, and is now being extended again by one more year to cover 2016, which will be a transitional year until a new cycle begins. SCE is budgeting \$140,000, and the Gas Company is budgeting \$72,046 for both incentive and non-incentive funding for projects completed by SCEEP partners in 2016. Incentive funding is awarded to energy conservation projects that achieve energy reductions. Non-incentive funding is reimbursement for partner participation and program support.

The Program provides access to all SCE and Gas Company core programs, and it offers additional enhanced incentives for the City to demonstrate energy efficiency leadership in our 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 the 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.

Project	Incentive Funding	Annual Energy Saved	Annual City Savings
Direct Install Lighting Upgrades	\$249,395.00	358,347 kWh	\$48,751
EI Estero Outdoor Lighting Upgrade	\$36,041.65	307,781kWh	\$32,411
Los Banos Pool Light Upgrade	\$1,690.00	12,074 kWh	\$1,690

The budget for the 2016 extension period is \$212,046. 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:

Purpose of Funds	Funds Available
<u>Incentive</u> : Funds available to partners based on energy reduction	\$75,000
<u>Non-Incentive</u> : Funds available for marketing and outreach, technical assistance and direct implementation	\$65,000
Total Partnership Funding from SCE	\$140,000

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	unlimited
<u>Non-Incentive</u> : Funds available for marketing and outreach, administration and direct implementation	\$72,046
Total Partnership Funding from the Gas Company	\$72,046

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

Pursuant to City Charter Provision 521, an Ordinance is required to extend this contract past its current five-year term.

BUDGET/FINANCIAL INFORMATION:

The 2016 extension is funded by public goods charges, paid by California utility ratepayers, and is administered by SCE and the Gas Company under the auspice of the Public Utilities Commission.

SUSTAINABILITY IMPACT:

Adopting the 2016 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.

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SUBMITTED BY: Rebecca Bjork, Public Works Director

APPROVED BY: City Administrator’s Office