



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 2, 2010

TO: Mayor and Councilmembers

FROM: Facilities Division, Public Works Department

SUBJECT: Adoption Of South Coast Energy Efficiency Partnership Agreement

RECOMMENDATION:

That Council authorize the Public Works Director to execute the 2010-2012 Energy Partnership Agreement between Southern California Edison (SCE), Southern California Gas Company (Gas Company) and the City of Santa Barbara.

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, which completed its first funding cycle at the end of 2009.

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, the Southern California Edison Company and the Southern California 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 is now being renewed for the 2010-2012 cycle. SCE is budgeting \$2,096,767 and the Gas Company is budgeting \$84,900 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 SCEEP partners it offers an enhanced incentive of an additional \$0.03 per kWh for a

total of \$0.08 per kWh reduced. As we continue to improve our energy efficiency, our enhanced incentive can increase up to an additional \$0.09 per kWh for a total of \$0.14 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 \$205,000 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 Received	Electricity Saved	Annual City Savings
Lighting Retrofits in Parking Structures – Lots 2, 7, 9, 10	\$96,363	490,586 kWh	\$55,529
San Roque Well Refurbishment	\$6,584	82,301 kWh	\$10,365
630 Garden St. Offices - Heating, Ventilation, Air Conditioning (HVAC) Upgrade	\$4,344	34,285 kWh	\$4,609
EI Estero Influent Pump Biosolid Process Upgrade	\$27,122	904,077 kWh	\$76,096

There is \$2,181,667 planned for SCEEP partners to use in the 2010 – 2012 funding cycle. The tables below show how those funds will be allocated by both SCE and the Gas Company.

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	\$1,012,251
<u>Administration</u> : Funds to reimburse partners for time spent on SCEEP administrative activities	\$224,087
<u>Marketing</u> : Funds for marketing firm to produce promotional materials and provide public relations services	\$224,087
<u>Strategic Planning</u> : Funds to reimburse partners for time spent on strategic planning activities such as Reach Codes and On-Bill Financing	\$51,510
<u>Direct Implementation</u> : Funds to reimburse partners on time spent working on projects with SCE or other utility representative	\$159,091
<u>Implementer</u> : Funds for Partnership to hire a contractor to perform energy audits and savings calculations and identify project opportunities	\$425,741
Total Partnership Funding from SCE	\$2,096,767

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	\$42,000
<u>Administration</u> : Funds to reimburse partners for time spent on SCEEP administrative activities	\$18,900
<u>Marketing</u> : Funds for marketing firm to produce promotional materials and provide public relations services	\$24,000
Total Partnership Funding from the Gas Company	\$84,900

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

Staff plans to use incentive funds for a large number of projects, including those funded by the American Recovery and Reinvestment Act for energy efficiency projects. The projects listed below are eligible to receive SCEEP incentives.

Project Location	Project Eligible for Incentives
City Hall	HVAC upgrades, Building Automation System installation
Central Library	HVAC upgrades, Building Automation System installation
Eastside Library	HVAC upgrades, Building Automation System installation
Franklin Center	HVAC upgrades, Building Automation System installation
Westside Community Center	HVAC upgrades, Building Automation System installation
1235 Teen Center	HVAC upgrades, Building Automation System installation
Parks and Recreation Administration Buildings	HVAC upgrades, Building Automation System installation
Fire Station 1	Building Automation System installation
Dwight Murphy Ball Field	Sport Lighting Upgrades
Pershing Park Ball Field	Sport Lighting Upgrades
Cabrillo Ball Field	Sport Lighting Upgrades

BUDGET/FINANCIAL INFORMATION:

The 2010-2012 Program 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 2010-2012 Partnership Agreement will provide services 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: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office