



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** January 13, 2009

**TO:** Mayor and Councilmembers

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

**SUBJECT:** Energy Partnership With Southern California Edison – Addendum To 2006-2008 Agreement

### **RECOMMENDATION:**

That Council authorize the Public Works Director to approve an Addendum to the 2006-2008 Energy Partnership Agreement between Southern California Edison (SCE) and the City of Santa Barbara.

### **DISCUSSION:**

This Addendum will provide for the continuation of Energy Partnership activities defined by the current 2006-2008 Energy Partnership Program on a monthly basis until the California Public Utilities Commission approves the 2009-2011 Energy Efficiency Partnership Application.

The California Public Utilities Commission (CPUC) and the California Energy Commission (CEC) have made energy conservation (reduction) a major goal for public utilities in the State. 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, in December 2005, authorized SCE to spend \$675 million during the calendar years 2006 through 2008 on energy efficiency programs. Included in those authorized programs, were funds allocated to the South Coast Energy Efficiency Partnership, which includes the City of Santa Barbara.

The Partnership funds were used to implement energy efficiency programs in the community, including: education and outreach programs to schools, compact fluorescent light bulb exchanges for incandescent lights, and direct retrofits for local businesses. The direct retrofits provided up to \$5,000 for an individual business to upgrade their lighting system to an energy efficient system. Overall, 6.9 million kilowatt hours of energy were saved for the community annually, an energy cost savings of more than \$1 million.

On July 21, 2008, SCE submitted their respective applications (“2009-11 Applications”) for the implementation of energy efficiency programs to be delivered to California utility customers for the years 2009 through 2011. This included the 2009-11 South Coast Energy Efficiency Partnership Program (the “2009-11 Program”) involving the joint delivery of energy efficiency information and training, marketing and outreach, and services to local governments, public agencies, businesses and residents located in the SCE service territory. The 2009-11 Program also provides funding for energy conservation retrofits for municipal buildings.

In September 2008, the CPUC released its Long Term Energy Efficiency Strategic Plan (Strategic Plan) which provides guidelines to achieving maximum energy savings for businesses and residences throughout the state. In order for the CPUC to bring the 2009-11 Applications into conformity with the Strategic Plan, the CPUC has delayed the approval of the 2009-11 Program, and has authorized an extension of the 2006-2008 Partnership Program. The 2006-2008 Partnership Program was supported by Council Resolution 06-012 on March 8, 2006.

On October 16, 2008, the Commission issued a Decision Adopting Bridge Funding For 2009 Energy Efficiency Programs (“Bridge Funding Decision”) allowing SCE to expend funds to continue certain 2008 energy efficiency programs during the period from January 1, 2009, to the earlier of three (3) months after the effective date of the Commission’s final decision on the 2009-11 Applications, or December 31, 2009 (“Bridge Funding Period”).

SCE is authorized to spend a cumulative amount not to exceed the \$9,300 per month during the Bridge Funding Period for the South County Energy Efficiency Partnership Program, and the City’s performance therein of its Bridge-Funded Authorized Work in SCE’s service territory.

SCE requires the acceptance of the attached Addendum in order to extend the South Coast Energy Efficiency Partnership and services to our local community.

**BUDGET INFORMATION:**

The extension of the 2006-2008 Partnership Program will not require any additional funding or resources for its support.

**SUSTAINABILITY IMPACT:**

Extending the 2006-2008 Partnership Program will provide services to the community in the form of direct installations of energy conservation retrofits for local businesses, energy education and outreach programs to residences, businesses, and schools, and other energy incentive programs. This Program will continue the existing program’s documented electricity savings and greenhouse gas reductions for the community of the City of Santa Barbara.

**PREPARED BY:** James Dewey, Facilities and Energy Manager/es

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

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