



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: 4/26/2011

Report Type: Consent

Title: Reprogram: Federal Energy Efficiency and Conservation Block Grant Funding

Report ID: 2011-00298

Location: Citywide

Recommendation: Adopt a Resolution authorizing the reprogramming of 2009 Energy Efficiency and Conservation Block Grant funding (EECBG) with the U.S. Department of Energy.

Contact: Yvette Rincon, Sustainability Program Manager, (916) 808-5827, General Services Department

Presenter: None

Department: General Services Dept

Division: Office of the Director

Dept ID: 13001021

Attachments:

- 1-Description/Analysis
- 2 - Attachment 1
- 3 - Resolution

City Attorney Review

Approved as to Form
Kourtney Burdick
4/21/2011 10:16:56 AM

City Treasurer Review

Prior Council Financial Policy Approval or
Outside City Treasurer Scope
Russell Fehr
4/19/2011 2:44:23 PM

Approvals/Acknowledgements

Department Director or Designee: Reina Schwartz - 4/20/2011 10:26:51 AM

Assistant City Manager: Cassandra Jennings - 4/21/2011 10:03:25 AM



Description/Analysis

Issue: In November 2009, the City was awarded \$4.7 million in EECBG funding, at which time the City Council approved the receipt of the funds along with a spending plan. In February 2011, staff requested a change in the spending plan to accommodate the need for more funding for the Climate Action Plan.

Staff is now requesting City Council approve another change in the spending plan, which includes reprogramming \$817,725 from the Sacramento Regional Energy Alliance project to the Energy Efficiency for City Facilities project.

The City originally sub-granted \$908,000 to SMUD for the Sacramento Regional Energy Alliance project to be spent on residential rebates. The rebate program was designed as a pilot to test market acceptance of performance based rebates for residential properties. When originally designed, the program was largely dependent on the residential Property Assessed Clean Energy (PACE) program providing a financing mechanism for these improvements given the expected high dollar amount of the improvements. The rebate program's success was impaired when the Federal Housing Administration terminated residential PACE.

Given the spending deadlines of the grant and the impacted success of SMUD's rebate program, staff is proposing to reprogram \$817,725 of the \$908,000 originally targeted for SMUD rebates to retrofit City-owned facilities including garages with bi-level Light Emitting Diode (LED) lighting fixtures.

The remaining \$90,275 would remain as a sub-grant to SMUD for their energy efficiency program for residential and multi-family housing. SMUD has already used this money to develop and design the energy efficiency program. Staff notes that SMUD has received \$20 million dollars from the California Energy Commission to be used for rebates; therefore, SMUD's rebate program shouldn't be severely negatively impacted by the City's reprogramming of funds.

Policy Considerations: Staff's recommended reprogramming of the City's EECBG funds is consistent with the Mayor and City Council's Sustainability Master Plan goals. The recommended reprogramming along with the spending of the entire amount of EECBG funds continues the balance of leading by example, providing the community with resources to do their part for the economy and meeting the spending requirements of the grant.

Environmental Considerations:

California Environmental Quality Act (CEQA): Under the California Environmental Quality Act (CEQA) guidelines, continuing administrative activities do not constitute a project and are therefore exempt from review.

Sustainability: The recommended reprogramming continues to provide rebates to the community based on market need as well as provide funding for additional bi-level LED garage retrofits which will position the City to lead by example on smart, energy saving projects.

Commission/Committee Action: Not applicable

Rationale for Recommendation: Given the spending deadlines of the grant, staff is proposing to use \$817,725 of the \$908,000 originally targeted for SMUD customer rebates to retrofit City owned facilities including garages with bi-level Light Emitting Diodes (LED) lighting fixtures. This project can be implemented quickly, will save the City energy costs and will payback over time. With the savings, staff will reinvest the funds into more energy efficiency projects.

Financial Considerations: This report recommends reprogramming \$817,725 from the Sacramento Regional Energy Alliance project (G13000050, Fund 2702, Operating Grants) to the Energy Efficiency for City Facilities project (C13001600, Fund 3703, Federal Capital Grants). The re-programmed \$817,725 will be spent on upgrading City facilities including bi-level LED lighting fixtures in City garages.

Emerging Small Business Development (ESBD): No goods or services are being purchased as a result of this report.



Attachment 1

Background

In November 2009, the Mayor and City Council adopted Resolution No. 2009-736 authorizing staff to accept \$4.7 million Energy Efficiency and Conservation Block Grant funds and approved a spending plan. The table below demonstrates the proposed changes to the EECEBG.

Activity	Current Allocation	Recommended Allocation
Sacramento Regional Energy Alliance	\$908,000	\$90,275
Energy Efficiency for City Facilities	\$1,810,000	\$2,627,725



RESOLUTION NO. 2011-XXXX

Adopted by the Sacramento City Council

April 26, 2011

AUTHORIZING THE REPROGRAMMING OF A 2009 FEDERAL ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT WITH THE U.S. DEPARTMENT OF ENERGY

BACKGROUND

- A. In November 2009, the City was awarded \$4.7 million in Federal Energy Efficiency and Conservation Block Grant (EECBG) funds.
- B. The City originally sub-granted \$908,000 of the EECBG funds to the Sacramento Municipal Utility District for the Sacramento Regional Energy Alliance project to be spent on residential rebates.
- C. The project was largely dependent on the residential Property Assessed Clean Energy (PACE) program providing a financing mechanism for these improvements; however, the Federal Housing Administration stopped the residential PACE program.
- D. Given the impending deadline to use the EECBG funds, the City will reprogram \$817,725 of the original \$908,000 grant to SMUD to be used to retrofit City-owned facilities, including garages, with Light Emitting Diode (LED) lighting fixtures, which is a cost effective use of grant funds providing financial and environmental benefits to the City.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Manager or the City Manager’s designee is hereby authorized to reprogram the City’s EECBG plan for the Energy Efficiency and Conservation Block Grant funding as follows:

Activity	Current Allocation	Recommended Allocation
Sacramento Regional Energy Alliance (G13000050, Fund 2702, Operating Grants)	\$908,000	\$90,275
Energy Efficiency for City Facilities (C13001600, Fund	\$1,810,000	\$2,627,725

3703, Federal Capital Grants)		
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