



CITY OF LONG BEACH

OFFICE OF THE CITY MANAGER

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PATRICK H. WEST
CITY MANAGER

April 7, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute a contract with Southern California Edison Company (SCE) for the implementation of the 2006-2008 Energy Efficiency Partnership Program. (Citywide)

DISCUSSION

The Energy Efficiency Partnership Program (Partnership) is a program provided to municipalities by Southern California Edison Company (SCE). The Partnership is designed to provide financial incentives to the City to encourage municipal energy efficiency retrofits, and leverage the City's community outreach capacity to encourage community-wide energy efficiency retrofits and behavior.

The Partnership includes the following components:

- Municipal energy efficiency retrofit projects: Identify retrofit opportunities, provide technical assistance and incentives to help implement energy efficiency projects.
- Marketing: Partner with SCE to improve energy efficiency throughout the community through communications or events, identify channels to promote awareness and generate a call-to-action.
- Outreach: Partner with SCE to support community events by providing energy efficiency informational materials and tips that will help the community save energy, money and the environment.
- Education and Training: Partner with SCE to conduct workshops and training designed to meet the specific needs of the Partnership city.

As a participant in the Partnership, the City of Long Beach is responsible for identifying a City energy champion, adopting an Energy Action Plan for immediate and long-term strategies, establishing an energy-savings goal and conducting energy efficiency projects in City facilities, dedicating necessary resources to perform Partnership activities, and educating the community about energy savings.

SCE's role in the Partnership includes assisting in the development and implementation of the three-year Partnership, providing technical assistance and energy efficiency support for city retrofit projects, assisting in public communication, co-branded messaging, and providing California Public Utilities Commission (CPUC) regulatory guidance.

The Partnership is a three-year program, and the City and SCE are choosing to enter into the Partnership mid-cycle to begin planning energy efficiency projects in order to be ready to access federal stimulus funds and have immediate access to energy efficiency incentives from SCE. Therefore, the current Partnership agreement is an interim agreement. The City and SCE intend to continue the Partnership program through the next program cycle, 2009-2011. The 2009 – 2011 Partnership is in the approval process with the CPUC, and will commence upon the approval of the CPUC later this year. Once the CPUC approves the 2009-2011 Partnership Program, an extension of the Partnership contract will return to council for approval.

As the largest City served by SCE, the City of Long Beach has a long history of energy efficiency projects and is enrolled in numerous SCE programs such as Demand Response, Summer Discount Plan and Time-of-Use Base Interruptible Program, in order to conserve energy during peak periods. The City has also undertaken or is planning a number of other initiatives that will complement the Partnership and create a comprehensive approach to energy efficiency and conservation. This includes facility audits and retrofits, green building policies for public and private development and other efforts. By entering into the Partnership with SCE, the City will continue to support energy efficiency and will take advantage of short-term and long-term energy savings and demand reduction for the City and local residents, thereby saving the City and residents money while supporting the City's sustainability goals.

This matter was reviewed by Deputy City Attorney Linda Trang March 19, 2009 and Budget and Performance Management Bureau Manager David Wodynski on March 19, 2009.

SUSTAINABILITY

The Partnership is an important step toward energy efficiency for the City and benefits City facilities and operations, as well as Long Beach residents and businesses. With the largest contributor to greenhouse gas emissions being buildings, the Partnership helps Long Beach be a leader in reducing our carbon footprint, reducing our energy consumption and implementing energy efficiency strategies to meet or exceed CO₂ reduction requirements from AB32.

The Partnership provides financial incentives that can be leveraged with federal stimulus dollars to accomplish energy efficiency retrofit projects that will save energy and reduce the City's energy bills. The Partnership also complements current practices such as the City's preventive maintenance practices.

The Office of Sustainability has worked with SCE on establishing the Partnership program for the City of Long Beach and has taken a comprehensive approach to ensure all citywide energy efficiency projects are incorporated, including those from the Port of Long Beach and the Long Beach Water Department. The City of Long Beach has a genuine commitment to environmental stewardship and is taking a comprehensive approach to energy conservation and sustainability.

TIMING CONSIDERATIONS

City Council action is requested on April 7, 2009 to allow the City to enter into the Partnership, begin the Partnership program in order to be ready to access federal stimulus funds, and to have immediate access to energy efficiency incentives from SCE.

FISCAL IMPACT

The Partnership is free to join, but requires the City to create an energy efficiency retrofit plan and dedicate the initial funding for retrofits in order to be eligible for the incentives provided through the Partnership. The City will use existing staff resources and anticipates using federal stimulus funds from the Energy Efficiency and Conservation Block Grants (EECBG) and the State Energy Program to conduct these retrofits. The financial incentives received through the Partnership will be used to augment future energy efficiency projects citywide. There will be no impact to the General Fund for the administration or implementation of this program.

With the up-front capital investment, the City will be eligible for the following financial incentives through the Partnership:

- 3 to 12 cents savings per kWh for all municipal energy efficiency retrofit projects
- 3 cents per kWh saved to be specifically spent on technical assistance on municipal energy efficiency retrofit projects; and
- 7 cents per kWh saved to be specifically spent on education and outreach activities in our community

The savings derived from energy efficiency retrofit projects will help lower the City's energy bills and help offset energy costs in the General Fund and other funds. Utilizing federal stimulus funds (EECBG and State Energy Program) to provide the capital investment will be key in leveraging money to complete the municipal energy efficiency retrofit projects in order to receive the financial incentives provided in the Partnership.

There is no cost associated with this action. Any funds garnered through EECBG or State Energy Program to be used as capital for this Partnership will be brought back to the City Council for Appropriation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


PATRICK H. WEST
CITY MANAGER