



San Gabriel Valley Council of Governments

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Date: February 18, 2010
To: Governing Board Delegates and Alternates
From: Nicholas T. Conway, Executive Director
Re: San Gabriel Valley Energy Wise Partnership

RECOMMENDED ACTION:

Receive and file.

BACKGROUND:

In March 2008, the COG applied for funding under the California Public Utilities Commission (CPUC) Local Government Partnerships program. This program, which is in partnership with Southern California Edison (SCE), provides funding to cities for direct energy savings through the installation of energy efficiency projects as well as provides funding for community outreach and other activities that promote energy efficiency.

In July 2008, staff received notification that the COG's proposed partnership was included in SCE's filing with the CPUC for funding. The program is called the "San Gabriel Valley Energywise Partnership" ("SGVEWP" or "Partnership").

2009 Bridge Period

In January 2009, the City Managers' Steering Committee recommended and the Governing Board authorized the Executive Director to negotiate and execute all contracts with SCE associated with the SGVEWP. Due to delays with the CPUC approving SCE's proposed project portfolio, the COG entered into a bridge contract with SCE during 2009, which allowed for the COG to be reimbursed for expenditures and staff time and allowed participating cities to receive technical assistance and enhanced rebates for energy efficiency projects. During the 2009 bridge period, the COG, through the Partnership, achieved several significant milestones:

- Hosted a Kick-off event to introduce our cities to the Partnership's offerings and held an awards ceremony to recognize cities for their energy-efficiency projects
- Oversaw efforts of SCE staff to assist cities to install energy-efficiency projects with energy savings of more than 1.5 million kilowatt hours (kWh) for which cities received approximately \$255,000 in incentives
- Organized 6 workshops and trainings for city staff on a variety of energy-efficiency related topics, including green buildings, Title 24, weatherization, federal economic stimulus funding, and AB 811 (Levine)
- Participated in 3 community outreach events and hosted 5 holiday exchanges for residents

During 2009, the COG received \$102,000 to reimburse staff time spent on these activities in addition to reimbursement for all direct expenses. Specifically, this funding was used to support the costs associated with the creation of the EENR Committee as outlined in Amendment #1 to the Management Services Contract.

2010-2010 Partnership Structure & Budget

The SGVEWP is joint partnership between the COG and SCE. A third party implementer and qualified technical consultants are utilized to manage and implement specific energy retrofit projects. The budget for this Partnership is based on a fixed rate that is calculated based on anticipated energy savings. This rate is equal to 37¢ per kilowatt hour (kWh). The total budget for the SGVEWP is \$1.4 million¹, based on an estimated energy savings of 4 million kWh. Table 1 provides an overview of annual kWh savings goals and budgets for each task category.

Table 1.

	2010	2011	2012	Total
Annual Goal:				
kWh	1,000,000	1,400,000	1,571,729	3,971,729
kW	250	320	350	920
Budget Categories:				
Incentive (\$0.17/kWh)	\$170,000	\$238,000	\$267,194	\$675,194
Administration (\$0.04/kWh)	\$40,000	\$56,000	\$62,869	\$158,870
Marketing (\$0.036/kWh)	\$36,000	\$50,400	\$56,533	\$142,933
Strategic Planning (\$0.007/kWh)	\$10,578	\$10,578	\$10,578	\$31,743
Direct Implementation (\$0.03/kWh)	\$30,000	\$42,000	\$47,152	\$119,152
Implementer (\$0.072/kWh)	\$72,372	\$101,276	\$113,698	\$287,346
			Total	\$1,415,238

SGVEWP Annual kWh Savings Goals and Funding by Task Category.

The COG will be primarily responsible for, and receive funding from, the following budget categories: administration (\$158,870), marketing (\$142,933), strategic planning (\$31,743), and direct implementation (\$119,152). This funding covers both staff time as well as all other direct costs (i.e. event costs, speaker fees, and marketing materials) associated with these activities. This funding represents total income to the COG of up to \$452,968 over the next three years. Therefore, funding to provide staff support to the EENR Committee will now be secured through 2012.

While staff is still finalizing a workplan for 2010, activities to be performed by the COG under each budget category include, but are not limited to:

- **Administration:** Conducting monthly Partnership meetings, record keeping, preparing monthly invoices and reports, and planning.
- **Marketing:** E-newsletter and website preparation and distribution, educational workshops, holiday lighting exchange and annual awards luncheon.
- **Strategic Planning:** Conducting monthly Energy Working Group meetings and other efforts related to implementation of the California Long-Term Energy Efficiency Strategic Plan.
- **Direct Implementation:** Core program coordination and technical assistance workshops related to direct energy savings.

Additionally, with this funding, COG staff plans to provide significant assistance to the cities in marketing the County's AB 811 (Levine) program, which provides loans to residents for energy-efficiency and solar projects. This funding will also provide ongoing staff support to the EENR Committee, which is the committee responsible for overseeing this program.

¹ In addition to the \$1.4 million SGVEWP budget, SCE receives separate funding from the CPUC to administer and coordinate this program.