

STAFF REPORT*CITY OF OCEANSIDE*

DATE: December 16, 2009

TO: Honorable Mayor and City Councilmembers

FROM: Public Works Department

SUBJECT: **RESOLUTION AUTHORIZING APPLICATION TO THE STATE ENERGY PROGRAM FOR \$5,000,000 IN GRANT FUNDS THROUGH THE MUNICIPAL BUILDING TARGETED MEASURE RETROFIT PROGRAM; AND APPROVAL TO ACT AS COLLABORATIVE LEAD PARTNER ON BEHALF OF OTHER AGENCIES IN THIS APPLICATION**

SYNOPSIS

Staff recommends that the City Council adopt a resolution authorizing the City to submit a collaborative application with the Oceanside Unified School District, MiraCosta College and Tri-City Hospital District to the California Energy Commission - Municipal Building Targeted Measure Retrofit Program for \$5,000,000 in grant funds through the American Recovery and Reinvestment Act of 2009 to install energy-efficient equipment and technology; authorize the City to act as lead agency in the application; and authorize the City Manager to execute all necessary agreements to implement and carry out the purposes of the award.

BACKGROUND

The American Recovery and Reinvestment Act of 2009 (ARRA) was enacted by Congress to preserve and create jobs and promote economic recovery, to assist those most impacted by the recession, to provide investments needed to increase economic efficiency by spurring technological advances, and to make investments that will have long-term economic benefits. ARRA gives preference to projects that promote and enhance these objectives of the Act in an expeditious manner.

The U.S. Department of Energy (DOE) distributes ARRA funds to states and encourages states to develop State Energy Program (SEP) strategies that align with the following national goals: increasing jobs, reducing U.S. oil dependency through increases in energy efficiency and deployment of renewable energy technologies, promoting economic vitality through an increase in "green jobs," and reducing greenhouse gas emissions. The DOE encourages states to focus their program efforts on market transformation initiatives and actions that align with these national goals. Market transformation is defined as "Strategic Interventions that cause lasting changes in the structure or function of a market or the behavior of market participants, resulting in an increase in adoption of energy efficiency and renewable energy products, services, and practices."

82

The DOE has allocated the California Energy Commission \$226 million in ARRA funding for the SEP. State law authorizes the Energy Commission to use these SEP funds for energy efficiency, energy conservation, renewable energy, and other energy related projects and activities authorized by ARRA. Because ARRA has a set of wide-ranging policy goals as well as limitations regarding the life of the funds, the Energy Commission is seeking projects through a number of approaches and a number of different programs.

The Municipal and Commercial Building Targeted Measure Retrofit (MCR) Program focuses on achieving significant energy savings from targeted retrofit measures where opportunities exist in large numbers across the state's municipal and commercial building sectors. The targeted measures to be employed in this program must have previously demonstrated substantial energy savings compared to the existing equipment that is replaced and have broad applicability within specific building markets. Some examples of these targeted measures are occupancy-controlled bi-level lighting fixtures for parking lots, parking garages and exterior walkways. Other examples of measures that are suitable for this program are best practice control technologies for commercial kitchen ventilation and HVAC systems. This is not a comprehensive retrofit program; the focus of the MCR Program is to capitalize on low-risk, high-return efficiency opportunities that are readily available throughout the state.

Training entry-level workers and/or professional tradespeople, as appropriate, to conduct on-site assessments for suitability of particular measures and the potential energy savings of these measures, and to retrofit installations for these targeted measures is a key aspect of this program. Partnerships with community colleges and other local or regional organizations that can target workforce development activities are also encouraged. Applicants are encouraged to develop public and private partnerships to deploy these targeted measures quickly and effectively, leveraging other existing retrofit program funds to the extent possible. The Energy Commission intends to award ARRA SEP funds to applicants who propose partnering with special districts and other public and private partners to achieve the goals of the MCR Program. MCR Program funds can be used to create new or to supplement existing energy-efficiency projects.

ANALYSIS

The City intends to act as lead agency to apply for at least \$5 million from the State Energy Program to install energy-efficient equipment and technology. The Oceanside Unified School District, MiraCosta College and the Tri-City Hospital District will be partners in the application and will submit letters of commitment to be included in the application. Each partner agency will remain responsible for implementation of retrofit activities in their facilities; the City will manage the overall grant program and be responsible to monitor activities for compliance with SEP and ARRA requirements. This collaborative application provides the City of Oceanside an opportunity to be considered for funds that would otherwise be unavailable due to the \$2.0 million minimum.

Guidelines for the SEP application process require that whenever a local government serves as the collaborative lead or prime bidder in an application, the local government shall provide documentation that it is authorized by its governing board to submit a proposal on behalf of the other collaborative partners in the proposed program.

The City has already been awarded Recovery Act - Energy Efficiency and Conservation Block Grant (EECBG) funds from the U.S. Department of Energy to fund much needed energy efficient upgrades for City buildings that will produce significant energy savings. The City is currently slated to use its EECBG grant funds to implement the following Energy Conservation Measures (ECMs):

- Install Energy Management Control System (EMCS) in the Civic Center buildings. This activity would replace the existing pneumatic control system with a highly functional electronic DDC control system. The new system would allow for efficient operation of the HVAC equipment by implementing smart and enhanced control strategies that match cooling and heating supply with actual demand. Other benefits of the system include reduced run times, maintenance, and allows for continuous equipment and system monitoring. The EMCS system helps the City achieve its goal of implementing demand response programming to reduce the facility's electrical load during critical periods.
- Replace inefficient T12 fluorescent lighting fixtures with new high efficiency T8 fixtures in all City facilities. EECBG funds will replace existing F32W lamps with low wattage F28W T8 lamps in most areas of the buildings where daylight or task lighting is sufficient. High wattage HID fixtures serving non-critical processes (e.g. gymnasiums, etc.) will be replaced with new high efficiency, high output T5 fixtures. Additional tasks associated with this measure include installing occupancy sensors throughout each facility to control the operation of the lights to maximize energy savings.

Grant funds made available to the City from the State Energy Commission through the MCR Program will be used to retrofit the exterior streetlights on Mission Avenue, the Oceanside Pier & Structure and The Strand with new energy efficient LED or induction cobra light fixtures. In addition, the citywide lighting measures for the facilities identified in the City's EECBG projects will be modified to include best practice technologies that probably would have not been considered because of their high first costs. It may also allow the Public Works Department to expand the scope of the EECBG project to include purchase and/or retrofits of some much needed HVAC equipment.

Another key objective of the program is training workers - entry-level through journeymen - to complete retrofit installations for these targeted measures. The retrofits will be performed by local skilled, state-licensed workers and contractors. The Consortium through the San Diego Electrical Training Center, IBEW Local 569, and NECA SD-JATC will train and certify a local electrical apprentices and Journeymen through the California Advanced Lighting Control Training Program (CALCTP).

FISCAL IMPACT

The MCR Program does not require matching funds and there is no impact on the General Fund if the grant is awarded. The retrofit program will contribute to long-term reduced energy costs at the Civic Center. The City will be responsible for overall grant management and monitoring activities of subrecipients and collaborative partners; the grant program allows funds for such management. The City Council must accept any grant funds that are awarded and approve any agreements with collaborative partners.

COMMISSION OR COMMITTEE REPORT

Does not apply

CITY ATTORNEY'S ANALYSIS

The referenced document has been reviewed by the City Attorney and approved as to form.

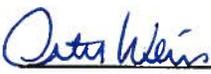
RECOMMENDATION

Staff recommends that the City Council adopt a resolution authorizing the City to submit a collaborative application with the Oceanside Unified School District, MiraCosta College and Tri-City Hospital District to the California Energy Commission - Municipal Building Targeted Measure Retrofit Program for \$5,000,000 to install energy efficient equipment and technology; authorize the City to act as lead agency in the application; and authorize the City Manager to execute all necessary agreements to implement and carry out the purposes of the award.

PREPARED BY:


John A. Lundblad
Management Analyst

SUBMITTED BY:


Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs-Lawrence, Deputy City Manager

Joseph Arranaga, Deputy Director, Public Works




ATTACHMENT:
Resolution

1 RESOLUTION NO.

2 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
3 OCEANSIDE AUTHORIZING APPLICATION TO THE STATE
4 ENERGY PROGRAM FOR GRANT FUNDS THROUGH THE
5 MUNICIPAL BUILDING TARGETED MEASURE RETROFIT
6 PROGRAM

7 WHEREAS, the City of Oceanside recognizes that it is in the interest of the regional,
8 state, and national economy to stimulate the economy, create and retain jobs, reduce fossil fuel
9 emissions and total energy usage, and improve energy efficiency within our jurisdiction;

10 WHEREAS, grant funds are available through the California Energy Commission's
11 State Energy Program (SEP) for grants to eligible local governments for cost-effective energy
12 efficiency projects;

13 WHEREAS, the City of Oceanside is eligible to apply for SEP funding under the
14 California Energy Commission's Municipal and Commercial Building Targeted Measure
15 Retrofit Program;

16 WHEREAS, the City of Oceanside proposes to collaborate with the Oceanside Unified
17 School District, MiraCosta College and the Tri-City Healthcare District in order to qualify for
18 up to \$5,000,000 in SEP funds from the California Energy Commission to implement energy
19 efficiency projects;

20 WHEREAS, the City of Oceanside has considered the application of the California
21 Environmental Quality Act (CEQA) to the approval of the energy efficiency projects proposed
22 in the SEP application;

23 NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

24 SECTION 1. That in compliance with the CEQA, the energy efficiency projects to be
25 funded through the State Energy Program do not constitute a project under CEQA and are
26 categorically exempt from the requirement for the preparation of environmental documents
27 under 19 CCR §15301 - Existing Facilities.

28 *****

1 SECTION 2. The City is authorized to act as lead agency and to submit a collaborative
2 application on behalf of the Oceanside Unified School District, MiraCosta College and the Tri-
3 City Healthcare District to the California Energy Commission for up to \$5,000,000 in SEP
4 funds for energy efficiency projects.

5 SECTION 3. The City Manager or the Director of Public Works as his designee is
6 authorized to accept a grant award on behalf of the City and collaborative partners, and to enter
7 into all necessary contracts and agreements, and amendments thereto, to implement and carry
8 out the energy efficiency projects.

9
10 PASSED AND ADOPTED by the City Council of the City of Oceanside, California,
11 this _____ day of _____, 2009, by the following vote:

12
13 AYES:

14 NAYS:

15 ABSENT:

16 ABSTAIN:

17
18 _____
19 MAYOR OF THE CITY OF OCEANSIDE

20 ATTEST:

20 APPROVED AS TO FORM:

21 _____
22
23 City Clerk

21 
22 _____
23 City Attorney