

COUNCIL DOCKET OF Nov 18, 2008

Supplemental Adoption Consent Unanimous Consent Rules Committee Consultant Review

R -

O -

California Center for Sustainable Energy (CCSE) Customer Service Agreement – Amendment 1

Reviewed Initiated By NR&C On 10/15/08 Item No. 1

RECOMMENDATION TO:

Approve.

VOTED YEA: Frye, Faulconer, Peters, Atkins

VOTED NAY:

NOT PRESENT:

CITY CLERK: Please reference the following reports on the City Council Docket:

REPORT TO THE CITY COUNCIL NO.

INDEPENDENT BUDGET ANALYST NO.

COUNCIL COMMITTEE CONSULTANT ANALYSIS NO.

OTHER:

Metropolitan Wastewater Department's September 16, 2008, Executive Summary Sheet

COUNCIL COMMITTEE CONSULTANT



000867

EXECUTIVE SUMMARY SHEET

DATE REPORT ISSUED:	September 16, 2008	REPORT NO.:	
ATTENTION:	Council President and City Council		
ORIGINATING DEPARTMENT:	Metropolitan Wastewater Department		
SUBJECT:	California Center for Sustainable Energy(CCSE)Customer Service Agreement- Amendment 1		
COUNCIL DISTRICT(S):	Citywide		
STAFF CONTACT:	Thomas R. Alspaugh , Senior Mechanical Engineer (858)654-4493		

REQUESTED ACTION:

Authorize the Mayor or his designee to amend the Tax Exempt, Customer Service Agreement with California Center for Sustainable Energy (CCSE), a 501 (c)(3) not-for-profit California Corporation, enabling the City of San Diego to partake in special Public Utilities Commission energy incentive programs arranged and funded through San Diego Gas and Electric. This amendment provides for the associated adjustments in this Master Agreement so that it will allow the City to continue its involvement in these incentive programs during the Public Utilities Commission's 2009 through 2011 funding period.

STAFF RECOMMENDATION:

Adopt the resolution.

EXECUTIVE SUMMARY:

On June 26, 2008, the City entered into an agreement with the California Center for Sustainable Energy (CCSE), a 501 (c) (3) not-for-profit California Corporation, to administer the Public Utilities Commission's (PUC) Tax Exempt Customer (TEC) Incentive Program. This pilot program provides energy incentives to tax exempt customers for standard and non-standard energy conservation projects. CCSE is authorized to completely implement the incentivized energy conservation projects. All of CCSE's administration costs are paid for by San Diego Gas and Electric (SDG&E).

The prior Council action also authorized four years of phased funding, subject to Council approval of the annual operating budget, which allows the City to implement multiple phases of energy conservation projects.

The current agreement anticipated that the Public Utilities Commission (PUC) would continue the "Tax Exempt Customer Program" pilot program in a similar manner, for the 2009 - 2011 PUC/SDG&E and CCSE funding cycles. In August 2008, SDG&E informed the City and the CCSE that the services available under this program could continue to be provided by CCSE. However, during the 2009 - 2011 PUC funding cycle they will be provided through a new program or multiple programs with different names. SDG&E and CCSE have arranged for the programs that will be submitted for PUC approval for the 2009 - 2011 funding cycle to provide similar services as those received under the Tax Exempt Customer Service Agreement. Staff will review and evaluate the energy conservation project incentives and programs approved by the PUC and SDG&E for the 2009 - 2011 funding cycle.

000868

This request is to amend the existing agreement with CCSE to cover the 2009 – 2011 funding cycle, if the incentives and services provided are determined to be the same or substantially similar to those included in the Tax Exempt Customer Program and to modify the agreement language to cover any subsequent programs offered by SDG&E that provide the same or similar incentives as those offered through the Tax Exempt Customer Program. This amendment will extend the term of this agreement to June 24, 2012.

Equal Opportunity Contracting Program (EOCP)

Funding Agency: City of San Diego

Goals: 15% Voluntary

Subconsultant Participation: \$287,000 Non Certified Firms

Other: This agreement is subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.0702) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517)

FISCAL CONSIDERATIONS:

There are no cost changes associated with the amendment

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

June 24, 2008, R-303880 Council approval of original agreement.

This item will be reviewed by the Natural Resources and Culture Committee on 10/15/08.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Not applicable

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

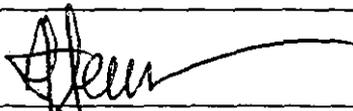
Ratepayers

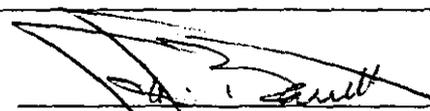
California Center for Sustainable Energy (CCSE)

San Diego Gas and Electric (SDG&E)

Public Utilities Commission (PUC)

Projected Impacts: Controlled energy costs, reduced power plant emissions, reduced need for additional electrical utility infrastructure.


Originating Department

 10/15/08
Director of Public Utilities

000869

DOCKET SUPPORTING INFORMATION
CITY OF SAN DIEGO

DATE: September 29, 2008

EQUAL OPPORTUNITY CONTRACTING PROGRAM EVALUATION

SUBJECT: California Center for Sustainable Energy (CCSE) Customer Service Agreement – Amendment #1

GENERAL CONTRACT INFORMATION

Recommended Consultant: California Center for Sustainable Energy (A not-for-profit California Corp.)

Original Amount: \$1,400,000

Amount of this Action: No cost changes associated with this amendment

Funding Source: City of San Diego

Goal: 15% Voluntary on original contract

SUBCONSULTANT PARTICIPATION

There is no subconsultant activity associated with this action; however the original contract contained participation totaling \$287,000 in non-certified firms.

EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE

This agreement is subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2702) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517)

ADDITIONAL COMMENTS

This action requests to authorize the Mayor or his designee to amend the Tax Exempt, Customer Service Agreement with California Center for Sustainable Energy (CCSE), a 501 (c)(3) not-for-profit California Corporation, enabling the City of San Diego to partake in special Public Utilities Commission energy incentive programs arranged and funded through San Diego Gas and Electric. This amendment provides for the associated adjustments in this Master Agreement so that it will allow the City to continue its involvement in these incentive programs during the Public Utilities Commission's 2009 through 2011.


RLL

REQUEST FOR COUNCIL ACTION
CITY OF SAN DIEGO

000871

1. CERTIFICATE NUMBER (FOR AUDITOR'S USE) 106
11/18
3. DATE: September 16, 2008

TO: CITY ATTORNEY
2. FROM (ORIGINATING DEPARTMENT): METROPOLITAN WASTEWATER DEPARTMENT

4. SUBJECT: California Center for Sustainable Energy(CCSE) Customer Service Agreement- Amendment 1

5. PRIMARY CONTACT (NAME, PHONE, & MAIL STA.) Tom Alspaugh, 858-654-4493, MS 901 A
6. SECONDARY CONTACT (NAME, PHONE, & MAIL STA.) Hamid Fathi, 858-654-4270, MS 901A
7. CHECK BOX IF REPORT TO COUNCIL IS ATTACHED

8. COMPLETE FOR ACCOUNTING PURPOSES

FUND	41508	41508	41509	9. ADDITIONAL INFORMATION / ESTIMATED COST:
DEPT.	771	772		R-2008-856 \$1,400,000 This request Amd.1 No cost \$1,400,000
ORGANIZATION	160	801		
OBJECT ACCOUNT	4122	4122	78552	
JOB ORDER	021550	021550		
C.I.P. NUMBER				
AMOUNT	No cost	No cost	No cost	

10. ROUTING AND APPROVALS

ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
1	ORIG. DEPT.	<i>[Signature]</i>	9/25/08	7	DIR. OF PUBL. UTIL.	<i>[Signature]</i>	10/3/08
2	E.S.D/ENERGY DIV	<i>[Signature]</i>	9/25/08	8	CITY ATTORNEY	<i>[Signature]</i>	10-7-08
3	E.O.C.	<i>[Signature]</i>	9/29/08	9	ORIG. DEPT.	<i>[Signature]</i>	10-15-08
4	E.A.S.	<i>[Signature]</i>	9/30/08				
5	FM	<i>[Signature]</i>	10/2/08		DOCKET COORD:	COUNCIL LIAISON	11/4/08
6	AUDITOR	<i>[Signature]</i>	10-208		COUNCIL PRESIDENT	<input type="checkbox"/> SPOB <input checked="" type="checkbox"/> CONSENT <input type="checkbox"/> ADOPTION	
						<input type="checkbox"/> REFER TO:	COUNCIL DATE: 11/18/08

11. PREPARATION OF: RESOLUTIONS ORDINANCE(S) AGREEMENT(S) DEED(S)

1. Authorize the Mayor, or his designee, to amend the Tax Exempt, Customer Service Agreement with California Center for Sustainable Energy (CCSE), a 501 (c)(3) not-for-profit California Corporation, enabling the City of San Diego to partake in special Public Utilities Commission's energy incentive programs arranged and funded through San Diego Gas and Electric. This amendment provides for the associated adjustments in this Master Agreement so that it will allow the City to continue its involvement in these energy conservation incentive programs during the Public Utilities Commission's 2009 through 2011 funding period.

11A. STAFF RECOMMENDATIONS:

Adopt the Resolution

12. SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION.)

COUNCIL DISTRICT(S): Citywide

COMMUNITY AREA(S): Citywide

ENVIRONMENTAL IMPACT: This master agreement is not subject to CEQA pursuant to State CEQA Guidelines Section 15060 (c) (3).

ATTACHMENTS: California Center for Sustainable Energy (CCSE) Customer Service Agreement-Amendment 1.

CITY CLERK INSTRUCTIONS: Please forward two copies of the Resolution to MWW, attn: Rose Salarda, MS 901 A

EXECUTIVE SUMMARY SHEET

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STAFF RECOMMENDATION:

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This request is to amend the existing agreement with CCSE to cover the 2009 – 2011 funding cycle, if the incentives and services provided are determined to be the same or substantially similar to those included in the Tax Exempt Customer Program and to modify the agreement language to cover any subsequent programs offered by SDG&E that provide the same or similar incentives as those offered through the Tax Exempt Customer Program. This amendment will extend the term of this agreement to June 24, 2012.

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Other: This agreement is subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.0702) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517

FISCAL CONSIDERATIONS:

There are no cost changes associated with the amendment

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

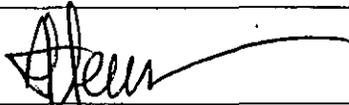
June 24, 2008, R-303880 Council approval of original agreement.
This item was reviewed and approved by the Natural Resources and Culture Committee on 10/15/08.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Not applicable

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Ratepayers
California Center for Sustainable Energy (CCSE)
San Diego Gas and Electric (SDG&E)
Public Utilities Commission (PUC)
Projected Impacts: Controlled energy costs, reduced power plant emissions, reduced need for additional electrical utility infrastructure.


Originating Department

 10/3/08
Director of Public Utilities

RESOLUTION NUMBER R-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION AUTHORIZING THE MAYOR TO AMEND THE TAX EXEMPT CUSTOMER SERVICE AGREEMENT WITH CALIFORNIA CENTER FOR SUSTAINABLE ENERGY (CCSE).

BE IT RESOLVED, by the Council of the City of San Diego that the Mayor or his designee is authorized to execute a First Amendment to the Tax Exempt Customer Service Agreement previously approved by Resolution No. R-303880 with California Center for Sustainable Energy (CCSE), a 501 (c)(3) not-for-profit California Corporation, per the terms on file in the Office of the City Clerk as Document No. RR-_____, in order to allow the City to continue its involvement in the non-profit entity energy conservation incentive programs during the Public Utilities Commission's 2009 through 2011 funding period.

BE IT FURTHER RESOLVED, that this Master Agreement is not subject to California Environmental Quality Act [CEQA] pursuant to State CEQA Guidelines Section 15060(c)(3).

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By Frederick M. Ortlieb
Frederick M. Ortlieb
Deputy City Attorney

FMO:sc
10/07/08
Aud.Cert.: N/A
Or.Dept:MWD
R-2009-439

000876

(R-2009-439)

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of _____.

ELIZABETH S. MALAND
City Clerk

By _____
Deputy City Clerk

Approved: _____
(date)

JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

FIRST AMENDMENT
TO TAX EXEMPT CUSTOMER INCENTIVE PROGRAM
CUSTOMER SERVICE MASTER AGREEMENT

This FIRST AMENDMENT to the TAX EXEMPT CUSTOMER INCENTIVE PROGRAM CUSTOMER SERVICE MASTER AGREEMENT ("Master Agreement") is made by and between the California Center for Sustainable Energy, a 501(c)(3) non-profit California Corporation ("Company") and the City of San Diego ("Customer"), and which shall be effective upon being signed by the Company and being adopted by resolution of the Customer's City Council.

RECITALS

WHEREAS, Customer and Company have entered the Master Agreement as approved, June 24, 2008 by Resolution No. R-303880 of the San Diego City Council; and

WHEREAS, the Term of the Master Agreement is specified in Section 4.1 and provides for an expiration date on or before December 31, 2008; and

WHEREAS, the Master Agreement anticipated the continuation of this Agreement in the next Public Utilities Commission's funding cycle; and

WHEREAS, Customer and Company mutually desire to extend the Master Agreement beyond the present expiration date in order to allow for further participation in San Diego Gas & Electric Company's ("SDG&E") energy efficiency incentive programs for tax exempt and/or non-profit customers in years 2009 through 2011; and

WHEREAS, the Master Agreement presently provides for incentive funding pursuant to the Tax Exempt Customer Incentive Program, a program approved by the California Public Utilities Commission ("CPUC") for administration of energy efficiency incentive funds in SDG&E's service area through 2008, and which exists by agreement between Company and SDG&E; and

WHEREAS, SDG&E has informed Customer and Company that the Tax Exempt Customer Incentive Program will not be continued after 2008; however, SDG&E has further informed the Customer and Company that one or more other programs of same or substantially similar effect will be available from SDG&E to provide energy efficiency funds to non-profit entity customers in years 2009 through 2011; and

WHEREAS, Customer and Company mutually desire to amend this agreement to provide for CPUC-approved incentive funding sources for energy efficiency projects based on program(s) offered by SDG&E for non-profit customers that provide the same or substantially similar benefits for those customers as the Tax Exempt Customer Incentive Program ("2009-2011 Programs").

JAM10170
000873

WHEREAS, SDG&E has not at this time completed the guidelines for the 2009-2011 Programs but Company and Customer anticipate eligibility for participation and desire to utilize this Master Agreement as a mechanism for participation when the guidelines are issued; and

WHEREAS, the parties anticipate that SDG&E's 2009-2011 Programs will be structured and administered on the basis of discrete projects instead of on a programmatic basis, but apart from this administrative difference the parties anticipate that the 2009-2011 Programs will offer substantially the same forms of energy efficiency incentives for non-profit customers as the Tax Exempt Customer Program;

NOW THEREFORE, the Master Agreement is hereby amended by and between Customer and Company as follows:

AMENDMENT

1. Section 1.1.2 is added to read:

Tax Exempt Customer (TEC) Program Defined: Wherever the terms "Tax Exempt Customer Program" or "TEC Program" appear in this agreement these terms shall mean the Tax Exempt Customer Program offered by SDG&E and administered by Company from 2006 through 2008, and additionally within this meaning is included any subsequent programs offered by SDG&E for the benefit of non-profit entity customers in 2009 through 2011 (2009-2011 Programs) that provide the same or substantially similar forms of incentives and services for energy efficiency measures as are offered through the Tax Exempt Customer Program.

2. Section 4.1 is amended to read:

4.1 Term: The Master Agreement shall commence on the last date on which it has been executed by both parties ("Effective Date") and shall be in full force and effect through June 24, 2012, unless terminated earlier by the parties in accordance with the terms of the Master Agreement.

3. Section 4.4 is amended to read:

4.4 Company's Right to Terminate Upon SDG&E's Notice of Termination. Company shall have the unilateral right to terminate the Master Agreement upon five (5) business days' written notice to Customer in the event that SDG&E terminates its Standard Service Provider Master Agreement with Company, provided however that this Section shall not apply in the event that SDG&E terminates the Standard Service Provider Master Agreement for 2006-2008 Programs and offers Company same or similar Master

Agreement(s) for 2009-2011 Programs. Further, unless a project was suspended for good cause as set forth in Section 4.3 hereof, Company will complete performance of Services for any project or Phase approved by SDG&E that was begun prior to the date SDG&E issues a Notice of Termination.

4. Section 8.5 is amended to read:

8.5 Standard Requirements for Proposals. When Company submits a Quote pursuant to Section 1.2.4, it shall include provisions for performance for the standard requirements as provided in Attachment "C", which are incorporated herein by this reference.

5. All terms of the other terms of the Master Agreement that are not amended by this First Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this First Amendment to Master Agreement on the last date signed by their authorized representatives below:

COMPANY:

California Center for Sustainable Energy,
A California Non Profit Corporation.

By: Andrew McAllister
Andrew McAllister
Director of Programs

9/30/08
Date

CUSTOMER:

City of San Diego,
A California Municipal Corporation

By: _____
Name _____
Title _____

Date