

THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: July 18, 2012

REPORT NO: 12-090

ATTENTION: Natural Resources and Culture Committee

ORIGINATING DEPARTMENT: Environmental Services Department

SUBJECT: 2013-2014 Extension of the CA Public Utilities
Commission Local Government Partnership Program

COUNCIL DISTRICTS: ALL

STAFF CONTACT: Linda Giannelli Pratt (858-492-5088)

THIS IS AN INFORMATIONAL ITEM ONLY. NO ACTION IS REQUIRED ON THE PART OF THE COMMITTEE.

EXECUTIVE SUMMARY

Beginning in 2006, there have been three successive contracts between San Diego Gas and Electric (SDG&E) and the City of San Diego as part of the California Public Utilities Commission (CPUC) Local Government Partnership Program (LGP). The goal is to increase energy efficiency and the associated co-benefits such as cost savings and reduced greenhouse gas emissions. The current LGP funding cycle continues through December 31, 2012. However, the CPUC has made a determination to provide a two-year extension of the current contract to cover a "transition period". The transition period is from January 1, 2013 through December 31, 2014 and will afford time for the CPUC and stakeholders to shift current funding priorities to align with the California Long-Term Energy Efficiency Strategy. The CPUC issued Decision 12-05-015 on May 10, 2012 to provide guidance on 2013-2014 Energy Efficiency Portfolios. This Decision allocated funding to the utilities and required that SDG&E submit a Program Implementation Plan (PIP) for the LGP by July 6, 2012. City staff worked with SDG&E on the utility's submittal to the CPUC. The "transition" funding proposed for the City of San Diego is \$2,249,200. This is consistent with the current funding level. The CPUC is scheduled to provide final approval of the PIP on November 29, 2012. If the final contract extension between SDG&E and the City is not completed by January 1, 2013, then there will be month-to-month extensions until such time that the contract can be completed.

BACKGROUND

On May 10, 2012, the CPUC approved the Local Government Partnership (LGP) Program for 2013-2014. As stated in Decision 12-05-015, "This decision is the most recent in a series of Commission actions that have sought to change the paradigm for utility energy efficiency programs in California." It authorizes the next two years of ratepayer-supported energy efficiency programs in step with California's energy policies and greenhouse gas mitigation strategies. These programs are managed by the California's investor-owned utilities. The full Decision can be found at http://docs.cpuc.ca.gov/PUBLISHED/FINAL_DECISION/166830.htm.

In addition to the City of San Diego, SDG&E's other local government partners include the County of San Diego, the City of Chula Vista and the Port of San Diego. Key provisions of the City of San Diego's LGP include the following:

- Funding total is \$2,249,200.
- Funding can be used for staff and consultants, but not for equipment, construction costs, or customer rebates.
- The Environmental Services Department manages the LGP for the City and works collaboratively with other City departments.

The proposed Scope of Work has been approved by SDG&E and is pending approval by the CPUC. It is summarized below in Table One and is explained in further detail in Attachment One.

Table One: Proposed Scope of Work for the 2013-2014 City of San Diego LGP

City of San Diego Menu of Projects Compliant with CPUC Criteria	Projected Funding Requested 2013-2014 Combined Total
1. Energy Efficiency Improvements in Municipal Facilities and Operations	\$1,399,200
2. Codes and Standards	\$ 300,000
3. Community Education and Outreach	\$ 550,000
4. Regional Partnerships	(Cost included in 1-3)
TOTAL	\$2,249,200

The City of San Diego's LGP is a "non-resource program" which means that it is not held to any specific natural gas or electricity reduction requirements. Nonetheless, the City has saved approximately 3 Megawatts from projects that were initiated during the 2006-2012 LGP funding cycles. Attachment Two provides an overview of the 2011 LGP accomplishments.

FISCAL CONSIDERATIONS

Project implementation is intended to reduce energy consumption at City facilities and in the community. As a result, General Fund expenditures for energy may decrease. All administrative

and operational costs for the Local Government Partnership Program are reimbursed to the City by SDG&E through the CPUC.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION

October 28, 2009- Report to Council

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS

The community has benefited from the previous Local Government Partnership Program, as indicated by Attachment Two. Also noted in Attachment Two are the number of presentations that have been made to the community.

ENVIRONMENTAL REQUIREMENTS

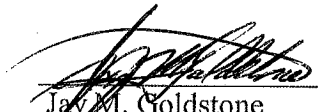
This activity is not a "project" and is therefore not subject to CEQA pursuant to State CEQA Guidelines Section 15060(c) (3). If projects are designed under the auspices of this funding, then those specific projects will undergo appropriate environmental review.

KEY STAKEHOLDERS AND PROJECTED IMPACTS

Successful program implementation will benefit all sectors of San Diego because of gains in energy efficiency and conservation and a reduction in greenhouse gas emissions.



Chris Gonayer
Environmental Services Department Director



Jay M. Goldstone
Chief Operating Officer

- Attachments:
1. Proposed Scope of Work for the 2013-2014 Local Government Partnership between San Diego Gas and Electric and the City of San Diego
 2. Outcomes for the 2011 Local Government Partnership between San Diego Gas and Electric and the City of San Diego

ATTACHMENT ONE: Proposed Scope of Work for the 2013-2014 Local Government Partnership between San Diego Gas and Electric and the City of San Diego

OVERVIEW

The City of San Diego stands ready to take a leadership role to advance Energy Upgrade California during the 2013-2014 transition cycle. This includes advancing programs to meet the following goals:

1. Incorporate building retrofits & building occupant health and safety issues into Climate Action Plans, General Plans, and other relevant planning and long term strategy documents;
2. Leverage community relationships and resources to market Energy Upgrade California including targeted outreach and education to the community;
3. Provide targeted education on EUC and its benefits to key community stakeholders, business sectors and elected officials;
4. Coordinate workforce education and training program activities;
5. Leverage building permit interactions to encourage EUC enrollment and work to develop streamlined permitting process as it relates to EUC;
6. Leverage unique authority to encourage/require building rating/audits to drive customers to EUC;
7. Pilot unique incentive programs such as point of sale audits, to encourage participation in Energy Upgrade California; and
8. Work with the financing community to deploy innovative products and services to increase residential and commercial energy upgrades throughout their jurisdictions.

The City of San Diego's LGP contract has been and will continue to be managed and administered by the Environmental Services Department. The following departments share implementation responsibilities: Public Utilities; Development Services; General Services, and Park and Recreation.. There are four program areas, as noted below.

City of San Diego Menu of Projects Compliant with CPUC Criteria	Projected Funding Requested 2013-2014 Combined Total
1. Energy Efficiency Improvements in Municipal Facilities and Operations	\$1,399,200
2. Codes and Standards	\$ 300,000
3. Community Education and Outreach	\$ 550,000
4. Regional Partnerships	(Cost included in 1-3)
TOTAL	\$2,249,200

GOALS, OBJECTIVES, & DELIVERABLES

I. ENERGY EFFICIENCY IMPROVEMENTS IN MUNICIPAL FACILITIES AND OPERATIONS

This is a five-part program: 1) Energy efficiency improvements in municipal facilities, including energy audits, benchmarking and retrocommissioning for all facilities; 2) Expansion of outdoor lighting retrofit; 3) Specifications for consistent use of best-in-class technology; 4) Development of a comprehensive citywide Energy Strategy and Implementation Plan with annual monitoring; and 5) Energy training and certification program for City staff.

DELIVERABLES

- A. Effectively leverage City deferred maintenance funds available and integrate energy efficient design renovations and new construction.
- B. Based on the Outdoor Lighting Working Group's recommendation, expand the use of more efficient lighting in City parking lots and park and recreation fields and continue to investigate the use of adaptive technologies;
- C. Establish specifications for consistent use of best-in-class energy efficient construction and procurement of products and services;
- D. Provide reports and outcomes from Benchmarking, Audits and Retrocommissioning (3.1.1);
- E. Increase demand side management capabilities through expansion of Smart Energy Management and Monitoring System (SEMMS) to remotely control, monitor, and integrate future SDG&E demand response at City facilities (1.1.4);
- F. Develop commissioning/retro-commissioning policies for municipal facilities (3.2.4);
- G. Design a comprehensive citywide Energy Strategy and Implementation Plan with annual monitoring and reporting, and include a method for designated 'utility manager' computer program to track municipal usage, and identify need for sub-metering to plan, budget and manage bills (3.1.2);
- H. Develop and execute energy training and certificate programs for City staff. (1.1.6); and
- I. Regional Projects (see Section IV)

II. CODES AND STANDARDS

Building on previous work to evaluate the effectiveness of current codes and standards, the City will develop a comprehensive plan to facilitate meeting Net Zero goals by 2020 for residential and by 2030 for commercial consequences. Recommendations for implementing Reach Codes for private sector projects will be vetted through committee, public forums, and with elected officials. Staff will develop a proposal to increase the number of deep retrofits in existing buildings, including but not limited to point of sale options, and will implement a pilot project. The City will finalize and implement a policy for private sector "Green Buildings" with Net Zero as the goal. Lastly, staff will focus on enhancing and enforcing code compliance protocols.

III. COMMUNITY EDUCATION AND OUTREACH

Municipal government can be a leader in the community by demonstrating resource

management, long-term planning and risk mitigation and adaptation. It is essential that this is translated for the community through a variety of community education strategies. The multi-departmental campaign for Energy Upgrade California is an implementation measure of the Climate Mitigation and Adaptation Plan (CMAP) that highlights energy savings as a cornerstone of greenhouse gas reduction. Building on previously established outreach programs, the City will continue to bring energy efficiency to the forefront in a number of venues, including small businesses and high schools, and with elected officials, community organizations and the general public. Associated with that is bridge funding for safe collection and disposal of compact fluorescent bulbs and tubes. Another core constituency of the City organization is its nearly 10,000 employees, and it is important to build their competency about energy efficiency and the many co-benefits.

DELIVERABLES

- A. Using the experts from SDG&E and other organizations, effectively deliver EUC information to target audiences (1.1.5);
- B. Develop educational programs for local elected officials, building officials, commissioners, City staff, and stakeholders to improve adoption of energy efficiency codes, ordinances, standards, guidelines and programs (1.1.6);
- C. Engage stakeholder in deep retrofit options for existing buildings, including point of sale (1.1.6);
- D. Provide educational campaigns that are tailored to specific audiences, including small businesses operators and high school students, and participate in peer-to-peer exchanges at the regional, state, and national levels to increase transferability of best-in-class programs (1.1.6);
- E. Implement the energy-related components of the CMAP (4.1.4); and
- F. Regional Projects (see Section IV).

IV. REGIONAL PARTNERSHIPS

The San Diego Regional Energy Network (SDREN) is comprised of a number of San Diego gas and Electric's Local Government Partners. It currently includes: City of Chula Vista; City of San Diego; County of San Diego; Port of San Diego; and the San Diego Association of Governments. This network of jurisdictions has been successfully collaborating with each other and with San Diego Gas & Electric on joint energy efficiency initiatives over the last 3 years through their Local Government Partnership programs. The SDREN's scope is outlined below to provide a comprehensive overview of its planned activities in which the City of San Diego will take part.

DELIVERABLES

- A. REGIONAL ENERGY UPGRADE CALIFORNIA (EUC) & EXISTING HOME RETROFIT MARKET DEVELOPMENT
 - i. RETROFIT ADVISORY COMMITTEE
SDREN will expand the current San Diego Regional Retrofit Advisory Committee to include broader stakeholder participation from local governments, community organizations, realtors, financing institutions, and contractors. The Retrofit Advisory Committee will meet quarterly to provide frequent guidance

and feedback allowing the region to “adaptively manage” local EUC implementation.

ii. REGIONAL ENERGY MAPPING PROJECT

SDREN will build on initial efforts utilizing geographic information systems (GIS) to develop an on-line tool that incorporates building stock, census, utility, and past EUC project data to provide a map and summary of completed home retrofits. The tool will help inform potential EUC participants about past home retrofit projects in their neighborhoods or within similar home types, and will help contractors and local governments target their EUC-related marketing and outreach.

iii. ENERGY UPGRADE CALIFORNIA PERMIT STREAMLINING

SDREN will complete a review of current permitting and building plan check requirements for EUC-type projects throughout the 19 jurisdictions within San Diego County. With this information, a “best practices” guide for EUC permitting will be created to help streamline and provide consistency across jurisdictions for project processing. In addition, sample permit templates will be developed to assist EUC qualified contractors with completing permit applications that could receive approval (or are acceptable) across jurisdictions.

iv. HOME ENERGY RATING INCENTIVES

SDREN will develop an incentive program for home energy ratings of existing homes. The incentives will be strategically targeted to leverage point-of-sale and permit application opportunities to maximize home retrofit projects and EUC participation across jurisdictions.

v. WORKFORCE TRAINING

SDREN will work with local community colleges, economic development corporations, and community organizations to develop hands-on home performance training opportunities for unemployed and underemployed workers and Non-EUC contractors to expand regional workforce training opportunities and to link to municipal affordable housing programs.

B. REGIONAL CLIMATE ACTION PLANNING SUPPORT

vi. CLIMATE COLLABORATIVE - SAN DIEGO REGION

SDREN will expand the current Climate Collaborative website platform and branding to include all local jurisdictions implementing energy roadmaps and climate action strategies. The Climate Collaborative also will be refined to highlight climate strategies that produce indirect energy savings, such as water conservation and urban heat island mitigation programs.

vii. GREEN BUSINESS CHALLENGE

SDREN will develop joint outreach and marketing materials to recruit and recognize local businesses voluntarily implementing energy efficiency and other sustainability measures. The Green Business Challenge also will serve as a conduit for participation in utility-sponsored direct install programs. The Challenge will recommend steps for jurisdictions to successfully engage with

local businesses. Finally, program templates for local jurisdictions interested in launching their own green business program will be created and distributed.

viii. ZERO NET ENERGY CODES & POLICIES

SDREN will complete a review of current energy codes and policies throughout the different jurisdictions. With this information, a "Zero Net Energy Roadmap" identifying suggested codes, policies, and incentives to help facilitate no-net energy building design and construction will be created. This roadmap will be distributed and presented to all jurisdictions for review and consideration.

C. MUNICIPAL FACILITY AUDITS, RETROFITS, & RETROCOMMISSIONING

ix. JOINT PROCUREMENT STRATEGIES

SDREN will identify shared municipal facility retrofit opportunities across jurisdictions in the region. SDREN will build upon existing joint procurement processes developed to retrofit municipal street lights (and other systems if there are some) that included/provided "piggy-back" clauses for additional jurisdictions to leverage at little administrative/bureaucratic expense. With this information, joint procurement strategies will be developed to leverage "economies of scale" and to assist smaller jurisdictions with implementing their first energy efficiency upgrades.

ATTACHMENT TWO: Outcomes for the 2011 Local Government Partnership between San Diego Gas and Electric and the City of San Diego

The 2011 benefits to City operations and the community included:

I. Energy Efficiency Improvements in Municipal Facilities and Operations

This is a five-part program: 1) Energy efficiency improvements in municipal facilities; 2) Expansion of broad spectrum street lighting; 3) Specifications for consistent use of best-in-class technology; 4) Energy audits and implementation of recommended actions; and 5) Energy training and certification program for City staff.

- CAB Boiler successfully installed—SDG&E gas rebate pending.
- Streetlight Working Group – Assisted with coordinating the \$16 million Street Light design build contract resulting in installation of 35,311 that will be completed in December 2012.
- Public Utilities Department's Energy and Climate Protection Team conducted energy and climate protection evaluations of the Miramar Water Treatment Plant, Otay Water Treatment Plant, South Bay Water Reclamation Plant, and Alvarado Water Treatment Plant Laboratory Building.
- Contracts for energy audits and retrocommissioning assessments were completed for City facilities, including those buildings operated by ESD, PUD and the CAB.

II. Zero Net Milestones through Codes and Standards

In accordance with the City's General Plan, adopted in 2008, the City will implement Zero Net residential construction by 2020 and commercial construction by 2030. Codes and standards must be set up with milestones over the next eight years in order to integrate these new requirements

- DSD staff and stakeholders designed the incentive program for residential retrofits which was approved by the Planning Commission and Land Use and Housing Council Committee.
- DSD staff have been streamlining enforcement procedures for the *California Green Building Code*.
- Contract initiated with the US Green Building Council to audit of City regulations use work cohesively and without unintended consequences.

III. Investment in a Green City

The LGP funds helped support the City's comprehensive efforts toward investing in a Green City and updating community plans. Staff used partnership funds to address energy efficiency in the draft community plans for Barrio Logan and Otay Mesa. All long-range planning work currently underway includes efforts to further the General Plan's sustainability policies. The policies apply in the City's remaining new growth sites as well as in existing neighborhoods where implementation is anticipated to occur through infill development and retrofitting actions.

DSD Planning Division Staff has shared information on sustainability and energy-related initiatives both at individual planning group meetings and at meetings of the Community Planners Committee (CPC). In addition, using Partnership funds, staff sent e-mail blasts to nearly 2,800 individuals, including all of the City's community planning group members, on Energy Upgrade California and CMAP public forums.

- Plan Implementation – Land Development Code (LDC) - Major work efforts include zoning programs that are being developed in association with the community plan updates. General Plan implementation also occurred through code amendments brought forward in the 7th Update to the Land Development Code, which was adopted by the City Council on August 2, 2011.
- Climate Mitigation and Adaptation Plan- CPUC Partnership funds enabled city planning staff to fully engage in development of the City’s Climate Mitigation and Adaptation Plan (CMAP).

IV. Community Education and Outreach

The program is in place to reduce greenhouse gas emissions through energy efficiency and conservation, with specific educational outreach information designed and delivered to diverse target audiences.

- Total: Fifty-seven (57) presentations
 - Public total 49
 - Schools total 7
 - Employees total 1
 - Regional Collaborative-Key opportunities to leverage resources among many of SDGE’s Local Government Partners:
 - Green Business Program Challenge implementation
 - Regional Mapping
 - Climate Collaborative
 - Climate Mitigation and Adaptation Plan (CMAP)—CMAP drafted and 15 public presentations made to discuss opportunities to reduce GHG, save energy, and streamline the process for future projects.
 - Sustainable Energy Advisory Board highlights more innovative City programs and facilitates more public-private partnerships.
 - Media event for “San Diego Home Energy Upgrade” featured Mayor Jerry Sanders, Council President Tony Young, and Irene Stillings from CCSE.
 - Green Students Presentations about energy efficiency in high school classrooms and the annual Green Students Youth Forum were very successful.
 - Implementation began on education programs:
 - Computer based training and education program for City of San Diego employees. Program will also be available to the general public.

V. Balboa Park Energy Efficiency Program

Most of the institutions in Balboa Park lease their buildings from the City of San Diego, and many have antiquated lighting and Heating Ventilation and Air-Conditioning (HVAC) systems

- As noted below, SEMMS will be active in the Park. The Mingei project is completed and the Reuben H. Fleet equipment ordered and project completion expected 5/2012. Program success was enhanced by working with another partnership member, Balboa Cultural Partnership, to perform project management and construction management oversight and ensure program guidelines were followed for procurement and documentation. Implementation barriers were that American made products for this equipment was harder to procure as part of the construction funding grant requirements.

VI. Smart Energy Management Monitoring System (SEMMS)

(formerly Energy Efficiency Marketing for the Clean Generation Program)

Smart Energy Management and Monitoring System (SEMMS) will control energy consumption at municipal buildings. A 10% to 30% reduction is anticipated in energy consumption on the buildings that employ the SEMMS system and additional automated demand response on the buildings with larger peak electrical consumption.

- The SEMMS plan has been expanded for additional City facilities. The detailed design has been initiated for technical specifications including necessary schematic drawings (Bridging Documents) for the core SEMMS system. SC Engineers has provided an as-needed consultant for designing a SEMMS for Balboa Park, CAB central plant, and Ridgehaven facility. The City is pursuing On Bill Financing for the CAB Central Plant portion of the SEMMS. The planning is completed. Design has been initiated with SC Engineers. Implementation barriers encountered were getting the City's contract submitted from consultant and approved.

VII. CFL Bulb Recycling

- Total: Eight (8) community events
 - CFL Bulb and Oil Recycling Community events- The City of San Diego Household Hazardous Waste Program collected 4,852 compact fluorescent bulbs in 2011. HHWTF was open to the public on 47 Saturdays in 2011. City of San Diego hosted 3 Universal Waste and Oil Recycling Events in 2011. City of San Diego hosted 2 Bulbs and Batteries Recycling Events in 2011. In the second half of 2011, City of San Diego Household Hazardous Waste Program started collecting CFLs at all Universal Waste and Oil Recycling Events and certain Community Cleanup Events to provide more convenient CFL disposal options for City of San Diego residents.