

CITY OF ALBANY

MEMORANDUM

DATE: September 11, 2009
TO: Sustainability Committee
FROM: Nicole Almaguer, Environmental Specialist
SUBJECT: Energy Efficiency Projects/Grant Funding & Green Corridor Update

1. Stimulus Funds - Energy Efficiency Block Grant Funding – California Energy Commission

The California Energy Commission (CEC) is expected to issue solicitation packages for Energy Efficiency Block Grants (EECBG) grants and final guidelines by September 17. This is a non-competitive grant funding of federal stimulus dollars, managed by the CEC, and allocated by formula to small cities & counties for energy efficiency projects. Per the CEC's anticipated schedule, grant applications will be accepted beginning October 1.

Staff has been working closely with CEC technical staff to identify allowable projects, and develop feasibility studies as required by the grant guidelines. Staff has also confirmed with the CEC that projects must be cost effective per expressed CEC standards, and that wind energy studies or other non-energy efficiency projects are not allowable under this source of funding.

To date staff has identified the following projects for EECBG funds:

- a. Commercial Energy Efficiency Program: partnership with a local nonprofit - Community Energy Services Corporation (CESC), to provide energy audits and retrofits for Albany's commercial sector. Improvements will include but are not limited to lighting, HVAC, and refrigeration at little or no cost to the business.

As a co-benefit, this program will also provide an opportunity to work further with businesses that have not yet subscribed to food scraps/organics service, to further encourage them to take advantage of cost savings and "greening".

Note: we are also working with the CEC to identify whether we can develop a residential energy efficiency program with the same nonprofit, depending on whether it will meet the CEC's cost effectiveness standards.

- b. Program contribution to the "Green Packages" partnership (\$10,000), if deemed cost effective by the CEC.
- c. Replacement of street lights within the City with LED lights. Staff is currently working with PG&E, who offers a "turnkey" street light replacement program. To date, PG&E has provided a rough project estimate of \$400,000, with an estimated annual energy savings of \$29,000 (note this is a rough estimate that

is currently being reevaluated to confirm actual costs). This project will likely be funded by a combination of the EECBG funds, with the majority funded by a 1% interest loan provided by the CEC for cost-effective energy efficiency projects. This is a unique opportunity to conduct a major CAP project while taking advantage of the stimulus funding.

2. *Countywide Partnership*

Alameda County and City Managers met on September 9th to discuss partnership opportunities regarding climate action and ARRA competitive State Energy Program (SEP) funds. SEP funds are targeted towards larger scale energy efficiency projects/partnerships, and managed by the CEC. Grant guidelines are expected to be released on October 1 by the CEC. The County staff, with the help of staff from all the cities, will develop a grant proposal for the purpose of assisting city and county collaborations to develop a financing program (AB 811, similar to Berkeley FIRST) for energy efficiency and renewable energy installations. Stopwaste.org will take the lead on a separate SEP grant application to implement energy retrofits in existing homes and create jobs for retrained workers and youth through regional partnerships.

The scope of the various countywide efforts is focused on developing technical specifications for energy projects, training a workforce to construct and inspect these improvements, providing an AB 811 loan/funding mechanism as well as some financial support, and conducting community outreach – all of which also needs funding for overall coordination.

3. *Small Cities Partnership*

The small cities of Albany, El Cerrito, Piedmont and San Pablo partnered on a grant opportunity from the EPA to provide an energy efficiency/climate change coordinator to assist each city in pursuing climate action projects. El Cerrito is serving as the grant lead. Grant denials are expected on September 15, award announcements are expected on September 30. Once information is received, it will be forwarded to the Committee.

4. *Stopwaste.org “Green Packages” Partnership*

All jurisdictions within Alameda County have now committed to the partnership. The project is underway, with several competitive funding applications in process including federal, state, and local agency funds for workforce training and research. The first technical advisory group meeting is scheduled for the end of September.

5. *Green Corridor Update*

The City Administrator and members of City Council met with the Green Corridor Partnership Executive Director to get oriented with the partnership. Discussion topics included the Climate Action Plan, the Redevelopment District, and the receptivity and interest in Albany for green initiatives, and the

involvement of the Sustainability Committee in initiatives and plans. They also discussed opportunities to pursue the following projects:

- Solar lease or other solar program for commercial businesses throughout the corridor
- Partnering on any competitive grant funds that are upcoming via ARRA or other to expand projects/create new projects.
- Incentives for green businesses: Recruiting businesses to the corridor, helping existing businesses convert to green practices/products/services, regional marketing to attract customer base
- Ways to connect the corridor better via enhancing existing services, alternative modes of transportation, and/or shuttle type system
- Wind energy feasibility and establishment in the corridor.

It was also noted that Albany is a good place to conduct pilot programs/projects because of our relatively small size; that while we had very limited resources, if any, for research and development, we had some capacity for experimental programs, with assistance, once they were developed.