

**LOAN AWARD REQUEST**

CEC-271 (Revised 02/10)

CALIFORNIA ENERGY COMMISSION

To: Grants and Loans OfficeDate: 8 / 23 / 2010Project Manager: Anne FisherPhone Number: (916) 657-4630Office Special ProjectsDivision: Fuels and TransportationMS- 23Project Title: City of Lancaster**Type of Request:** (check one)

<input checked="" type="checkbox"/> <b>New Agreement:</b> (include items A - F from below)	Agreement Number: <u>Assigned by the G&amp;L Office</u>
Program: <u>ECAA 3%</u>	
Solicitation Name: _____	
Legal Name of Recipient: <u>City of Lancaster</u>	
Recipient's Full Mailing Address: <u>44933 Fern Ave.</u> <u>Lancaster, CA 93534</u>	
Recipient's Project Officer: <u>Brian Whalen</u> Phone Number: <u>(661) 723-6076 ext.</u>	
Email Address <u>bwhalen@cityoflancasterca.org</u>	
Agreement Start Date: <u>10 / 6 / 2010</u> Agreement End Date: <u>10 / 31 / 2011</u>	
Annual Energy Savings: <u>\$ 137,969.00</u> Total Loan Amount: <u>\$ 1,469,146.00</u>	
Number of Repay Periods: <u>(Leave blank if repay is based on energy savings)</u>	

<input type="checkbox"/> <b>Amendment :</b> (Check all that apply)	Agreement Number: _____
<input type="checkbox"/> Term Extension – New End Date: _____ / _____ / _____	
<input type="checkbox"/> Change of Scope (include items A – G from below, as applicable)	
<input type="checkbox"/> Loan Augmentation: \$ _____	

**ITEMS TO ATTACH WITH REQUEST:**

- |   |  |                                 |
|---|--|---------------------------------|
| A. Loan information including application and budget details. | D. CEQA Compliance Form.               | F. ECM Codes, if applicable.    |
| B. Recipient Resolution.                                      | E. Other Documents as applicable.      | G. Justification for Amendment. |
| C. Special Conditions, if applicable.                         | • Copy of Pre-Award Correspondence     |                                 |
|   | • Copy of All Other Relevant Documents |                                 |

**California Environmental Quality Act (CEQA)**

<input checked="" type="checkbox"/> CEC finds, based on recipient's documentation in compliance with CEQA:	
<input checked="" type="checkbox"/> Project exempt: <u>14 CCR Section 15301 (d)</u>	NOE filed: <u>12 / 15 / 2009</u>
<input type="checkbox"/> Environmental Document prepared: <u>Type</u>	NOD filed: _____ / _____ / _____
<input type="checkbox"/> Other: <u>Explain</u>	
<input type="checkbox"/> CEC has made CEQA finding described in CEC-280, attached	

**Funding Information:**

Source #1: <u>3% ECAA</u>	Amount: <u>\$ 1,469,146.00</u>	Statute: <u>2009</u>	FY: <u>2009</u>	Budget List #: _____
Source #2: _____	Amount: <u>\$ 0.00</u>	Statute: _____	FY: _____	Budget List #: _____
Source #3: _____	Amount: <u>\$ 0.00</u>	Statute: _____	FY: _____	Budget List #: _____

<b>Business Meeting Approval:</b> (refer to Business Meeting Schedule)	Date due to Secretariat: <u>9 / 13 / 2010</u>
Proposed Business Meeting Date: <u>10 / 6 / 2010</u>	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion
Business Meeting Participant: <u>Anne Fisher</u>	Time Needed: <u>5 minutes</u>

**Agenda Notice Statement:** (This is the description that will appear on the agenda)

Possible approval of a \$1,469,146.00 loan to the City of Lancaster to upgrade athletic field lighting, upgrade HVAC, install weather stations to reduce water pump energy, and install solar hot water. This project is estimated to save \$137,969.00 annually and have a simple payback of 10.65 years.

Project Manager _____	Date _____	Office Manager _____	Date _____	Deputy Director _____	Date _____
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Executive Director _____	Date _____	Presiding Policy Committee _____	Date _____	Associate Policy Committee _____	Date _____
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**EXHIBIT A**

**ATTACHMENT 1**

**BUDGET DETAIL/ PROJECT COST AND SAVINGS**

This loan is made to the City of Lancaster (“Borrower”) for an Energy Savings Project. The project consists of reduced wattage athletic field lighting at Clear Channel Stadium; a new, energy-efficient HVAC system at City Hall; weather stations at Baines Park, Lancaster City Park and the National Soccer Center; and solar hot water heating at City Hall, Clear Channel Stadium, Eastside Pool, and Webber Pool. EEMs to be Installed at various locations in the City of Lancaster, CA 93534.

The Table below summarizes the estimated project cost(s), saving(s) and simple payback(s) for the project.

TABLE 1: Summary of Project Cost and Savings:

<b>Energy Efficiency Projects</b>	<b>Estimated Total Project Cost</b>	<b>Energy Commission Loan</b>	<b>Estimated Annual Energy Cost Savings</b>	<b>Payback* (Years)</b>
EEM 1 – Athletic Field Lighting upgrades	\$478,378		\$33,003	
EEM 2 – HVAC Retrofit	\$2,103,941		\$63,017	
EEM 3 – Weather Station Installation	\$93,686		\$8,643	
EEM 4 – Solar Hot Water	\$324,362		\$33,306	
<b>GRAND TOTAL ALL MEASURES</b>	<b>\$3,000,367</b>	<b>\$1,469,146</b>	<b>\$137,969</b>	<b>10.65</b>

\* The payback based on the loan amount is 10.65 years.

The Borrower shall implement all projects in Table 1. Failure to implement all projects may reduce the approved loan amount. If necessary, the reduced loan amount will be determined by multiplying the annual energy cost savings by 11. If the Borrower has received disbursements that exceed the amount of the reduced loan, the Borrower shall refund the difference to the Energy Commission.

# Memorandum

To: Melissa Jones  
Executive Director

Date: August 23, 2010

Telephone: 657-4630

From: **California Energy Commission**  
1516 Ninth Street  
Sacramento CA 95814-5512

Subject: STAFF RECOMMENDATION TO APPROVE A \$1,469,146 LOAN WITH THE ENERGY CONSERVATION ASSISTANCE ACCOUNT (ECAA) FUNDS TO THE CITY OF LANCASTER FOR ENERGY EFFICIENCY UPGRADES TO BE CONSIDERED AT THE OCTOBER 6, 2010 BUSINESS MEETING.

## Summary of Item

The City of Lancaster (City) requested a loan for \$1,469,146 to install energy efficiency upgrades at its City Hall, public parks, public pools, and minor league baseball stadium. The City will: reduce athletic field lighting wattages at Clear Channel Stadium; retrofit their old HVAC with a new, energy-efficient HVAC system at City Hall; install weather stations at Baines Park, Lancaster City Park and the National Soccer Center to reduce water pump run times; and install solar hot water heating at City Hall, Clear Channel Stadium, Eastside Pool, and Webber Pool.

The upgrades above will reduce the City's energy use by an estimated 620,823 kWh and 13,431 therms natural gas annually. This will save the City approximately \$137,969 in annual energy costs. The total project cost is \$3,000,367, of which \$1,469,146 will be funded by a 3% ECAA loan. The project will also be funded by the City's \$1,358,800 DOE ARRA funds, and a \$172,421 Municipal Lease.

Table 1 summarizes the project savings, cost and simple payback for the project.

Project	Estimated Energy Savings (kWh/year)	Estimated Energy Savings (therms/year)	Estimated Annual Cost Savings	Total Project Cost	Loan Amount Requested	Simple Payback (years)
Athletic Field Lighting	40,090		\$33,003	\$478,378	\$478,378	14.5
HVAC	468,086	887	\$63,017	\$2,103,941	\$745,141	11.8
Weather Station	77,169		\$8,643	\$93,686	\$93,686	10.8
Solar Hot Water	35,478	12,544	\$33,306	\$324,362	\$324,362	9.7
<b>Total</b>	<b>620,823</b>	<b>13,431</b>	<b>\$137,969</b>	<b>\$3,000,367</b>	<b>\$1,469,146</b>	<b>10.65</b>

**Simple Payback on loan amount is 10.65 years.**

- Energy Commission Loan: \$1,469,146
- DOE ARRA funds: \$1,358,800
- Municipal Lease: \$172,421
- **Total Project Cost: \$3,000,367**

**Justification for Action Requested:**

Energy Commission staff has determined that the loan request for the City of Lancaster is technically justified and meets the requirements for a loan with the Energy Conservation Assistance Account (ECAA) Funds. The program requires repayment of the loan, interest and principal, within 15 years: this is equivalent to projects having a simple payback of 11.0 years or less. As this loan has a simple payback of 10.65 years, it meets the requirement of the loan program. In addition to saving the City money, these energy efficiency measures will reduce the City's annual green house gas emissions by approximately 584,800 pounds CO<sub>2</sub>. As a result, staff recommends approval of the loan to the City of Lancaster.

Project Manager

Anne Fisher, Special Projects Office

Oral Presentation

Staff will be prepared to discuss this recommendation and to respond to questions regarding the loan.

Business Meeting Participants

Pat Perez, Fuels and Transportation Division  
Anne Fisher, Special Projects Office, Fuels and Transportation Division

Commission Action Requested

Approve the loan and authorize the Executive Director to execute the loan documents.

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PAT PEREZ, Deputy Director  
FUELS AND TRANSPORTATION DIVISION

