

**Memorandum**

To: Melissa Jones  
Executive Director

Date: May 25, 2011

Telephone: 654-4719

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

Subject: STAFF RECOMMENDATION TO APPROVE AN AMENDMENT TO THE CITY OF EAST PALO ALTO'S ENERGY EFFICIENCY BLOCK GRANT TO REALLOCATE FUNDING FOR THE CITY'S STREET LIGHT RETROFIT PROJECT.

Summary of Item

On June, 28, 2010, the California Energy Commission approved a Direct Equipment Purchase grant to the City of East Palo Alto (City) in the amount of \$180,214 to replace 377 High Pressure Sodium streetlights with LED Lighting throughout the City.

This project will reduce the City's annual energy use by an estimated 95,378 kWh per year and save the City \$9,942 annually in energy costs.

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

Project	Annual Electric Savings (kWh)	Annual Cost Savings (\$)	Estimated Total Project Cost (\$)	Estimated Total Rebates (\$)	Block Grant (\$)
Street Lighting	95,378	\$9,942	\$201,304	\$20,700	\$180,214
<b>TOTAL</b>	<b>95,378</b>	<b>\$9,942</b>	<b>\$201,304</b>	<b>\$20,700</b>	<b>\$180,214</b>
<b>Simple Payback based on Loan Amount: 18.1 years</b>					

**Justification for Action Requested:**

The City inadvertently repeated budget cost items in the wrong budget categories. The correction of the budget form will result in proper budget allocations for materials and supplies and non-labor contract expenses. This will allow for appropriate processing of invoices and allow the project to move forward.

Project Manager

Chris Scott, Special Projects Office

Oral Presentation

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

Business Meeting Participants

Chris Scott, Special Projects Office, Fuels and Transportation Division

Commission Action Requested

Approve the budget reallocation.

A handwritten signature in black ink, appearing to read 'PAT PEREZ', written over a horizontal line.

PAT PEREZ, Deputy Director  
FUELS AND TRANSPORTATION DIVISION

**City of East Palo Alto  
CBG-09-025  
Grant Amendment #1**

**Pros and Cons**

The following are the Pros and Cons to the Energy Commission of allowing a reallocation of the budget for the City of East Palo Alto.

**Pros:**

- Allows City to move forward with the Energy Efficiency Block Grant project, providing savings of 95,378 kWh per year.
- Provides a grant to help the City install energy efficiency and renewable energy projects that it may otherwise not be able to fund.

**Cons:**

- None