

## Memorandum

To: Robert Oglesby  
Executive Director

Date: June 20, 2011

Telephone: 651-8858

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

Subject: STAFF RECOMMENDATION TO APPROVE AN AMENDMENT TO THE CITY OF SOUTH EL MONTE'S ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT (EECBG).

### Summary of Item

The California Energy Commission awarded an Energy Efficiency and Conservation Block Grant (EECBG) to the City of South El Monte (City) in the amount of \$118,700.00 to replace older HVACs with more efficient systems, install vending controls and occupancy sensors, upgrade interior and exterior lighting, and retrofit parking lot lights to pulse start metal halide with bi-level dimming, at various locations throughout the City.

The City is requesting a change of scope on their lighting and HVAC project. The City staff determined that they would generate more energy savings by retrofitting their parking lot lights to induction technology rather than pulse-start metal halide with bi-level dimming. The City also determined that they could not retrofit all the HVACs that were approved in the initial agreement and thus will need to reduce the number of HVAC retrofits. However, the EECBG funds will be used to expand their lighting project upgrades at new locations.

Due to the addition of new projects, the amendment will also require a budget reallocation of \$13,322.00 in EECBG funds from the Non-Labor Contract Expenses budget category to the Contract Labor category. The City will also increase their cost share by \$5,665.00 to a total of \$12,988. The City's grant amount remains at \$118,700.00 with a total project cost of \$131,688.00.

The cost-effectiveness ratio (mmBtu/\$1000) of the total project is 11.35. This project will have an estimated annual energy savings of 129,018 kWh and will save the City approximately \$15,802/year in energy costs.

### **Justification for Action Requested:**

The City is committed to reducing their energy consumption and to the reduction of greenhouse gas emissions. These projects, when completed, will reduce approximately 45 tons of harmful carbon dioxide emissions annually.

Energy Commission staff has determined that the grant amendment request for the City is technically justified and meets all requirements for the EECBG Program. The program requires this Energy Efficiency Project (EEP)-type agreement to have a minimum cost-effectiveness ratio of 10.00. Since the City's ratio is 11.35, they meet the requirement. As a result, staff recommends approval of this grant amendment for the City of South El Monte.

Project Manager

Haile Bucaneg, Special Projects Office

Oral Presentation

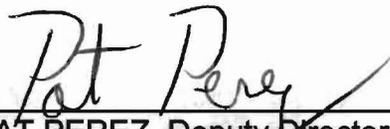
Staff will be prepared to discuss this recommendation and to respond to questions regarding the grant amendment.

Business Meeting Participants

Haile Bucaneg, Special Projects Office, Fuels and Transportation Division

Commission Action Requested

Approve the grant amendment and authorize the Executive Director to execute the grant documents.

  
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PAT PEREZ, Deputy Director  
FUELS AND TRANSPORTATION DIVISION

**City of South El Monte  
CBG-09-167  
Grant Amendment #1**

**Pros and Cons**

The following are the Pros and Cons to the Energy Commission of providing a grant amendment to the City of South El Monte:

**Pros:**

- Consistent with the Energy Commission's *2009 Integrated Energy Policy Report* to reduce energy use, demand, and greenhouse gas emissions through efficiency and renewable energy programs and diversify California's energy sources.
- Meets the objective of the American Recovery and Reinvestment Act (ARRA) by distributing ARRA-funded Energy Efficiency and Conservation Block Grants (EECBG) to small local jurisdictions to implement energy efficient projects and create jobs.
- Provides a grant to help the City install energy efficiency projects that it may otherwise not be able to fund.

**Cons:**

- None

