



To: Grants and Loans Office

Date: 7 / 22 / 11

Project Manager: Cheng Moua

Phone Number: (916) 651-3004

Office Special Projects

Division: Fuels and Transportation

MS- 23

Project Title: City of Yuba City

Type of Request: (check one)

001-11-ECA

New Agreement: (include items A - F from below) Agreement Number: _____ Assigned by the G&L Office

Program: 3% Loan Program

Solicitation Name: Energy Conservation Assistance Account

Legal Name of Recipient: City of Yuba City

Recipient's Full Mailing Address: 1201 Civic Center Blvd, Yuba City, CA 95993

Recipient's Project Officer: Marc Mattox Phone Number: (530) 822-3288 ext.

Email Address mmattox@yubacity.net

Agreement Start Date: / / Agreement End Date: 03 / 1 / 13

Annual Energy Savings: \$ 122,317.00 Total Loan Amount: \$ 1,345,487.00

Number of Repay Periods: (Leave blank if repay is based on energy savings)

Amendment: (Check all that apply) Agreement Number: _____

Term Extension – New End Date: / /

Change of Scope (include items A – G from below, as applicable)

Loan Augmentation: \$ _____

ITEMS TO ATTACH WITH REQUEST:

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

California Environmental Quality Act (CEQA)

CEC finds, based on recipient's documentation in compliance with CEQA:

Project exempt: Section 14 CCR 15301 c NOE filed: / /

Environmental Document prepared: Type NOD filed: / /

Other: Explain

CEC has made CEQA finding described in CEC-280, attached

Funding Information:

Source #1: <u>ECA</u>	Amount: <u>\$ 1,345,487.00</u>	Statute: <u>1994</u>	FY: <u>2011</u>	Budget List #: <u>401.007</u>
Source #2: _____	Amount: <u>\$ 0.00</u>	Statute: _____	FY: _____	Budget List #: _____
Source #3: _____	Amount: <u>\$ 0.00</u>	Statute: _____	FY: _____	Budget List #: _____

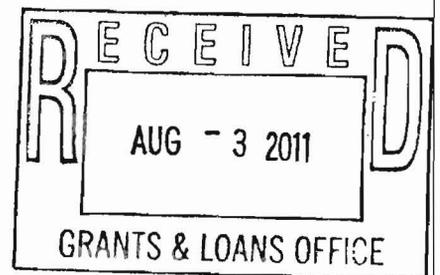
Business Meeting Approval: (refer to Business Meeting Schedule) Date due to Secretariat: 08 / 15 / 2011

Proposed Business Meeting Date: 09 / 07 / 2011 Consent Discussion

Business Meeting Participant: Cheng Moua Time Needed: (5 minutes)

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

Possible approval of a loan for \$1,345,487 for the City of Yuba City to implement its street light retrofit project. The project includes retrofitting 3,338 street lights to LED technology. This project will save over 1 million kilowatt-hours annually which translates to approximately \$122,317 of annual cost savings for Yuba City. The payback period is 11 years based on the loan amount. (ECAA funded)



LOAN AWARD REQUEST



Please list all known Subcontractors paid with proceeds connected to the project mentioned above:
The cell will expand as space is needed...

[Empty box for listing subcontractors]

 Project Manager	<u>7/22/11</u> Date	 Office Manager	<u>7/25/11</u> Date	 Deputy Director	<u>7/25/11</u> Date
 Executive Director	<u>7/26/11</u> Date	 Presiding Policy Committee	<u>7-29-11</u> Date	Associate Policy Committee	Date

Memorandum

To: Robert P. Oglesby
Executive Director

Date: July 22, 2011

Telephone: 651-3004

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

Subject: STAFF RECOMMENDATION TO APPROVE AN ENERGY CONSERVATION ASSISTANCE ACCOUNT(ECAA) LOAN FOR \$1,345,487 FOR THE CITY OF YUBA CITY TO RETROFIT 3,338 STREET LIGHTS TO MORE ENERGY EFFICIENT LED TECHNOLOGY TO BE CONSIDERED AT THE SEPTEMBER 7TH BUSINESS MEETING.

Summary of Item

The City of Yuba City has requested a loan with an amount of \$1,345,487 to retrofit 3,338 street lights to LED technology. The current lighting consists of 3,309 High Pressure Sodium street lights and 29 Metal Halide street lights.

The LED lamps are much more efficient than the existing type and will reduce the City's annual energy use by over 1 million kilowatt-hours. The estimated annual cost savings is estimated at \$122,317.

The total project cost is equal to \$1,560,587 and the City will apply for a utility rebate estimated at \$215,100, which leaves \$1,345,487 to be financed by this loan application.

The payback is 11 years based on the loan amount. This loan will be funded by the Energy Conservation Assistance Account (ECAA) with an interest rate of 3 percent.

Table 1 summarizes the project savings

Project Measure	Estimated Energy Savings (kWh/year)	Estimated Annual Cost Savings	Total Project Cost	Utility Rebate	Loan Amount Requested	Simple Payback (years)
LED Street Lights	1,006,240	\$122,317	\$1,560,587	\$215,100	\$1,345,487	11

* Simple payback is based on the loan amount.

Justification for Action Requested:

The City of Yuba City is committed to reducing their energy consumption and to the reduction of greenhouse gas. This retrofit project, when completed will remove approximately 347 tons a year of harmful carbon dioxide emissions. LED lighting will benefit the general public due to its high light quality creating brighter roads, clearer traffic signals and street signs, and a greater sense of security.

The loan will help the city replace its inefficient street lights, reduce its maintenance needs and save them approximately \$122,317 annually in reduced energy costs. This loan has a simple payback of 11 years.

Energy Commission staff has determined that the loan request for the City of Yuba City is technically feasible and meets all requirements for a loan with the Energy Conservation Assistance Account 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 years or less for loans with an interest rate of 3 percent. As this loan has a simple payback of 11 years, it meets the requirement of the loan program. As a result, staff recommends approval of the loan to the City of Yuba City.

Project Manager

Cheng Moua, Special Projects Office

Oral Presentation

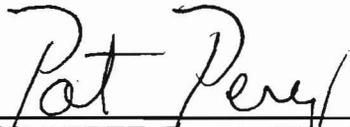
Staff will be prepared to discuss this recommendation and to respond to questions regarding the loan.

Business Meeting Participants

Cheng Moua, Special Projects Office, Fuels and Transportation Division

Commission Action Requested

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



PAT PEREZ, Deputy Director
Fuels and Transportation Division

City of Yuba City

Pros and Cons

The following are the Pros and Cons to the Energy Commission of providing a loan to the City of Yuba City:

Pros:

- The projects are technically feasible and will help the City of Yuba City reduce their energy consumption, cost and help improve the environment.
- 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.
- Consistent with the office's work plan goals of providing loans to public agencies for cost-effective energy saving projects.

Cons:

- None

EXHIBIT A

ATTACHMENT 1

BUDGET DETAIL/PROJECT COST AND SAVINGS

This loan is made to the City of Yuba City (“Borrower”) for an energy savings Project. The Project consists of retrofitting 3,338 street lights to LED technology to be installed in the city of Yuba City, CA.

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:

Energy Efficiency Projects	Estimated Total Project Cost	Energy Commission Loan	Estimated Annual Energy Cost Savings	Simple Payback* (Years)
LED Street Lights	\$1,560,587		\$122,317	
GRAND TOTAL ALL MEASURES	\$1,560,587	\$1,345,487	\$122,317	11.0

* The simple payback is based on the loan amount.

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