

LOAN AWARD REQUEST

CEC-271 (Revised 05/11)

CALIFORNIA ENERGY COMMISSION

To: Grants and Loans OfficeDate: 09 / 06 / 2011Project Manager: Shahid ChaudhryPhone Number: (916) 654-4858Office Special ProjectsDivision: Fuels & TransportationMS- 23Project Title: City of Burlingame**Type of Request:** (check one)

| | |
|--|---|
| <input checked="" type="checkbox"/> New Agreement: (include items A - F from below) | Agreement Number: <u>Assigned by the G&L Office</u> |
| Program: <u>Energy Conservation Assistance Act (ECAA) Loan Program</u> | |
| Solicitation Name: <u>Energy Conservation Assistance Act (ECAA)</u> | |
| Legal Name of Recipient: <u>City of Burlingame</u> | |
| Recipient's Full Mailing Address: <u>501 Primrose Ave., Burlingame, CA 94010</u> | |
| Recipient's Project Officer: <u>Syed Murtaza</u> Phone Number: <u>(650) 558-7230 ext.</u> | |
| Email Address: <u>smurtaza@burlingame.org</u> | |
| Agreement Start Date: <u>11 / 01 / 2011</u> Agreement End Date: <u>3 / 31 / 2012</u> | |
| Annual Energy Savings: <u>\$ 57,498.00</u> Total Loan Amount: <u>\$ 458,633.00</u> | |
| Number of Repay Periods: <u>(Leave blank if repay is based on energy savings)</u> | |

| | |
|--|-------------------------|
| <input type="checkbox"/> Amendment : (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 | H. Subcontractor Information |
| | • Copy of All Other Relevant Documents | |

| | |
|---|----------------------------------|
| California Environmental Quality Act (CEQA) | |
| <input type="checkbox"/> CEC finds, based on recipient's documentation in compliance with CEQA: | |
| <input checked="" type="checkbox"/> Project exempt: <u>Section 15301 Class 1 (a)</u> | NOE filed: _____ / _____ / _____ |
| <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>ECA</u> | Amount: <u>\$ 453,633.00</u> | Statute: <u>1994</u> | FY: <u>2010</u> | Budget List #: <u>401.007</u> | |
| Source #2: <u>ARRA</u> | Amount: <u>\$ 5,000.00</u> | Statute: <u>2009</u> | FY: <u>2011</u> | Budget List #: <u>601.003</u> | |
| Source #3: _____ | Amount: <u>\$ 0.00</u> | Statute: _____ | FY: _____ | Budget List #: _____ | |

| | |
|--|---|
| Business Meeting Approval: (refer to Business Meeting Schedule) | Date due to Secretariat: <u>09 / 12 / 2011</u> |
| Proposed Business Meeting Date: <u>10 / 19 / 2011</u> | <input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion |
| Business Meeting Participant: <u>Shahid Chaudhry</u> | Time Needed: <u>5 minutes</u> |

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

Possible approval of a \$458,633 ECA-ARRA loan to the City of Burlingame to replace 767 High Pressure Sodium street lights with energy efficient LED street lights. On completion, the project will reduce city's annual energy use by 473,000 kWh and greenhouse gas (GHG) emissions by 248,000 lbs of CO2 equivalent. The corresponding annual energy cost savings are estimated \$57,498. The loan has a simple payback period of 7.98 years based on the loan amount. (ECAA and/or ARAA funding)

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...

Project Manager Date Office Manager Date Deputy Director Date

Executive Director Date Presiding Policy Committee Date Associate Policy Committee Date

Memorandum

To: Robert P. Oglesby
Executive Director

Date: September 6, 2011

Telephone: (916) 654-4558

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

Subject: STAFF RECOMMENDATION TO APPROVE A \$458,633 LOW INTEREST-RATE LOAN WITH THE ECAA-ARRA FUNDS TO THE CITY OF BURLINGAME FOR UPGRADING CITY STREET LIGHTS TO BE CONSIDERED AT THE OCTOBER 19, 2011 BUSINESS MEETING

Summary of Item

City of Burlingame is requesting a \$458,633 Energy Commission loan to replace 767 conventional high-pressure sodium (HPS) street lights with LED lights. The details of the fixtures along with cost-benefits analyses are provided in Table 1.

The total project cost is estimated to be \$549,408. The project qualifies for utility incentives which in total are anticipated to be \$90,775. The Energy Commission loan will fund the full amount of the project cost excluding utility incentives.

On completion, the project will reduce City's annual energy use by 473,000 kWh and greenhouse gas (GHG) emissions by 248,000 lbs of CO₂ equivalent. The corresponding annual energy cost savings are estimated at \$57,633. The Energy Commission loan will be funded at an interest rate of three percent and the simple payback period is 7.98 years based on the loan amount.

Justification for Action Requested

Energy Commission staff has determined that the loan request is technically justified and meets the requirements for a loan under ECAA and ARRA. The programs require repayment of the loan, both interest and principal, within 15 years; this is equivalent to projects having a simple payback of 11 years or less. As this loan has a simple payback of 7.98 years, it meets the requirement of the loan programs. In addition to reducing facilities energy use by 473,000 kWh/yr, this project will reduce annual greenhouse gas emissions (GHG) by 248,000 lbs of CO₂ equivalent.

Table 1 - City of Burlingame: Summary of Project Cost and Savings

| No. of Fixtures | Energy Efficiency Projects | Estimated Total Project Cost (\$) | Energy Commission Loan (\$) | Estimated Annual Energy Cost Savings (\$) | Simple Payback (Years) |
|-----------------|---|-----------------------------------|-----------------------------|---|------------------------|
| 1 | 20 LED Gen D 350 @ 25 Watts | | | \$31 | |
| 57 | 20 LED Gen D 525 @ 38 Watts | | | \$2,344 | |
| 228 | 40 LED Gen D 475 @ 63 Watts | | | \$12,835 | |
| 2 | 50 LED Gen D 550 @ 94 Watts | | | \$141 | |
| 2 | 60 LED Gen D 625 @ 124 Watts | | | \$169 | |
| 1 | 20 LED Gen D 350 @ 25 Watts | | | \$38 | |
| 5 | 20 LED Gen D 525 @ 38 Watts | | | \$249 | |
| 220 | 40 LED Gen D 475 @ 63 Watts | | | \$15,272 | |
| 26 | 50 LED Gen D 550 @ 94 Watts | | | \$1,873 | |
| 150 | 60 LED Gen D 625 @ 124 Watts | | | \$12,710 | |
| 3 | 90 LED Gen D 575 @ 164 Watts | | | \$278 | |
| 34 | 90 LED Gen D 575 @ 164 Watts | | | \$4,884 | |
| 38 | 50 LED Gen D 550 @ 94 Watts | | | \$6,673 | |
| | | | | | |
| 767 | Total Equipment and Construction Cost | \$499,408 | | | |
| | Contingency Expenses (e.g. pole replacements, if any) | \$50,000 | | | |
| | Total Project Cost | \$549,408 | | | |
| | Utility Incentives (-) | \$90,775 | | | |
| | GRAND TOTAL ALL MEASURES | \$458,633 | \$458,633 | \$57,498 | 7.98 |

Robert P. Oglesby
September 6, 2011
Page 3

Project Manager

Shahid Chaudhry, 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, Deputy Director, Fuels and Transportation Division
Shahid Chaudhry, 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

**EXHIBIT A
ATTACHMENT 1
BUDGET DETAIL/PROJECT COST AND SAVINGS**

This loan is made to the City of Burlingame (“Borrower”) for an energy savings Project. The Project consists of the energy efficiency measures listed in Table 1 below to be installed at the various sites on city streets in the City of Burlingame, 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 Measures | Estimated Total Project Cost | Energy Commission Loan (\$) | Estimated Annual Energy Cost Savings (\$) | Simple Payback * (Years) |
|-----------------------------------|-------------------------------------|------------------------------------|--|---------------------------------|
| 20 LED Gen D 350 @ 25 Watts | Included in Total Below | | \$31 | |
| 20 LED Gen D 525 @ 38 Watts | Included in Total Below | | \$2,344 | |
| 40 LED Gen D 475 @ 63 Watts | Included in Total Below | | \$12,835 | |
| 50 LED Gen D 550 @ 94 Watts | Included in Total Below | | \$141 | |
| 60 LED Gen D 625 @ 124 Watts | Included in Total Below | | \$169 | |
| 20 LED Gen D 350 @ 25 Watts | Included in Total Below | | \$38 | |
| 20 LED Gen D 525 @ 38 Watts | Included in Total Below | | \$249 | |
| 40 LED Gen D 475 @ 63 Watts | Included in Total Below | | \$15,272 | |
| 50 LED Gen D 550 @ 94 Watts | Included in Total Below | | \$1,873 | |

| | | | | |
|--|----------------------------|------------------|-----------------|-------------|
| 60 LED Gen D 625 @ 124 Watts | Included in Total Below | | \$12,710 | |
| 90 LED Gen D 575 @ 164 Watts | Included in Total Below | | \$278 | |
| 90 LED Gen D 575 @ 164 Watts | Included in Total Below | | \$4,884 | |
| 50 LED Gen D 550 @ 94 Watts | Included in Total Below | | \$6,673 | |
| | | | | |
| Total Equipment and Construction Cost | \$499,408 | | \$57,498 | |
| Ancillary Installation Costs | \$50,000 | | | |
| Total Project Cost | \$549,408 | | | |
| Utility Incentives (-) | \$90,775 | | | |
| GRAND TOTAL ALL MEASURES | \$458,633 | \$458,633 | \$57,498 | 7.98 |

* The simple payback is based on the loan amount.

The Borrower shall implement each measure listed in Table 1.

If Borrower does not complete one or more of the measures or deviates from the quantities and specifications listed in Table 1, the Energy Commission will calculate the maximum loan amount supported by the Project. The loan amount will be determined by the lesser of: 1) multiplying the annual energy cost savings by 11; 2) total Project costs; or 3) approved loan amount.

A letter of agreement or loan amendment may be necessary to document these changes, at the discretion of the Energy Commission.

If the Borrower has received disbursements exceeding the maximum loan amount supported by the Project, the Borrower shall refund the difference to the Energy Commission within 30 days of notification.