

LOAN AWARD REQUEST

CEC-271 (Revised 05/11)

CALIFORNIA ENERGY COMMISSION

To: Grants and Loans OfficeDate: 09 / 21 / 2011Project Manager: Amir EhyaiPhone Number: (916) 654-4550Office Special ProjectsDivision: Fuels and TransportaionMS- 23Project Title: City of Kerman**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>ECAA</u>	
Solicitation Name: <u>Energy Conservation Assistance Act</u>	
Legal Name of Recipient: <u>City of Kerman</u>	
Recipient's Full Mailing Address: <u>850 S. Madera Ave. Kerman, CA 93630</u>	
Recipient's Project Officer: <u>Ron Manfredi</u> Phone Number: <u>(559) 846-9387 ext.</u>	
Email Address <u>rmanfredi@cityofkerman.org</u>	
Agreement Start Date: <u> </u> / <u> </u> / <u> </u> Agreement End Date: <u>03</u> / <u>31</u> / <u>2012</u>	
Annual Energy Savings: <u>\$ 26,364.00</u> Total Loan Amount: <u>\$ 202,000.00</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: <u> </u>
<input type="checkbox"/> Term Extension – New End Date: <u> </u> / <u> </u> / <u> </u>	
<input type="checkbox"/> Change of Scope (include items A – G from below, as applicable)	
<input type="checkbox"/> Loan Augmentation: \$ <u> </u>	

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 checked="" type="checkbox"/> CEC finds, based on recipient's documentation in compliance with CEQA:	
<input checked="" type="checkbox"/> Project exempt: <u>15302</u>	NOE filed: <u> </u> / <u> </u> / <u> </u>
<input type="checkbox"/> Environmental Document prepared: <u>Type</u>	NOD filed: <u> </u> / <u> </u> / <u> </u>
<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>\$ 200,000.00</u>	Statute: <u>1994</u>	FY: <u>2011</u> Budget List #: <u>401.007</u>
Source #2: <u>ARRA</u>	Amount: <u>\$ 2,000.00</u>	Statute: <u>2009</u>	FY: <u>2011</u> Budget List #: <u>601.003D</u>
Source #3: <u> </u>	Amount: <u>\$ 0.00</u>	Statute: <u> </u>	FY: <u> </u> Budget List #: <u> </u>

Business Meeting Approval: (refer to Business Meeting Schedule)	Date due to Secretariat: <u>10</u> / <u>10</u> / <u>2011</u>
Proposed Business Meeting Date: <u>11</u> / <u>02</u> / <u>2011</u>	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion
Business Meeting Participant: <u>Amir Ehyai</u>	Time Needed: <u>5</u> minutes

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

Possible approval of a \$202,000 loan with the Energy Conservation Assistance Act (ECAA) and American Recovery and Reinvestment Act (ARRA) funds made to the City of Kerman to retrofit existing streetlights with LED technology. The project will replace the high pressure sodium lamps and metal halide lamps in approximately 718 streetlights with LED modules. The project is estimated to reduce annual energy consumption by 216,969 kWh of electricity and save \$26,364 in utility expense. Simple payback on the Energy Commission loan amount is 7.7 years. (ECAA and/or ARRA funding)

LOAN AWARD REQUEST



Please list all known Subcontractors paid with proceeds connected to the project mentioned above:
Pacific Gas & Electric Co. will be the prime contractor to the City of Kerman for the streetlight project. PG&E anticipates using M G Farrell Co. as a subcontractor to carry out the retrofit work.

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: 657-4630

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

Subject: STAFF RECOMMENDATION TO APPROVE A \$1,193,500 LOAN TO THE CITY OF CERES FOR ENERGY EFFICIENCY UPGRADES TO BE CONSIDERED AT THE OCTOBER 19, 2011 BUSINESS MEETING. LOAN WILL BE SPLIT-FUNDED USING ENERGY CONSERVATION ASSISTANCE ACCOUNT (ECAA) AND AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) FUNDS.

Summary of Item

The City of Ceres (City) requested a loan for \$1,193,500 to install light-emitting diode (LED) streetlights city-wide.

These upgrades will reduce the City's energy use by an estimated 1,321,960 kWh annually. This will save the City approximately \$108,500 in annual energy costs. The total project cost is \$1,258,508, of which \$1,193,500 will be funded by this loan and \$65,008 by utility incentives.

Justification for Action Requested:

Energy Commission staff has determined that the loan request for the City of Ceres is technically justified and meets the requirements for a loan with ECAA-ARRA funds. ARRA requires that the project be completed by March 31, 2012, and the City of Ceres plans to complete its project January 10, 2012. 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 11 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 692,708 pounds CO₂. As a result, staff recommends approval of the loan to the City of Ceres.

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

No. of Fixtures	Energy Efficiency Projects	Estimated Total Project Cost (\$)	Energy Commission Loan (\$)	Estimated Annual Energy Cost	Simple Payback (Years)
9	20 LED Gen D 350 @ 23.4 Watts	Included in Total Below		\$250	
670	20 LED Gen D 525 @ 36.3 Watts	Included in Total Below		\$18,297	
779	40 LED Gen D 475 @ 60.5 Watts	Included in Total Below		\$35,363	
192	50 LED Gen D 550 @ 89.9 Watts	Included in Total Below		\$10,573	
142	60 LED Gen D 625 @ 124.1 Watts	Included in Total Below		\$10,473	
5	90 LED Gen D 575 @ 175.2 Watts	Included in Total Below		\$693	
151	20 LED Gen D 525 @ 36.3 Watts	Included in Total Below		\$8,871	
246	40 LED Gen D 475 @ 60.5 Watts	Included in Total Below		\$21,175	
18	50 LED Gen D 550 @ 89.9 Watts	Included in Total Below		\$2,805	
	Total Equipment and Installation Cost	\$1,258,508			
	Utility Incentives (-)	\$65,008			
	GRAND TOTAL ALL MEASURES	\$1,193,500	\$1,193,500	\$108,500	11

- Energy Commission Loan: \$1,193,500
- Turlock Irrigation District Energy Rebates: \$65,008
- **Total Project Cost: \$1,258,508**

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

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.

PAT PEREZ, Deputy Director
Fuels and Transportation Division

City of Ceres

The following are the Pros and Cons to the Energy Commission of awarding the loan to the city:

Pros:

- The requested loan would utilize ARRA funding by the deadline of March 31,2012.
- The loan would reduce electricity usage and cost for the City.

Cons:

- No cons

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

This loan is made to the City of Ceres (“Borrower”) for an energy savings Project. The Project consists of the energy efficiency measures listed in Table 1 below to be installed citywide in Ceres,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:

No. of Fixtures	Energy Efficiency Projects	Estimated Total Project Cost (\$)	Energy Commission Loan (\$)	Estimated Annual Energy Cost	Simple Payback (Years)
9	20 LED Gen D 350 @ 23.4 Watts	Included in Total Below		\$250	
670	20 LED Gen D 525 @ 36.3 Watts	Included in Total Below		\$18,297	
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	Total Equipment and Installation Cost	\$1,258,508			

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Utility Incentives (-)	\$65,008			
GRAND TOTAL ALL MEASURES	\$1,193,500	\$1,193,500	\$108,500	11

* 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.