

LOAN AWARD REQUEST

CEC-271 (Revised 05/11)

CALIFORNIA ENERGY COMMISSION

To: Grants and Loans OfficeDate: 4 / 18 / 2012Project Manager: Amir EhyaiPhone Number: (916) 654-4550Office Special ProjectsDivision: Fuels & TransportationMS- 23Project Title: City of Hayward**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 Hayward</u>	
Recipient's Full Mailing Address: <u>777 B Street</u> <u>Hayward, CA 94541-5007</u>	
Recipient's Project Officer: <u>Morad Fakhrai</u> Phone Number: <u>(510) 583-4740 ext.</u>	
Email Address <u>morad.fakhrai@hayward-ca.gov</u>	
Agreement Start Date: <u>6 / 13 / 2012</u> Agreement End Date: <u>9 / 30 / 2013</u>	
Annual Energy Savings: <u>\$ 356,260.00</u> Total Loan Amount: <u>\$ 3,000,000.00</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: _____
<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>ECF</u>	Amount: <u>\$ 3,000,000.00</u>	Statute: <u>2011</u>	FY: <u>2011</u> Budget List #: <u>401.007R</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: <u>5</u> / <u>18</u> / <u>2012</u>
Proposed Business Meeting Date: <u>6</u> / <u>13</u> / <u>2012</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 \$3,000,000 Energy Conservation Assistance Act (ECAA) loan to the City of Hayward to upgrade 7599 streetlights with LED fixtures. The project is estimated to save 2,801,573 kWh of electricity annually, and reduce greenhouse gas emissions by approximately 967 tons annually. (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...

Project Manager Date Office Manager Date Deputy Director Date

Executive Director Date Presiding Policy Committee Date Associate Policy Committee Date

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

This loan is made to the City of Hayward (“Borrower”) for an energy savings Project. The Project consists of the energy efficiency measures listed in Table 1 below to be installed at the streetlights in Hayward, 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	Project Specifications		Estimated Total Project Cost	Energy Commission Loan	Estimated Annual Energy Cost Savings	Simple Payback * (Years)
	Existing Lamp/Nominal Wattage	Proposed Lamp/Actual Wattage				
EEM#1: Streetlight Retrofit	(3645) HPS/70 watt (1567) HPS/100 watt (420) HPS/150 watt (7) HPS/200 watt (87) HPS/70 watt (29) HPS/100 watt (45) HPS/150 watt (1093) HPS/200 watt (255) HPS/250 watt (29) HPS/310 watt (358) HPS/400 watt (18) MV/250 watt (5) MV/400 watt (6) MV/700 watt (35) MH/175 watt	(3645) 20 LED/36.3 watt (1567) 20 LED/36.3 watt (420) 40 LED/67 watt (7) 60 LED/99 watt (87) 20 LED/36.3 watt (29) 20 LED/36.3 watt (45) 40 LED/67 watt (1093) 60 LED/99 watt (255) 70 LED/117 watt (29) 90 LED/149 watt (358) 100 LED/163 watt (18) 40 LED/67 watt (5) 60 LED/99 watt (6) 120 LED/195 watt (35) 40 LED/67 watt	\$3,500,000		\$356,260	
TOTALS:	7599	7599	\$3,500,000	\$3,000,000	\$356,260	8.4

* 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.

Memorandum

To: Robert P. Oglesby
Executive Director

Date: April 20, 2012

Telephone: (916) 654-4550

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

Subject: STAFF RECOMMENDATION TO APPROVE A \$3,000,000 LOW INTEREST-RATE LOAN TO THE CITY OF HAYWARD FOR A STREETLIGHT RETROFIT PROJECT TO BE CONSIDERED AT THE JUNE 13, 2012 BUSINESS MEETING

Summary of Item

The Energy Conservation Assistance Act, Public Resources Code Section 25410-25421, established the State Energy Conservation Assistance Account (ECAA) authorizing the Energy Commission to provide loans to local governments and public institutions for energy conservation measures.

The City of Hayward is requesting an ECAA loan in the amount of \$3,000,000 to upgrade approximately 7599 city-owned streetlights with LED technology. The project will replace high intensity discharge lamps with LED modules. When complete, the project is estimated to reduce the city's annual energy consumption by 2,801,573 kWh of electricity and save approximately \$356,260 in utility expenses. As well, annual greenhouse gas emissions will be reduced by approximately 967 tons of CO₂.

The estimated project cost is \$3,500,000 of which \$3,000,000 will be funded by the Energy Commission loan at an interest rate of 3%. The balance of the project cost will be funded using the anticipated utility company incentives expected to be \$500,000.

As a note, the city owns approximately 8,000 streetlights, city-wide. The city is planning to replace approximately 100 of the remaining 400 streetlights using their Energy Efficiency and Conservation Block Grant award, with the remaining 300 streetlights being replaced as funding becomes available.

Justification for Action Requested:

Energy Commission staff has determined that the City of Hayward loan request is technically justified and meets the requirements for a ECAA loan. The program requires 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 an average simple payback of 8.4 years, it meets the requirement of the loan program.

Robert P. Oglesby
April 20, 2012
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Project Manager

Amir Ehyai, Special Projects Office

Oral Presentation

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

Business Meeting Participants

Amir Ehyai, 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 Hayward

Pros and Cons

The following are the Pros and Cons to the Energy Commission for approving the loan to the City of Hayward:

Pros:

- Consistent with the Energy Commission's *2011 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 Energy Conservation Assistance Act (Public Resources Code Section 25412 et. seq.) which is to provide loans to public agencies to maximize energy use savings and implementation of cost effective energy efficiency measures.
- Consistent with the office's work plan goals of providing loans to public agencies for cost-effective energy saving projects.

Cons:

- None

*ENVIRONMENTAL DECLARATION

(CALIFORNIA FISH AND GAME CODE SECTION 711.4)

LEAD AGENCY NAME AND ADDRESS

City of Hayward
777 B Street
Hayward, CA 94541

FOR COUNTY CLERK USE ONLY

ENDORSED
FILED
ALAMEDA COUNTY

MAY 01 2012

PATRICK O'CONNELL County Clerk
By Deputy

FILE NO: 12-109

CLASSIFICATION OF ENVIRONMENTAL DOCUMENT: (PLEASE MARK ONLY ONE CLASSIFICATION)

1. NOTICE OF EXEMPTION / STATEMENT OF EXEMPTION

- A - STATUTORILY OR CATEGORICALLY EXEMPT
\$ 50.00 - COUNTY CLERK HANDLING FEE

2. NOTICE OF DETERMINATION (NOD)

- A - NEGATIVE DECLARATION (OR MITIGATED NEG. DEC.)
\$ 2,101.50 - STATE FILING FEE
\$ 50.00 - COUNTY CLERK HANDLING FEE

- B - ENVIRONMENTAL IMPACT REPORT (EIR)
\$ 2,919.00 - STATE FILING FEE
\$ 50.00 - COUNTY CLERK HANDLING FEE

*A COPY OF THIS FORM MUST BE COMPLETED AND SUBMITTED WITH EACH COPY OF AN ENVIRONMENTAL DECLARATION BEING FILED WITH THE ALAMEDA COUNTY CLERK.

FOUR (4) COPIES OF ALL NECESSARY DOCUMENTS ARE REQUIRED FOR FILINGS SUBMITTED BY MAIL. FIVE (5) COPIES ARE REQUIRED FOR IN-OFFICE FILINGS.

ALL APPLICABLE FEES MUST BE PAID AT THE TIME OF FILING.

FEES ARE EFFECTIVE JANUARY 1, 2012

MAKE CHECKS PAYABLE TO: ALAMEDA COUNTY CLERK

Notice of Exemption

Appendix E

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044

From: (Public Agency): City of Hayward
Public Works - Engineering & Transportation
777 B Street, Hayward, CA 94541

County Clerk
County of: Alameda
1106 Madison Street, First Floor
Oakland, CA 94607

(Address)

**ENDORSED
FILED
ALAMEDA COUNTY**

Project Title: Citywide LED Streetlight Retrofit

MAY 01 2012

Project Applicant: City of Hayward

Project Location - Specific:

City of Hayward, various streets

PATRICK O'CONNELL, County Clerk
By *aw* Deputy

Project Location - City: Hayward Project Location - County: Alameda

Description of Nature, Purpose and Beneficiaries of Project:

Retrofit of approximately 7,600 Citywide Streetlights from HPS to LED to provide energy savings, maintenance savings, reduce greenhouse emissions and provide better light quality to City of Hayward residents.

Name of Public Agency Approving Project: City of Hayward

Name of Person or Agency Carrying Out Project: City of Hayward

Exempt Status: **(check one):**

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: Sec. 15301 Minor Alterations and Rehab.
- Statutory Exemptions. State code number: _____

Reasons why project is exempt:

This project is exempt because it consists of minor alterations to existing streets and the addition of safety devices for use in conjunction with existing facilities.

Lead Agency
Contact Person: Morad Fakhrai Area Code/Telephone/Extension: 510-583-4740

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: *[Signature]* Date: 4/27/12 Title: Director of PW, E & T

Signed by Lead Agency Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: _____

HAYWARD CITY COUNCIL

RESOLUTION NO. 12-038

Introduced by Council Member Henson

RESOLUTION AUTHORIZING STAFF TO APPLY FOR A CALIFORNIA ENERGY COMMISSION ENERGY EFFICIENCY LOAN FOR A CITYWIDE LIGHT EMITTING DIODE (LED) STREETLIGHT RETROFIT PROJECT AUTHORIZING THE CITY MANAGER TO EXECUTE ANY AND ALL AGREEMENTS AND DOCUMENTS ASSOCIATED WITH THE LOAN

WHEREAS, the City of Hayward is interested in converting all of its streetlights to LEDs; and

WHEREAS, the California Energy Commission provides loans to schools, hospitals, local governments, special districts and public care institutions to finance energy efficiency improvements; and

WHEREAS, the City of Hayward is eligible to receive such loans.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Hayward authorizes staff to apply for a California Energy Commission loan of \$3 million dollars for the purposes of retrofitting its 7,600 streetlights to LEDs.

BE IT FURTHER RESOLVED, that the amount of the loan will be paid back in full, plus interest, under the terms and conditions of the Loan Agreement, Promissory Note and Tax Certificate of the California Energy Commission.

BE IT FURTHER RESOLVED, that the City Council of the City of Hayward finds that the approval of the Citywide LED Streetlight Conversion Project is categorically exempt from environmental review under the California Environmental Quality Act pursuant to California Code of Regulations, Title 21, Sections 15301 (repairs and minor alterations to existing facilities).

BE IT FURTHER RESOLVED by the City Council of the City of Hayward that the City Manager is authorized to execute any and all agreements and amendments associated with the loan.

IN COUNCIL, HAYWARD, CALIFORNIA March 27, 2012

ADOPTED BY THE FOLLOWING VOTE:

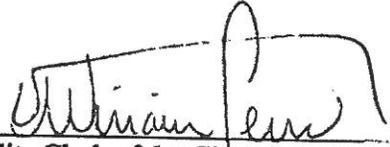
AYES: COUNCIL MEMBERS: Zermefio, Halliday, Peixoto, Salinas, Henson
MAYOR: Sweeney

NOES: COUNCIL MEMBERS: None

ABSTAIN: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: Quirk

ATTEST:


City Clerk of the City of Hayward

APPROVED AS TO FORM:


City Attorney of the City of Hayward