

LOAN AWARD REQUEST

CEC-271 (Revised 05/11)

CALIFORNIA ENERGY COMMISSION

To: Grants and Loans OfficeDate: 03 / 07 / 2013Project Manager: Shahid ChaudhryPhone Number: (916) 654-4858Office Special ProjectsDivision: Fuels & TransportationMS- 23Project Title: City of Pleasanton Energy Efficiency**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 Account (ECAA) Loan Program</u> | |
| Solicitation Name: <u>Energy Conservation Assistance Account (ECAA)</u> | |
| Legal Name of Recipient: <u>City of Pleasanton</u> | |
| Recipient's Full Mailing Address: <u>3333 Busch Road</u> <u>Pleasanton, CA 94566</u> | |
| Recipient's Project Officer: <u>Laura Ryan</u> Phone Number: <u>(925) 931-5506 ext.</u> | |
| Email Address <u>Lryan@cityofpleasantonca.gov</u> | |
| Agreement Start Date: <u>05 / 08 / 2013</u> Agreement End Date: <u>11 / 30 / 2014</u> | |
| Annual Energy Savings: <u>\$ 286,421.00</u> Total Loan Amount: <u>\$ 2,755,000.00</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 15302 Class 2</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>ECD</u> | Amount: <u>\$ 1,558,400.00</u> | Statute: <u>1995</u> | FY: <u>2012</u> | Budget List #: <u>401.007D</u> |
| Source #2: <u>ECA</u> | Amount: <u>\$ 1,196,600.00</u> | Statute: <u>1994</u> | FY: <u>2102</u> | Budget List #: <u>401.007</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>4 / 19 / 2013</u> |
| Proposed Business Meeting Date: <u>05 / 08 / 2013</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 Agreement xxx-xx-xxx for a \$2,755,000 loan at one percent interest to the City of Pleasanton (City) for energy efficiency measures at the City facilities. Based on the loan amount, the simple payback is approximately 9.6 years. The project will save approximately \$286,421 annually. (ECAA Program Funding.) Shahid Chaudhry can be reached at 654-4858.

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: March 07, 2013

Telephone: (916) 654-4550

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

Subject: STAFF RECOMMENDATION TO APPROVE A \$2,755,000 ONE PERCENT INTEREST RATE ECAA LOAN TO CITY OF PLEASANTON FOR ENERGY EFFICIENCY MEASURES TO BE CONSIDERED AT THE MAY 08, 2013 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 California Energy Commission (Energy Commission) to provide loans to local governments and public institutions for energy conservation measures.

CITY OF PLEASANTON (City) is requesting an ECAA loan in the amount of \$2,755,000 to fund implementing energy efficiency measures as listed in Table 1. The total project costs are estimated to be \$3,096,668. On completion, this project will reduce peak electric demand of 5,619 KW and annual electricity consumption by an estimated 2,046,935 kWh. In addition, the completed project will reduce the greenhouse gas emission by 539 tons of CO₂ equivalent every year.

These energy savings will save the City approximately \$286,421 utility expenses each year. The Energy Commission loan will be provided at an interest rate of one percent.

Justification for Action Requested:

Energy Commission staff has determined that the City loan request is technically justified and meets the requirements for an 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 13 years or less. As this loan has an average simple payback of 9.6 years, it meets the requirement of the loan program.

Table 1: List of Renewable Energy & Energy Efficiency Measures and Estimated Energy Savings

| Measure | Estimated Project Cost | Annual Electric Savings (kWh) | Annual Energy Cost Savings | CEC Loan Amount | Simple Payback* (years) |
|------------------------------------------------------------------------|------------------------|-------------------------------|----------------------------|--------------------|-------------------------|
| Installation of 7,590 Energy Efficient Street, Park, & Pathways Lights | \$3,096,668 | 2,046,935 | \$286,421 | | |
| Total | \$3,096,668 | 2,046,935 | \$286,421 | \$2,755,000 | 9.6 |

*Simple Payback is based on loan amount

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

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.

RANDY ROESSER, Deputy Director
Fuels and Transportation Division

City of Pleasanton

Pros and Cons

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

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

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

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

| Measure | Estimated Project Cost | Annual Electric Savings (kWh) | Annual Energy Cost Savings | CEC Loan Amount | Simple Payback* (years) |
|------------------------------------------------------------------------|------------------------|-------------------------------|----------------------------|--------------------|-------------------------|
| Installation of 7,590 Energy Efficient Street, Park, & Pathways Lights | \$3,096,668 | 2,046,935 | \$286,421 | | |
| Total | \$3,096,668 | 2,046,935 | \$286,421 | \$2,755,000 | 9.6 |

* 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 13; (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.