

# LOAN AWARD REQUEST



To: Grants and Loans Office

Date: 5 / 9 / 2013

Project Manager: Karen Perrin

Phone Number: (916) 654-4101

Office Special Projects Office

Division: Fuels & Transportation Division

MS- 23

Project Title: City Of Visalia

### Type of Request: (check one)

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

Program: \_\_\_\_\_

Solicitation Name: \_\_\_\_\_

Legal Name of Recipient: \_\_\_\_\_

Recipient's Full Mailing Address: \_\_\_\_\_

Recipient's Project Officer: \_\_\_\_\_ Phone Number: ( ) - ext. \_\_\_\_\_

Email Address \_\_\_\_\_

Agreement Start Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_ Agreement End Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Annual Energy Savings: \$ \_\_\_\_\_ Total Loan Amount: \$ \_\_\_\_\_

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 CEC-280.
- 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.

### Funding Information:

*Source	Amount \$	Statute	FY:	Budget List
*Source <u>ECD</u>	Amount \$ <u>-24664.00</u>	Statute <u>1995</u>	FY: <u>2012</u>	Budget List <u>401.007D</u>
*Source	Amount \$ <u>0.00</u>	Statute	FY:	Budget List

**Business Meeting Approval:** (refer to Business Meeting Schedule) Date due to Secretariat: 6 / 19 / 13

Proposed Business Meeting Date: 7 / 10 / 2013  Consent  Discussion

Business Meeting Participant: Karen Perrin Time Needed: \_\_\_\_\_

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

Possible approval of a Amendment #1 to loan 008-12-ECD with the City of Visalia to decrease the project and loan amount under the agreement. The original loan of \$500,000 will be decreased to \$475,336. The amended project will save the City approximately \$96,601 annually and will have a 4.9 year payback.

Project Manager \_\_\_\_\_ Date \_\_\_\_\_ Office Manager \_\_\_\_\_ Date \_\_\_\_\_ Deputy Director \_\_\_\_\_ Date \_\_\_\_\_

Presiding Policy Committee \_\_\_\_\_ Date \_\_\_\_\_ Associate Policy Committee \_\_\_\_\_ Date \_\_\_\_\_ Executive Director \_\_\_\_\_ Date \_\_\_\_\_

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

This loan is made to the City of Visalia (“Borrower”) for energy savings projects. The projects consist of the energy efficiency measures listed in Table 1 below to be installed at City facilities in Visalia, CA.

Table 1 below summarizes the estimated costs, savings and simple payback for the project.

TABLE 1: Summary of Project Cost and Savings

<b>Energy Efficiency Measure (EEM)</b>	<b>Estimated Annual Electric Savings (kWh)</b>	<b>Estimated Ann Gas Savings (therms)</b>	<b>Estimated Annual Cost Savings</b>	<b>Project Cost with Rebate</b>	<b>Simple Payback (years)</b>
Install vending machine controls	24,052		\$1,995.00	\$2,368.00	1.2
1)Install programmable thermostats and 2) Set back zone temperatures	51,496	9,663	\$13,829	\$10,694	.77
Install occupancy lighting controls/sensor	105,529		\$14,108	\$45,629	3.2

Retrofit exterior lighting with LED	372,174		\$52,789	\$276,396	5.2
1) Turn off evaporative cooler when unoccupied 2) Turn off concession equipment during off season	11,930		\$979	\$200	0.2
Retrofit Interior Lighting with LED and fluorescent	108,725		\$11,608	\$26,030	2.4
1) Replace electric hot water booster with gas boost heater	20,820	-888	\$1,293	\$12,463	9.6
Construction/ Project management				\$101,556.00	
Total	694,726	8,775	\$96,601	\$475,336	4.9

*\*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 years; 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: May 9, 2013

Telephone: 916-654-4104

From: **California Energy Commission**  
1516 Ninth Street MS-23  
Sacramento CA 95814-5512

Subject: RECOMMENDATION TO APPROVE AN ENERGY CONSERVATION ASSISTANCE ACT (ECAA) LOAN AMOUNT REDUCTION WITH THE CITY OF VISALIA. THE SCOPE OF THE ENERGY PROJECT AND LOAN AMOUNT WILL BE REDUCED. THIS ITEM IS TO BE CONSIDERED AT THE JULY 10, 2013 BUSINESS MEETING.

## Summary of Item

The City of Visalia has a \$500,000 loan that was approved at the April 10, 2013 Business Meeting. The augmentation omits projects that were completed prior to the loan approval. The loan will be decreased \$24,664, from \$500,000 to \$475,336.

The interest rate for the loan will remain at 1.00 percent. The attached Exhibit A summarizes the project savings, cost, and simple payback.

## **Justification for Action Requested:**

The retrofit project will save approximately \$96,601 in energy costs. Simple payback is 4.9 years based on the California Energy Commission loan amount.

Energy Commission staff has determined that the amendment request meets the requirements of the Energy Conservation Assistance Act (ECAA) program.

## Project Manager

Karen Perrin, Energy Specialist I  
Special Projects Office, Fuels and Transportation Division

## Oral Presentation

N/A (consent item)

## Business Meeting Participants

Karen Perrin, Energy Specialist I

Robert P. Oglesby  
May 9, 2013  
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Commission Action Requested

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

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RANDY ROESSER, Deputy Director  
Fuels and Transportation Division

## City of Visalia

### Energy Retrofit Project Loan Augmentation

#### **Pros and Cons**

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

#### **Pros:**

- To reduce energy use, electrical demand, and greenhouse gas emissions through energy efficiency is consistent with the Energy Commission's *2012 Integrated Energy Policy Report*.
- Provides a loan to help the City install energy efficiency projects that it may otherwise not be able to fund.

#### **Cons:**

- None