



TO THE HONORABLE MAYOR AND COUNCIL:

DATE: June 1, 2009

Subject: ADOPTING RESOLUTION NO. 09-37 AUTHORIZING THE FILING OF AN APPLICATION FOR ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT (EECBG) PROGRAM FUNDING TO DEVELOP AND ADOPT A CLIMATE ACTION PLAN AND POLICIES FOR THE FORMER CONCORD NAVAL WEAPONS STATION (CNWS) AND TO INSTALL ENERGY-EFFICIENT LIGHTING; AND AUTHORIZING THE CITY MANAGER AND DELEGATES TO APPROVE ALL RELATED DOCUMENTS

Report in Brief

The American Recovery and Reinvestment Act of 2009 appropriated \$3.2 billion for the Energy Efficiency and Conservation Block Grant (EECBG) Program. The Program was authorized in Title V, Subtitle E of the Energy Independence and Security Act of 2007 (EISA), and signed into Public Law (PL 110-140) on December 19, 2007. The Program provides federal grants to units of local government, Indian tribes, states, and territories to reduce energy use and fossil fuel emissions, and for improvements in energy efficiency. The EECBG Program is administered by the U.S. Department of Energy (DOE) and is modeled after the Community Development Block Grant Program administered by the Department of Housing and Urban Development (HUD).

Staff recommends that the Council adopt Resolution No. 09-37 authorizing the filing of an application for Energy Efficiency and Conservation Block Grant (EECBG) Program for \$1,151,900 and authorizing the City Manager to approve grant application forms.

Background

Congress appropriated \$3.2 billion for the EECBG Program, of which \$2.7 billion will be distributed through formula grants. The balance includes nearly \$455 million for competitive grants, which will be awarded through a separate federal Funding Opportunity Announcement (FOA). Concord staff intends to also apply for a grant under this second round of funding.

Section 542 of Title V, Subtitle E of EISA (PL 110-140) describes the Program purpose as “to assist eligible entities in implementing strategies to reduce fossil fuel emissions created as a result of activities

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within the jurisdictions of eligible entities in a manner that is environmentally sustainable; and to the maximum extent practicable, maximize benefits for local and regional communities; to reduce the total energy use of the eligible entities; and to improve energy efficiency in the transportation sector; the building sector; and other appropriate sectors.” Additional purposes of the EECBG Program are to spur economic growth and create and/or retain jobs under the American Recovery and Reinvestment Act of 2009.

Allocations to entities eligible for direct formula grants from the DOE are based on the following funding amounts:

- \$1,863,880,000 for eligible cities and counties
- \$767,480,000 for states, U.S. territories, and the District of Columbia
- \$54,820,000 for eligible Indian tribes
- In addition, each state must pass not less than 60% of its allocation on to cities and counties within the state that are ineligible for direct formula grants from the DOE. Each state decides how to award these sub-grants.

The formula for determining allocations to cities and counties is based on two weighted factors, resident and daytime (commuter) population, and is designed to account for the energy use of these respective populations. The resident population factor receives a weight of approximately 70%, and the daytime population factor receives a weight of approximately 30%. According to this formula, Concord is eligible to receive up to a maximum of \$1,151,900.

Discussion

Efficiency and Conservation Block Grant (EECBG) Program Funds can be used communitywide, not only for government-owned facilities and infrastructure. A list of eligible activities for use of program funds is provided in Section 544, Title V, Subtitle E of the Energy Independence and Security Act (EISA). The following activities are eligible:

1. Development of an Energy Efficiency and Conservation Strategy and Technical Consultant Services to assist in the development of such a strategy.
2. Residential and Commercial Building Energy Audits.
3. Financial Incentive Programs and Mechanisms for energy efficiency improvements such as energy savings performance contracting, on-bill financing, and revolving loan funds.
4. Grants to nonprofit organizations and governmental agencies for the purpose of performing Energy Efficiency Retrofits.
5. Energy Efficiency and Conservation Programs for Buildings and Facilities.
6. Development and Implementation of Transportation Programs to conserve energy.

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7. Building Codes and Inspections to promote building energy efficiency.
8. Energy Distribution Technologies that significantly increase energy efficiency, including distributed resources, combined heat and power, and district heating and cooling systems.
9. Material Conservation Programs including source reduction, recycling, and recycled content procurement programs that lead to increases in energy efficiency.
10. Reduction and Capture of Methane and Greenhouse Gases generated by landfills or similar waste-related sources.
11. Energy efficient Traffic Signals and Street Lighting.
12. Renewable Energy Technologies on Government Buildings.
13. Any Other Appropriate Activity that meets the purposes of the program and is approved by DOE.

Energy efficiency, conservation, and renewable energy programs and projects are intended to be building blocks for increased economic vitality, energy security, and environmental quality. For maximum impact, EECBG program funds should be invested in ways that create or retain jobs and stimulate the economy in the short term while laying the foundation for a long-term and sustainable clean energy economy. DOE encourages grantees to prioritize programs and projects that:

1. Leverage other public and private resources.
2. Enhance workforce development.
3. Persist beyond the funding period.
4. Promote energy market transformation such as revolving loans, low-cost loans, energy savings performance contracting, advanced building codes, building and home retrofit incentives and policies, and transportation programs and policies.

Grant applications were opened on March 26, 2009 and will close on June 25, 2009. Experts advise that Concord submit an application as soon as possible to receive more timely consideration.

Staff recommends that grant funds be used to implement a strategy that will improve energy efficiency throughout the City. This strategy would involve (A) lighting retrofit – replacing all the fixtures in Concord’s two downtown parking structures plus approximately 1,500 streetlights along major arterial roads with more efficient lights; and (B) preparation and adoption of a Climate Action Plan and policies for the CNWS. This recommendation is based on four factors:

1. Lighting retrofits are a proven way to save energy. Induction and LED lighting uses 60% less electricity than high pressure sodium or metal halide lighting.

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2. Lighting retrofits offer the highest financial gain. For example, at 13 cents per kilowatt hour, the 258 175-watt Metal halide fixtures in the Todos Santos parking structure use \$65,926 in electricity every year. Comparable induction fixtures would use \$24,905 in electricity annually – a savings of \$41,020 per year starting immediately. New fixtures would pay back their cost in 2.6 years.
3. More efficient lighting would significantly lower Concord's carbon footprint. Carbon dioxide emissions represent about 84 percent of total U.S. greenhouse gas emissions. Electrical power production causes 40 percent of the total U.S. carbon dioxide emissions. According to the California Energy Commission, generation of electrical power used in Concord results in 1.107 pounds of carbon dioxide for each kilowatt hour. Each light fixture currently uses approximately 2,000 kilowatt hours per year. This could be reduced to less than 800 kilowatt hours per year.
4. Adoption of a climate action plan for the CNWS will lead to the adoption of a new policy that will support transit oriented development and green planning principles for roughly ¼ of the City and has the potential to reduce energy consumption, reduce vehicle miles traveled and reduce the generation and emission of green house gases (GHG). The Reuse Project will need to contribute positively toward the State's greenhouse gas emissions target for 2020 (a legally-binding target brought into force under the AB 32: Global Warming Solutions Act legislation) by not emitting more than 6.5 metric tons of greenhouse gases per-resident-plus-job. By way of comparison, it is estimated that Contra Costa County residents currently generate 12.9 metric tons GHG/person.

Fiscal Impact

The \$1,151,900.00 in grant funds will pay for preparation of a climate action plan for the former CNWS and for retrofitting all of the lighting in Concord's two downtown parking structures plus approximately 1,500 street lights. Without this grant, Concord would need to find an alternative funding source to cover the estimated \$275,000 cost to prepare and adopt a Climate Action Plan and without lighting retrofit funding, electricity will continue to be wasted and greenhouse gasses will continue to be released.

Public Contact

The Agenda item was posted.

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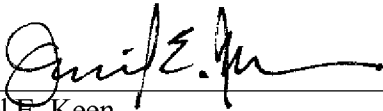
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Recommendation for Action

Staff recommends that the Council adopt Resolution No. 09-37 authorizing the filing of an application for Energy Efficiency and Conservation Block Grant (EECBG) Program for \$1,151,900 and authorizing the City Manager to approve grant application forms.

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Enclosures: Attachment 1 – Resolution 09-37

**BEFORE THE CITY COUNCIL OF THE CITY OF CONCORD
COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA**

**A RESOLUTION OF SUPPORT AUTHORIZING
THE FILING OF AN APPLICATION FOR
ENERGY EFFICIENCY AND CONSERVATION
BLOCK GRANT (EECBG) PROGRAM FUNDING
TO INSTALL ENERGY-EFFICIENT LIGHTING
AND AUTHORIZING THE CITY MANAGER AND
DELEGATES TO APPROVE ALL RELATED
DOCUMENTS**

Resolution No. 09-37

WHEREAS, Title V, Subtitle E of the Energy Independence and Security Act of 2007 (EISA), and signed into Public Law (PL 110-140) on December 19, 2007 established the Energy Efficiency and Conservation Block Grant (EECBG) Program to assist eligible entities in implementing strategies to reduce fossil fuel emissions created as a result of activities within the jurisdictions of eligible entities in a manner that is environmentally sustainable; and to the maximum extent practicable, maximizes benefits for local and regional communities; to reduce the total energy use of the eligible entities; and to improve energy efficiency in the transportation sector; the building sector; and other appropriate sectors.

WHEREAS, The American Recovery and Reinvestment Act of 2009 appropriated \$3.2 billion for the Energy Efficiency and Conservation Block Grant (EECBG) Program.

WHEREAS, EECBG guidelines published on March 26, 2009 make Concord eligible to receive a maximum of \$1,151,900.00 in grant funding; and

WHEREAS, lighting equipment retrofits are a proven way to reduce energy consumption, save money, and reduce the production of greenhouse gasses; and

WHEREAS, many lighting fixtures owned and operated by the City of Concord are of an older and less-efficient design; and

WHEREAS, replacing these older less-efficient fixtures with lighting using the newest design will reduce electrical consumption and greenhouse gas production by approximately 60%.

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**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CONCORD DOES
RESOLVE AS FOLLOWS:**

Section 1. Concord is authorized to execute and file an application for funding under the Energy Efficiency and Conservation Block Grant (EECBG) Program.

Section 2. The City Manger and delegates are authorized to approve all related documents.

PASSED AND ADOPTED by the City Council of the City of Concord on June 1, 2009, by the following vote:

AYES: Councilmembers -

NOES: Councilmembers -

ABSTAIN: Councilmembers -

ABSENT: Councilmembers –

I HEREBY CERTIFY that the foregoing Resolution No. 09-37 was duly and regularly adopted at a regular joint meeting of the City Council and the Redevelopment Agency of the City of Concord on June 1, 2009.

Mary Rae Lehman, CMC
City Clerk

APPROVED AS TO FORM:

Craig Labadie
City Attorney