



City of Chula Vista

Staff Report

File#: 15-0561, **Item#:** 3.

RESOLUTION NO. 2015-274 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A 5-YEAR LOCAL GOVERNMENT PARTNERSHIP AGREEMENT WITH SAN DIEGO GAS & ELECTRIC TO PROVIDE ENERGY EFFICIENCY PROGRAMS AND APPROPRIATING \$1,563,585 TO THE ENERGY CONSERVATION FUND (4/5 VOTE REQUIRED)

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

Since 2006, the City and San Diego Gas & Electric have been collaborating through a Local Government Partnership to identify unique opportunities to maximize energy efficiency by leveraging municipal policies, programs, and services. As a result, the Local Government Partnership has helped to reduce the amount of energy consumed by municipal buildings as well as the broader Chula Vista community. In addition to lowering monthly utility costs, these energy savings contribute to lowering Chula Vista's greenhouse gas emissions, reducing demand for local power generation, and improving air quality. The proposed Local Government Partnership agreement would provide \$1,563,585 annually through December 2020.

ENVIRONMENTAL REVIEW

The Development Services Director has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity qualifies for a Class 8 categorical exemption pursuant to Section 15308 [Actions by Regulatory Agencies for Protection of the Environment] of the State CEQA Guidelines because the proposed actions will result in the implementation of energy efficiency programs that are designed to improve local air quality and reduce greenhouse gas emissions. Thus, no further environmental review is necessary.

BOARD/COMMISSION RECOMMENDATION

Not Applicable

DISCUSSION

In 2006, the City and San Diego Gas & Electric (SDG&E) began collaborating through a Local Government Partnership (LGP) to identify unique opportunities to leverage municipal policies, programs, and services to maximize energy efficiency in Chula Vista. The LGP has since matured into a comprehensive and highly-effective initiative, which has been recognized statewide as a model for successful collaboration. The funding is provided through "Public Purpose Program" charges embedded within utility rates as authorized by the California Public Utilities Commission. The funds are used to reduce the amount of kilowatt-hours (electricity) and therms (gas) consumed by municipal buildings as well as the broader Chula Vista community, especially sectors which historically have not fully participated or are not eligible for existing energy incentive programs.

The Chula Vista/SDG&E Local Government Partnership aligns with the Council-adopted Chula Vista Energy Strategy & Action Plan (2001), which prioritized energy management options to address

citywide demand and supply, and the Chula Vista Municipal Building Energy Efficiency Policy (2005), which requires the incorporation of energy-conserving measures into City facilities. In addition to lowering energy use and costs, the LGP contributes to lowering Chula Vista's greenhouse gas emissions, reducing demand for local power generation, and improving air quality.

Over the next year, the Local Government Partnership will allow the City to identify and implement energy improvements at municipal facilities including exploring LEED certification for a City-owned building. In the community, the funding will support energy efficiency education and no-cost services for residents and businesses through the Free Resource & Energy Business Evaluations (FREBE), Home Upgrade Carbon Downgrade, Library Energy Lounge, and Recreation Empower Hour programs. In addition, the City will be able to provide no-cost technical assistance to contractors and developers to help them comply with state and local energy codes and access available energy efficiency rebates. Furthermore, the LGP funding will allow the City to further develop the Climate Change Working Group's energy-related recommendations for future City Council consideration.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the 500-foot rule found in California Code of Regulations Title 2, section 18702.2(a)(11), is not applicable to this decision for purposes of determining a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware, and has not been informed by any Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods, and a Connected Community. The Local Government Partnership directly supports the Healthy Community goal because it seeks to reduce demand for power generation, thus helping to improve local air quality. The Local Government Partnership will also result in lower long-term utility use and costs at municipal facilities and throughout the community.

CURRENT YEAR FISCAL IMPACT

The \$1,563,585 appropriation will support continued implementation of the Chula Vista/SDG&E Local Government Partnership program through calendar year 2016. The funds, which will be appropriated to the Energy Conservation Fund, will be used to support City staff time and program costs for developing and implementing energy efficiency programs at municipal facilities (non-capital expenditures only) and in the community. For Fiscal Year 2016, staff will be appropriating \$192,407 to the Personnel Services category, \$646,880 to the Services and Supplies category, and \$724,298 to the Other Expenses category of the Energy Conservation Fund to be offset by grant revenue.

ONGOING FISCAL IMPACT

The proposed Local Government Partnership agreement would provide \$1,563,585 annually (\$7,817,925 total) through December 2020. These funds will fully support City staff time and program costs associated with developing and implementing identified energy efficiency-related programs. The Municipal Energy Efficiency Improvements component will produce long-term annual energy cost savings for the City's General Fund and help minimize the impact of future utility rate increases.

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The program also helps local businesses and residents reduce their monthly utility costs and redirect those financial resources to support local purchases and job creation.

ATTACHMENTS

Attachment 1 - 2016-2020 Local Government Partnership Agreement
Exhibit A - 2016 Local Government Partnership Scope of Work

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