



# *CITY COUNCIL AGENDA REPORT*

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MEETING DATE: JANUARY 5, 2010

ITEM NUMBER:

**SUBJECT:** ENERGY LEADERSHIP PARTNERSHIP BETWEEN SOUTHERN CALIFORNIA EDISON AND THE CITY OF COSTA MESA FOR 2010-2012

**DATE:** DECEMBER 15, 2009

**FROM:** CITY MANAGER'S DEPARTMENT/ADMINISTRATION

**PRESENTATION BY:** THOMAS R. HATCH, ASSISTANT CITY MANAGER  
DANIEL K. BAKER, MANAGEMENT ANALYST

**FOR FURTHER INFORMATION CONTACT:** DAN BAKER – (714) 754-5156

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## **RECOMMENDATION:**

Staff recommends that the Mayor and City Council:

1. Adopt Resolution No. \_\_\_\_\_ entitled, "A Resolution of the City Council of the City of Costa Mesa, Declaring Support for an Energy Partnership between Southern California Edison and the City of Costa Mesa."
2. Authorize the City Manager to execute an Energy Partnership Agreement between the City of Costa Mesa and Southern California Edison for 2010-2012.

## **BACKGROUND:**

In April of 2009, the City of Costa Mesa signed a Partnership Agreement with Southern California Edison (SCE). This agreement allowed the use of Public Utilities Commission (PUC) funds with the goal to support energy efficiency initiatives and to improve the energy efficiency of City equipment and buildings. While this program was delayed, SCE offered an interim program to partner with the City of Costa Mesa and the three other cities in our partnership to implement the Orange County Cities Energy Efficiency Partnership. This partnership framework provides enhanced incentives for energy savings projects of City facilities and funding for outreach, education and marketing of "green" construction in the City in the interim for 2009.

The funds utilized for these activities are Public Goods Charge funds that SCE is required to collect by the PUC. SCE administers these funds with PUC oversight for projects that reduce energy needed to provide services. This new agreement will provide additional funds to the City when investing in energy savings projects for City facilities. Additionally, it will extend the effectiveness of existing and planned Capital Improvement Plan (CIP) funding that makes City facilities and infrastructure more energy efficient.

In September of 2009, the PUC announced the release of \$3.1 billion in support of energy efficiency programs for 2010-2012 with a minimum of \$4 million available to our four-city partnership. In order to gain access to these funds, the City of Costa Mesa is required to re-enter into a joint agreement with SCE for the funding period between 2010-2012 (see Attachment 1).

This agreement requires that the City Council adopt a resolution (see Attachment 2) supporting the City's participation in the program, including authorization to enter into the Agreement for the 2010-2012 period.

**ANALYSIS:**

The agreement will assist the City by providing better information about how to prioritize energy efficiency upgrades, reduce annual maintenance costs, increase cost savings, conserve resources and reduce green house gas emissions. Additionally, it allows the City to gain access to approximately \$3.1 billion in funding provided by the California Energy Commission.

The overall program strategy is to partner with SCE to provide energy information, and to identify and implement sustainable energy efficiency activities. The City and SCE will leverage the strengths of each of the partners to cost effectively deliver energy and demand savings. If approved, this agreement will allow the City to be reimbursed for Kilowatt hours saved for municipal retrofit projects and a host of other related energy efficiency activities.

**ALTERNATIVES CONSIDERED:**

To enter into the Energy Partnership with SCE

**FISCAL REVIEW:**

An initial amount of \$4,000,000 has been allocated to the Orange County Energy Partnership of the cities of Costa Mesa, Fountain Valley, Huntington Beach and Westminster. By entering into this agreement the City of Costa Mesa will directly benefit from hundreds of thousands of dollars or more in funding to supplement our energy efficiency goals

**LEGAL REVIEW:**

Legal has reviewed the documents and approved them as to form.

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THOMAS R. HATCH  
Assistant City Manager

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DANIEL BAKER  
Management Analyst

ATTACHMENTS:      1    [Southern California Edison Partnership Agreement](#)  
                             2    [Energy Partnership Resolution](#)