



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** Community Services  
Department  
**Department No.:** 057  
**For Agenda Of:** December 5, 2017  
**Placement:** Administrative  
**Estimated Tme:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors

**FROM:** Department George Chapjian, Community Services Director  
Director(s) (805) 568-2467

Contact Info: Ashley Watkins, Program Manager, Energy and Sustainability  
Initiatives (805)568-3514

**SUBJECT:** Amendments to emPower Funding Agreements

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence: Risk Management**

As to form: Yes

**Recommended Actions:** That the Board of Supervisors:

- A. Approve and authorize the Chair of the Board to execute the Fourth Amendment to the Agreement to Deliver the 2013-2014 County of Santa Barbara emPower Energy Efficiency Program (“emPower Funding Fourth Amendment”) between the County of Santa Barbara and Southern California Gas Company (“SoCalGas”) (Attachment A); and
- B. Approve and authorize the Chair of the Board to execute the Fourth Amendment to the Subrecipient Agreement for the County of San Luis Obispo (“SLO Fourth Amendment”) between the County of San Luis Obispo and the County of Santa Barbara (Attachment B) and the Fourth Amendment to the Subrecipient Agreement for the County of Ventura (“VC Fourth Amendment”) between the County of Ventura and the County of Santa Barbara (Attachment C); and
- C. Approve and authorize the Chair of the Board to execute the Fifth Amendment to the emPowerSBC Santa Barbara County Residential Energy Improvement Loan Program Energy Improvement Loan Loss Reserve Agreement Amended and Restated (“Fifth Amendment to 2014

LLR Agreement”) (Attachment D) between the County of Santa Barbara and CoastHills Credit Union; and

- D. Determine that the above recommended actions are not the approval of a project that is subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), finding that the project is a creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and direct staff to file a Notice of Exemption (Attachment E).

**Summary Text:**

This item is on the agenda in order to execute the emPower Funding Fourth Amendment (Attachment A) which would provide ongoing funding for the emPower Central Coast program (\$1.35 million) and extend the term of the current agreement with SoCalGas for one year to 3/31/2019.

In addition, this item allows for the execution of the SLO Fourth Amendment (Attachment B) and the VC Fourth Amendment (Attachment C) which provide pass through funding, made available through the emPower Funding Fourth Amendment, to Ventura and San Luis Obispo Counties and extends the terms of the current agreements. Pass through funding details are provided in Fiscal Analysis section below. Finally, this item would approve the Fifth Amendment to the LLR Agreement (Attachment D) to allow the existing loan loss reserve funding, currently held at CoastHills Credit Union, to continue to be used to offer low interest, unsecured financing through the emPower program.

Staff recommends approval and authorization of the recommended actions so that emPower Central Coast can continue to provide valuable program services that help lower energy use across the region, stimulate the economy and support the strategies outlined in the County’s Energy and Climate Action Plan.

**Background:**

On May 10, 2012, the California Public Utilities Commission (CPUC) mandated that the investor owned utilities (IOUs) ensure that credit enhancement financing programs previously funded under the American Recovery and Reinvestment Act (ARRA) continue operating beyond funding expiration dates. As one of only a handful of credit enhancement financing programs in the State, Santa Barbara County was offered additional funding to continue offering emPower services to homeowners in Santa Barbara County as well as expand these services into San Luis Obispo and Ventura Counties.

On June 25, 2013 the Board approved the Agreement to Deliver the 2013-2014 County of Santa Barbara emPower Energy Efficiency Program (“SoCalGas Agreement”) between the County of Santa Barbara and Southern California Gas Company (SoCalGas). The SoCalGas Agreement provided \$2.7 million in funds to continue and expand emPower’s comprehensive service portfolio to the Tri-County region through December 31, 2014, including marketing, outreach, customer service and workforce development functions. In addition, the SoCalGas Agreement provided up to \$1 million in loan loss reserve credit enhancement funds to support eligible loans in the Tri-County region through December 31, 2014.

Subsequently, on March 18, 2014, the Board approved subrecipient agreements with San Luis Obispo and Ventura Counties to provide a portion of the funds from the SoCalGas Agreement to expand emPower program activities into those counties. Finally, on April 22, 2014, the Board approved the emPowerSBC Santa Barbara County Residential Energy Improvement Loan Program Energy Improvement Loan Loss Reserve Agreement Amended and Restated (“2014 LLR Agreement”) and the emPowerSBC Santa Barbara County Residential Energy Improvement Loan Program Amended and Restated Program Agreement (“2014 Program Agreement”) establishing up to an additional \$1 million in loan loss reserve credit enhancement funds through the SoCalGas Agreement. These actions allowed emPower to offer its services and financing product throughout the Tri-County region through December 31, 2014.

Subsequently, the Board has approved emPower Funding Amendments to the SoCalGas Agreement and Amendments to the Subrecipient Agreements with San Luis Obispo County, Ventura County, and Amendments to the 2014 LLR Agreement with CoastHills Credit Union in 2014, 2015, and 2016 that have allowed emPower to continue providing services throughout the Tri-County region through December 31, 2017.

**Risk Assessment:**

While SoCalGas has agreed to extend the funding contract through December 31, 2018, it should be noted that Southern California Edison (SCE) has requested approval to reduce its portion of emPower funding in their 2018 CPUC budget filing. In the same budget filing SCE indicated that they do not plan to provide any funding to emPower after 2019. SCE currently provides a majority of the funding received by Santa Barbara County from the Investor Owned Utilities (IOUs). If SCE’s requests are approved it could have significant impacts on staffing and services provided by emPower.

**Fiscal and Facilities Impacts:**

The emPower Funding Fourth Amendment provides an additional \$1.35 million in program delivery funding for emPower through December 31, 2018. The SLO Fourth Amendment passes through an additional authorized budget of \$204,522 through December 31, 2018, and the VC Fourth Amendment passes through an additional authorized budget of \$179,308 through December 31, 2018. The additional funding offered in the SLO Fourth Amendment and the VC Fourth Amendment is based on annualized amounts of the authorized budgets in the SLO Subrecipient Agreement and Ventura Subrecipient Agreement, respectively. Payments will continue to be made to Ventura and San Luis Obispo Counties only after Santa Barbara County has received payment from SoCalGas.

<b><u>Funding Sources</u></b>	<b><u>FY 17-18 Adopted Budget</u></b>
General Fund	\$0
DOE	\$280,000
CEC/ LA County	\$200,000
PUC/SCG	\$1,650,000
<b>Total</b>	<b>\$2,130,000</b>

**Staffing Impacts:**

Unless there are mid-year cuts, as referenced in the Risk Assessment, to the SoCalGas Agreement, as amended, there are no anticipated staffing impacts. If there are mid-year cuts, up to four FTE that are currently supported primarily by funds provided under this contract may be affected. It is anticipated that other existing contracts will allow the Energy and Sustainability Initiatives (ESI) Division, which oversees the emPower program, to retain staffing levels for at least one more year.

**Special Instructions:** Please send four copies of the signed Amendments and minute order to Roc Lowry. Original copies with all signature will be returned to the Clerk of the Board upon execution.

**Attachments:**

Attachment A: Fourth Amendment to the Agreement to Deliver the 2013-2014 County of Santa Barbara emPower Energy Efficiency Program

Attachment B: Fourth Amendment to the Subrecipient Agreement for the County of San Luis Obispo

Attachment C: Fourth Amendment to the Subrecipient Agreement for the County of Ventura

Attachment D: Fifth Amendment to the emPowerSBC Santa Barbara County Residential Energy Improvement Loan Program Energy Improvement Loan Loss Reserve Agreement Amended and Restated

Attachment E: CEQA Notice of Exemption

**Authored by:**

Ashley Watkins, Program Manager, Energy and Sustainability Initiatives

Roc Lowry, Contract and Fiscal Lead, Energy and Sustainability Initiatives