



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: March 18, 2014
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Herman Parker, Community Services Director (805) 568-2467
Director(s)
Contact Info: Angela Hacker, emPowerSBC Program Manager (805) 568-3515

SUBJECT: emPower Agreements with Ventura County and San Luis Obispo County

County Counsel Concurrence

As to form: Yes

Other Concurrence:

As to form: Risk Management

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A. Approve and authorize the Chair of the Board to execute the emPower Agreements between the County of Santa Barbara and County of Ventura for Southern California Gas Company Pass-through Funding (“Ventura PUC Agreement”) (Attachment A) and for California Energy Commission Pass-through Funding (“Ventura CEC Agreement”) (Attachment B);
- B. Approve and authorize the Chair of the Board to execute the emPower Agreements between the County of Santa Barbara and County of San Luis Obispo for Southern California Gas Company Pass-through Funding (“SLO PUC Agreement”) (Attachment C) and for California Energy Commission Pass-through Funding (“SLO CEC Agreement”) (Attachment D);
- C. Subject to concurrence by the Auditor-Controller, County Counsel, and Risk Management, authorize the County Executive Officer or designee to execute all follow on approvals required by the emPower Agreements;
- D. Authorize the County’s Community Services Department Director to approve subsequent line item budget changes to Exhibit B, Budget, of the emPower Agreements as long as the total contract amount of the emPower Agreements is not increased; and

- E. Determine that the approval and execution of the emPower Agreements are not the approvals of projects that are subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), finding that the Agreements are the 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:

emPower is Santa Barbara County's voluntary building efficiency program, launched in November 2011. Using market-based solutions, emPower is designed to stimulate the local economy and reduce energy consumption by helping private property owners complete energy efficiency improvements. As directed by the Board on September 4, 2012, staff identified two additional funding opportunities to sustain and enhance the program beyond current funding expiration as well as expand the emPower model into Ventura and San Luis Obispo Counties. On June 25, 2013, the Board authorized agreements between the County of Santa Barbara and the Southern California Gas Company ("SoCalGas") and between the County of Santa Barbara and the County of Los Angeles, including funds to expand emPower program delivery activities by counterpart agencies in Ventura and San Luis Obispo Counties. The emPower agreements with San Luis Obispo and Ventura Counties provide for the reimbursement of allowable costs related to emPower program delivery in Ventura and San Luis Obispo Counties through the applicable funding periods.

Background: *

On June 25, 2013, the Board approved two contracts with SoCalGas and the County of Los Angeles totaling \$5.25 million to continue the emPower program and expand the service model to the Tri-County region. The funding for these two contracts was provided by the California Energy Commission (CEC) through Los Angeles County (\$1.55 million through March 31, 2017) and the Public Utilities Commission (PUC) through Southern California Gas Company (\$3.7 million through March 31, 2015 unless extended) in alignment with the State's goal of lowering energy use in residential buildings. These two funding contracts make available funding to support the expansion of existing emPower services, including the financing program offered through third party lenders, to Ventura and San Luis Obispo Counties, and funding to Ventura and San Luis Obispo Counties to support certain program delivery activities.

On June 25, 2013, Staff presented to the Board an implementation plan, which explained how the two new funding sources would be used to build upon the emPower model in Santa Barbara County by expanding services into San Luis Obispo and Ventura Counties. The Tri-County model is intended to maximize current programmatic and marketing infrastructure (e.g., financing agreements, workflows, branding, advertising, etc.), while minimizing administrative redundancies. The plan was designed to attract more program participation both from regional building professionals as well as approximately 135,000 owners of single family, owner-occupied homes over 25 years old throughout the Tri-County. A quadrupled target market is expected to help emPower generate greater local desired outcomes related to traditional energy consumption and job creation.

This implementation plan resulted from close coordination with San Luis Obispo and Ventura Counties staff to ensure necessary Tri-County program delivery costs would be covered through the funding periods. Accordingly, Santa Barbara County emPower staff will centrally administer and oversee program operations and expansion, while funding for Ventura and San Luis Obispo Counties will support specific and limited staffing and operating costs associated with local program delivery, including outreach, contractor recruitment and customer service.

Staff recommends the approval of the four emPower Agreements, two for San Luis Obispo County, and two for Ventura County, which outline funding and operational compliance requirements. Associated budgets by spending categories and funding source are summarized in the table below and further described within the scope of work and budget in each emPower Agreement (Attachments A, B, C and D).

Funding Sources	Ventura County	SLO County*	Total Pass Through
PUC Subrecipient Agreement: Eligible Spending			
Administration	\$ 37,362	\$ 37,508	\$ 74,870
Workforce Education and Training	\$ 75,123	\$ 126,320	\$ 201,443
Marketing Education and Outreach	\$ 293,327	\$ 292,560	\$ 585,887
Loan Loss Reserve Credit Enhancement Implementation	\$ 22,805	\$ 22,655	\$ 45,460
Total PUC Agreement Pass Through	\$ 428,617	\$ 479,043	\$ 907,660
CEC Subrecipient Agreement: Eligible Spending			
Administration	\$ 90,000	\$ 90,000	\$ 180,000
Marketing	\$ 10,000	\$ 10,000	\$ 20,000
Total CEC Agreement Pass Through	\$ 100,000	\$ 100,000	\$ 200,000
Total Pass Through	\$ 528,617	\$ 579,043	\$ 1,107,660

** The funding provided to San Luis Obispo County is greater because it has an existing relationship with a building professional training provider. Santa Barbara County will centrally administer building professional trainings for both Santa Barbara County and Ventura County through its existing provider.*

Risk Assessment:

After the County of Santa Barbara receives payments from the funding sources, the County of Santa Barbara will reimburse Ventura and San Luis Obispo Counties for allowable costs that are eligible under the emPower Agreements and documented in a manner that is acceptable to the County and funding sources. emPower staff will continually assess the performance of each jurisdiction to determine if services are adequately provided.

Fiscal and Facilities Impacts:

A budget revision to align the total annual budget for the emPower program occurred on November 12, 2013.

Fiscal Analysis:

The emPowerSBC program is currently externally funded by contracts from the United States Department of Energy, the PUC via Southern California Gas Company and the CEC via Los Angeles

County. The County’s executed agreements with SoCalGas and Los Angeles County include funding for pass through to the Counties of Ventura and San Luis Obispo to support expanded emPower services as outlined in this Board Agenda Letter.

<u>Funding Sources</u>	<u>Current FY Cost</u>	<u>Annualized On-Going Cost</u>	<u>Total One-Time Project Cost</u>
General Fund	0	0	0
State: CEC	0	0	200,000
Federal	0	0	0
Fees	0	0	0
Other: PUC	0	0	907,660
Total	\$ 0	\$ 0	\$ 1,107,660

Special Instructions:

Please send three copies of the signed emPower Agreements and minute order to Angela Hacker.

Attachments:

- Attachment A: Ventura PUC Agreement
- Attachment B: Ventura CEC Agreement
- Attachment C: SLO PUC Agreement
- Attachment D: SLO CEC Agreement
- Attachment E: CEQA Notice of Exemption.

Authored by:

Sherman Hansen, Grants and Fiscal Lead emPowerSBC