



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 21, 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 Services Supervisor  
(805) 568-3514

**SUBJECT:** Amendment to emPower funding Agreements

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**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:**

As to form: Yes

**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 First Amendment to the California Energy Commission Sub-Recipient Agreement between the County of Los Angeles and Santa Barbara County (First Amendment to the CEC Agreement) (Attachment 1); and
- b) Approve and authorize the Chair of the Board to execute the First Amendment to the emPower Agreement between County of Santa Barbara and County of Ventura (Ventura CEC First Amendment) (Attachment 2) and the First Amendment to the emPower Agreement between County of Santa Barbara and County of San Luis Obispo (SLO CEC First Amendment) (Attachment 3); and
- c) 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 4)

**Summary Text:**

This item is on the agenda in order to execute the First Amendment to the CEC Agreement (Attachment 1) which would provide ongoing funding to support the County's emPower Central Coast (emPower) program. The First Amendment to the CEC Agreement extends the term of the agreement until April 30, 2030 and expands the existing scope of work to include additional activities and market sectors. In addition, this item also allows for the execution of the Ventura CEC First Amendment (Attachment 2) and the SLO CEC First Amendment (Attachment 3), which provide pass through funding made available by the First Amendment to the CEC Agreement to San Luis Obispo and Ventura Counties to conduct emPower program delivery in Ventura and San Luis Obispo Counties. The amendments do not provide additional funds but allow for the retention of the funds remaining from the original \$1.55 million allocation from the CEC, of which \$1.27 million remains. If funds are retained, staff would continue to recognize revenues and expenditures accordingly. Staff recommends authorizing execution of the First Amendment to the CEC Agreement, the Ventura CEC First Amendment and the SLO CEC First Amendment, so that emPower can continue to conduct activities that support the strategies outlined in the CEC's Existing Buildings Energy Efficiency Action Plan and the County's Energy and Climate Action Plan (ECAP), which anticipates that approximately 35% of its emissions reductions would come from energy efficiency.

**Background:** On June 25, 2013, the Board approved the California Energy Commission Sub-Recipient Agreement between the County of Los Angeles and Santa Barbara County (\$1.55 million through March 31, 2017), which provided funds to support the emPower program, expand the service model to San Luis Obispo and Ventura Counties, and provide pass through funding to San Luis Obispo and Ventura Counties to conduct emPower program delivery in their territories. To date, funds have primarily been used towards activities not covered under emPower's funding agreement with Southern California Gas Company (SoCalGas) such as providing a loan loss reserve for projects that include solar.

In March 2015, the CEC released the California Existing Buildings Energy Efficiency Action Plan (CEC Action Plan) as required by AB 758. The plan provides a 10-year roadmap to transform California's existing residential, commercial and public building stock into high performing and energy efficient buildings. Some of the strategies highlighted in the Plan include: 1) Non-residential Energy Benchmarking and Disclosure 2) Plug Load Efficiency 3) Local Government Leadership 4) Innovative Financing and Incentive Options and; 5) Strategic Energy Planning

Subsequently, the CEC gave existing grant holders the opportunity to reprogram some of their funding to support the goals and strategies outlined in the CEC Action Plan. In order to retain funding and enhance the ability to support the County's ECAP objectives, emPower expanded its existing scope with direction from CEC staff to include the following:

**Innovative Financing and Incentive Options**

Continue to administer and promote the emPower program while seeking other opportunities to expand the number of participating lenders, types of financing offered, and types of sectors and markets served (e.g., multi-family, nonresidential). The revised scope will also allow for an interest rate buy down for the emPower loan product in Ventura and San Luis Obispo County to match the interest rate buy down to 3.9% that is currently available in Santa Barbara County.

**Strategic Energy Planning, Targeted Customer Outreach & Placement**

Gain an understanding of where and how energy is being used in all sectors and utilize this information to conduct targeted outreach with customized strategies and facilitate the completion of energy and water projects by referring these customers to appropriate service providers.

**Lighting, Plug-in load and DIY Assistance**

Expand existing emPower residential offerings to include behavioral, incentive and financing programs to address the significant savings potential obtainable through lighting, plug load and do-it-yourself (DIY) improvements for consumers in all sectors.

**Voluntary Auditing, Benchmarking and Technical Assistance**

Provide subsidized technical assistance (including auditing and benchmarking) to consumers in all sectors, including multi-family and small/medium businesses.

**Fiscal and Facilities Impacts:**

The amendments do not provide additional funds but allow for the retention of the funds remaining from the original \$1.55 million allocation from the CEC, of which \$1.27 million remains. Funds were not previously fully expended as other funding from SoCalGas was available for similar activities. If funds are retained, staff would continue to recognize revenues and expenditures accordingly.

**Fiscal Analysis:**

Budgeted: Yes

Not approving the amendments would likely have a negative impact on the emPower program and possibly also affect implementation of energy efficiency goals outlined in the County's ECAP. These amendments are required to retain CEC funding for emPower which would otherwise expire in March 2017. In addition, SoCalGas funds for emPower may also not be available after December 2017.

**Staffing Impacts:**

Staffing levels will remain the same. Funding would assist with retention of existing staff given uncertainty of SoCalGas funding after 2017.

**Special Instructions:**

Please send two copies of the signed First Amendment to CEC Agreement, the SLO CEC First Amendment and Ventura CEC First Amendment and minute orders to Ashley Watkins.

**Attachments:**

- Attachment 1: First Amendment to the CEC Agreement
- Attachment 2: Ventura CEC First Amendment
- Attachment 3: SLO CEC First Amendment
- Attachment 4: CEQA Exemption

**Authored by:**

George Chapjian, Community Services Director

Ashley Watkins, Program Services Supervisor, Energy and Sustainability Initiatives