



Proposed Municipal Energy Finance Program

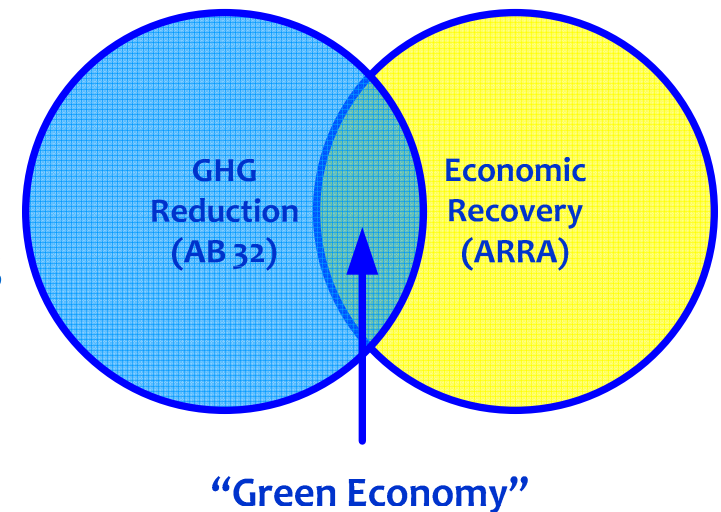
Santa Barbara County
Board of Supervisors
December 1, 2009



AB 811 Recap

- Voluntary contractual assessments to lower the upfront cost of:
 - Energy efficiency retrofits
 - Renewable energy installations
 - Water conservation improvements
- Paid on property tax bill; up to a twenty year term
- Assessment “runs with the property”

Desired Outcomes of AB 811



Examples of Typical Improvements

Solar PV or other renewable technologies

Low flow showerheads

Irrigation systems

Pool pumps

Tankless or solar thermal water heater

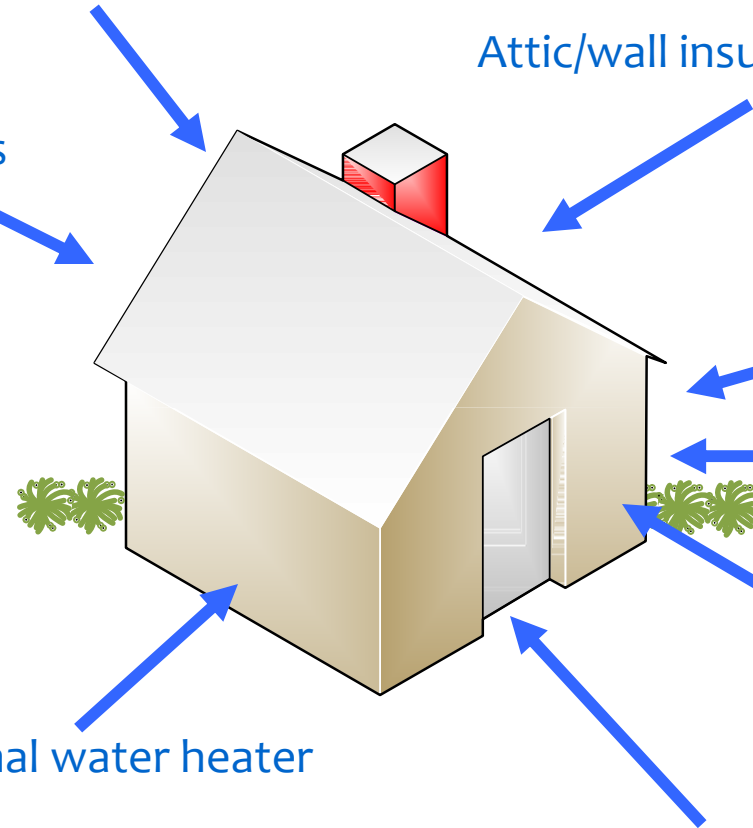
Attic/wall insulation or radiant barriers

Duct Repair

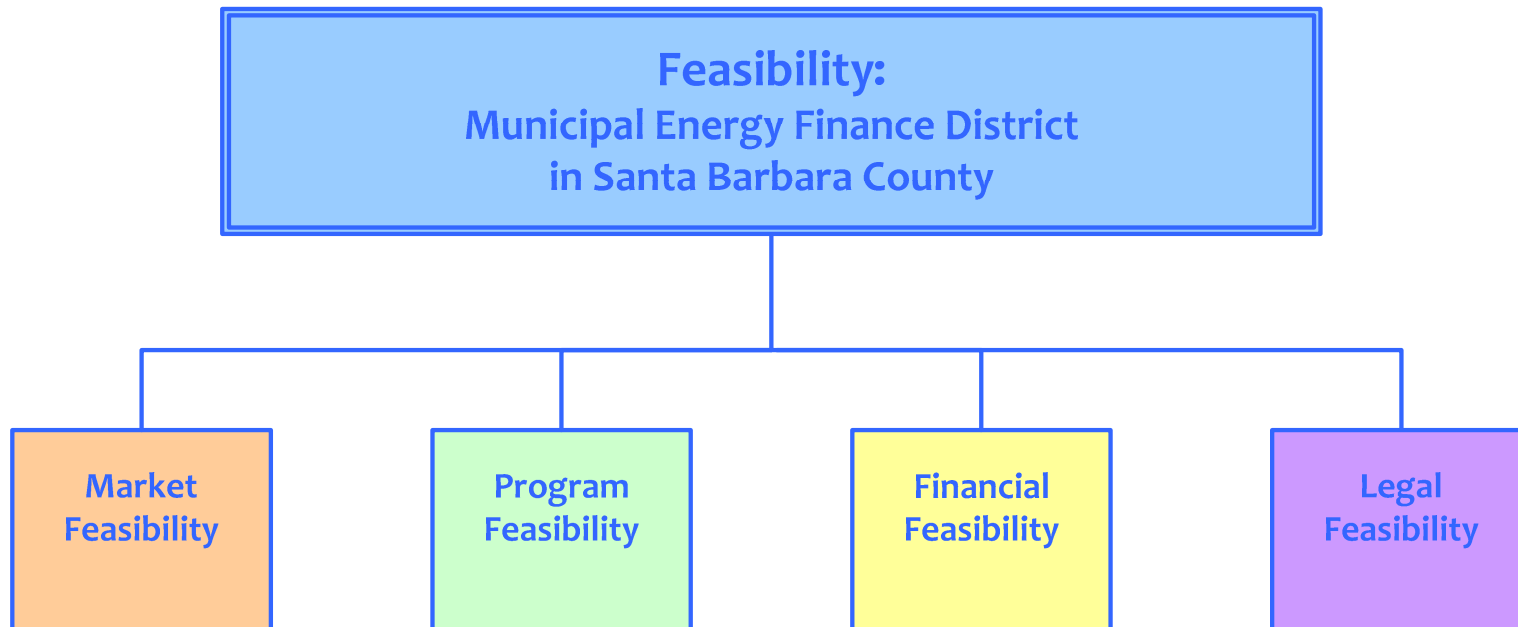
Lighting controls

HVAC systems

Door or window replacements or sealings



County Efforts: Regional Program Analysis



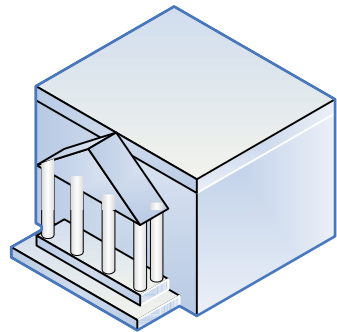
The program is feasible.



How it Works

Financing Plan

Internal debt target
= \$25M



Start-up & Interim Financing:
County General Fund and
County Treasurer Pool



Long Term Financing:
i.e. Bond Market, Private Placement

Issue Debt

Temporary Advance
Repayment

Board of Supervisors

Debt Advisory
Committee
Interest Rate Recommendation

County Executive
Office

Program Administrator
County Housing & Community
Development

Proposed
Central Coast Energy
Independence Program
(CCEIP)

Storefront
Manager

Administrative/
Accounting Aid

Customer
Service/Finance
Specialist

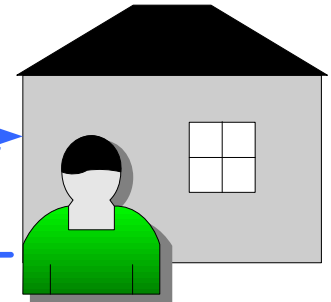
Customer
Service/Finance
Specialist

Program Scope

400/year = \$12M
4,400 by 2020 = \$131M

Contractual Assessments
Through Auditor-Controller

Pay Through Property
Taxes Over 20 Years

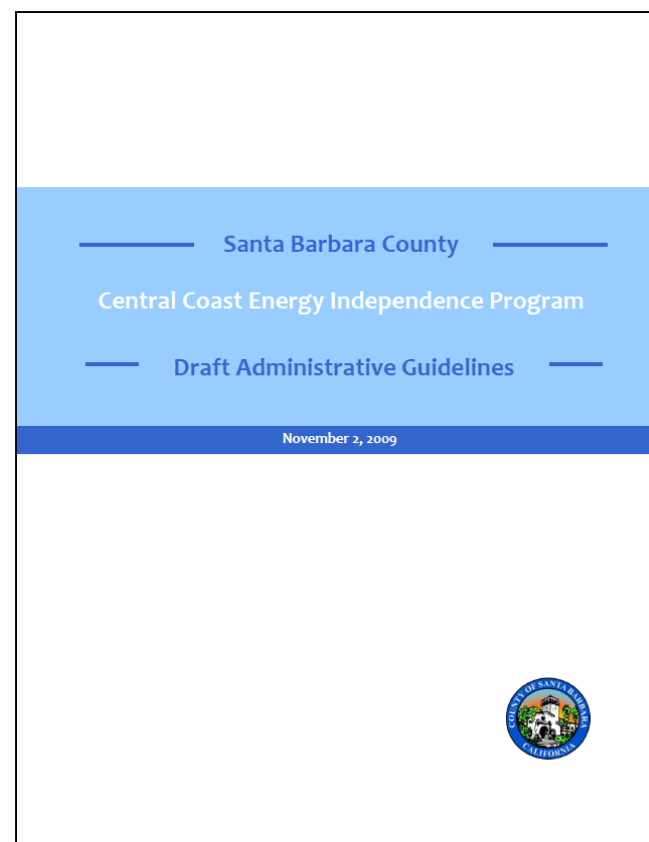


Property Owner



Program Highlights

- State and federal “loading order” requirements are addressed
- Participant qualification process mitigates risk and protects customers
- Quality assurance measures help verify and maximize GHG emission reductions
- Innovation is supported through a “custom measures” track



Co-benefits of Municipal Energy Financing

- Property Owners

Equity enhancement, energy/ water savings, building comfort

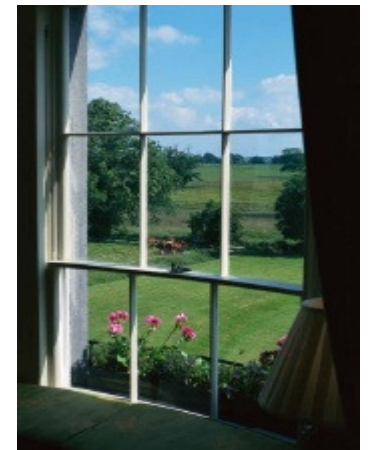
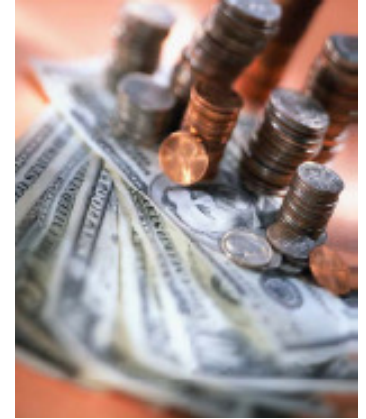
- Social/Environmental

Community renewal, GHG emission reduction, public health

- Economic

Forecasted economic impact by 2020:

- Region: **\$200** million in economic output; **900** new jobs
- Nation: **\$345** million in economic output; **1,820** new jobs



Community Interest in County Program

- Cities
- Non-profits
- Construction and building trades
- Utilities
- Workforce Investment Board



Next Steps

- **Dec – Jan 2010:** Apply for ARRA grants
- **Jan 12, 2010:** Return to Board for “resolution of intention”
- **Jan – Feb 2010:** Cities to adopt the “resolution of intention”
- **Feb – Apr 2010:** Program adoption and Agreements with Cities
- **Apr 2010:** Open for business



Recommendations

- Receive and accept a feasibility study and draft program administrative guidelines on the concept of developing a municipal energy finance program (Attachments 1 and 2)
- Adopt and execute a Resolution In the Matter of Using Energy Efficiency and Conservation Block Grant Funds to Establish a Municipal Energy Finance Program (Attachment 3), and direct staff to seek additional opportunities to offset costs
- Direct staff to begin formal program implementation:
 - Seek program participation commitments from cities within Santa Barbara County
 - Return to the Board by January 12, 2010 to adopt a “resolution of intention” to form a municipal energy finance program tentatively called the Central Coast Energy Independence Program (CCEIP), and again at a later date for program adoption



Recommendations (continued)

- Approve and authorize the Chair to execute an Agreement for Professional Legal Services with Bond Counsel Jones Hall, A Professional Law Corporation, for the period of December 1, 2009 through November 30, 2014, in an amount not to exceed \$117,500, (Attachment 5), and authorize County Counsel to use Bond Counsel to initiate a judicial validation action, if needed
- Authorize up to \$1 million as an advance receivable from the General Fund for program start-up and administration expenses, which is expected to be reimbursed over time by ARRA grants and program proceeds.

