File No. 121041

Committee Item No. 3
Board Item No. _____

# COMMITTEE/BOARD OF SUPERVISORS

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**Committee:** Budget and Finance Committee **Date** 10/31/2012

**Board of Supervisors Meeting** **Date** _____

| Cmte | Board | |
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| ☒ | ☐ | Resolution |
| ☐ | ☐ | Ordinance |
| ☐ | ☐ | Legislative Digest |
| ☐ | ☐ | Budget and Legislative Analyst Report |
| ☐ | ☐ | Legislative Analyst Report |
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| ☐ | ☐ | Introduction Form (for hearings) |
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| ☒ | ☐ | Grant Information Form |
| ☒ | ☐ | Grant Budget |
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OTHER (Use back side if additional space is needed)

| | | |
|---|---|---|
| ☐ | ☐ | |
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**Completed by:** Victor Young **Date** October 25, 2012
**Completed by:** Victor Young **Date** _____

[Accept and Expend Grant - Energy Efficiency Program - $2,977,000]

**Resolution retroactively authorizing the Department of the Environment to accept and expend a grant in the amount of $2,977,000 from the California Public Utilities Commission, through Pacific Gas and Electric Company, to continue an energy use and demand reduction through Energy Efficiency Program in the City and County of San Francisco for the period of October 15, 2012, through December 31, 2012.**

WHEREAS, The California Public Utilities Commission ("the CPUC"); requires the Investor-Owned Utilities (IOUs) to use ratepayer dollars to fund and administer a portfolio of programs that enhance system reliability and provide in-state benefits, including cost-effective energy efficiency; and

WHEREAS, The City, through the Department of the Environment, and the Pacific Gas and Electric Company ("PG&E"), the IOU serving the City, have, since 2003, entered into a series of contracts and contract modifications to conduct energy efficiency programs in the City using funds allocated for this purpose by the CPUC through PG&E; and

WHEREAS, The CPUC, at its regular meeting of September 24, 2009 made an initial award of $12,000,000 of Public Goods Charge revenues to fund the partnership program between PG&E and the City for additional energy efficiency programs; and

WHEREAS, The Department of the Environment negotiated a new revenue contract with PG&E ("the Contract") for $11,400,000 beginning in 2010; and

WHEREAS, In 2010, PG&E awarded an additional $455,000 to the Department of the Environment which was approved through the AAO process; and

WHEREAS, In early 2012, PG&E awarded an additional $2,400,000 to the Department of the Environment which was approved through the A&E process; and

WHEREAS, The Energy Watch program since 2010 has provided technical services and $8,476,000 in incentives to upgrade over 2,600 business and multifamily buildings in San Francisco, reducing energy bills by more than $9,876,700 per year; and

WHEREAS, The Department of the Environment and PG&E have agreed to increase the program goals and incentive funds; and

WHEREAS, The Department of the Environment and PG&E have negotiated an addition to the contract of $2,977,000, all of which will be spent on incentives to offset the cost of energy efficient improvements in San Francisco businesses and multifamily buildings; and

WHEREAS, The budget for this additional funding does not include indirect costs; and

WHEREAS, PG&E may consider adding additional funds in the future to the contract based on the availability of funds; and

WHEREAS, The term of the grant is from October 15, 2012, to December 31, 2012; and

WHEREAS, The contract does not require an Annual Salary Ordinance amendment and partially reimburses the Department of the Environment for 10 existing positions; now, therefore, be it

RESOLVED, That pursuant to Administrative Code section 10.170-1, the Board of Supervisors retroactively authorizes the Department of the Environment to accept and expend a grant in the amount of up to $2,977,000 from CPUC, through the PG&E Company, to continue the Energy Efficiency Program in the City and County of San Francisco.

RECOMMENDED:

Department of the Environment

APPROVED:

Office of the Mayor

Office of the Controller

**TO:** **Angela Calvillo, Clerk of the Board of Supervisors**

**FROM:** **The Department of the Environment**

**DATE:** **October 12, 2012**

**SUBJECT:** **Accept and Expend Resolution State Grant**

**GRANT TITLE:** **PG&E Energy Upgrade California**

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Attached please find the original and 4 copies of each of the following:

_X_ Proposed grant resolution; original signed by Department, Mayor, Controller

_X_ Grant information form, including disability checklist

_X_ Grant budget

_X_ Grant application

_X_ Grant award letter from funding agency

_ _ Other (Explain):

**Special Timeline Requirements:**

**Departmental representative to receive a copy of the adopted resolution:**

Name: Rachel Buerkle Phone:415-355-3704

Interoffice Mail Address:

Certified copy required Yes ☐ No X

(Note: certified copies have the seal of the City/County affixed and are occasionally required by funding agencies. In most cases ordinary copies without the seal are sufficient).

**File Number:** _____ 220162 / EVPGEB-10
(Provided by Clerk of Board of Supervisors)

**Grant Resolution Information Form**
(Effective July 2011)

Purpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and expend grant funds.

The following describes the grant referred to in the accompanying resolution:

1. Grant Title: PG& E Energy Efficiency Program

2. Department: Department of the Environment

3. Contact Person: Rachel Buerkle Telephone: 415-355-3704

4. Grant Approval Status (check one):

[X ] Approved by funding agency [ ] Not yet approved

5. Amount of Grant Funding Approved or Applied for: $2,977,000

6a. Matching Funds Required: $ None
b. Source(s) of matching funds (if applicable):

7a. Grant Source Agency: CA Public Utilities Commission

b. Grant Pass-Through Agency (if applicable): ): Pacific Gas & Electric

8. Proposed Grant Project Summary: This is continuing funding for energy efficiency programs which provide technical services and incentives to upgrade businesses and multifamily buildings in San Francisco thus reducing energy use and greenhouse gas emissions.

9. Grant Project Schedule, as allowed in approval documents, or as proposed:

Start-Date: October 15, 2012 End-Date: December 31, 2012

10a. Amount budgeted for contractual services: $2,977,000
b. Will contractual services be put out to bid? No, will be an increase to current contract.
c. If so, will contract services help to further the goals of the Department's Local Business Enterprise (LBE) requirements? No, contract includes ARRA funding. All of the increased funding is for incentives to program participants; none will be used for contractor services.

d. Is this likely to be a one-time or ongoing request for contracting out? On-going

11a. Does the budget include indirect costs? [ ] Yes [X ] No

b1. If yes, how much? N/A
b2. How was the amount calculated? N/A

c1. If no, why are indirect costs not included?
[X ] Not allowed by granting agency [ ] To maximize use of grant funds on direct services

[ ] Other (please explain): Original contract included indirect of $192,500. Increased funds are only for incentives to program participants.

c2. If no indirect costs are included, what would have been the indirect costs? -0-. Indirect is based on salary costs, and this funding is for incentive payments only.

12. Any other significant grant requirements or comments:

****Disability Access Checklist***(Department must forward a copy of all completed Grant Information Forms to the Mayor's Office of Disability)**

13. This Grant is intended for activities at (check all that apply):

[ X] Existing Site(s)
[ ] Rehabilitated Site(s)
[ ] New Site(s)

[ X] Existing Structure(s)
[ ] Rehabilitated Structure(s)
[ ] New Structure(s)

[X ] Existing Program(s) or Service(s)
[ ] New Program(s) or Service(s)

14. The Departmental ADA Coordinator or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local disability rights laws and regulations and will allow the full inclusion of persons with disabilities. These requirements include, but are not limited to:

1. Having staff trained in how to provide reasonable modifications in policies, practices and procedures;
2. Having auxiliary aids and services available in a timely manner in order to ensure communication access;
3. Ensuring that any service areas and related facilities open to the public are architecturally accessible and have been inspected and approved by the DPW Access Compliance Officer or the Mayor's Office on Disability Compliance Officers.

If such access would be technically infeasible, this is described in the comments section below:

Comments:

Departmental ADA Coordinator or Mayor's Office of Disability Reviewer:

Claudia Molina, Departmental ADA Coordinator, Payroll Personnel Clerk

Date Reviewed: 10/12/12

Claudia Molina
(Signature Required)

**Department Head or Designee Approval of Grant Information Form:**

Melanie Nutter, Director, Department of the Environment

Date Reviewed: 10/12/12

(Signature Required)

| Department of the Environment-City and County of San Francisco (SFE) | | | |
|---|---|---|---|
| Accept and Expend Grant Funds from PG&E | | | |
| | | | PG&E |
| **Personnel** | | | |
| **Contracts** | ICF | Program Implementation, Incentives to participants | $ 2,977,000 |
| | | | |
| | | **Sub-Total Contract/ Grant** | **$ 2,977,000** |
| **Indirect** | | | |
| **Grand Total** | | | **$ 2,977,000** |

Pacific Gas and Electric Company®

*Mailing Address:*
Mail Code N6G
Pacific Gas and Electric Company
P. O. Box 770000
San Francisco, CA 94177-0001

*Overnight Mail:*
Mail Code N6G
Pacific Gas and Electric Company
245 Market Street
San Francisco, CA 94105-1702

October 11, 2012

City and County of San Francisco
Department of Environment
Melanie Nutter
11 Grove Street
San Francisco, CA 94102

RE: San Francisco Energy Watch Incentive Budget Increase for 2010-2012 Program Cycle

Dear Ms. Nutter,

Pacific Gas and Electric Company (PG&E) intends to provide the San Francisco Department of Environment (SFDoE) up to **$2,977,000** in additional incentive funding to continue to implement the San Francisco Energy Watch (SFEW) Local Government Partnership Program through the end of 2012. SFDoE has maximized its current budget of $17.12 million.

This additional incentive funding will only be used for energy efficiency projects with small business, commercial and multifamily customers that are identified on the SFEW Project Status List provided to PG&E by SFDoE on 9/24/12. This Project Status List includes active applications submitted to SFDoE for projects scheduled to be completed this year. These projects will be closely monitored and managed with sufficient controls put in place to ensure the program stays within the new expanded budget.

Sincerely,

Larry Goldstein
Director, Channel Engagement
Pacific Gas and Electric Company

cc:

Ann Kelly, Program Manager, San Francisco Department of the Environment
Environment Commission, San Francisco Department of the Environment
Office of the Mayor, City and County of San Francisco