

City Of San Diego
EECBG Ad-Hoc Committee Meeting
City Administration Building
12th Floor, Council Committee Room
Monday, August 10th, 2009
8:30 a.m. – 12:10 p.m.

MEETING SUMMARY

Committee Attendees

Donna Frye
Dave Jarrell
Scott Anders
Landry Watson
Jeanne Fricot
Ed Smith, Jr.
Risa Baron
Gregory Stevens
Lisa Briggs
Scott Maloni

Absent

Paul Hannam
Bill Powers
Micah Mitrosky

City Speakers

Tom Blair
Bill Monsen
Ray Palmucci
Erik Caldwell
Hildred Pepper

Public Speakers

Crickett Bradburn
Amy Colony
Rory Ruppert
Nicole Capretz
Jane Howell
Ron Pitt
Dillon Miner
Linda Flournoy
Spencer Rosen
Erica Johnson

Item No. 1 – Introductions

Donna Frye called the meeting to order at 8:45 a.m. and gave each committee member the opportunity to introduce themselves briefly, stating their name and some background information.

Item No. 2 – Non-Agenda Public Comment

Ms. Bradburn talked about our impact as a society on the environment and how important it is that we take care of the people as well.

Ms. Colony, on behalf of North Park Main Street spoke about a plan that included audits for historic buildings, education, and a revolving loan fund for North Park.

Ms. Ruppert, the program director for the Balboa Park Cultural Partnership, provided the committee with more information regarding their proposals which included educating staff, volunteers, and visitors.

Ms. Capretz, with the Environmental Health Coalition, brought up AB-811 and \$96 million that the state is making available through competition later in the year. Ms. Capretz wants to make sure that the projects ultimately selected are in line with the criteria for funding from the state in order to maximize leverage. Ms. Capretz also wants some members of the EECBG Ad-Hoc Committee to participate in the RFP process, so that the intentions of the committee could be represented.

Ms. Howell, with the Urban Corps of San Diego County, gave the committee information about her organization and proposal which targets and hires at-risk youth and would train them to develop green skill sets while providing improvements to energy efficiency, homes and landscaping.

Item No. 4 – Committee Comment

Item No. 5 – Discussion of the Project Scoring Process, Outcomes, Rankings and Recommendations

Mr. Maloni asked for City Staff's response to the \$96 million dollars previously mentioned by Ms. Capretz.

Mr. Caldwell responded with information regarding an AB-811 program in San Diego that began an RFP process in July. He mentioned the possibility and the desire to incorporate stimulus money from the federal government as well as the state and in reference to the \$96 million dollars reminded everyone that it is competitive, and not guaranteed, but an AB-811 program would increase the City's chances.

The committee asked if there is a relationship between AB-811 and the EECBG program. It was explained that there is no direct ties between the programs but that AB-811 is a tool to finance renewable energy.

Ms. Frye asked the City Attorney, Ray Palmucci, about the RFP process, particularly how changes to the request are handled and whether or not it requires a new RFP.

Mr. Palmucci explained that new guidance for the RFP's go out to those that bid on the RFP originally and that a new FP is not necessary.

Mr. Caldwell brought up the proposed City project for a Home Energy Retrofits pilot program that would be a test to see how AB-811 could interface with other programs.

Mr. Rosen provided information to the council regarding SEP guidelines and suggested leveraging funds from the Neighborhood Stabilization program as well as the EECBG to try to get some

of the \$96 million available. He also provided the 3 goals of the program which were: commercial and municipal energy retrofits, AB-811, and home energy retrofits.

Mr. Blair provided further information regarding the conference held by the California Energy Commission at Ridgehaven, and explained that the state would be requiring matching funds in order to compete for the \$96 million.

Mr. Pitt, CEO of EcoDog Inc., wanted to discuss the scoring process used to judge the project concepts. Particularly, Mr. Pitt was wondering where the future success of a new clean tech company in San Diego fit into the equation. Stating that their benefit estimates, such as jobs created were conservative and EECBG money could springboard the company and lead towards more jobs down the road.

Ms. Frye asked Mr. Palmucci to explain the RFP process and how it is separate from the Ad-Hoc committee.

Mr. Palmucci reiterated that the committee would be submitting its suggestions to the City Council which would ultimately decide the types of projects to get funding, and how much funding they would receive. The projects would then go to RFP, where the initial proposer along with any other registered city vendor could make a proposal to complete the project or administer the program.

Mr. Monsen began to discuss the spreadsheet he created that averaged and summarized the scoring done by the committee members as well as the process used to develop the spreadsheet. First, the committee was provided with copies of the project concepts along with a spreadsheet that had summaries and a scoring grid and calculator to fill out their scores for the respective projects. Mr. Monsen then averaged the scores for each project and ordered the projects based on average overall score.

Mr. Anders suggested talking about the task ahead and what the committee wanted to accomplish. Some of Mr. Anders' questions for the committee included:

How much funding to city versus non-city projects?

Do we want to fund energy efficiency and/or solar projects?

How much money should go to each project concept?

How are we going to handle the \$2.5 million cap on non-profits?

Mr. Anders' goal was to come out of the meeting with a list of concepts, viable to go forward, and dollar amounts attached to each concept.

Ms. Briggs stated that energy efficiency and solar go hand in hand and cannot be looked at as an either/or situation.

Ms. Baron stated that any solar projects needed to have energy efficiency integrated.

Mr. Watson agreed, stating that energy efficiency was a prerequisite, but that you can not get to net-zero without a renewable source of energy and that is the ultimate goal.

Mr. Blair said how the city has always done a mix of energy efficiency and renewable energy, looking at the whole project to be the most cost-effective. Mr. Blair also mentioned the cost-effectiveness of residential energy retrofits when prevailing wages have to be paid. He also brought up the fact that the government had scrapped the requirement that projects be cost-effective because of the ambiguity of the term.

Ms. Capretz stated that the federal government is currently looking into its prevailing wages and will be coming out with adjusted rates in the future that would give home energy retrofits the biggest bang for the buck.

Mr. Miner asked how a project that created and retained only 3 jobs could rank higher in the job creation criteria than one that creates many more.

Ms. Frye referred him back to the scoring criteria document that was used by the committee that eventually led to the rankings.

Mr. Anders asked Mr. Blair if the prevailing wage applied to all projects to which the response was yes. He then stated that he believed everyone was in agreement that efficiency should become solar but that the committee needed to decide on the concepts. He then suggested taking the top 20 project concepts and breaking them in broader categories and separating them into different bins with monetary amounts attached.

<i>Action 1</i>	<i>Mr. Maloni motioned to approve project concept number 69, the “Climate Action Plan,” and to allocate \$250,000 for the concept. Ms. Barron seconded the motion, and after an explanation of the plan the committee voted for the motion unanimously eight to zero.</i>
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Discussion began on Balboa Park projects and the difficulties associated with energy efficient projects in owner/tenant buildings. Neither the owner nor the tenant wants to finance a capital improvement because the owner does not see the energy saving and the tenant does not own the building.

Mr. Blair stated that CEC Loans that are used to complete energy efficiency and renewable energy upgrades can not be used in owner/tenant buildings because the city does not receive the energy bill and therefore can not use energy savings to pay off the loan.

Ms. Baron pointed out that Rueben H. Fleet Science Center is in the process of becoming LEED certified but also mentions how difficult it is to get do Balboa Park projects even with the energy savings that could be had.

Mr. Anders did not consider the Balboa Park projects City Projects, because the city does not get the benefits of the energy savings and went on to say that the committee needed to refocus and agree on concepts.

Ms. Baron insisted that retrofit programs must include audits, which would inform people what they can do to be more energy efficient.

Everyone agreed that retrofit programs must include programs and it was suggested that 3 buckets be created for Residential, Commercial, and Municipal retrofit programs.

Ms. Briggs brought up the city’s problem with differed maintenance and asked if any of the programs could help address that.

Mr. Stevens asked whether or not the target of the retrofit programs should be low-income considering the top project concept was targeted at low-income families. There was some discussion and it was decided that there could be two different concepts, one that was targets at low-income, pre-1978 homes and one that was not.

<i>Action 2</i>	<i>Mr. Watson moved to approve the concept of a “Residential Energy Efficiency Program for low-income and pre-1978 households that would include audits, education, and upgrades.” Mr. Smith seconded the motion. Ms. Briggs amended the motion to include Water Conservation as follows: “Residential Energy Efficiency and Water Conservation Program for low-income and pre-1978 households that would include audits, education, and upgrades.” The amendment was approved by Mr. Watson and Mr. Smith.</i>
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	<p><i>Discussion:</i></p> <p><i>Mr. Caldwell mentioned SDGE’s programs for low-income households that include bill assistance and weatherization. He then recommended that the committee approve concepts that could be scaled to and used with AB-811.</i></p> <p><i>Ms. Baron would like to see the city fill the gaps instead of duplicating services that are already available.</i></p> <p><i>The motion was passed seven to zero with Mr. Anders abstaining.</i></p> <p><i>This motion was later revisited and edited to use “economically disadvantaged” in place of “low-income” so that the final approved concept reads “Residential Energy Efficiency and Water Conservation Program for economically disadvantaged and pre-1978 households that would include audits, education, and upgrades.”</i></p>
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Mr. Blair brought up the cost-effectiveness of retrofits to street lighting.

Ms. Baron mentioned the recent LED and Induction streetlight study and called the project both viable and scalable.

<p><i>Action 3</i></p>	<p><i>Ms. Baron moved to approve the concept of a “City of San Diego Streetlight Retrofit Program.” The motion was seconded by Mr. Maloni.</i></p> <p><i>Discussion:</i></p> <p><i>Mr. Rosen was concerned that the project would not create jobs.</i></p> <p><i>Ms. Baron believes that jobs would be created by the scale of the project and noted that every other city in the region has submitted streetlight projects to the Department of Energy as part of their Energy Efficiency and Conservation Strategy.</i></p> <p><i>Mr. Watson disagreed and does not believe a city streetlight project would create on-going jobs that promote a new green economy.</i></p> <p><i>Ms. Briggs stated the impact a streetlight project would have on every San Diegan because of the effect on the general fund as well as better lighting.</i></p> <p><i>The motion was passed six to one, with Mr. Watson voting “nay” and Mr. Smith abstaining.</i></p>
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<p><i>Action 4</i></p>	<p><i>Mr. Watson moved to approve the concept of a “Residential Energy Efficiency Program that would include audits, education, and upgrades.” The motion was seconded by Mr. Smith.</i></p> <p><i>Discussion:</i></p> <p><i>Ms. Johnson said she would support the motion if it included a provision for renewable energy as she believes that San Diego is one of the best cities to showcase solar energy.</i></p> <p><i>Ms. Howell did not like the idea of this concept because of her concern that it would take money from the concept that targets low-income households.</i></p> <p><i>This motion was tabled and later passed unanimously eight to zero.</i></p>
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<p><i>Action 5</i></p>	<p><i>Mr. Maloni moved to approve the concept of a “Revolving Loan Fund for Municipal Operations, Energy Efficiency Retrofits, and Water Conservation that would include audits, education, and upgrades.” The motion was seconded and passed unanimously eight to zero.</i></p>
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Action 6	<p><i>Ms. Briggs moved to approve the concept of an “Energy Efficiency and Water Conservation Program for buildings owned by the City of San Diego and occupied by non-profit organizations in Balboa Park that would include audits, education, and upgrades.” The motion was seconded by Mr. Maloni.</i></p> <p><i>Discussion:</i></p> <p><i>Mr. Watson would not support the motion because he doesn’t believe the city needs to subsidize Balboa Park and believe that the improvements could be accomplished using another concept. He would support the project concept if the focus on Balboa Park was removed.</i></p> <p><i>Ms. Frye wanted to know if renewable energy was attached to the Balboa Park concept and was informed by Mr. Blair that the solar energy concept for Balboa Park was a separate concept from the energy efficiency one.</i></p> <p><i>The motion failed four to four, with Mr. Anders, Mr. Landry, Ms. Fricot, and Mr. Smith opposing it.</i></p>
Action 7	<p><i>Ms. Briggs moved to approve the concept of an “Energy Efficiency and Water Conservation Program for buildings owned by the City of San Diego and occupied by non-profit organizations that would include audits, education, and upgrades.” The motion was seconded by Mr. Maloni. The motion passed seven to one, with Mr. Ander’s in opposition.</i></p>
Action 8	<p><i>Mr. Anders’ moved to use the full 20% (approximate \$2.5 million) allowed by the EECBG to support the Revolving Loan Fund mentioned in Action 5. Ms. Briggs seconded the motion and it was approved unanimously eight to zero.</i></p>
Action 9	<p><i>Mr. Watson moved to allocate the balance of the EECBG funds as follows:</i></p> <p><i>\$3.0 million to a Residential Energy Efficiency and Water Conservation Program for economically disadvantaged and pre-1978 households that would include audits, education, and upgrade.</i></p> <p><i>\$1.5 million to a Residential Energy Efficiency Program that would include audits, education, and upgrades.</i></p> <p><i>\$2.0 million to a City of San Diego Streetlight Retrofit Program.</i></p> <p><i>\$2.0 million to an Energy Efficiency and Water Conservation Program for buildings owned by the City of San Diego and occupied by non-profit organizations that would include audits, education, and upgrades.</i></p> <p><i>The motion was approved unanimously eight to zero.</i></p>
Action 10	<p><i>Ms. Briggs motioned to approve all of the minutes from the previous EECBG Ad-Hoc Committee meeting. The committee approved the minutes unanimously eight to zero.</i></p>