**City of San Diego**
**EECBG Ad-Hoc Committee Meeting**
**City Administration Building**
**12th Floor, Council Committee Room**
**Friday, July 10th, 2009**
**8:30 a.m. -12:00 p.m.**

# MINUTES

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| Donna Frye | I want to welcome everybody to the EECBG Ad-Hoc Committee Meeting and if anyone knows what that means please feel free to share it with us. No it's the Energy Efficiency and Conservation Strategy. The first thing today is the introductions as this has been very fluid. So anyway, we have a couple of new members which I will briefly introduce and ask them to tell us a little about themselves and also I have a pledge being … which you'll enjoy. Anyway we have a new appointee from Councilman Sherry Lightner. And then someone that we met last meeting, Scotty so welcome Scott. And then we have a new mayoral appointment. And we're happy to have both of you. And I want to ask you, to get this out of the way – One of the issues that we have raised for all the members is to make sure that new or any organization that you might represent shall not be applying for any of the 12.5 million dollars. So is that the case with you? |
| Scott Anders | To my knowledge, we will definitely not be. |
| Donna Frye | OK. |
| Lisa Briggs | To the best of my knowledge, Sempra Energy will not be applying for any of the grant. |
| Donna Frye | Great, and so Scott do you want to tell us a little bit about yourself, and then Lisa, and then we'll just go around? |
| Scott Anders | I'm the Director of the Energy Policy Commission Center based at UCSD. Prior to that, I was with the California Centre for Sustainable Energy doing a range of programs there. Quick background. |
| Donna Frye | Terrific, thank you. |
| Lisa Briggs | Good morning. My name is Lisa Briggs, I work for Sempra Energy. I am the National Public Affairs Division. And my job at Sempra is I support our global business unit in both the permitting and citing, of what are at this point, renewable projects. So in a previous life, I was also honored to serve on Mayor Sanders' staff and with public policy. And also prior to that, because I just can't keep a job, prior to that, I was the CEO of San Diego County's Taxpayers Association |
| Donna Frye | And hopefully we'll be able to keep you here. Because we're really glad to have you involved with this. |
| Landry Watson | Landry Watson, Council District 2. Worked for ER Construction. |

Jeanne Fricot — My name's Jeanne Fricot from District 3. I'm a private consultant with and I've been working with building codes for 18 years.

Donna Frye — And just so you know Ed Smith, who is normally here, had a previous engagement.

Paul Hannam — Paul Hannam, I've been working in the environmental sector for 10 years. I taught environmental management at Oxford University in England and several green businesses. And am very passionate about sustainability.

Dave Jarrell — Dave Jarrell, Chief of Public Works for the city.

Bill Powers — Bill Powers, Powers Engineering, been involved in energy planning in San Diego for the last ten years or so. Represent the Sierra Club on the working group. And

Micah Mitrosky — Micah Mitrosky, environmental organizer for the San Diego Electricians Union. Prior to that I was the community organizer for the Sierra Club renewable energy committee.

Gregory Stevens — Greg Stevens, over ten years experience in energy efficiency and renewable energy industry in San Diego and other parts of the county.

Scott Maloni — Scott Maloni with Poseidon Resources in Mira Loma Point

Donna Frye — Alright, next item of business is non-agenda public comment. And this time is for members of the public to make comments to the committee for items that are not on the agenda. So the first presentation is from Eric Camp, followed by Michael Hamilton and Cricket Bradburn, so come on up to the microphone here.

Eric Camp — Good morning everyone, hope we're off to a good Friday. My name is Eric Camp, and this is Jonathan Sullivan, we own and operate a bicycle company. We are a San Diego based bicycle specialty business for about two and a half years now. One of the products and services we offer is an automated bicycle share networks for colleges and universities as well as well as in municipalities. Some of you may be familiar with the system which is very popular in Paris. For the past six or seven months, we've been taking the steps to work towards installing a city wide bicycle sharing program here in our hometown of San Diego. We came down this morning to introduce ourselves and let you know what we're working on.

Jonathan Sullivan — Good morning everyone, the problem is that we're a culture abuses our car use, essentially. 62% of trips in the US are single occupancy car rides of under five miles in length. Now, I'm not talking about a trip across the city or downtown or up to the beaches. I'm talking about when someone hops in there car and goes a mile across town, or drives a few blocks for lunch, like many people in downtown will be doing then. We propose creating a bicycle network with automated stations spread throughout the city, in downtown, the beach areas, and Hillcrest to start. Including 500n bicycles. All the stations are essentially automated bicycle stations, like in Paris. They use RFID tracking technology to account for return of the bikes. They're all solar powered and they've been proven around the world to reduce dependence on cars or oil, energy efficiency and contribute to carbon reductions.

Eric Camp — We've taken quite a few steps already, beginning with gathering local support. And we know San Diego's already a bicycle friendly place and we hope people take it to the next level. So thank you guys for your time.

Donna Frye Thank you for your presentation. We appreciate you bringing this in. And Michael?

Michael Hamilton Good morning, happy Friday. Just like the gentleman before said. My name is Michael Hamilton, I'm a resident of Pacific Beach. Just want to tell you a little bit about myself. I moved to San Diego two years ago basically for the weather and waves. I graduated from Cornell University with a degree in Environmental Sustainability and if you want to work in sustainability in the United States, California is the hub. I want to applaud the committee for their initiatives with regard to energy efficiency. I do work for Progressive Lighting and Energy Solutions, which is one of California's leading energy solutions companies. We've done projects at the Naval base, we're doing some at SDSU right now, at their Aztec Recreation Center. But what I've noticed in briefly skimming through the minutes is that a lot of the energy efficiency initiatives are focused on the residential. So there's a huge opportunity for commercial as well. Talking about exterior applications with the induction lighting becoming economically feasible right now. LED in certain applications is working. And then in the interior as well, there's still low hanging fruit with installing the newest 25 watt lamps and that sort of stuff. So basically, since my move, I've been working very closely on lighting energy efficiency projects and I'm sure you know that when you're talking about energy efficiency, lighting typically does have the quickest pay-back of any sort of the measures that you're looking at. So I know that's at the forefront of your initiatives. Also I wanted to mention as well my interest in the intersection of business and sustainability is growing. I am a graduate student at UCSD this upcoming fall, and I'm planning to work with them on a lot of their initiatives as well. Basically the point that I wanted to drive home is that being in the industry here in San Diego, I was certainly an advocate for your sustainability initiative plans, and that I comply with resource as well for the city to help specify for those things as well. And that's what I have.

Donna Frye Thank you Michael, I appreciate it. And Cricket Bradburn, then if there's anyone else in the room I don't have a speaker slip, if you do wish to speak on an item not on the agenda let me know and I'll have you come up and fill out a speaker slip, after the fact. Welcome.

Crickett Bradburn Cricket Bradburn, District 2. I find it interesting that finally I was 60 years as an environmental chemist and just now, there just may be some money in environmental. … We know that this is seed money. It is not enough to do everything we need to do. I hope this committee becomes a creative seed to go forward…. We can't keep doing this. I either have to move or I have to get smarter, so he built a better home with curves and … We live in a desert, we have too many people for the water we have. If we're going to stay here in mass, we're going to have to learn to be smarter and its going to, solar power's great but we need to do more.

Donna Frye Thank you. The next item of business is Committee Comments . Any comments you want to make, this is the time to do that. Scott?

Scott Maloni Thank you Donna. First I want to apologize to my colleagues for missing the last meeting.

Donna Frye You don't need to. Cause you're still here. Some people come and never come back, they're gone! You stayed for the whole meeting.

Scott Maloni My hope is that at the end of this meeting, we can set a schedule of meetings, instead of doing it meeting by meeting. So that we could all make it, if there was a schedule that we could all follow. But my comment is focused on this issue of a strategy. At our first meeting I attended, there seemed to be some confusion, at least on my part about what exactly we're talking about with this strategy. Could I make a comment on it? And correct me. My understanding is that the EECS is the actual document, and Attachment D is a six question response to it.

Donna Frye That is not exactly it. And when we get to that, we'll clarify it. That is one of the things we talked about last meeting. The answer is yes and no. We'll get to that momentarily. Does anyone else have any comments? Yes, Micah.

Micah Mitrosky I went to a class this past week about energy efficient lighting, because we had the conversation at the last meeting about energy efficiency and the class was well timed. I did not know that 47% of electricity use is in lighting. I just want to throw that out there for the committee as food for thought as we're going toward this today.

Donna Frye I think that one of our common ideas is that we get for most bang for our buck with lighting is probably true. I've heard that a few times. Are there any other comments? The minutes that you have everyone should have a copy of the minutes from the second meeting. I did not get them on the agenda, so we'll agendize those for the next meeting. So you'll have plenty of time to review them. That will be part of your homework assignment, to review those and take care of that at the next meeting. And also, Scott had mentioned that setting an agenda as far as the upcoming meetings so we'll be doing that. A schedule so we can get started I thought that it would probably be most efficient to look at the issues that we are here to develop and figure out a timeline on what we decide on. So that was what I had in mind. I just want to comment briefly on Item Four if the staff wants to come up for that. One of the conversations we had at our last meeting talked about exactly the issue that Scott brought up. That the Energy Efficiency Conservation Strategy was essentially the six questions that we have to send to department of energy. We also talked a little bit about if you recall the draft and I believe it's in your documents behind the blue tab. So we have the draft, energy strategy for a sustainable future. So we have that. And we talked about the fact that there are two sort of different documents and how we would go about working with those. Alright we'll make sure you get a full packet. Essentially the idea was to have this group put together a strategy that goes beyond Attachment D. That's what we had talked about. More through that we were also clear on one of those things this group was going to work on in addition to setting criteria to do a review of the process. So does that answer your question, Scott?

Scott Maloni Uh yes, just one follow up question. Is this draft strategy been vetted by the City Council? Or any committees?

Donna Frye No, and that was part of the problem. This draft had been an internal working document that was reviewed by the city council really not at all. There were a couple actions to take on.

Tom Blair We're actually talking to different documents

Donna Frye We are.

Tom Blair The blue document is the document you were talking about

Donna Frye: Is your mike on

Tom Blair: Yes it is

Donna Frye: It doesn't seem to be working

Tom Blair: The light's on

Donna Frye: See if this will work better. A little bit better? The light's on. Hello?

Tom Blair: Did that do anything? I got the light here. It doesn't mean it's on

Donna Frye: Now try it.

Tom Blair: Hello? Testing. For some reason these mikes aren't working. Hello, testing?

Donna Frye: Please talk really loud, or go up to the podium, we'll try to get these technical issues worked out. Sorry folks

Tom Blair: His mike is on. You're actually talking, still, two different documents. The first document is that you were discussing is the blue tab of the binder of the Committee, which is the Energy Conservation for a Sustainable Future. That is the long term city document that my division has been using based on previous council direction in areas of resolutions that were passed in 2001 when my division was established and other additional guidance with the .. Community efficiency and other documents and we created the strategy and working documents for us to go forth. The actual deliverable form this committee are that six question document to respond to with the department of energy with our 12.5 million dollar projects. There really are two different mechanisms here; the deliverables due by October 23rd is to answer the six questions. Way more than you want to use in creating those, which is

Donna Frye: Attachment C. And that will be submitted with the list of projects. And so in order to go through this, we would have to have some idea what those projects were going to be, which we have yet to do. So that's why I'm trying to clarify for both. So your Attachment D because we have not finished studies in this area, and we have not received all the applications for the projects, so it is premature.

Scott Maloni: Just to get back to my original comment. When we met the first time a number of speakers from the public stood up and encouraged us to keep our eye on the ball here, stay focused and make sure we keep our objective. Which is to make sure we can get these funds before the deadline.

Donna Frye: We will.

Scott Maloni: What I don't want to do is spend time reinventing the wheel and going back and remaking existing strategy that's already been approved.

Donna Frye: There is no strategy that's been approved by City Council. That is an internal document.

Scott Maloni: I understand, but it sounds like a resolution was passed, encouraging staff to proceed with this strategy.

Donna Fry: There was a resolution passed in the the .. committee, and yet to proceed, but it did not approve that document. To my knowledge.

Tom Blair: The resolution that was in 2001 that created the Energy Division gave us direction to pursue renewable energy, pursue energy efficiency, and the guidance that came from the council initially formed the basis for the document in addition to the 50MW solar goal. But the strategy that is we have is a compiled document from a whole bunch.

Donna Frye: Does that answer your question?

Scott Maloni: It does, it just confirms my belief that we shouldn't be spending our time trying to reinvent this document that we already worked on.

Donna Frye: Reinvent which document?

Scott Maloni: The blue tab, the existing strategy, the Energy Strategy for a Sustainable Future.

Donna Frye: Alright. Yeah, Micah?

Micah Mitrosky: So the resolution in 2001, if that is what created this document, is it outdated? It was before 1832 and all of our green house gas goals, so in order to meet those goals, we're going to need something more aggressive than what was created eight years ago?

That document itself does not create goals, basically the formulation that was used to direct staff to pursue projects with the city came as the result as a number of ever changing resolutions as we presented projects and policies to the council. So that is a compiled document, updated in February of this year, when that actual document was created and it reflects the best knowledge at this point based on previous direction from the city council as to what my division should be doing.

Donna Frye: Yes, David.

David Jarrell: A quick question, circling back to Attachment D. Because it appears to be that the only part that really addresses the project is this part 2. And that's where in this draft document we've listed the place holders the city projects. The other questions address the process and coordination with other agencies.

Donna Frye: That's correct.

David Jarrell: We could use this as a starting point and when we pick the projects we can then put those in the second question.

Tom Blair: The point of the document today was to give you these are the projects the staff recommended based on our knowledge of what the council wanted us to do. It addresses energy efficiency in residential, it addresses street lighting, it addresses solar projects in Balboa Park. It's got energy, there are all different components of what is in the strategy, is in this draft, Tab B, and the projects listed accordingly. We've done that work already.

Donna Frye: One of the things we had talked about at the very first meeting was something Risa had brought up. One of the things we had talked about is making sure we were following a process that all the projects would be looked at at the same time. That's what something was voted on and agreed to at the first meeting. And part of that, in order to follow this questionnaire appropriately and properly. And the document will change based on how the plan has been designed. For example, number 5, we'll have the blue document and the green document. It talked about how the plan has been designed to ensure that it is the same process found in the city's proposal. That is specifically related to projects. Many of these questions are directly related to projects that have been proposed by the city and that is my point. It is not to say that we can't update this document and use this document, which we could certainly do. But what I believe we've said at the last meeting, the last two meetings, was that they also wanted to go because we have all this talent, we have all these people and we have people willing to work on this. We can put together a document that can talk about a conservation strategy for the city as

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| | far as bringing everything together. That is the direction we are heading in and the motions we need to act on. So everyone's clear on that. That is my recollection, if anyone has any other recollection, we can have that discussion. Yes Landry. |
| Landry Watson | Madam Chair, just real quick. Attachment D is provided as a template. It is not a locked step question/answer. Any energy efficiency and conservation strategy, provided that it does answer the questions appropriately, will be accepted. And there are examples that have already been submitted. So, we're not talking about a hundred page document that the committee's looking to get talking. In which case, we've already done about a quarter of it. Just keep in mind, Attachment D is a great example, but it's a template. |
| Donna Frye | Right, and everything that we wanted to solicit input from the committee about is the reason to bring your own ideas. |
| | In the instructions on Attachment D, it's actually pretty clear that at the time of application shall use the format named Attachment D. I'm just saying the instructions on top of Attachment D, its pretty clear that we should use this format contained in Attachment D. |
| Tom Blair | This will be the final application form we have to submit. We are required to submit in that format. What it contains has to fit within the space allotted but it can be many different things. |
| Donna Frye | Right, and so for example, number one where it says describe the government proposed energy efficiency and conservation strategy, the document that we're working on is the document that will be part of number one which goes to into or as we call it Attachment D. |
| Tom Blair | The very first question is what we'll be looking at. |
| Donna Frye | So we are here, as a group, to help put together that strategy. That is the starting place and Tom has provided information you all have that. And then there was a document, and I just want to make sure everyone has the same two documents. There was the document that was emailed out from my staff from Mr. Watson, we looked at putting together to begin to have that discussion for item number one. That document is a comprehensive approach to a sustainable future and energy efficiency and conservation strategies in the city of San Diego. OK, everybody has that? So we all have the same two documents. So we'll be, so you have the Attachment D and you have Mr. Watson's document. And the goal here, again is not to reinvent anything, it's to get all of your input into making an even better document and having that discussion. And some of the things we've talked about doing was to formulate the goals in efficiency, in energy conservation, energy uses, identifying strategies to achieve those goals, and develop methods and projects in achieving those goals. Which ties in nicely with Attachment D, but at least it gives us a starting place. So Mr. Watson, do you want to talk a little bit about the document that you've brought? I don't know, is it Tom? Are you going to be talking about item number one on Attachment D? |
| Tom Blair | We can address it in many different formats. There has been clarification on the DOE website on this document. Yes, this document shows what you need for a strategy, but that strategy is for the $12.5 million grant only. It's not necessarily what the city's overall strategy is. This strategy only addresses the $12.5 million formula. |

Donna Frye And is there anything in this discussion, Attachment D, that would talk about things other than the $12.5 million?

Tom Blair No, they are asking for how are you going to interact with other communities, areas now. Every community except five in the San Diego region has received grants. So we're trying to talk to various other cities and see what they're doing. It's more of that, but it's all related around this specific plan for the $12.5 million.

Donna Frye Ok, so anyway. Mr. Watson, you want to--?

Landry Watson I'd ask that we start with a strategic portion of our document, there was a lot of discussion at the last meeting. A lot of public input, and I've tried to capture all of that and put it into the first page of the document that got distributed. Basically, you can capture all the input and formulate a somewhat strategic vision. And this just to be clear, this is not meant to be for our city. It is for the $12 million dollars, however it could be a wonderful seed document once we get done and this particular document could be a wonderful seed to a longer term. And we could consolidate lots of other mutually supportive initiatives: action plans, building policies, etc. Or if this document, or the document to be named later, so.. On the first page, my vision here would get some help from a consultant in the first portion of paragraph. However what I've done in the strategic approach is to try to outline basically some of the bases. And this first page can lay out the framework for setting out criteria and looking at specific objectives. All of which I believe we can accomplish either today or in a short session sub committee to bring back to this committee. Not recommending that at this time. So not to read this out loud to you, but the four major drives we need to accomplish with this $12 million is to capitalize synergies of multiple ownerships, to bring in goals that are similar. Second major question would be to send a pervasive message. This is where we talk about community penetration, penetration down to the users, the actual employees, the citizens of our city. Thirdly, this isn't going to work if we don't change human behavior, so we're going to promote certain behaviors through educational programs, et cetera, and actually look for social change. That's really what we're looking for with strategies, social change. Policy, laws and incentives only encourage the behavior we're after. We really want people to change so that in five years, what is considered extremely conservative is only baseline conservative. We want a true social change. And lastly, we talk about leverage, including federal programs, other community programs that are already in place, ways to make our money last longer, make this strategy last longer, and develop programs which are scalable, can be replicated, and even modular. The second page I didn't take a stab at developing specific objectives. They're obviously not fleshed out. Only put them down as categories that are all recommended and discussed at the second committee meeting and I would encourage us to try to fill those out today with some specific goals under each, or at least agree to them, and send this document to perhaps a smaller group to redefine what we're putting down. I present these two pages as seed for discussion this morning.

Donna Frye Let me see I can keep this fairly loose, we have one member of the public amongst people deciding.

Crickett Bradburn I just want to make sure that I'm on the same page. My understanding is that we have a room full of the right people, that we are going to multitask. Then,

we have to have to have the form filled out to send in to get the money. At the same time, we have a wonderful opportunity to expand on previous discussions. The one graph is basically a summary of piecemeal information that has come from the council and other sources that the city staff has been trying to follow so they're at least in the same direction that we want to go. But it was never actually put in linear form. And what we want to do is gather the information we need to fill out the forms and send off to get money because we love money, and at the same time, take advantage of everyone that's here and learn to live smarter. So I hope I'm on the same page.

Donna Frye: We'll find out. Alright, to move on, Tom?

Tom Blair: One of the eligible areas that can be part of the project list is planning. We don't have to do all this planning in thirty days, sixty days, and ninety days. It can be part of the projects that we submit to the DOE for part of the $12 million. We can say we're going to spend $250,000 which I believe is the maximum for that activity. But we can use that for fleshing out a climate action plan, an energy efficiency strategy, however you want to do it in the planning area of the eligible activity for the grant.

Donna Frye: Thank you, and I'm sorry we're still having some technical difficulties.

Paul Hannam: First of all, I'd like to endorse everything you've set down and I've really come to accept your approach. Especially on the behavioral side. I'd like to know how many people in the room are aware yesterday what happened at the G8. It's a very historic day in history for the environmental movement. There was a consensus that developed countries need to reduce carbon emissions by 80% over the next 40 years. And as a European and someone who's worked in this field for ten years around the world, I want to always come back to what we're doing here, in this context. We're in a unique moment in history where we have a president, we have leaders everywhere in the world. At the national level, state level who are committed to radical change, transformational change. And everything that I talked about last week is looking at the leverage of these funds, in terms of what is the maximum and highest use of what we can achieve. It meets the criteria of the fund, but it goes beyond that. Its smart thinking. And I think anything that can lead to generation capacity building, long term behavioral change. Its fantastic and also it's a chance for us to also be a leader here, in the United States. And there's tremendous willpower, I mean I spent a lot of my time with COs of businesses and non-profits, government, this is a fantastic opportunity to really do something spectacular in this city. And I want to say that every week until you're all bored of it. So there you go.

Donna Frye: We're never going to get bored of hearing that. And Bill?

Bill Powers: Is this a good time?

Donna Frye: Anytime's a good time. This is, people just have to sort of jump in and participate. There's a lot of things we're going to try to get done today, and start nailing down of this and sort of work through it.

Bill Powers: I do have a couple of comments, and I wanted to follow up on Scott's comment about reinventing the wheel. Last week, we seemed to reach a consensus on following that city strategy, so they called for a 50% reduction in by 2020. And what I sent out last night was just a bullet point outline of the strategy that just fleshes that out. It's not reinventing the wheel.

Donna Frye Alright, and lets look at this and make sure everybody has this document I believe it was sent out right behind page that has the comprehensive approach to a sustainable future, it has the page that has seven items. Everybody have this? I know there's a lot of documents and we're trying to keep them organized. And doing the best we can. Ok.

Bill Powers The first point is taking the 50% per capita reduction and putting it into somewhat more explicit terms. And I know Tom Blair is here, Scotty Anderson's here. I don't think we can get a 50% reduction solely on energy efficiency. I think that would be part of it, but there would have to be more to it. Scott, you presented the state's energy efficiency targets last week, one of those targets is 25% of existing homes reducing energy by 70% by 2020. That would have to be a combination of energy efficiency, but we can't do it by energy efficiency alone. And 75% of existing homes reduce energy by 30% below 2008 levels by 2020, and this is a state goal. And using my engineering skills, I've combined those to figure out that that's a 40% reduction in energy use. And so we're, the city's goal, isn't that different than the state's goal for 2020. And that, my feeling is that energy efficiency should lead, but we cannot get a 70% reduction with efficiency alone, it would have to be a combination. So, what this first bullet item is, which is the most important, is that we would reduce the greenhouse gas emissions. It is not the code that plans with renewable energy, necessarily. That's a tool that would get us to greenhouse gas reductions. We want to reduce greenhouse gas emissions by 50% by 2020 using energy efficiency completely. But that would be the format. We want to have an aggressive where we don't do anything until 2019 to have it done by 2020. The next step is simply to do it to get a linear increment in gain. The third goal is really just translating the energy efficiency part of the other two goals into a reduction in peak demand. This could be more aggressive. This is a pretty modest reduction in peak demand. For the people in the audience who don't know what that is, in San Diego, in the summer time, our low goes up almost 50% on hot days when we turn on the air conditioning. It's almost exclusively air conditioning. And that peak load is reducing that peak. Which also drives the construction of most of the power plants in California. That peak demand increase. That next goal, four, is to, as Landry was saying, getting everybody involved. We have a target to get public education and participation and to get everybody in the game. LADWP, which is the Los Angeles Department of Water and Power, is a utility that's basically the same size as San Diego Gas and Electric, only a couple sizes bigger. They are targeting, based on what Mayor (of LA) said a few days ago, they have a solar plan. They're targeting 1200 MW over the next five years. And that I've just incorporated this as a same push target here in San Diego. And the other elements are something we haven't talked about but seem very coherent for San Diego. Which is water. If we're going to aggressively push to reduce electricity usage, can we do something comparable for water. So the last two goals are comparable water reduction demand goals for San Diego comparable to the energy efficiency goal.

Scott Maloni They'll appreciate that. And I just want to return our focus to the agenda item that is Attachment D, number 1. How do we go about answering this question to the satisfaction of this committee? And while I appreciate the work that you sent in last night, I'm not sure how that fits in with our objective here is today, with Attachment D. Specifically number one – I don't see that in the

city's Energy Strategy for a Sustainable Future. Am I missing that somewhere?

Bill Powers: You might not be on number one. But if you go to talking blue tab, go to page two, under objectives. Item three.

Scott Maloni: I still don't see how…

Tom Blair: It's actually in the city's General Plan Conservation Guidelines.

Scott Maloni: I'm on the wrong—I'm on the blue tab. That's the yellow tab? I'm not sure which exact part it is.

Bill Powers: That's kind of a semantic response.

Scott Maloni: But there's a difference between reducing energy use by 50% and reducing gas emissions.

Bill Powers: That is correct. Not all energy does. But the climate objective is reducing those gasses. And so, you are right.

Scott Maloni: To return to the original point here. So we lose focus and chase our tails for the next month. We need to focus on Attachment D. While I appreciate these points, I'm not sure how we apply them to Attachment D.

Bill Powers: Scott, you weren't here last week when we focused on this exclusively. So I appreciate your desire to move from tab to tab, but you missed an important step in the process.

Scott Maloni: I'm not moving from tab to tab. I'm trying to achieve the objective of this committee which has made the recommendations—

Donna Frye: I'm going to jump in as the chair and let me explain something. We plan to have, my objective and the objective of the committee is to bring back, I would hope, by July 17th, a final version for approval by this committee. So I don't plan to miss any milestones or --

Tom Blair: Final version of Attachment D?

Donna Frye: You cannot bring back the final version of Attachment D. Let me go over this one more time. If you let me finish, Scott would be happy to explain this to you. Attachment D is part of a complete package. Part of our goal today is to also develop the criteria for the projects to be funded which I hope to complete by today as well. I do not want to complete the conservation strategy today. And we are going to then try to come back by July 17th to try to finalize at least the strategy that we all talked about last week, Tom. And again, I'm sorry you missed the meeting and I'm happy to go over it in detail with you. In order to complete this, we have to develop certain criteria. This cannot be completed until projects are selected. The projects cannot be selected until the criteria is developed, which will be item number five. So that's why. Its not that we're trying to deviate or anything, its that we're trying to go about this in a manor in which that makes sense. One of the issues that has been raised is to have the certain projects reviewed and ranked prior to a project selection. This group voted not to do that. This group believes that all projects should be brought forward prior to ranking any of them, so that everybody has the opportunity to get their project in. And because the projects are a very integral part of Attachment D, it would be very difficult to complete that document in advance of choosing the projects. They also relate to one another, and we're trying to break down how they relate. So hopefully that makes sense. If anyone has any questions, I'm telling you, jump in. Took us a little while to work through the, there was a lot of

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| | confusion last week—trying to figure out how to best do this, and how to ensure that we—And Tom, on the deadlines. We've extended the deadlines for the projects until, I believe, the 20th? July 20th? |
| Tom Blair | The 20th is when we had talked at the last meeting to have the projects submitted. The requirement for the grant under DOE is that we complete the Attachment D and projects, and submit that within 120 days after we reward the grant. We have applied for the grant, and that could be getting awarded, probably the first weekend of August, and from that date, we'll have 120 days. |
| Donna Frye | So 120 days, we'll just use August 1st as our date. |
| Tom Blair | We had been using the October 23rd as the final, final date that we had to have everything into the DOE, so I would recommend you stay with that date. |
| Donna Frye | Alright, yes, that's our target date. Just so everybody knows the same date, so we have some idea of a timeline. Maybe just might be a good idea, because a lot of these things, we sort of jump around with item 4, 5 and 7. Because the timelines, which we talked about the timelines, all those items are open for discussion right now. |
| Tom Blair | The other information from DOE and people who are reviewing the projects. Because we submitted only for planning funds initially, projects other cities that have submitted their whole package are now being reviewed to get their total grants. When we resubmit, whenever it is—July-October—they have four months to review the projects. We could not get our award, probably, until early next year. We still have to have all the funds obligated within 18 months, we have to have all the work completed within 36 months. |
| Donna Frye | Right, and that's part of the Attachment D, with people talking about timelines. And part of that is going to have to do with the projects we're approving. |
| Tom Blair | To get a consultant, it's about a six month to a year process. |
| Donna Frye | Right, so anyway. I'm just going to jump into Item Number 7, as far as the timeline for upcoming meetings so that we can kind of back into this. On July 17th, if everybody would be available, we could plan on finalizing the strategy part. Because it's that part that we can finalize without having to review the projects. And meet again from 8:30 to 11:30. The 20th would be when the applications would come do. Which means we could meet again on July 22nd. I'm just throwing these dates out, so people can check their schedules and see where we're at. And meet again to start looking at those projects. |
| Micah Mitrosky | What days of the week? |
| Donna Frye | Let's see. The 17th is Friday, I believe and the 22nd which would be a Wednesday. |
| Tom Blair | I would not be able to get this room. |
| Donna Frye | Then we might able to get the room from 8:30 to 11:30, we might able to get council chambers. |
| Tom Blair | Possibly, I've had great difficulty getting this room. I get it on Thursday and Friday, usually, but Thursdays' the planning commission every third Thursday. |
| Donna Frye | Yeah the Thursday night, and we have a meeting on the 22nd, but I was thinking the morning of the 22nd. |
| Tom Blair | On the ledger, it shows a 9AM budget meeting? |

Donna Frye In the committee room, but maybe we could get the committee room and have them go to council chambers. You know, we can try. Happy to help you try on that. And if not, we could look at the 24th maybe better. So anyway, Tom, maybe the 24th? We could look at the 22nd and maybe the 24th.

Tom Blair The 24th would probably be a better day, for this room. That way you're always on Fridays also. So everybody can plan their Fridays.

Donna Frye And then everybody can look at their schedules and kind of see how looking on that one and talk about that, towards the end of the meeting, if you have a chance to look. So that was kind of the idea as far as the timeline, and then today, what would be very helpful is to fully develop the criteria. Or at least to get that to where we have some close to final documents on how we're going to be reviewing these projects. So, jump in anyone. Yeah, Landry.

Landry Watson Madame Chair, looking back at the meeting minutes. We set a timeline for the 20th for initial proposals for any of the applicants. We were looking for initial proposals, not finalizing anything.

Risa Barron I know when we talked about that I think we need to slow down, or communicate to those what that would mean if it's a two page brief versus the full application because I think in fairness to the groups that want to submit, I don't think we should have full blown proposals. I think we should review the concept papers and then look to come back with folks we'd like to extend a full proposal to. Would that make sense? I think we just need to come up with the criteria we want that concept paper to be, versus the full proposal.

David Jarrell Item number 6, we haven't the concept of all those initial evaluations and the screening to see what meets the minimum criteria. And then for those that do, we go back and ask for more development of the proposal, and probably a presentation. I know we've talked about that, but it's…

Donna Frye But I think that in order to move it forward in a sort of meaningful way to get to some sort of decision here, and to make sure we know the timeline. I mean, that seems to be my recollection of how we were going to do things. Does anyone? Yes, Lisa.

Lisa Briggs Just for some clarification. When we're talking about a preliminary proposal, does that fall under all the same contracting guidelines that the city has? In other words, if preliminary reports are perhaps not chosen, is there a right to appeal? What sort of implications from our contracting procedures does a proposal have versus a full blown?

Donna Frye Is there an attorney here? We have an attorney. There he is, there he is. You can come up and sit over here if you'd like. Fritz, why don't you just come on up. We have a chair here for you.

Fritz Ortlieb I'm Fritz Ortlieb, Deputy City Attorney, I'm assisting Mr. Blair in this application to the DOE. As the American Recovery and Reinvestment Act, AKA, the stimulus bill, which is appropriating this money for these EECG do require a competitive process. And they emphasize that the contracts should be had on a fixed price, competitive basis. Now your question relates to what perhaps a request for qualifications at the conceptual stage here, the committee is developing a broad framework that will assist us in later developing an RFP to accomplish the competitive process, as required. So I don't envision that there will be an appeal process. If for some reason, the concept isn't embraced by this committee. But once the concepts are fleshed

out by this committee, those should provide a platform for drafting an RFP for a competitive process.

Donna Frye: So legally, there would be no issues that you could see, that there would be anything that would prevent us from setting up some concepts overseeing the applications. The concepts for an application could be enough.

Fritz Ortlieb: That's right, correct. This committee can decide what it is that we want to invite bids on. And I don't envision that that decision itself will--

Risa Barron: Procedurally, I think we want it to be clear to the applicants is with the city, a formal communication going out. In terms of communicating outward about this opportunity to submit, if on the paper or you said request for qualifications… is that something that we could put into place fairly quickly?

Fritz Ortlieb: I believe that's the function of this committee—there purpose of this is to determine what concepts are being pursued.

Risa Barron: OK, but is there any notification of..?

Fritz Ortlieb: Other than the Brown Act notice that's being published for this committee, I think that's sufficient.

Risa Barron: OK, thank you.

Micah Mitrosky: It sounds like we're coming up with a strategy and that is going to shape the later RFP process. Whatever goals we come up with, those will the end up being like a solicitation for members of the projects that need those bigger picture goals. Am I understanding that right?

Fritz Ortlieb: I believe that's pretty accurate.

Micah Mitrosky: Alright, thank you.

Donna Frye: OK, Paul?

Paul Hammon: Is there a way we can use this process in itself to promote the discussion, the conversation and get more people involved—rather than going through this sort of formal challenge. I think it's an incredibly important process and it's a way of education, promotion and engaging conservation in San Diego, getting people to come in with ideas to apply the funs. And I'm wondering what we can do?

Donna Frye: And there are a variety of ways, one of the ways, first of all, this committee's sort of unusual in itself, that it exists. That as been a different process than what we would normally follow. But the other thing I think, all the people here who have access to a variety of people to help us not just a group, but individually, to help us get this information to their organizations to the people they know. Each of us has the ability to reach a whole lot of people. And of course, all the people here who are members of the community, they've been participating, they've been helping to get the information. So, Glen I'm going to have you fill out a speaker slip when I'm done.

Glen Brandenburg: Yeah, well I just wanted to point out that on your website, you still have the incorrect date. That the applications were due on July 1st. I just checked it online, instead of July 20th. And you have them requesting those projects on a single form, a project activity worksheet. So that link to that project activity worksheet is currently on your website, along with the single page document requesting people to fill that out and submit it by July 1st. So the question is are you still going to use that single page project activity worksheet. That's what--

Donna Frye: Where is that page?

Tom Blair: It was provided in the first—with your binders

Donna Frye: Alright, lets make sure everybody has that. It looks like it is.

Tom Blair: We've even provided several copies filled out.

Donna Frye: There's so many documents, I want to make sure everybody's on the same page. So without having to make a motion, I think one of the things we need to correct as soon as possible, is to change the date for submissions from July 1st to July 20th.

Jane Howell: I'm sorry I don't have the whole packet that the energy department issued, but when I originally went to the website, we were directed to use the guidelines of the DOE as our guidelines for developing that project activity worksheet. And those guidelines are—Do set up a framework. I know there's a lot of wiggle room within that framework. But I do believe that under the recovery act, these funds have some specific guidelines attached. So while there's a broad spectrum of energy efficiency, that I'm assuming whatever criteria you're developing or the direction we're going in requesting things from us, is within those guidelines that were laid out by the DOE. Just making that assumption, because we have to work with it here.

Donna Frye: Now, it will follow the guidelines.

Jane Howell: Ok, just assuming projects that are way out side of that don't meet those. Thank you, thank you. We appreciate that. I just wanted to double-check.

Donna Frye: They will all have to comply. It is a challenge. And, are you Jonathan? Jonathan Silven.

Jonathan Silven: Yes. San Diego bike share. I just want to make a note about what was discussed before about our process. So what you're saying is that we're going to submit this grant proposal, go through all the work, research, put it together, submit it, and then the project's just going to go out for anybody. And anybody after going through this work, developing grass root support, planning, putting the proposal together, submitting it, winning the grant hopefully, projects can go out in anybody essentially can use the money. Is that correct?

Fritz Ortlieb: I believe that is correct, but again the specific goals of this committee are to fill out that Attachment D, which is to develop a strategy. And in so doing, some concepts are going to be vetted here. Some perhaps will be given a higher priority than others. It's up to the city here, under this grant program, to determine which types of projects it wants to solicit proposals for. However, again, the act does require competitive procurement. So, to the extent that you're pitching a concept, this body should recommend pursuit of RFPs on, yes, that's what you need to do here. But it will have to go out for a bit. It has to be a competitive solicitation. RFP if this committee decides that that's the type of thing it wants to solicit proposals for.

Jonathan Silven: Ok, thank you.

Teresa w/UCSD: Good morning, I'm Teresa with UCSD and question regarding the RFP process. We have several projects that we will be submitting for this, we've already gone through the process, but for lack of funds, we have not been able to execute. How does UCSD then fit into this scenario? If this is, we're suggesting projects and programs that we seek funding for, on campus, and we're putting forward proposals to support that, many of which have already

gone out to RFP, and we've had vendors in mind waiting to use, we just don't have the money to execute. So, I'm curious how this works into this scenario being presented now, which is an RFP process. We are submitting to this committee to tap into some of the funds for energy efficiency projects. So our projects would compete as part of that final project? Thank you.

Donna Frye: And then, Marv and then Erica and John.

Marv Lyons: Does the question need to have a budget attached, initially?

Fritz Ortlieb: What's being invited now, are these concepts. The public's been invited to urge this committee about what priorities it should have. So I don't think that pricing and numbers need to be put forward now. Except to the extent that it makes your case for cost effectiveness.

Lisa Briggs: I always hesitate to correct my lawyer, but on this one, I'm going to have to. Unfortunately, the worksheet does ask for a budget.

Tom Blair: How much money they're asking for—I believe we'd need some kind of figure, might not be down to the dollars.

David Jarrell: I would think that the information on the form would have to be required, and the project summary would be more conceptual. All the information we talked about. And that includes the proposal of interest.

Donna Frye: And I just wanted to have some clarification we have for Erica Johnson. My understanding just slightly different so let me try to get all this into a simple question. When the city came forward with the projects they had in mind, for specific projects.

Tom Blair: And we have pre-existing contract with the vendor.

Donna Frye: And because you have those pre-existing contracts, you did not have to go through that vetting process.

Tom Blair: That's correct because what we had was competitive bids through the city process.

Donna Frye: And because that contract was already competitively bid, it went through the competitive bidding process.

Tom Blair: Correct.

Donna Frye: Alright. So if somebody comes forward saying the School of Medicine, and they have a proposal. They want to turn all of their operating rooms into solar energy. They come to this proof, put forth an application, they're application would not necessarily. If this group were to say we liked that project, they would not necessarily receive funding. The funding instead would go through the competitive bidding process as a package? Whoever responded to that would then be the people who would go fix the operating room at the School of Medicine. Is that how that works?

Fritz Ortlieb: One of the problems with the whole ARRA funding process is they're looking for shovel ready projects that could be completed in a short amount of time. And actually the EECG was passed in 2007specifically to help the municipalities with their effort to improve the energy efficiency. A lot of the rules and guidelines are focused on the city doing things. By opening up the process to other entities, then we do have to follow the standard city contracting process. So if you would normally prefer that activity to an RFP, we would have to do that. There are exceptions, but we would have to meet the basic contracting laws.

Donna Frye And so the project were supported and approved and we went with the full version, unless it was already under a pre-existing contractual agreement, that it's gone through a competitive bidding process. In other words, the money would not necessarily go to the entity who brought the proposal forward.

Fritz Ortlieb And as our street lighting proposal, we're listing where we would like to do X number of streetlight to improve energy efficiency and reduce overall costs from the general fund. That's the concept. What we have to do then is go out for bids,

Donna Frye And people would then bid on those projects. But any, in other words, I think there is some issues for how this is all going to work. I think there might be the perception that people from different, outside organizations, could come in with the project that they themselves would directly receive funding that does not seem to be the case, at least what I'm hearing. So is that a correct assumption? That the School of Medicine comes forward and says 'we want to do this' and we approve it, the School of Medicine does not necessarily receive that money. The School of Medicine would have to go through the city's process. And that anybody could get that contract, whoever was the lowest and responsible bidder. Is that correct?

Fritz Ortlieb This committee itself, this is not the RFP process itself.

Donna Frye I understand that, I'm just giving a hypothetical. It goes through all of that, we say 'yeah we think that's a great project, we think it should be funded' then it goes through whatever approval. Who gets the money? Does the School of Medicine get the money? Or does whoever bids on that? Because that'd have to go through a separate bidding process, and whoever's the lowest and responsible bidder, which is handled by the city, does that bid process and then they would go out and fix the School's equipment?

Fritz Ortlieb That's correct.

Donna Frye Yeah, Micah.

Micah Mitrosky This is an important discussion because this was not clear and I'm grateful to Tom and also for Glen, bringing this up.

Tom Blair The important factor to understand here is the grant is to the city of San Diego. The city of San Diego has to administer all of the contracts for that money.

Glen Brandenburg And so, my question is on top of the city's requirements, the act itself has some stipulations insuring prevailing wage rates and also, iron, steel and manufactured goods that are produced in the United States. Those apply on top of that, right?

Fritz Ortlieb That's correct. And in the application, I confirmed that we will follow all this.

Donna Frye Since your mike's not working, you want to come sit with us? This is a really important discussion we're having right now, and I think it might change how we might be looking at some of these things.

Tom Blair Just want to say that I did re-read those pages again on your website, and you're absolutely correct. It's very misleading in the project worksheet, because the project worksheet looks like a group. And this is really not unusual. Its your typical university grant process or anything, you apply for a grant, they give you the grant, and then you would be required to go through the competitive bidding process. We do it all the time at the university. We get like a state grant for $100,000, and then we would have to go through a

competitive process to spend that money. And that's the way it appears on the website. Not to say that's correct, but that's what it appears to be.

Donna Frye: Right, so the question is if the organization itself, such as the School of Medicine, has gone through a competitive bidding process, would that fulfill the obligation of the city's requirement?

Tom Blair: That's what's not clear.

Donna Frye: And that's what not clear. The answer to that question is yes or no.

Scott Anders: As Mr. Blair stated, the city will be receiving these funds and then it will have to ensure that they are given out on a contractual basis that is competitive. So the city will be—

Donna Frye: So if the School of Medicine has already gone through competitive bidding and an RFP and gone through and met all those requirements that would meet the city's contractual requirements. Would that then have to go back to the city or would that fulfill the obligations?

Tom Blair: I believe that would fulfill it if it was already in competition.

Scott Anders: I don't know the answer. But seems to me if the School of Medicine goes through a competitive process, selects it contractor for its project, that doesn't necessarily seem to fulfill the city's competitive bidding process. I think maybe, the way to think about this, and, Tom, Fritz, correct me if I'm wrong. The city's going to say all comer's bring us your projects, the city's going to collect those in, and select four, for example, and that's the competitive process. And then have contracts directly with those entities. For example, the School of Medicine could have a contract with the city of San Diego to do an efficiency upgrade in their operating rooms. The work may not be done by the School of Medicine but the contractual range that would be the city and the School of Medicine, they get the funds, they've already had a competitive contract. That seems to be my understanding of how this might work. Is that correct? Or?

Fritz Ortlieb: That sounds accurate.

Scott Anders: But so, the competitive process of the UCSD example seems to me as irrelevant to the competitive process that the city of San Diego has to go through in selecting the RPs to get EECG money. I think we need to answer some of these questions. And everybody get on the same page and then move to the next step. The implications of it is, if you start backing out, there are looming deadlines and activities and actions we have to check off to get there. So I think it's important that we.

Donna Frye: Well, we narrowed down what is expected and what applicants can expect.

Scott Anders: But Tom is that the correct characterization that anybody can apply to this, my grandma could apply to this. If she wins, if she wins the bid and has a compelling argument, she can venture into a contract if she meets all the city's contractual obligations. She can enter into a contract with the city to receive EECG money.

Tom Blair: All projects selected by the city and administered by the city—I'm trying to think conceptually through this also. We have to have a competitive selection. And the city would be administering the projects. So if somebody else had already pre-bid an activity, and had the UCSD contract to do X amount of whatever for them, at whatever cost that is. If we put out an RFP and say we would like to have all entities approved in the efficiency project within their

building, we competitively select who is ok to do that. We would be contracting them to deliver. They could use through their process, whoever they want to use. It's kind of a double… But how we get to the point of which…

Dave Jarrel I think we need clarification for what Scott was mentioning because I think what I heard him say was that we were going through the RFP process now. And we are selecting those that are going to get the money, the projects that are going to get the money, and that is the competitive process. But I think that I heard you say that that is not a part of the competitive process but that would follow

Fritz Ortlieb The latter was my understanding. That this committee was identifying the conceptual, categorical types of projects that it would want to invite proposals for and that it would be later issuing an RFP on those concepts.

Tom Blair One of the problems with the contracts is, we have not advertised, we have not met the basic requirements of a RFP by this committee. I do not believe that you could use this committee as a RFP platform to dole out this money to individual entities.

Linda Flournoy Linda Flournoy, I'm a sustainability consultant. I think this would be one of those opportunities to contact the DOE, because in my reading it is not clear to me the kind of limitations that going through the normal state processes and having the city administer all projects which then as Tom was saying in the previous meeting, that is the city has to administer all the projects, you want very few projects because the city does not have the time to do that and was suggesting very large projects. I am suggesting that there is a lot of possibilities that then become excluded de facto. It seems to me that what the process is asking for is some real shift and change and we are not going to get that if we look at a few large projects. To take a university example, I worked for a few years for the facilities department for a university and their public process was yes, a concept would come out, but then the university did not manage the project, did not actually administer it. It went to the department.

(Section recorded over)

Risa Barron I think you point is well taken and a call to DOE needs to be made immediately and if the answer is yes or no. Report back to the community. And secondly I know someone said at the meeting last week that the city of Portland was planning on using their funds. There may be other cities that have gone through the process and submitted their applications already and we may want to call and see how they resolved those issues. We just need to make those calls to DOE.

Linda Flournoy I think so. I don't think we have enough information and I am very concerned as I think a lot of other people are in the process by going trough just the sort of old way of business; which is why we are in this trouble to begin with.

Donna Frye And if we are going to keep beating this horse, the horse has been beaten to death I think so if you are just beating on that. If you have something new to add then certainly we want to hear it, state your name.

Theresa Bagg I'm Theresa Bagg with UCSD, and one thing everybody needs to keep in mind is that when you are applying for the competitive process its not a given that this money will be allocated, when you go through the competitive process as the city, you identify particular projects that can be executed or started in 120 days. So going through the standard RFP process and everything we have to consider what the specific projects will be and if we will meet that deadline.

Donna Frye And then Erica, it's fine I'm just letting this flow. Feel free.

Erica Johnson I have a very competitive vision for this committee and the city of San Diego. I want to talk to you about the opportunity that we have. I know that we will be given a lump sum of money which may not come again. This is stressful because we are weighing out the best way to spend the money. I am here today to ask all of you to think about using this money the most sustainable way feasible, by taking the triple bottom line and future generations into consideration. We need to make this money work for us and we need to make every submitted project happen so the green revolution can continue. In San Diego we are blessed with an abundance in one resource, sunshine. We must take advantage of this. What better city in America than San Diego to demonstrate the power and technology in solar photo-voltaics. Countries like Germany are leading the industries movement while we have such better potential. Energy efficiency is great, but we can do energy efficiency in Alaska. In California the California solar initiative is already in its fifth year, so the rebates are dropping and being exhausted rapidly. What I am suggesting is that we use all of this money to put solar photo-voltaics on all government owned buildings. With the city buildings we can get the most bang for our buck, essentially as we get higher rebates and returns in residential. This is a gift from the federal government to the city of San Diego, we need to use the 12.5 million dollars as seed money, so we will take the savings that the city incurs from the energy bills and put them into a separate San Diego sustainable energy future fund. This fund will be continuous regardless of whether or not we get future funding. This will benefit a cleaner, greener San Diego for future years to come. From energy efficiency to new technologies, educational campaigns to sustainable community development, the possibilities are endless. Thank You.

Donna Frye Thank You. Crickett.

Crickett Bradburn Seems like there is a potential for two types of applicants. If UCSD came up with a proposal to use more efficient lighting and such, they are necessarily qualified to do the work. So, you could award on the concept, so are you going to then ask the other hospitals if they want the same thing and have to go through that. Or are you just going to say, we like the concept and we'll go through competitive bidding for the awarding of the actual work. In the other case, you have a vendor such as the bicycle where they are coming forward with a new concept where they want to be the ones to supply it because right

at the moment that is their business, and I don't think they have a lot of competition. Now if they come through with that concept, you are still going to have to vet them as a competitive business because they want to actually do the work. So you actually have a little bit of difference between the two applicants, sort of apples and orange and we trying for apples not oranges.

Donna Frye Thank You. And again I think that horse died. Yeah, come on up and then we are going to wrap this up because basically we need to….

Linda Flournoy This is a communication question. It just has to do with; when the answer comes back from the DOE will you put the answer on the website because it has not been updated yet. So we need better communication.

Donna Frye Thank You. Let me just try to wrap this up and get us on to…

Scott Anders A quick comment on that. I think it's worth pursuing this question at the DOE, but I don't think any proposals made or ideas brought up by the public are precluded by the city process. So for example, if the California center for sustainable energy made a proposal for 12.5 million dollars to do a whole variety of things that is a legitimate proposal. And it should be judged on its merits about how effectively it can get energy savings and if then they go higher community groups to do work, that is kind of an implementation detail, nothing is precluded by going through the city's process. That is my take on it anyway. The notion of a community group getting a bunch of money to do a bunch of work, I don't think that is precluded. As long as it meets the city's contracting process and all of the ARRA contracting guidelines, it seems to me that that is not precluded. Let think creatively, if someone comes up with a very creative solution, we should give it just as much weight as a strict traditional either party who is applying is going to use it or UCSD is applying for somebody else to use it. I think all of these things are possible under what the existing guidelines are talking about.

Donna Frye That's definitely the debate, and we have to have the discussion and get the final determination on whether these things are done and what has been perceived through the DOE.

Lisa Briggs Just to add to questions that need answers. If that is indeed the scenario and that is how we go, they also need to take a look at how that does with this process with the cities contracting out requirements and prohibitions as well as any sort of NMDA requirements that may or may not apply.

Donna Frye Absolutely. So I think what we need is some very clear direction. I guess to the city attorney, find out who is calling the department of energy, who is going to report back and you really need to have an answer probably within next week, Monday or Tuesday. It shouldn't really be that hard to make this call, I don't think.

Fritz Ortlieb I will add that as Mr. Blair pointed out, the city is the recipient of these funds, it is the applicant for these grant funds, and it is accountable to the DOE for these. It will be audited by the inspector general and that will include I am imagining a review of the procurement process that the city utilizes.

Donna Frye So all we really need is to. I'm stopping public debate right now because we need to move on to some other items. But what we need to have is very clear answer to those real basic questions. Can an individual organization such as Bob's Flower shop come in apply for the grant and directly receive the money for whatever work they do. That seems to be the crux of the issue that people are confused about. At least my understanding of what the contention seems to be. Paul.

Paul Hannam I have been listening and it sounds very complex to me. I don't necessarily ask a public question, but I would imagine a lot of people who are listening to this might be deterred from applying at some level and that really concerns me because coming back to everything I've been saying about these meetings is that one of the primary goals of this is to raise awareness. This is a high leverage opportunity for raising awareness about San Diego and all the issues we are talking about, yet if people think that they are going to be deterred by some elaborate process or that they are going to go all the way to the table and then be let down because they can't do anything or it's taken out of their hands. That is such a shame and I think we need to really clarify this and have maybe on the website some examples and some encouragement that really reduces the risk for people because we want as many people to apply for this. That's what the DOE wants, that's the whole point of this. It's not just the same old same old; it's a new way of doing things. We've got an opportunity here; I think we need to talk about.

Scott Anders One quick clarification on your question. Are you asking whether the flower shop can go directly to the DOE and get funding? You are asking whether they can get funds directly from the city.

Donna Frye What I'm hearing is confusion as to whether any entity can go to the city and seek funds and actually receive those funds. Or whether they can bring forward projects and suggest them to the city and the city then goes through its own contracting process and maybe they will not be the ones that actually do the work and it will be someone else through a contracting out process. Those are really the issues as I see them. It's very simple. And that is what we don't seem to have a good clear understanding of which we absolutely need because it changes the dynamics of this work that we are doing here. So is that clear what we are asking for.

Fritz Ortlieb Yes it is. Again, I don't view this committee as the competitive process itself. So if the question is, can somebody just come to the committee here without any offers having been invited at all, that the offer is in effect solicited but unsolicited, because it was not specifically invited, then I don't know if that would necessarily suffice for the Department of Energy. I think that the city is required to invite offers for defined projects.

Donna Frye The committee would not have the final say, we are an ad-hoc committee created by the city council so any projects would have to go through the full city council. So I understand what you are saying, and I'm not trying to muddy the water here, all I'm saying is that I need some clarification as to what the process is, who can apply for the grant? Am I missing that, because I

really going to wrap this up pretty quick, we just need an answer, we can debate this all morning long. But go ahead Paul.

Paul Hannam All I want to know is we got the criteria from the department of energy, we are creating our own criteria which I think is excellent we've been working on, but what if you meet all that and then there is a clash in the criteria about proper process. I think that would be, that is what I want to understand and I would imagine everybody else is in the same line.

Donna Frye We do. We do. And it was just pointed out to me that we can call right now, somebody could make a phone call to the DOE. Is that correct? We could just pick up the phone and someone could call them? And see if we get some clarification.

Tom Blair There is a, we under the Fedconnect website have access to question and answer and we can submit a question but we probably will not have an answer back for a couple of days.

Donna Frye Ok, well then can we submit the question today? Alright I'm just trying to get some clarity here you know.

Tom Blair I believe this comes down to, is this a competitive process? Because…

Donna Frye Is the competitive process not so much this committee, and now we are going into the second level of questions. Its not so much is this committee the competitive process, because the final process will be through a city council public hearing. Whatever projects are recommended, we do not have any legislative authority. Basically all we are doing here is making some recommendations and sending some things to the full council after it goes through the NRNC committee and after it goes to the full city council. So we are just an advisory board, we have never set ourselves up as somebody that gets to make a final decision. We are making recommendations, they can be accepted or rejected by the city council so would that process then be part of the public process that actually deals with those issues. But let's get those questions answered and let's take about 5 minutes, there is water there is drink, everybody stretch your legs and we will reconvene in about five minutes.

Donna Frye One of the things that I would like to commend our group for is the fact that this truly unlike a lot of other organizations and municipalities, this is decision making in public. You are seeing all of it. And for that I am truly grateful. So anyways there is a lot of different stuff coming out of this. And the fact is that these discussions happen in public and you have a whole lot of smart people and a whole lot of people interested in it, who actually see how decisions are made and how people got there, where they began and where they will ultimately end up. Again that is not often done quite this way. So anyways I want to jump back a little bit to, I was just talking with my co-chair, and what we'd like to do is put together a little working group to finalize a strategy and when I say finalize, a draft strategy, finalize it and they can bring something back for us next meeting and I have asked Scott Anders, Landry Watson, Bill

Powers, and Tom Blair to work together and bring something back because there is a time constraint and they have all agreed. Are you ok with that Tom? Say Yes. Please say yes, because then we can go on.

Tom Blair It would take away a whole lot of time from me.

Donna Frye We won't require a lot of you time. We will minimize your time, but I want you to make sure that you are involved, so that you don't feel precluded. That's all. Ok?

Tom Blair Ok.

Donna Frye Yeah Lisa, I might have some plans for you soon.

Lisa Briggs I was just wondering will that be a Brown Act committee is this meeting ad-hoc sub group.

Donna Frye In my opinion it would not be. It is just a really short working group with a very specific purpose, which does not constitute a quorum, there will be no collective concurrence, they are meeting for discussion purposes only to make some recommendations that will be brought forward to this committee at the next meeting on July 17th. Mr. Attorney, does that meet all the requirements of the Brown Act?

Fritz Ortlieb Yes, I believe it does.

Donna Frye Thank you. Ok, so that is done. The next item is the development of the criteria for the projects to be funded.

Donna Frye And I think we can actually at least get to work on that get quite a bit of that done today and we have, I just want to make sure all have the same documents which is from Mr. Munson. Which document are we going to be using at this moment, I'm assuming you are here to make a presentation.

Bill Munson I hadn't actually planned to make a presentation, however I have some things I could talk about.

Donna Frye Well then, let's get to the, because you did have some responses to the committees data request. And I think you all have that. But I was really going to try to put some focus in on today and trying to get something was the document I believe from last week, where you had done a presentation on the specific criteria and the process for that. Let's make sure, does everyone have this document. If you do not, let me know. It's called The Criteria and Screening Process; it was handed out last week.

Bill Munson Actually, I think its something different. It's called the Criteria and Scoring Proposal. That was the one from last week. It looks like this on the second page.

Donna Frye Whoever needs documents, if you could share for now, we will make sure you get copies of all the documents that have been handed out. So the idea today is

to attempt to reach some consensus on the project scoring and thresholds and how to make sure that the projects meet all the requirements and what this group will be using for their criteria. The final determination of the projects on how they will be scored when we look at each project and we will have a certain criteria in addition to DOE criteria and we will make those determinations when we are evaluating them and looking at the initial concept.

Scott Anders: Oh I just had a, you are reading my mind, I am sending you telepathically. I guess I just wanted to clarify with Fritz Ortlieb. It was your characterization earlier that this committees purpose is to try to help flush out the types of projects the city would include in its RFP process.

Fritz Ortlieb: That's right. That was my understanding.

Scott Anders: So then, would we add to that development of criteria to score, which would happen in the city process. I think there is some confusion that somehow this committee is selecting projects and I don't think that is the case.

Fritz Ortlieb: In other words: Are we scoring projects right now? Or are we scoring concepts?

Scott Anders: Yeah, I guess that's the question. It is clear to me that this committee is not selecting projects. I mean that is my understanding. And that any selection criteria would be used to either screen the concepts or be used not by this committee but by the staff to screen the projects. I think the scoring criteria are an important exercise, but what is the purpose of these scoring criteria for this committee.

Donna Frye: My understanding was that the committee, go ahead Tom.

Tom Blair: The project definition sheet basically is the mechanism where we would get the concepts and the budgets and ideas that people wanted to submit to be eligible to receive some of this money. Scoring criteria would help to narrow those down and say here are the ones that look like they fit our needs the best and then there is going to have to be a process where we select who is going to do that.

Scott Anders: I'm still trying to get my head around the process. Let me tell you what I think the process is and maybe you disagree but I think the strategic plan informs the selection criteria, and some of the things in the selection criteria won't be addressed in that strategic plan. So for example, one criterion might be that it is a shovel ready project. I do not know if that is going to show up in the strategic plan. So the strategic plan informs the selection criteria. A selection criterion then helps this committee review the concepts. And then we at some future point come up with either concepts or projects and then that is then that is taken up by the city staff to develop an RFP which goes out to bid and that process is an internal city process. Up to that point, is that everybody's understanding of kind of how this fits together.

Donna Frye That is a very good analysis of our understanding. Of course, anything can change at any time. Yeah, Risa?

Risa Barron I have a question and I know we touched on it a couple weeks ago about the issue of municipal projects versus community projects. How, is there going to be a different process for how we review municipal projects or is there going to be a breakdown of how much money the city will use for its own operations versus how much is going out to the community. And I think those criteria issues associated with what fits those criteria for municipal might be different than what would be then for community and I think we need to have that discussion.

Donna Frye Absolutely. Hey Tom, let me ask you, is there any? I shouldn't ask this but I am going to. Is there any specific requirement in this that says there is a certain amount that must be used or needs to be used for the municipality verses the private or the NGO sector?

Tom Blair There is no specific allocation, other than all of the money is the city of San Diego's. And then the city determines how much would be. There are specific categories that have either a percentage or a dollar value limits based on the amount of the award. For non-profit organizations, I believe there is a twenty percent or 250,000 dollars whichever is higher. So there are specific requirements in the DOE application, in their documents, but basically the city can determine how much they want to allocate to various areas as long we know that we are able to meet the 18 and 36 month delivery of the end thing whatever it is. I'm not sure that answers your question.

Donna Frye Not exactly. Let me ask it this way. We have 12 million dollars, if someone came in from an NGO and had a great project for 12 million dollars, could the city of San Diego use 12 million dollars for the NGO.

Fritz Ortlieb No. Because there is a limit on the NGOs which Mr. Blair identified as 250,000 or 20% whichever is greater.

Tom Blair That's per individual award to a NGO. So you can have as a maximum for any individual award is 20% or 250,000. It is a maximum award per individual account in the contract, in the DOE guidance. If you want to, you can award to lots of different Non-governmental agencies, but there is a maximum of 20% to any individual awards. The way I read the guidance from the DOE.

Donna Frye Yes Risa?

Risa Barron Just for clarification for the NGO's that will be submitting applications, I think this needs to be really, clearly defined and the reason I say that is, we don't want people to go down the wrong path, and we need to put on the website what are the requirements and what are the limitations and I think we still have a lot of questions to answer.

Fritz Ortlieb With respect to the NGO's and it is section 545, B of the Energy Efficiency and Conservation Block Grant legislation, it says that the local government

may not shall, may use, and under subsection C for NGOs 20% or 250,000 whichever is greater.

Donna Frye SO does that language limit the amount that can be awarded to an individual nongovernmental organization?

Fritz Ortlieb Yes.

Donna Frye Because it says "may."

Landry Watson I am looking at the guidance document and it does say units of local government and Indian tribes may not use more than 20% or 250,000 whichever is greater for the provision of sub-grants. And I guess that is what we are talking about here, sub-grants.

Donna Frye Yeah, Scott?

Scott Anders I think this all bring us back to that question that Risa put on the table that the public needs to know up front how much of this money is going to go to the city.

Donna Frye So the total amount, with the requirements, the maximum amount. Take the 12 million, and no individual sub grantee can receive more than 250,000 is that what you are saying? Or that no NGO period can receive period, more than 250,000 dollars

Fritz Ortlieb Yes, that only applies to nongovernmental organizations.

Tom Blair Madam Chair. The 20% applies in our case because it is the greater of 250,000 or 20%. So in our case, the award is 12.5 million dollars so 20% is roughly 2.5 million dollars, which is the cap of an individual NGO. Out of the total, and you won't really have 12.54 for available because you will have administrative items. So we have roughly 10.5, 11 million for projects.

Donna Frye Ok, so we are talking, what I guess I need to know and have on the city's website is hoW much money may be available for NGO's total. Because I am not, again a lot of this information is new to me today. Ms. Capretz, do you want to say something?

Nicole Capretz I'm thinking a lot of clarifications that need to be, I think a really hard look at some of the legalities. First of all, everyone gasped when Tom was saying administrative costs for the city were taking a million off the top. That's outrageous, just from my initial reaction. So I'm not sure about the non-profit, the 20% or 2.5 million I'm sure that's correct. Everything just needs to be clear and transparent and easily accessible to the public as soon as possible. So I think just those, logistical administrative questions need to be managed immediately and so this is tough because we are not getting to the meat of the conversation because we are all struggling with the logistical conversation.

Donna Frye And I certainly agree with you. I think that again that this sort of process what we are finding is that information I would consider to be very basic simple

information is not so readily apparent to those who might want to participate in this. Yes, if you want to come up.

Jane Howell Yes, just really quickly. What if a group of NGO's were getting together to do a project, then it would be very helpful to know how this NGO amount applies to say a group of three or four NGO's that may combine to do a much larger project. So when you are thinking about that.

Linda Flournoy Just to clarify for all of us, it might be useful if on the website if there was a way for the public to make comments. Right now the documents are there but we are not able to give our feedback on the documents in any constructive way. Like a comment page or a link to your comments on scoring criteria and other processes, to open it up to the whole public.

Donna Frye Yah I understand. Yes Jeanne?

Jeanne Fricot I just want to say that I am feeling really frustrated right now. And maybe I'm just confused; this is my first time on a committee like this. So just to point out that there is a million dollars coming off the top, blows my mind, blows my top.

Donna Frye I just want to say to you, that we are all finding this out, which is another interesting thing about this process, as you sit here, this information, is the first time I as the co-chair have heard this. So a lot of this information that you are hearing, we are all experiencing the same experience.

Jeanne Fricot Ok, and I just wanted to say

Fritz Ortlieb I just wanted to make some clarifications here, and this is not as complicated as it may seem. Again, it is all right in the legislation, it deals with the Energy Efficiency and Conservation Block Grant, section 545, the million dollars for administrative costs does not have to be a million dollars. Because again, it says the local government may use 10% or 75,000 or whatever is greater over a three year period. It does not necessarily mean that administrative costs are going to be a million dollars. Up to 10% may be used for administrative costs. Now with respect to the NGOs, subsection C there talks about and I'll quote it. "For the of provision sub-grants to nongovernmental organizations for the purpose of assisting in the implementation of the Energy Efficiency and Conservation Strategy, an amount equal to the greater of 20% or 250,000 dollar." So that's for all nongovernmental organizations for the purposes of implementing an energy efficiency strategy 20% is the cap for all of them. And again that is may, not shall.

Scott Anders The other clarification about the administration costs, it's not clear to me yet, it seems that is of the total amount, only 10% can be used on administration and that would include sub grants. That is how I would read that. So, to administer a program, to hand out light bulbs, you have to pay someone to hand out the light bulbs. There is administrative overhead associated with any program so there is going to be administrative costs to any project. SO this 10% presumably applies to the whole 12.5 million, so that the package that the city puts together, whether it is their own projects or a combinations of

their own projects and other projects from other entities, would be a maximum of 10% and that 10% is a pretty common number. I think for example the California Solar Initiative, administered here locally by the California Center for Sustainable Energy uses 10%, in fact it may be 5%. So, I mean that 5 or 10% rate is not unreasonable for administration. That is also a 30 million dollar program. It's a bigger pot.

Donna Frye: So it sounds to me like we all agree Scott, that about 2 million of the total, approximately, is available for NGOs.

Scott Maloni: Two million tops.

Donna Frye: Is that how you read that Mr. City Attorney?

Fritz Ortlieb: 20% of 12.541 million. For the provision of sub grants, plural, to NGOs, no greater than 20%.

Landry Wilson: It is 2.508 million to be precise.

Donna Frye: So it's a little over 2 million dollars that is available to NGOs and I would appreciate if we can sort of maybe get Fritz Ortlieb to maybe put together a simple 1 or 2 sentences that can be put on a website that can say if you are an NGO and you are applying, the maximum amount that the city would be awarding if they decide to award would be this amount. So that people are not making assumptions. I think, for NGO's, because most of the people here are NGO's. Does it address businesses?

Fritz Ortlieb: No, that limitation applies to nongovernmental organizations that are assisting the city in implementing the strategy.

Donna Frye: Would that be a private business?

Fritz Ortlieb: No. If by private business you mean a for profit entity.

Tom Blair: But a for-profit agency would have to compete on the RFP basis.

Fritz Ortlieb: Correct, they would be competing for the other 8 million.

Donna Frye: Sir, we might be able to nail this down. A private business comes forward with a proposal to do all the street lights in the city San Diego and they want to spend 8 million dollars to do it. They would not be able to do that without the city going through a full RFP from all the people who might want to bid on that. Now is there any limits on what a private business can come forward with as far as proposals, they would be limited to about 8 million.

Fritz Ortlieb: No. If this committee were to put a high priority on say energy efficiency it could use the whole 12. 5 million on it, it could give 2.5 million to NGOs but it doesn't have to. But it may. Any or all of the money could go to private business.

Risa Barron Just so I'm clear from a private business perspective; would the city of San Diego need to develop the projects, streetlights, retrofits for these 10 projects then go out to bid to private companies to go through the RFP process of the city to be awarded the job?

Fritz Ortlieb Yes, that is exactly what I view this committee as being.

Donna Frye and the committee along with Tom Blair continue to discuss how the process will work. How much is available for NGOs, private companies, and other government entities. Speaking for the Mayor, Dave Jarrell points out that there may be objections to giving any money to the state or UC system. One company could do a very cost effective project that reaches all of the cities goals, with all of the money. Money would have to be administered through the city and meet the city contracting guidelines.

Where does the committee want to break up the money? Revolving loan funds have a limit of 20%. NGO's have a limit of 20%.

There is a motion by Risa Barron and a second by Scott Maloni to spend no more than 20% to NGOs, should the projects meet the criteria. The motion carried unanimously.

Projects are due in concept on the 20th of July.

The committee will still be using the selection criteria they are developing.

How much do we want to look at the larger strategy for the city?

Other governmental agencies have the ability to go get their own money.

Risa Barron discussed the benefits of using the cost savings from a project to finance future projects and sustain the DOE money past the three year period.

City does not have a revolving fund, but does have funds that are similar in nature.

Discuss using some money for an activity that included setting up a revolving fund. However, the funds may not co-mingle with city funds. There would be a separate accounting fund for revolving fund. The city would administer the revolving fund. Fund does not carry interest, it just funds projects and savings are used to pay back fund. The city has approximately 8,000,000 square feet and 1400 structures.

Bill Munson went over his Criteria and Scoring Proposal. Committee commented on the document. The committee wanted to add an emphasis on job creation. Committee agrees that the criteria provided by Mr. Munson are a good starting point. It needs some additional criteria and discussion involving the weighting of the projects.

Landry Watson motions to set the criteria to the criteria suggested by Bill Munson, with weighting to be discussed later. Motion seconded by Jeanne Fricot. Motion carried unanimously.

Landry Watson moves to accept all of the sub-criteria suggested by Bill Munson, with weighting to be discussed later except for job creation which needs to be amended. Motion seconded by Paul Hannam, with the modification of adding scalability to leverage subcategory. Motion carries unanimously.

Next meeting will be July 17th from 8:30am to 11:30am.
At that meeting we'd like to have our questions answered.