



## Agenda Report

19-986

Agenda Date: 10/8/2019

### REPORT TO COUNCIL

#### SUBJECT

Action on Amendment No. 1 to Call 17-1 with Nexant, Inc. to Provide the Specialized Commercial and Industrial Operational Optimization Program Third Party Energy Efficiency Program

#### BACKGROUND

In accordance with Public Utilities Code (PUC) Section 385 covering Public Benefits Charge, and with the City's Public Benefits Program Policy Statement adopted by Council on May 12, 1998, Staff has developed a wide range of cost-effective energy efficiency and renewable energy programs for customers. State law requires that the utility spend a minimum of 2.85% of retail revenue on these programs, in order to encourage customer investments by reducing the payback period in these areas.

In order to expand its programs, Silicon Valley Power (SVP) periodically issues a Request for Proposals (RFP) for Third Party Energy Efficiency Programs. An RFP was issued in August 2016 and the City selected the Specialized Commercial and Industrial Operational Optimization Program Third Party Energy Efficiency Program offered by Nexant, Inc. to complement its existing energy efficiency programs. In January 2017 SVP entered into an agreement with Nexant (titled "Call 17-1 Agreement"). Measured by the number of projects completed to date and current Program enrollment, customer interest exceeds initial expectations, and the original budget will be fully committed by November 2019. Additional customers have expressed interest in enrolling in the Program and show significant opportunity for energy savings through the Program offering. This Amendment to the Call 17-1 Agreement will extend the Program until January 24, 2022, and with the allocation of additional funds, the Program will continue to contribute to SVP's energy efficiency goals and serve additional customers.

#### DISCUSSION

The Specialized Commercial and Industrial Operational Optimization Program ("Program") provides engineering support and analysis to large customer facilities to effectively engage these customers in taking a long-term view in developing energy savings strategies geared towards implementing measures that will optimize the operations of their facilities. The Program also provides project management support to customers during the implementation phase to make the recommended energy efficiency improvements and data analytics support to assist with ongoing savings validation. Incentives to customers are paid through the Customer Directed Rebate program. Extending the Program timeline an additional 30 months (to January 2022) and adding additional funding of \$474,000 is anticipated to achieve an additional 1 million kWh in first year energy savings.

**ENVIRONMENTAL REVIEW**

This action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

**FISCAL IMPACT**

The total cost of Amendment No. 1 to Call 17-1 with Nexant, Inc. will not exceed \$474,000 over the additional 30 months. Sufficient funds in FY 2019/2020 and FY 2020/21 are available in the Electric Department’s Public Benefits Program operating Materials, Services, and Supplies budget. Expenditures for future fiscal years are subject to appropriation of funds.

**COORDINATION**

This report has been coordinated with the Finance Department and City Attorney’s office.

**PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

**RECOMMENDATION**

Authorize the City Manager to execute Amendment No. 1 to Call 19-1 Agreement with Nexant, Inc. to provide the Specialized Commercial and Industrial Operational Optimization Program Third Party Energy Efficiency Program extending the service provided until January 24, 2022 in an amount not-to exceed \$474,000, subject to annual appropriation of funds.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. Amendment No. 1 to Call 17-1 Agreement with Nexant, Inc.