



## Agenda Report

20-239

Agenda Date: 4/7/2020

### REPORT TO COUNCIL

#### SUBJECT

Action on an Agreement for Services with Efficiency Services Group, LLC to Provide the Commercial Parking Lot & Exterior Lighting Third Party Energy Efficiency Program [Council Pillar: Sustainability]

#### 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 as a result of this RFP, SVP selected the Commercial Parking Lot & Exterior Lighting Third Party Energy Efficiency Program offered by Efficiency Services Group, LLC to complement its existing energy efficiency programs. This program began in January 2017 and has exceeded expectations in customer participation. The original program contract ended on January 11, 2020. However, significant customer demand for the program continued, and staff would like to be able to serve the demand. This Agreement will renew the program for two years in order to serve the remaining customers and contribute to the utility's energy efficiency goals. If additional demand is anticipated at the end of this term, staff will complete a new RFP.

#### DISCUSSION

Commercial Parking Lot & Exterior Lighting Third Party Energy Efficiency Program delivers energy efficiency measures that reduce the energy consumption of small businesses through exterior lighting energy efficiency measures. The program is designed to provide free light fixtures and the customer is responsible for having their staff or electrician perform the installation. Efficiency Services Group, LLC assists the customer in identifying the appropriate retrofit light fixtures and performs verification of installation, ensuring customer satisfaction with the new product. While the fixtures are free, the customer is essentially paying a "copayment" by paying for the installation of the fixtures. This model still falls within the program cost effectiveness requirements of SVP. Renewal of this program is anticipated to achieve an additional 715,665 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 the agreement for services with Efficiency Services Group, LLC will not exceed \$499,997 over a two-year period. Sufficient funds are available in the Electric Department Public Benefits program's operating budget for FY 2019/20 and FY 2020/21.

**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>>.

**RECOMMENDATION**

Authorize the City Manager to execute an Agreement for Services with Efficiency Services Group, LLC to provide the Commercial Parking Lot & Exterior Lighting Third Party Energy Efficiency Program.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. Agreement for Services with Efficiency Services Group, LLC