



## Agenda Report

18-1113

Agenda Date: 9/18/2018

### REPORT TO COUNCIL

#### SUBJECT

Action on a Services Agreement with ICF Resources, LLC to Provide an Energy Efficiency Program for Office Buildings Operated by Property Management Firms

#### BACKGROUND

In accordance with California 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, Silicon Valley Power (SVP) charges a non-bypassable usage charge in order to fund cost-effective energy efficiency services and other activities. Staff has developed a wide range of cost-effective energy efficiency and renewable energy programs for customers. Staff also manages performance monitoring, verifies savings, and uses the resulting information to adjust program offerings. In order to maintain up-to-date and effective programs, SVP periodically issues a Request for Proposals (RFP) for Third Party Energy Efficiency Programs.

#### DISCUSSION

In April 2018, SVP issued an RFP for Third Party Energy Efficiency Programs. Program providers were asked to design programs that would serve SVP's customer demographics and supplement SVP's existing energy efficiency programs. Six third party program providers submitted proposals. ICF Resources, LLC (ICF) proposed a Targeted Energy Segment Solution (TESS) Program for office buildings operated by property management firms. This was the only program proposal received for a program targeting this customer demographic. SVP is recommending the award to ICF to complement SVP's existing energy efficiency programs. The proposed TESS Program would engage with office buildings operated by property management firms to help reduce energy consumption through an assessment of energy savings opportunities and a comprehensive energy efficiency retrofit. These hard to reach customers require a focused solution because there are multiple decision makers that include property owners, asset managers, property managers, and facility managers. In addition, commercial office buildings use lease agreements with their tenants that create split incentive barriers that can hinder the approval of energy efficiency improvements. ICF has developed relationships with many large property management firms and has a proven track record of achieving energy savings through this program in other utility service territories. This program aims to complete at least 20 building audits and is estimated to achieve 1,835,106 kWh in first year energy savings in Santa Clara.

#### ENVIRONMENTAL REVIEW

The 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 with ICF Resources, LLC will not exceed \$422,499 over a two (2) year term. Sufficient funds in FY 2018/19 are available in the Electric Department Public Benefits Operating 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**

Approve a Services Agreement with ICF Resources, LLC to provide a Targeted Energy Segment Solution (TESS) Program for office buildings operated by property management firms in an amount not-to-exceed \$422,499 over a two (2) year term subject to annual appropriation of funds.

Reviewed by: John C. Roukema, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. Agreement for the Performance of Services with ICF Resources, LLC