LOS ANGELES COUNTY
ISD
INTERNAL SERVICES

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March 3, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

APPROVE AMENDMENT TO
2006-2008 ENERGY EFFICIENCY PROGRAM
CALIFORNIA PUBLIC UTILITIES COMMISSION
(ALL DISTRICTS- 3 VOTES)

SUBJECT

Approve the amendment to the Agreement to Jointly Deliver the 2006-08 Los Angeles County Energy Efficiency Partnership Program (2006-08 Agreement) with Southern California Edison and Southern California Gas Company.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find the approval of this action is categorically exempt pursuant to the provisions of the California Environmental Quality Act (CEQA).

2. Authorize the Director of the Internal Services Department (ISD) or his designee to execute an amendment to the current 2006-08 Agreement with Southern California Edison (SCE) and Southern California Gas Company (SCG) to continue to implement energy projects in various County of Los Angeles (County) facilities with funds provided by the California Public Utilities Commission (CPUC).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The purpose of this recommendation is to authorize ISD's Director or his designee to amend the existing agreement with SCE and SCG to allow ISD to continue to complete energy efficiency projects within County facilities throughout SCE and SCG service territories until the CPUC adopts a final decision on the 2009-2011 program cycle. These energy efficiency projects will result in electricity and gas savings for the County.

On August 1, 2006, your Board authorized the participation in a partnership with SCE and SCG to utilize a CPUC grant of $6.0 million to implement energy efficiency projects throughout County facilities for calendar years 2006 through 2008 (Partnership). This program has centered around the County's Building "Tune-up" (retro-commissioning) program which has proven to be highly cost-effective under the partnership program. The Partnership completed retro-commissioning in 26 County facilities through 2008 resulting in over $2 million in annual utility savings.

The CPUC is currently in the process of approving the 2009 through 2011 program cycle (2009-11 Program). This 2009-11 Program will include the continuation of the Partnership to complete energy efficiency projects in County facilities. The CPUC anticipates approval of the 2009-11 Program in mid to late August of 2009. In order to achieve continuity and assure a smooth transition to the 2009-11 Program, the CPUC issued a decision (see attachment A) on October 16, 2008 allowing the utilities to expend funds (bridge funding) to continue the existing energy efficiency programs until the CPUC adopts a final decision on the 2009-11 Program.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Continuation of these energy savings projects support Goal Number 4 of the County's Strategic Plan, Fiscal Responsibility, by investing in the public infrastructure and generating reduced, ongoing utility expenses.

FISCAL IMPACT/FINANCING

There is no additional cost to the County to amend the 2006-08 Agreement to continue to implement energy efficiency projects through the Partnership as they are funded by the CPUC grant.

The total monthly bridge funding budget for the utilities that will be available shall not exceed $101,307 per month.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On August 1, 2006 your Board authorized the Director of ISD to enter into the 2006-08 Agreement (see attachment B) to allow ISD to complete energy efficiency projects within County facilities throughout SCE and SCG service territories. The 2006-08 Agreement states that all implementation work was to be completed by December 31, 2008 which was achieved and allows for administrative activities to continue through June 30, 2009. The proposed addendum will provide the authority to expend additional funds in 2009 for implementation work and will be in effect until three months after the date of the CPUC's

final decision on the 2009-11 Program. Once the CPUC has issued its approval, ISD will seek your Board's approval for entering into a 2009-11 agreement with SCE and SCG.

The existing 2006-08 Agreement allows for amendments. This amendment (Attachment C) will allow SCE and SCG to expend funds to continue certain 2008 energy efficiency programs during the period from January 1, 2009 to the earlier of three (3) months after the effective date of the CPUC's final decision on the 2009-11 Program, or December 31, 2009. The amendment has been approved as to form by County Counsel.

CONTRACTING PROCESS

All terms of the existing agreement will remain in force. SCE and SCG will conduct the bidding processes, contract for all project implementation and make all payments for work completed for the retro-commissioning projects. ISD will manage all projects and oversee daily work progress in all County facilities.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Upon completion of the projects, inefficient and outdated equipment will have been replaced and the County utility costs will be reduced.

CONCLUSION

Your Board's approval of the amendment will allow ISD to continue with its successful partnership program to implement energy efficiency projects throughout the County.

Respectfully submitted,

Tom Tindall

Tom Tindall
Director

TT:TB:BR

Attachments

c: Chief Executive Officer
Executive Office, Board of Supervisors
County Counsel