



SCOTT MINNIX
Director

County of Los Angeles
INTERNAL SERVICES DEPARTMENT
1100 North Eastern Avenue
Los Angeles, California 90063

"Trusted Partner and Provider of Choice"

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July 31, 2018

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:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

24 July 31, 2018

CELIA ZAVALA
ACTING EXECUTIVE OFFICER

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

SUBJECT

Request your Board to accept up to \$800,000 annually in incentives and rebates from the California Public Utilities Commission (CPUC) from 2018 through 2025 for the continuation of the Local Government Partnership (LGP) program with Southern California Edison and Southern California Gas Company that is administered by County through the Internal Services Department.

IT IS RECOMMENDED THAT THE BOARD:

1. Find the approval of this action is categorically exempt pursuant to the provisions of the California Environmental Quality Act (CEQA).
2. Accept up to \$800,000 annually in incentives and rebates from the CPUC Energy Efficiency Program funding cycle for calendar years 2018 through 2025 to continue the LGP.
3. Authorize the Director of the Internal Services Department (ISD) or his designee to execute an amendment with Southern California Edison (SCE) and Southern California Gas Company (SCG) to continue to the LGP program.
4. Delegate the Director or his designee to execute any future agreements based upon final ruling of the Energy Efficiency Business Plan approved by the CPUC.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

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 receive incentives and rebates for 2018/2019 pending completion of energy efficiency projects (Attachment A) within County facilities throughout SCE and SCG service territories subject to funding. These energy efficiency projects, if completed, will result in electricity and gas savings for the County. In addition, ISD is seeking approval to execute a future agreement with SCE and SCG based upon the new Energy Efficiency Business Plan (EEBP) approved by the CPUC on May 31, 2018 to continue the successful partnership through 2025.

Previously your Board authorized the participation in a partnership with SCE and SCG to utilize a CPUC grant of \$4.2 million to implement energy efficiency projects throughout County facilities for calendar years 2010 through 2012. The CPUC, in subsequent years, issued decisions approving the continuation of the LGP on an annual basis and amendments were executed to continue the program as approved by your Board. By providing delegated authority to execute the amendment to extend the current partnership through 2019, the program can continue until the agreements are executed for the new EEBP. The EEBP decision states that the utilities have 90 days to file a motion for approval of a standard contract for local government partnerships. It is anticipated that this approval process could take up to six months. ISD is requesting authorization to issue the amendment in order to keep continuity in the current program. In addition, ISD is requesting delegated authority to execute the new agreements which ISD will continue to receive an estimated \$800,000 annually in incentives for projects completed through 2025.

Implementation of Strategic Plan Goals

These actions support Goal III.3 (Pursuing operational effectiveness, fiscal responsibility and accountability) by obtaining external funding to promote environmentally responsible practices. These actions also support Goal II.3 (making environmental sustainability our daily reality) by providing a program that promotes energy efficiency and conservation, and enhances health and sustainable practices in the County.

FISCAL IMPACT/FINANCING

Sufficient appropriation has been budgeted in the 2017/2018 Fiscal Year's budget request and will continue to be budgeted in subsequent budget request to complete projects and receive the rebates and/or incentives.

The CPUC approved incentive caps that limit incentive/rebates to a maximum of 80 percent of the project cost depending on the efficiency measure which will require the County to provide funding to complete the projects. ISD will leverage the Energy Investment Program funds approved by your Board on April 17, 2012 to supplement the incentive cap. In addition, ISD will continue pursuing other funding sources such as additional grants, County funds (if available), or any other funding opportunity.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 16, 2010 your Board authorized the Director of ISD to enter into the 2010-12 Agreement to allow ISD to complete energy efficiency projects within County facilities throughout SCE and SCG service territories. The proposed Fifth Amendment (Attachment B) will provide the authority to amend the existing agreement to expend additional funds in 2018/2019 for implementation work.

The LGP will continue to operate per the October 22, 2015 “Decision for Energy Efficiency Goals for 2017 and Beyond and energy Efficiency Rolling Portfolio Mechanics (D.15-10-028)” by the CPUC authorizing continuation of energy efficiency programs funding unless and until superseded by the CPUC.

On May 31, 2018, the CPUC approved the EEBP (D. 17-01-013) for funding through 2025. ISD will work with County Counsel to finalize the new agreement.

ISD will provide an annual report back to the Board at the end of each year on the status of the LGP and projects completed.

CONTRACTING PROCESS

SCE and SCG will continue to provide administrative duties and ISD will be responsible for the bidding processes, contracting for all project implementation and making payments for all work completed. All projects will be competitively bid through the Energy Efficiency Project Master Agreement approved by your Board on September 5, 2017. 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,

A handwritten signature in blue ink that reads "Scott Minnix". The signature is written in a cursive, flowing style.

SCOTT MINNIX
Director

SM:SH:ML:ct

Enclosures

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

California Public Utilities Commission Projects

Building - BIS	Building Size (GSF)	Electricity Consumption (kWh) Annual	Estimated Annual Savings	Estimated Annual kWh Savings	Estimated Annual Therm Savings	Estimated Annual Cost Savings	Estimated Project Costs	Simple Payback
AG COMM-WTS MEAS-South Gate Administration - 09832	49,522	893,020	8.1%	72,335	990	\$ 11,129	\$ 61,903	6
Arcadia Office WTS and MEAS HQ - 05181	35,878	762,772	7.3%	55,682	718	\$ 8,352	\$ 44,848	5
City Terrace Library - 6894	8,007	132,244	4.8%	6,348	160	\$ 952	\$ 10,009	11
Curtis Tucker Public Health Center - 03748	28,734	741,877	17.6%	130,570	575	\$ 19,586	\$ 35,918	2
DCSS Headquarters - 03517	52,230	933,111	9.2%	85,846	1,045	\$ 12,877	\$ 65,288	5
East LA Service Center DCSS - 09014	28,514	612,425	12.6%	77,166	570	\$ 11,575	\$ 35,643	3
El Monte Comprehensive Health Center - 03687	90,149	2,272,535	14.6%	331,790	1,803	\$ 49,769	\$ 112,686	2
Registrar Recorder HQ - 10421	262,510	5,971,853	4.1%	244,846	5,250	\$ 36,727	\$ 328,138	9
West Covina East Regional Library - 03928	42,345	710,258	4.4%	31,251	847	\$ 4,688	\$ 52,931	11
	2,000,000	37,597,649				\$ 155,653	\$ 747,361	5

FIFTH AMENDMENT

This FIFTH AMENDMENT (“Fifth Amendment”) to the AGREEMENT TO JOINTLY DELIVER THE 2010-2012 LOS ANGELES COUNTY/IOU ENERGY EFFICIENCY PARTNERSHIP PROGRAMS dated January 1, 2010, as amended by the First, Second, Third and the Fourth Amendment (the “Agreement”) is effective as of January 1, 2018 by and among SOUTHERN CALIFORNIA EDISON COMPANY (“SCE”), SOUTHERN CALIFORNIA GAS COMPANY (“SCG”), and THE COUNTY OF LOS ANGELES (“LA COUNTY”). Terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement. SCE and SCG may be referred to herein each as a “Utility” or collectively as the “Utilities.” The Utilities and LA COUNTY may be referred to herein individually as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, the Parties previously executed the Agreement to Jointly Deliver the 2010-2012 County of LA County/IOU Energy Efficiency Partnership Program effective January 1, 2010 (hereinafter referred to as the “2010-2012 Program”), and subsequently amended the Agreement four times in accordance with the applicable decisions of the California Public Utilities Commission (“Commission”);

WHEREAS, on October 28, 2015, the Commission issued its Decision for Energy Efficiency Goals for 2016 and Beyond and Energy Efficiency Rolling Portfolio Mechanics (the “D.15-10-028”) which authorized the Energy Efficiency Program rolling portfolio mechanics for 2016 and beyond, and continuation of energy efficiency programs, consistent with the terms and conditions set forth in the Agreement (“2018 Program”), except as otherwise provided in this Fifth Amendment; and

WHEREAS, the Parties desire to further amend the Agreement as necessary to provide an authorized budget for the 2018 Program and to update the Agreement as required to reflect the extended 2018 Program cycle.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Except as provided herein, and as applicable, any reference in the Agreement to the “2010-2012 Program” shall include the 2018 Program.
2. Add Section 1.7.4 Authorized 2018 Budget as follows:
 - 1.7.4 Authorized 2018 Budget: The Commission-approved total budget for performance of the Authorized Work performed after December 31, 2017 for the 2018 Program apportioned by each Utility and for LA County is as follows:
 - a. The Incentive Budget for LA County facilities in SCG’s service territory is **\$175,000.00**, with a Therms savings goal of **175,000** therms.
 - b. The direct implementation, marketing and outreach budget for LA County facilities in SCG’s service territory is **\$130,434**.

- c. The Incentive Budget for LA County facilities in SCE's service territory is \$222,355, with a kWh savings goal of 1,179,775 kWh and 68 kW.
- d. The direct implementation, marketing and outreach budget for LA County facilities in SCE's service territory is \$42,984.

3. Section 1.8 of the Agreement is hereby deleted and replaced with the following:

- 1.8 Authorized Project Budget: The maximum approved budget for each 2010-2012 Approved Project, or 2013-2014 Approved Project, 2015 Approved Project, 2016 Approved Project, 2017 Approved Project, or 2018 Approved Project, as the case may be, which shall be funded by the Utility(ies) that service the LA County facilities where such Approved Retrofit Project, Approved RCx and MBCx and New Construction Approved Projects are located.

4. Section 1.12 of the Agreement is hereby deleted and replaced with the following:

- 1.12 LA County Project Package: For the 2018 Program cycle, the project application documents shall be submitted consistent with the requirements of the applicable SCE or SCG energy efficiency program. For each Approved Retrofit/MBCx/RCx Project or Approved New Construction Project, the project application documents describe the project, the Authorized Project Budget, estimated energy savings, projected completion date, invoice procedures, Utility payment schedule, and a sample Project Invoice. The 2018 Application for Retrofit/MBCx/RCx is accessed through SCE's Online Tool. The 2018 Savings by Design Application for New Construction is available upon request.

5. Section 10 of the Agreement is hereby deleted and replaced with the following:

10. END DATE FOR PROGRAM AND ADMINISTRATIVE ACTIVITIES

- 10.1 Unless this Agreement is terminated pursuant to Section 23 below, the Parties shall complete all Program administrative activities (as defined by PIPs' workbooks and reporting requirements) including submission of the Final Report(s), unless otherwise agreed to by the Parties or so ordered by the Commission, all Direct Implementation and Marketing & Outreach activities (as defined in the PIPs) must be completed no later than March 31, 2019.

6. Section 11 of the Agreement is hereby deleted and replaced with the following:

11. FINAL INVOICES

- 11.1 All Parties must submit final invoices no later than June 30, 2019.

7. Section 23.1 of the Agreement is hereby deleted and replaced with the following:

23.1 Term. This Agreement shall be effective as of January 1, 2010. Subject to Section 35, the Agreement shall continue in effect until August 31, 2019 (“Term”) unless otherwise terminated or extended in accordance with the provisions of Section 23.2 or 28 below.

8. Section 24 of the Agreement is hereby deleted and replaced with the following,

24. WRITTEN NOTICES

Any written notice, demand or request required for authorized in connection with this Agreement, shall be deemed properly given if delivered in person or sent by facsimile, electronic mail, nationally recognized overnight courier, or first class mail, postage prepaid, to the address specified below, or to another address specified in writing by a Party as follows:

LA County:

Nora Hernandez

LA County, Energy Management Division

Internal Services Department (ISD)

1100 N. Eastern Ave,

Los Angeles, CA 90063

Phone: 323-881-3949

Fax: 323-260-5237

Email: nhernandez@lacounty.isd.gov

SCG:Joe Cruz

Southern California Gas Company

Program Manager

555 W. Fifth Street, GT28A4

Los Angeles, CA 90013

Phone: 213-244-4669

Email: JCruz2@semprautilities.com

SCE:

Bernard Adebayo-Ige

Southern California Edison Company

Program Manager

1515 Walnut Grove Ave,

Rosemead, CA 91770

Phone: (626) 302-0418

Email: Bernard.AdebayoIge@sce.com

Notices shall be deemed received (a) if personally or hand-delivered, upon the date of delivery to the address of the person to receive such notice if delivered before 5:00 p.m., or otherwise on the Business Day following personal delivery; (b) if mailed, three (3) Business Days after the date the notice is postmarked; (c) if by facsimile or electronic mail, upon electronic confirmation of transmission, followed by telephone notification of transmission by the noticing Party; or (d) if by overnight courier, on the Business Day following delivery to the overnight courier within the time limits set by that courier for next-day delivery.

9. This Fifth Amendment may be executed in one or more counterparts and delivered by electronic means, each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.
10. General. From and after the Fifth Amendment Effective Date, any reference to the Agreement contained in any notice, request, certificate or other instrument, document or agreement shall be deemed to mean the Agreement, as amended by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, and this Fifth Amendment. In the event of any conflict between the Agreements, as previously amended, this Fifth Amendment shall prevail. All remaining provisions of the Agreement, as amended, shall remain unchanged and in full force and effect. Each party is fully responsible for ensuring that the person signing this Fifth Amendment on that party's behalf has the requisite legal authority to do so.
11. All remaining provisions of the Agreement shall remain unchanged and in full force and effect.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have caused this Fifth Amendment to be executed by their duly authorized representatives.

LA COUNTY:
COUNTY OF LOS ANGELES
Internal Services Department:

Approved as to Form:

By: _____

Name Printed: Scott Minnix

**Its: Director,
Internal Services Department**

Date: _____

SCG:

**SOUTHERN CALIFORNIA GAS
COMPANY**

By: _____

Name Printed: Lisa M Alexander

**Its: Vice President, Customer Solutions
& Communications**

Date: _____

SCE:

**SOUTHERN CALIFORNIA EDISON
COMPANY**

By: _____

Name Printed: Marc Ulrich

**Its: Vice President,
Customer Program & Services**

Date: _____