

**MOTION BY SUPERVISOR MARK RIDLEY-THOMAS**

**April 2, 2019**

**Reducing Utility Costs and Improving Energy Efficiency of County Buildings through Public-Private Partnerships**

On September 4, 2018, the Los Angeles County (County) Board of Supervisors (Board) adopted a motion to support the Paris Climate Agreement and join the “We Are Still In Coalition”, thereby reaffirming the Board’s commitment to reducing greenhouse gas emissions. The County, with over 60 million square feet of facilities, is one of the largest consumers of energy through the built environment in the region. Consistent with the Board-approved motion, as well as numerous adopted State bills including Assembly Bill 32 and Senate Bill 1417, the upcoming County Sustainability Plan is also anticipated to call for improvements in energy efficiency of existing County buildings.

A number of funding mechanisms currently exist to facilitate energy and water efficiency improvements on County facilities including direct capital funding, State and County-funded Revolving Energy Efficiency Funds, as well as utility, State and federal grants and incentives. However, these approaches generally require direct County capital expenditure which limits the number of projects that can be done in any given year. While this may often be the most cost-effective method to realize energy savings, capital constraints have resulted in the County leaving considerable utility savings unrealized.

MOTION

SOLIS	_____
RIDLEY-THOMAS	_____
KUEHL	_____
BARGER	_____
HAHN	_____

The magnitude of the challenge of decarbonizing County buildings calls for exploration of alternative approaches to accelerate and scale up the County's energy efficiency improvement efforts. Similar to Power Purchase Agreements which the Internal Services Department has executed to install solar panels on County facilities, a number of public-private partnership structures including Energy Savings Agreements, Energy Savings Performance Contracts, and municipal capital leases (collectively, Contracts) have been utilized by federal, state, and local governments to realize energy efficiency improvements without the need for upfront capital expenditures. Specifically authorized under California Government Code 4217.12, counties can enter into contracts where the anticipated cost of the Contract is less than the marginal cost of energy. It is anticipated that these public-private partnerships could accelerate energy efficient and renewable energy improvements on County facilities while still resulting in long-term capital savings for the County.

**I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:**

1. Instruct the Director of Internal Services (ISD) and the Chief Sustainability Officer, to report back in writing in 90 days with the following:
  - a. A comprehensive strategy that identifies the pros and cons of various public-private partnership structures to pursue in order to scale-up energy efficiency and renewable energy improvements within Los Angeles County (County) buildings, including Energy Savings Agreements, Energy Savings Performance Contracts, and municipal capital leases, and makes recommendations as to the preferred method for the County;
  - b. An action plan to develop a solicitation for qualified companies to perform and finance energy efficiency and renewable energy improvements on County facilities; and
  - c. An estimation of the potential energy and greenhouse gas reductions, and cost savings.

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