

# CITY OF OAKLAND

## AGENDA REPORT

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
2009 NOV 18 PM 12:49

TO: Office of the City Administrator  
ATTN: Dan Lindheim  
FROM: Public Works Agency  
DATE: December 1, 2009

RE: **Resolution Authorizing Quantum Energy Services And Technologies, Inc. (QuEST) To Apply For, And Administer, Up To Five Million Dollars (\$5,000,000.00) Of Energy Efficiency Funding From Pacific Gas And Electric Company's Innovator Pilots Program On Behalf Of The City Of Oakland; And, If Funds Become Available To The City, Authorizing The City Administrator To Apply For, And Accept Program, Grant, Rebate, Or Incentive Funds; And Return To Council For Appropriation**

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### SUMMARY

The attached resolution authorizes Quantum Energy Services and Technologies (QuEST) to submit a proposal to the Pacific Gas and Electric Company (PG&E) Innovator Pilots Program on behalf of the City of Oakland, in conjunction with the Cities of Berkeley and Emeryville, for up to five million dollars (\$5,000,000).

For the past several years, staff from the cities of Oakland, Berkeley and Emeryville (the Cities) have met with PG&E to discuss how the company could help the Cities substantially reduce energy cost and consumption. In October 2008, PG&E committed to request up to \$5,000,000 of Innovator Pilots Program funding from the California Public Utilities Commission (CPUC) for Oakland, Berkeley and Emeryville.

The Innovator Pilots Program will fund development of new and innovative advanced energy efficiency programs. A partnership of the Cities and QuEST is in a strong position to receive funding based on our history of delivering energy efficiency programs through East Bay Energy Watch (EBEW). *Innovative EBEW programs have been replicated on a large scale, including a lighting retrofit program for small businesses, and a heating, ventilating and air conditioning program for large buildings.*

QuEST is a private company located in Berkeley that has delivered innovative energy efficiency services in Oakland since 2002, and has administered EBEW since 2004.

### FISCAL IMPACT

No fiscal impacts are associated with the attached resolution. If any of the funds from the grant become available to the City, staff will return to Council to appropriate.

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## BACKGROUND

On October 14, PG&E released a solicitation for its Innovator Pilots program. The stated purpose in the solicitation is to “help progressive communities overcome existing barriers by empowering their creativity to demonstrate new approaches to energy use that align with the longer-term elements of the [California Public Utilities Commission] Strategic Plan and Assembly Bill 32.” The Innovator Pilots Program has a total of \$5,000,000 available for activities that may run through December 2012. Funding is offered in increments of \$500,000. Proposals are due on December 14, 2009.

QuEST has a history of delivering high-performing energy efficiency programs on behalf of Oakland that focus on comprehensive, long-term retrofits that serve customers needs. EBEW is among the four most successful of PG&E’s eighteen Energy Watch Programs.

## KEY ISSUES AND IMPACTS

Oakland, Berkeley and Emeryville have been identifying and harnessing their unique abilities and opportunities to create and deliver energy efficiency programs for many years. The Innovator Pilots Program will afford the Cities more resources to make progress toward their energy and climate action goals by expanding funding for energy efficiency programs.

A successful Innovator Pilots Program can support green jobs by increasing the amount of energy efficiency contracting in Oakland. Contractors with increased workloads can consider graduates of the Cypress Mandela Training Center and other green jobs training programs.

The City Councils of Berkeley and Emeryville each considered resolutions on November 17, 2009 to authorize QuEST to submit an Innovator Pilots Program application on their behalf. The outcome of those meetings was not known at the time of writing this Agenda Report.

It is recommended that QuEST act as a lead for submitting the proposal based on qualifications, track record, and due to the short time line with the grant submittal.

## PROGRAM DESCRIPTION

The Cities have identified several possible Innovator Pilot initiatives, listed below. Staff will work with QuEST to prioritize and develop an optimal set of initiatives for submission to PG&E.

- **Strategic Planning:** Development of market-specific plans to acquire the energy savings necessary to achieve Climate Action Plan target reductions. Identify existing energy use patterns and opportunities for improvements in specific markets. Identify costs, paybacks and delivery mechanisms.

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- **Residential Tenant Landlord Solutions:** Implement solutions to a problem that arises when landlords pay for retrofits while tenants' bills are reduced.
- **Integrated services:** Provide integrated energy efficiency and renewable services to clients, i.e., combining lighting efficiency, space conditioning improvements, renewable energy and demand management strategies in a single transaction to maximize the reductions and minimize client costs.
- **Commissioning:** Provide financial support to encourage owners of larger properties to conduct a thorough energy commissioning process after initial construction, and periodically as standard operating practice, to ensure that the building systems are performing as they were designed.
- **Benchmarking:** Provide services to allow property managers to compare their energy consumption levels and patterns with similar buildings in the East Bay. The program can use this information to market to buildings with the greatest need and energy efficient buildings may use the information to highlight the value of their properties.
- **Financing solutions:** In conjunction with financial institutions, develop a suite of financing options for property owners (for those cases that are not appropriate for property-based financing).
- **New Codes and Standards:** Support the development, adoption and rollout of energy codes for new construction that exceed the State requirements and improvements to existing standards for renovation and point of sale. Provide incentives to promote early compliance with the standards.
- **Enforcement of New Codes and Standards:** Provide training and support to City permitting and inspection staff to ensure that new State and local energy standards are being consistently enforced.
- **Targeted Marketing and Outreach:** Develop marketing campaigns to reach the target groups.

If the proposed program is funded, new work and associated jobs will be created in Oakland.

## **SUSTAINABLE OPPORTUNITIES**

Economic: Programs that can be created by a successful Innovator Pilots Program proposal would help reduce energy cost for Oakland businesses and residents.

Environmental: This funding opportunity aligns with the City's ongoing efforts to reduce energy consumption, greenhouse gas emissions and other air pollutants.

Social Equity: Projects that could be funded by a successful Innovator Pilots Program proposal would help create and retain jobs for Oakland residents and help create new contracting opportunities.

## **DISABILITY AND SENIOR CITIZEN ACCESS**

This report and resolution will not have any direct impact on access for persons with disabilities or senior citizens.

## **RECOMMENDATION AND RATIONALE**

The Innovator Pilot program presents an opportunity to meet energy efficiency and conservation needs in Oakland that existing programs do not address, while creating new jobs. Berkeley, Emeryville and Oakland are well positioned to take advantage of this opportunity due to our involvement with the EBEW and our progressive policies.

QuEST is uniquely qualified to prepare the proposal and to serve as the program administrator due to their history of serving as the administrator for the EBEW program, including achieving results that are among the top four of the eighteen PG&E Local Government Partnerships.

It is recommended that the City Council authorize QuEST to apply for, and administer, up to five million dollars (\$5,000,000) of energy efficiency funding from the PG&E Innovator Pilots Program on behalf of the City of Oakland in conjunction with the Cities of Berkeley and Emeryville.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends that the City Council approve the attached resolution.

Respectfully submitted,

  
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Vitaly B. Troyan  
Interim Director, Public Works Agency

Reviewed by:  
Brooke A. Levin, Assistant Director

Reviewed by:  
Susan Kattchee, Environmental Services Manager

Prepared by:  
Scott Wentworth, Energy Engineer  
Environmental Services Division

APPROVED AND FORWARDED TO THE  
PUBLIC WORKS COMMITTEE

  
\_\_\_\_\_  
Office of the City Administrator

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# OAKLAND CITY COUNCIL

*[Handwritten Signature]*  
OFFICE OF THE CITY ATTORNEY  
OAKLAND, CALIFORNIA

RESOLUTION NO. \_\_\_\_\_

C.M.S.

2009 NOV 18 PM 12:49

**RESOLUTION AUTHORIZING QUANTUM ENERGY SERVICES AND TECHNOLOGIES, INC. (QUEST) TO APPLY FOR, AND ADMINISTER UP TO FIVE MILLION DOLLARS (\$5,000,000) OF ENERGY EFFICIENCY FUNDING FROM PACIFIC GAS AND ELECTRIC COMPANY'S INNOVATOR PILOTS PROGRAM ON BEHALF OF THE CITY OF OAKLAND; AND, IF FUNDS BECOME AVAILABLE TO THE CITY, AUTHORIZING THE CITY ADMINISTRATOR TO APPLY FOR, AND ACCEPT PROGRAM, GRANT, REBATE, OR INCENTIVE FUNDS; AND RETURN TO COUNCIL FOR APPROPRIATION**

**WHEREAS**, the City of Oakland is committed to providing leadership on improving energy efficiency for residents and businesses as part of becoming a model city; and

**WHEREAS**, Oakland businesses and residents need assistance with making long-term energy efficiency choices; and

**WHEREAS**, the City of Oakland adopted a preliminary planning greenhouse gas (GHG) emissions reduction target equivalent to 36% below 2005 levels on July 7, 2009 in Resolution 82129 C.M.S.; and

**WHEREAS**, energy efficiency programs that operate in Oakland can create and retain jobs while reducing GHG emissions and helping reduce energy costs for businesses and residents; and

**WHEREAS**, Pacific Gas and Electric Company (PG&E) is soliciting proposals for up to five million dollars (\$5,000,000) to "help progressive communities overcome existing barriers by empowering their creativity to demonstrate new approaches to energy use that align with the longer-term elements of the [California Public Utilities Commission] Strategic Plan and Assembly Bill 32"; and

**WHEREAS**, the five million dollars (\$5,000,000) will help Oakland reduce energy use and meet its greenhouse gas emissions reduction goals; and

**WHEREAS**, the Cities of Oakland, Berkeley and Emeryville have been collaborating on the East Bay Energy Watch program with QuEST since 2004, resulting in a program that is among the top four of the seventeen Energy Watch programs in California; and

**WHEREAS**, the City Councils of Berkeley and Emeryville are also considering resolutions authorizing QuEST to apply for Innovator Pilots Program funding on their behalf; and

**WHEREAS**, the notice of this program funding opportunity was issued on October 14, 2009 and proposals are due on December 14, 2009, creating an extraordinarily short time period for developing content for, and writing a proposal of sufficient quality to be selected; now, therefore be it

**RESOLVED:** That QuEST is authorized to apply for and administer up to five million (\$5,000,000) of Innovator Pilots Program funding on behalf the City of Oakland; and be it

**FURTHER RESOLVED:** That if Innovator Pilots Program funds become available to the City of Oakland, the City Council hereby authorizes the City Administrator to apply for and accept program, grant, rebate, or incentive funds, and return to Council for appropriation.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 20\_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_

LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California