



**Council Meeting: January 26, 2010**

**SUBJECT: Approval of Budget Modification No. 17 to Recognize Grant Funding and Appropriate Funds for Federal Stimulus Energy Efficiency and Conservation Projects**

**DISCUSSION**

The City of Sunnyvale has been awarded funding from the United States Department of Energy (DOE) for three energy efficiency and conservation projects that total \$1,292,000. Staff is recommending that the City Council authorize the City Manager to execute any required grant agreements and to approve Budget Modification No. 17 to: (1) appropriate \$1,142,500 of awarded funds to new project Light Emitting Diode Streetlight Retrofit; (2) appropriate \$100,000 of awarded funds to new project Climate Action Plan; and (3) appropriate \$49,500 of awarded funds to new project Acterra Home Energy Audits.

**BACKGROUND**

As part of the Federal economic stimulus legislation, cities with population over 100,000 were allocated block grants for energy efficiency and conservation projects. Utilizing the City's identified priorities from the Carbon Dioxide (CO<sub>2</sub>) Emissions Reduction Plan for City Operations, as well as, direction from Council to pursue Climate Action planning and support the non-profit Acterra home energy audit program, staff submitted grant documents for eligible projects. Recently the City has been awarded three grants for projects. The City received approval for \$1,142,500 for Light Emitting Diode Streetlight Retrofits. This funding will allow for retrofitting of approximately 14% of the City's streetlight system with Light Emitting Diodes. Approval was also granted for \$100,000 for creation of a Climate Action Plan, and \$49,500 to subsidize Acterra home energy audits. There is no local match required for these funds. Council received an information item on the proposed energy efficiency grant projects on July 28, 2009 (RTC 09-195).

**EXISTING POLICY**

Fiscal Sub-Element 7.1B.4d; Pursue and use intergovernmental assistance for projects in the Ten-Year Capital Improvement Plan.

**FISCAL IMPACT**

These grant revenues provide funding for projects that have been identified as desirable. There is a modest positive fiscal impact to the City for appropriation

of the grant revenues, as the Light Emitting Diode Streetlight Retrofit project is estimated to save approximately \$75,000 annually in utilities costs. This savings will be incorporated into the FY 2010/11 Recommended Budget. Budget Modification No. 17 has been prepared to appropriate the subject grant funding as follows:

**Budget Modification No. 17  
FY 2009/2010**

| <b>Capital Projects<br/>Assets Subfund</b>  | <b>Fund/<br/>General</b> | <b>Current</b> | <b>Increase/<br/>(Decrease)</b> | <b>Revised</b> |
|---|--------------------------|----------------|---------------------------------|----------------|
| <u>Revenues:</u>  |                          |                |                                 |                |
| United States Department of Energy<br>Energy Efficiency and Conservation<br>Block Grant |                          | \$0            | \$1,292,000                     | \$1,292,000    |
| <u>Expenditures:</u>  |                          |                |                                 |                |
| New Project – Light Emitting Diode<br>Streetlight Retrofit                              |                          | \$ 0           | \$1,142,500                     | \$1,142,500    |
| New Project – Climate Action Plan   |                          | \$ 0           | \$100,000                       | \$100,000      |
| New Project – Acterra Home Energy<br>Audits   |                          | \$ 0           | \$49,500                        | \$49,500       |

**PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

**ALTERNATIVES**

1. Authorize the City Manager to execute any required agreements to secure grant funding and implement the Light Emitting Diode Streetlight Retrofit Project, the Climate Action Plan, and the Acterra Home Energy Audits.
2. Approve Budget Modification No. 17 to: (1) appropriate \$1,142,500 of awarded funds to new project Light Emitting Diode Streetlight Retrofit; (2) appropriate \$100,000 of awarded funds to new project Climate Action Plan; and (3) appropriate \$49,500 of awarded funds to new project Acterra Home Energy Audits.

3. Do not take action at this time and forfeit grant funding for energy efficiency and conservation projects.

### **RECOMMENDATION**

Staff recommends Alternatives No. 1 and No. 2:

1. Authorize the City Manager to execute any required agreements to secure grant funding and implement the Light Emitting Diode Streetlight Retrofit Project, the Climate Action Plan, and the Acterra Home Energy Audits.
2. Approve Budget Modification No. 17 to: (1) appropriate \$1,142,500 of awarded funds to new project Light Emitting Diode Streetlight Retrofit; (2) appropriate \$100,000 of awarded funds to new project Climate Action Plan; and (3) appropriate \$49,500 of awarded funds to new project Acterra Home Energy Audits.

Approval of these actions will allow funding to be realized and appropriated for energy efficiency and conservation projects.

Reviewed by:

Marvin A. Rose, Director of Public Works

Prepared by: Jack Witthaus, Transportation and Traffic Manager

Reviewed by:

Mary J. Bradley, Director of Finance

Approved by:

Gary M. Luebbbers, City Manager