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Title: Approve Agreement for Services of Independent Contractor between the Local Government Commission and City of Fresno for the Integrated Community Resource Marketplace Project.

Sponsors: Planning and Development Department

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Attachments: 1. Agreement For Services Of Independent Contractor-LGC Signed-CAO Approved.pdf, 2. EPIC Signed Contract.pdf, 3. Notice of Proposed Award_NOPA.pdf

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REPORT TO THE CITY COUNCIL

August 18, 2016

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SUBJECT

Approve Agreement for Services of Independent Contractor between the Local Government Commission and City of Fresno for the Integrated Community Resource Marketplace Project.

RECOMMENDATION

Approve Agreement for Services of Independent Contractor between the Local Government Commission and City of Fresno and authorize the City Manager or designee to sign on behalf of the City.

EXECUTIVE SUMMARY

The Local Government Commission (Commission) was awarded the Electric Program Investment Charge (EPIC) grant of \$1.5 million, for Phase 1 of the project. Phase 1 of the EPIC project consists of planning and permitting an Advanced Energy Community (Community). The City of Fresno will receive up to \$53,996.00 to offset staff time assisting with this grant. This grant funded project will benefit Fresno residents and businesses by developing a blueprint for a Community along the Blackstone Corridor and Downtown. Over the next year and a half, the project team will identify projects that deliver significant resource savings and attract more investment into the community, with goals to free up capital, facilitate building and infrastructure upgrades to reduce costs, and improve community health and prosperity. Ultimately, the Community will create a steady pipeline of energy, water and transportation investment opportunities.

A Community is a community based on systems integration in which energy efficiency, renewable energy generation, and smart-grid technologies meet the energy supply and demand needs of its residents and supports local grid reliability and safety. Projects will demonstrate the feasibility of innovative planning, permitting, and financing approaches at the local and regional levels to incentivize the development of Communities. The City of Fresno is one of the partners for this project and will support the alignment of the project model with local policies and specific plans as well as provide feedback on suitable solutions for the community. The City of Fresno will be working collaboratively with the Commission and grant partners. Agreement goals that pertain to the project include:

- Develop a comprehensive business and financial model for an Integrated Community Resource Marketplace (ICRM) that encourages coordinated funding, integrated projects and deeper project savings.
- Enable decision makers, investors, and agencies to verify and report more comprehensive resource savings from projects completed with Community.
- Enable more efficient and effective access to, and application of, state agency and private sector funds.

BACKGROUND

On November 24, 2015, California Energy Commission (CEC) released a competitive solicitation titled “The EPIC Challenge: Accelerating the Deployment of Advanced Energy Communities” under the EPIC program. The EPIC program is an electricity ratepayer surcharge established by the California Public Utilities Commission (CPUC) in December 2011. The purpose of this solicitation is to fund a competition that will challenge project teams comprised of building developers, local governments, technology developers, researchers, utilities, and other project partners to develop innovative tactics for accelerating the development of Communities in Pacific Gas & Electric, Southern California Edison and San Diego and Electric service territories.

In total, \$48,253,180 in EPIC Grant funding is available for awards under this solicitation. The CEC received ten proposals for Group 1, seven proposals for Group 2, five proposals for Group 3, and six proposals for Group 4. The proposals were screened, reviewed, evaluated and scored using the criteria in the solicitation.

The “Notice of Proposed Award” identifies the applicants that are recommended for funding by CEC staff and recommended funding amount.

Energy Commission Funds Recommended

Group 1: Advanced Energy Community: Northern California	Group 2: Advanced Energy Community: Southern California	Group 3: Advanced Energy Community Located in a Disadvantaged Community: Northern California	Group 4: Advanced Energy Community Located in a Disadvantaged Community; Southern California
\$5,813,555	\$2,957,388	\$4,156,030	\$5,997,996

The Commission was approved and awarded the EPIC grant for \$1.5 million under Group 3 to pilot a new process for local governments and developers to identify and secure financing for a suite of projects that will encompass a Community (Attachment 2).

Phase 1 of the EPIC challenge will be focused within Fresno’s Blackstone Corridor and Downtown Area. Some key reasons for the selected area are as follows;

- The Blackstone Corridor and Downtown area are focus areas in the 2035 General Plan.
- Blackstone Corridor and Downtown area are linked between six out of the seven City Council districts.
- Significant studies and data have already been and continue to be conducted in this area allowing the ability to leverage previous and ongoing efforts.
- Bus Rapid Transit project is in progress.

Several project partners are involved within the ICRM project. The lead organization is the Commission, followed by subcontractors Tierra Resource Consultants LLC, Fresno Metropolitan Ministry, CALSTART Inc., and the City of Fresno. The application was submitted and completed by the Commission to the CEC. The solicitation called for applicants to propose measures to plan, design and permit communities that:

- Minimize the need for new energy infrastructure costs such as transmission and distribution upgrades.
- Provide energy savings by achieving and maintaining zero net energy community status.
- Support grid reliability and resiliency by incorporating technologies such as energy storage.
- Are financially attractive from a market standpoint (developers, home buyers, renters).
- Provide affordable access to renewable energy generation, energy efficiency upgrades, and water efficiency and reuse technologies that reduce electricity consumption for all electric ratepayers within the community.
- Make use of smart-grid technologies throughout the community.
- Align with other state energy and environmental policy goals at the community level such as the Sustainable Communities and Environmental Protection Act (Senate Bill 375) and Governor Brown’s Executive Order B-29-15 for the drought.

The ICRM project will advance these goals/objectives, as listed above, by providing the tools and organizational infrastructure that apply the following concepts:

- Using existing city planning activities will allow for more effective and focused engagement of community organizations and resources. Planning activities that can be leveraged to promote sustainability projects include general plans and water, air quality, land use, and transportation plans.

- By utilizing a community's unique delivery capabilities and resources, an advanced energy community will be able to achieve California's broad policy goals in a way that service the greatest local needs.
- Accurately accounting for and reporting all resources savings occurring within a community will drive increased local project delivery capacity and access to more funding options and market innovations.
- Advanced energy communities will be based on an approach that recognizes that sustainability is a broad market transformation effort that takes time.

The CEC at its sole discretion reserves the right to revoke the grant if all partners identified in the CEC main contract do not sign their perspective project agreement in a timely manner or if changes in project scope or target area occur.

Phase 2 of the EPIC challenge will only available for one applicant from each of the four groups noted above. Eligible applicants will be required to submit a new proposal that meets the additional criteria of the amendment. Currently, the amendment to the solicitation manual with additional details and criteria is not available; however, it will be provided at a future date. The Phase 2 opportunity will be available early 2018, which could fund up to \$14 million for the construction, commissioning, and evaluation of the Community. One project from each of the four groups within the state of California will be awarded the funds for Phase 2.

Funding for the proposed projects resulting from this solicitation is also contingent upon the approval of the projects at a publicly noticed CEC Business Meeting and execution of a grant agreement. If the CEC is unable to timely execute a funding agreement with the applicant, the CEC, at its sole discretion, reserve the right to cancel or otherwise modify the pending award.

ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act Guidelines Section 15306, this agreement will fund information collection, research, analysis and evaluation activities related to existing processes, planning, and funding opportunities for possible use by advanced energy development efforts, and which do not result in a serious or major disturbance of an environmental resource.

LOCAL PREFERENCE

Local preference was not implemented because this item does not involve the award of a construction or services contract.

FISCAL IMPACT

There is no General Fund impact, as this is a reimbursement based grant. The City of Fresno will receive up to \$53,996 to cover staff expenses related to fulfilling this agreement. Existing FY17 appropriations will be utilized to perform the services.

Attachments:

1. Agreement for Services of Independent Contractor

2. EPIC Signed Contract between LGC & CEC
3. Notice of Proposed Awards (NOPA)