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Title: Actions pertaining to the Sustainability Division under the Local Government Partnership Program for 2019:
 1. Approve an amendment to extend the current Master Service Agreement between the City of Fresno and Pacific Gas and Electric until December 31, 2019; and
 2. Authorize the Director of Development and Resource Management to approve a Contract Work Authorization with Pacific Gas and Electric to receive up to \$371,700 in funding from the California Public Utilities Commission for municipal energy resource management activities.

Sponsors: Planning and Development Department

Indexes:

Code sections:

Attachments: 1. Exhibit A - Proposed Master Services Agreement (Including Revisions to General Conditions), 2. Exhibit B - 2018 Contract Work Authorization

Date	Ver.	Action By	Action	Result
1/31/2019	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

January 31, 2019

FROM: JENNIFER K. CLARK, AICP, Director
Development and Resource Management

THROUGH: KELLI FURTADO, Assistant Director
Development and Resource Management

BY: SUMMER CECIL, Management Analyst II
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SUBJECT

Actions pertaining to the Sustainability Division under the Local Government Partnership Program for 2019:

1. Approve an amendment to extend the current Master Service Agreement between the City of Fresno and Pacific Gas and Electric until December 31, 2019; and
2. Authorize the Director of Development and Resource Management to approve a Contract Work Authorization with Pacific Gas and Electric to receive up to \$371,700 in funding from the

California Public Utilities Commission for municipal energy resource management activities.

RECOMMENDATION

Staff recommends City Council approve an amendment to extend the current Master Service Agreement (MSA) between the City of Fresno (City) and Pacific Gas and Electric (PG&E) until December 31, 2019, and approve a Contract Work Authorization (CWA) for up to \$371,700 in funding from the California Public Utilities Commission (CPUC) after submission of the executed MSA to PG&E.

EXECUTIVE SUMMARY

The current MSA with PG&E, which provides funding from the CPUC for the City's energy efficiency programs under the Local Government Partnership (LGP) Program expired October 28, 2018. PG&E has proposed a one-year extension to the MSA through December 31, 2019, which will allow for creation of a CWA for up to \$371,700 in funding to the City for January 1 - December 31, 2019, program activities including review and strategic planning of the City's municipal energy resource management.

BACKGROUND

Between 2010 and 2017, the City established a relationship with PG&E to administer an LGP Program primarily focused on residential and commercial energy efficiency implementation efforts for the central valley region. Through this program, more than 7,000 residential energy audits and 140 commercial energy audits were performed within City limits.

As a continuously evolving business entity regulated by decisions made by the CPUC, PG&E was directed through CPUC Administrative Law Decision D. 15-10-028 and D. 16-08-019 to consolidate their business portfolios, effectively refocusing the direction of the LGPs and their authorized implementation measures. Therefore in 2018, the City was directed to halt all residential and commercial energy efficiency activities and begin concentrating on public buildings-including the City's own municipal facilities.

On February 15, 2018, a one-year CWA was approved for energy efficiency work in calendar year 2018 in the amount of \$477,000. With this funding, the Sustainable Division began work to monitor current and historical energy use of almost 500 energy resource accounts throughout the City's municipal facilities as well as develop a City-wide strategic energy resource management plan involving continued measurement and monitoring of resource use, building efficiency review, deferred maintenance impact and remedy, energy efficiency revolving fund creation, and continued review of energy efficiency opportunities available to the City.

Staff is recommending Council approve the actions outlined in the staff report, authorizing the DARM Director to extend the MSA, continuing the LGP Program with PG&E through December 31, 2019, allowing the continued development and implementation of the City-wide strategic energy resource

management plan. If approved the MSA extension will allow additional funding to be made available to the City. Staff is also recommending that Council provide the DARM Director with authority to approve a new CWA allowing the City to receive up to \$371,700 from PG&E.

Staff has also confirmed that because this program is funded through a state-mandated Public Purpose Programs (PPP) surcharge, which is used to fund energy efficiency and incentive programs, PG&E does not expect its recent Chapter 11 filing announcement to affect this LGP agreement.

ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378, this item does not qualify as a project as defined by CEQA.

LOCAL PREFERENCE

Local preference was not implemented because this item is an amendment to an existing Agreement.

FISCAL IMPACT

There are no negative impacts to the General Fund associated with this project. All costs associated with the Agreement will be paid for with funding from CPUC through PG&E. The proposed one-year Agreement with PG&E is effective January 1, 2019, and is a reimbursement based program.

Attachments:

Exhibit A - Proposed Master Services Agreement (Including Revisions to General Conditions)
Exhibit B - 2018 Contract Work Authorization