



## Legislation Details (With Text)

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<b>Title:</b>	Authorize the Director of the Development and Resource Management Department to execute a Contract Work Authorization Agreement between the City of Fresno and Pacific Gas and Electric Company				
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<b>Attachments:</b>	1. Attachment 1 - Previous Two Year Contract Work Authorization, 2. Attachment 2 - Proposed 2018 Contract Work Authorization Agreement, 3. Attachment 3 - Disadvantaged Census Tracts				

Date	Ver.	Action By	Action	Result
2/15/2018	1	City Council	approved	Pass

## REPORT TO THE CITY COUNCIL

**February 15, 2018**

**FROM:** JENNIFER CLARK, Director  
Development and Resource Management

**THROUGH:** KELLI FURTADO, Assistant Director  
Development and Resource Management

**BY:** JOSE R GONZALEZ, Division Manager  
Sustainability Division

## SUBJECT

Authorize the Director of the Development and Resource Management Department to execute a Contract Work Authorization Agreement between the City of Fresno and Pacific Gas and Electric Company

## RECOMMENDATION

Staff recommends City Council authorize the Director of Development and Resource Management (DARM) Department, or her designee, to execute a Contract Work Authorization Agreement (Agreement) between the City and Pacific Gas and Electric Company (PG&E) for January 1, 2018, through December 31, 2018, to receive a total of \$477,000 in funding for energy efficiency programs.

## EXECUTIVE SUMMARY

The DARM Sustainability Division has historically received annual funding through similar Agreements between the City and PG&E. The most current two-year agreement (Attachment 1) with PG&E expired on December 31, 2017, and totaled \$5,694,000. The proposed one-year Agreement (Attachment 2) through December 31, 2018, for a total of \$477,000, continues to provide funding from the California Public Utilities Commission (CPUC) for the City's energy efficiency programs under the Local Government Partnership (LGP) Program. Although reductions in service will result from a substantial decrease in the funding amount, the proposed Agreement continues to provide resources for the City's administration of Energy Programs as well as for the City's professional services agreements to provide residential energy efficiency education, training, and related services to the community.

## BACKGROUND

On January 14, 2010, the City Council authorized the Director of the Planning and Development Department to enter into a Service Provider Agreement between the City and PG&E to administer the LGP program using funding from the CPUC. This Master Service Agreement allowed the Sustainability Division to continue energy efficiency implementation and efforts through December 31, 2012.

On June 28, 2012, Council authorized the DARM Director to sign a change order to the existing Master Service Agreement between the City and PG&E to administer the LGP program using funding from the CPUC. This Master Service Agreement extension allowed the Sustainability Division to continue energy efficiency implementation and efforts through December 31, 2012.

On November 1, 2012, the Council authorized the DARM Director to sign and extend the Master Service Agreement between the City and PG&E to administer the LGP program using funding from the CPUC. This Master Service Agreement extension allowed the Sustainability Division to continue energy efficiency implementation and efforts through December 31, 2014.

On December 11, 2014, the Council authorized the DARM Director to sign and extend the Master Service Agreement between the City and PG&E to administer the LGP program using funding from the CPUC. This Master Service Agreement extension allowed the Sustainability Division to continue energy efficiency implementation and efforts through December 31, 2015.

On January 7, 2016, the Council authorized the DARM Director to sign a two-year Contract Work Authorization Agreement between the City and PG&E to administer the LGP program using funding from the CPUC. This agreement allowed the Sustainability Division to continue energy efficiency implementation and efforts through December 31, 2017.

PG&E has proposed the one-year Agreement and funding amount for calendar year 2018, requesting that the City continue to administer energy efficiency programs with a focus towards efforts in disadvantaged census tracts (Attachment 3) as identified by CalEnviro Screen 3.0, and focus on City facilities. Execution of the proposed Agreement will allow the Sustainability Division to continue energy efficiency implementation efforts through December 31, 2018, and is the Divisions primary funding source.

Staff has been advised that PG&E has proposed reduced funding for several other programs that were also up for renewal, and that the reduction is not a negative reflection on the City or the quality of work performed by the City. Rather, it reflects a PG&E initiative to assure that customers continue to receive safe, reliable, and affordable energy, and respond to the CPUC directive to achieve double the savings with no increases to existing funding levels. Therefore, educational programs, such as the City's Central Valley Energy Tune-Up Program, were reduced to redirect PG&E funding towards programs which are obligated to produce energy savings through direct installation measures.

Due to the decreased funding amount proposed for 2018, the City will no longer be providing the same level of residential and non-residential energy assessments. Instead, the City will be providing an abbreviated residential assessment in identified disadvantaged census tracts in seven out of the eight Central Valley counties. The quantity of assessment performed regionally will be reduced from nearly 5,000 per year to 1,000 per year. Additionally, the City did not move forward with filling an engineering position; existing staff continues to absorb those duties.

## **ENVIRONMENTAL FINDINGS**

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

## **LOCAL PREFERENCE**

Local preference was not implemented because the Agreement does involve an expenditure of City funds on a construction or service contract.

## **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 PG&E and the CPUC. The proposed one-year Agreement with PG&E is effective January 1, 2018, and is a reimbursement based program.

### **Attachments:**

Attachment 1 - Previous Two-year Contract Work Authorization Agreement

Attachment 2 - Proposed 2018 Contract Work Authorization Agreement

Attachment 3 - Disadvantaged Census Tracts