

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean
Jennifer A. Maguire

SUBJECT: SEE BELOW

DATE: 06-01-10

Approved

Date

6/8/10

COUNCIL DISTRICT: City-Wide

SUBJECT GRANT AGREEMENT WITH THE U.S. DEPARTMENT OF ENERGY
FOR THE LOCAL ENERGY ASSURANCE PLANNING INITIATIVE
AND RELATED APPROPRIATION ORDINANCE AND FUNDING
SOURCE RESOLUTION

RECOMMENDATION

1. Adopt a resolution authorizing the City Manager to execute a grant agreement with the Department of Energy to conduct the Local Energy Assurance Planning activities, for the term of July 1, 2010 through June 30, 2012, with a grant to the City in the amount of \$299,983.
2. Adopt the following Appropriation Ordinance and Funding Sources Resolution amendments in the General Fund for 2010-2011:
 - a. Establish a Recovery Act – City-Wide Expenses Local Energy Assurance Planning appropriation to the Environmental Services Department in the amount of \$150,891 and
 - b. Increase the estimate for Revenue from Federal Government – Recovery Act by \$150,891.

OUTCOME

Approval of this recommendation will allow the City to accept a Local Energy Assurance Plan (LEAP) Initiative grant from the U.S. Department of Energy (DOE), under the American Recovery and Reinvestment Act of 2009 (ARRA), in the amount of \$299,983. The funds will be used to develop a City of San José Critical Facilities Energy Assurance Plan, revise the Emergency Operations Plan (Basic Plan and Annexes) to more comprehensively address energy

emergency planning and preparedness, and will enable the City to hire a staff position for coordination and development of the project.

BACKGROUND

The City's Office of Emergency Services has been affected with funding reductions, limiting staff's ability to continue the regular updates and revisions of San José's Emergency Operation Plan (EOP). To bridge this staffing/funding gap, the Environmental Services Department proposed to use awarded funds to develop the *City of San José Critical Facilities Energy Assurance Plan (Energy Assurance Plan)* and revise the EOP (Basic Plan and Annexes) to more comprehensively address energy emergency planning and preparedness.

In October 2009, the Environmental Services Department applied for the DOE Local Energy Assurance Planning Initiative grant. The City's application, entitled *City of San José Critical Facilities Energy Assurance Plan and Strategic Investment Master Plan Development*, proposed a \$300,000 program that would enable the City to create a critical facilities energy assurance plan, enabling San José to continue demonstrating leadership by developing and implementing plans and policies to ensure city-owned and operated critical facilities conserve energy, are more energy efficient, and more able to reduce the impacts of energy supply disruption everyday and during emergencies. The program was to be funded by \$300,000 from DOE, the full allocation allowed for cities with populations greater than 500,000.

In February 2010, the DOE announced that San José had been awarded up to \$300,000 to implement this program.

ANALYSIS

This project will facilitate the City's ability to maintain, operate, and continue offering the services and programs citizens have come to expect and depend upon at its 246 critical facilities. The Plan will focus specifically on addressing energy assurance planning needs for the current 246 and any future critical facilities owned and operated by the City. Critical facilities include fire and police stations, a regional sewage treatment plant, reservoirs and wells, sanitary and storm pump stations, libraries, community centers, museums, theaters, historic and cultural landmarks, and corporation yards. The Emergency Operations Plan will be updated and revised throughout with a primary focus on updating *Annex P: Power Outages Plan*, incorporating electricity, fuel and natural gas shortage/outage procedures.

The key objectives of the project include:

1. Strengthen and expand San José's energy assurance planning capability and resiliency.

2. Reduce the impacts from energy supply disruptions at critical facilities while increasing the energy efficiency of facilities throughout the City for daily and emergency operations.
3. Ensure expertise at the local government level by creating an Energy Assurance Specialist position to support efforts in shepherding implementation of the City's Green Vision Goals related to energy-related initiatives, Office of Emergency Services planning for mitigation of energy disruptions in an emergency, and provide training for staff in the General Services Department and other departments responsible for the operation and maintenance of City facilities and fuel management.
4. Integrate the Energy Assurance Plan with the pertinent sections of the *San José Emergency Operation Plan* (EOP, including Annexes, specifically *Annex P: Power Outages Plan*), Energy Support Function 12 (ESF #12), and the *City of San José Strategic Energy Plan 2022: Focus on the Built Environment*.
5. Ensure the Energy Assurance Plan reflects the City's shift to renewable energy use, and the City's EOP to the extent possible, and develop a methodology for both documents' energy assurance elements to be regularly evaluated and updated.
6. Identify and prioritize funding needs and potential funding sources (grants, etc.) to implement short-, medium-, and long-term facility-specific energy assurance equipment acquisitions and staffing.
7. Enhance San José's leadership role in energy efficiency and emergency preparedness through the creation of an internal staff training and community outreach plan. In addition, develop a "lessons learned" document to share the City's energy assurance plan and policy development experience with other local and/or state jurisdictions or private sector organizations interested in developing their own energy assurance plan.

The grant would fund 1.0 FTE temporary, overstrength position in the Environmental Services Department, supplies and materials, meeting expenses, and other non-personal costs for the program over the two year period of the grant. The temporary position will be in the Environmental Services Specialist series and would coordinate and implement the program.

EVALUATION AND FOLLOW-UP

The DOE grant agreement requires on-going quarterly and annual reporting. Updates on this program and other Green Vision goal activities will be provided annually as part of the ARRA and Green Vision reports.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Although this item does not meet any of the criteria listed above, this memorandum will be posted on the City's website as part of the June 22, 2010 City Council Agenda.

COORDINATION

The Local Energy Assurance Planning Initiative project was coordinated with the Office of Emergency Services/Fire Department, in addition to other external stakeholders—PG&E and the California Energy Commission. This memorandum was coordinated with the City Attorney's Office and Fire Department.

FISCAL/POLICY ALIGNMENT

This item is consistent with the City Council approved Green Vision, and Budget Strategy Memo General Principle #2, "We must focus on protecting our vital core City services."

COST SUMMARY/IMPLICATIONS

The table below shows the total costs for this project.

2010-2011 Expenditures	
Personal Expenses – Temporary Position	\$ 121,245
Supplies	\$ 4,300
Travel	\$ 2,500
Other Direct Costs	\$ 1,500
Indirect Costs	\$ 21,346
Total 2010-2011 Expenditures:	\$ 150,891

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2011-2012 Expenditures

Personal Expenses – Temporary Position	\$ 121,245
Supplies	\$ 2,500
Travel	\$ 2,500
Other Direct Costs	\$ 1,500
Indirect Costs	\$ 21,347
Total 2011-2012 Expenditures:	\$ 149,092
Total Project Cost:	\$ 299,983

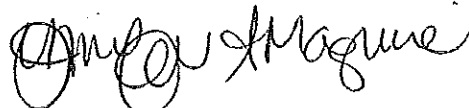
This project does not require any matching funds and will not result in any ongoing costs. This project will also not lead to any additional operating and maintenance costs, except as covered by the grant.

CEQA

Not a Project, File No. PP10-066 (e), services that involve no physical changes to the environment.

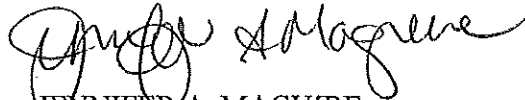
/s/

JOHN STUFFLEBEAN
Director, Environmental Services



JENNIFER A. MAGUIRE
Budget Director

I hereby certify that there will be available for appropriation in the General Fund in the Fiscal Year 2010-2011 moneys in excess of those heretofore appropriated there from, said excess being at least \$150,891.



JENNIFER A. MAGUIRE
Budget Director

For questions please contact Mary Tucker, Energy Manager, at 408-975-2581.

