



Legislation Text

File #: 09-0991, Version: 1

Resolution to Accept Grant and Appropriate Funds from the US Department of Energy for Energy Efficiency and Conservation Block Grant (EECBG) Project (\$1,243,400.00 Federal Funds) **(8 Votes Required)**

The attached resolution authorizes a grant agreement with the US Department of Energy (DOE) to accept a \$1,243,400.00 three-year Energy Efficiency and Conservation Block Grant (EECBG) for the City of Ann Arbor to develop and implement projects to improve energy efficiency and reduce energy use and fossil fuel emissions.

On May 1, 2006, City Council passed resolution R-175-5-06, setting three strong renewable energy targets for the city: 30% renewable energy for municipal operations by 2010; 20% renewable energy for the Ann Arbor community by 2015; and 20% reduction in greenhouse gas emissions from 2000 levels for the Ann Arbor community by 2015. With these goals in mind, Energy Office staff worked alongside the Energy Commission and solicited input from the community to develop potential program elements to consider for EECBG funding. This list of potential programs was prioritized according to cost-effectiveness and impact on both the municipal operations and community goals, and the following work plan was submitted to the DOE for funding.

Community Energy Efficiency Initiative: \$763,400.00 federal funding

The bulk of the EECBG grant will fund the development and implementation of a Community Energy Efficiency Initiative to help community members become more energy efficient. Of this total amount, \$432,800.00 is budgeted to incentivize energy improvements to Ann Arbor homes and businesses. One incentive mechanism under consideration is an energy improvement financing program currently being investigated by staff. An additional \$260,600.00 will be used to staff the program for two years and fund outreach and education efforts. Finally, \$70,000.00 will seed a revolving loan fund to assist Ann Arbor businesses in making energy improvements. Staff anticipates issuing an RFP to select a contracted program administrator to oversee the day-to-day operations of the Community Energy Efficiency Initiative.

Municipal Renewable Energy Installations: \$180,000.00 federal funding

Three renewable energy demonstration installations are planned: (1) solar electric and (2) solar hot water systems at fire station; and (3) a 10-kilowatt wind energy system (site to be determined; one option being considered is for the Leslie Science and Nature Center). These installations will serve as visible educational tools for residents considering the move to renewable energy.

LED Streetlight Upgrades: \$300,000.00 federal funding, \$228,000.00 local match

The upgrade of 1,000 downtown streetlights to LED is already funded through a grant from the Downtown Development Authority. These EECBG funds will be used to upgrade an additional 800+ streetlights outside of downtown to LED, with expected energy and maintenance savings of 50 to 80 percent. For FY10, the City of Ann Arbor has committed a total of \$228,000.00 in funds from the Metro Expansion Fund (Fund 0036) to assist in funding the installation of new LED streetlights outside of the DDA district.

This grant represents the largest step to date in the City's efforts to reach its renewable energy and greenhouse gas emission reduction goals, as well as a marked increase in the City's capacity to move toward a sustainable energy future.

Grant funds will be available for the life of the project regardless of fiscal year. The Energy Office will provide grant manager services.

Prepared By: Andrew Brix, Energy Programs Manager

Reviewed By: Sue F. McCormick, Public Services Administrator

Approved By: Roger W. Fraser, City Administrator

Whereas, The City of Ann Arbor set ambitious renewable energy and climate protection goals at the May 1, 2006 City Council meeting in Resolution R-172-5-06;

Whereas, The US Department of Energy has awarded the City of Ann Arbor a three-year, \$1,243,400.00 Energy Efficiency and Conservation Block Grant (EECBG) to lead an effort to reduce fossil fuel energy use and greenhouse gas emissions throughout the Ann Arbor community;

Whereas, This grant advances the attainment of Ann Arbor's climate protection and renewable energy goals by funding a Community Energy Efficiency Initiative, Municipal Renewable Energy Installations, and LED Streetlight Upgrades;

Whereas, Funds for the City's \$228,000.00 match for LED streetlight installations are available in the FY10 Metro Expansion Fund (Fund 0036); and

Whereas, The Energy Office will provide grant management services for this grant;

RESOLVED, That the City accept the US Department of Energy grant of \$1,243,400.00 to reduce fossil fuel energy use and greenhouse gas emissions;

RESOLVED, That the Mayor and City Clerk be authorized and directed to sign the grant agreements after approval as to substance by the City Administrator and approval as to form by the City Attorney;

RESOLVED, That the grant funds be appropriated to the FY10 Energy Office Grant Fund (Fund 00MG) for the life of the project, regardless of fiscal year; and

RESOLVED, The City Administrator be authorized and directed to take the necessary administrative action to implement this resolution.