



Legislation Text

File #: 12-1269, **Version:** 2

Resolution to Extend Grant Period to March 7, 2013 and Amend Budget for the U.S. Department of Energy's Energy Efficiency and Conservation Block Grant (EECBG) program (Reallocation of \$1,243,400.00)

Attached for your review is a resolution that accepts the extension of the grant period for the U.S. Department of Energy's (US DOE) Energy Efficiency and Conservation Block Grant (EECBG) program, which was originally accepted on December 21, 2009 by resolution R-09-501. The US DOE has recently granted many cities, including Ann Arbor, extensions to their EECBG programs. This resolution extends the grant period to March 7, 2013 to continue innovative programs that support and finance community energy efficiency, including the recently developed Property Assessed Clean Energy (PACE) and A2energy.org programs.

The extension also includes an amended budget approved by US DOE, within existing, agreed upon activity areas in the EECBG program. There is no change in the total dollar amount of the budget. A reduction in the original amount of the PACE loan loss reserve fund (LLRF) freed up funds for other grant activities during the extension, and is based on anticipated PACE loans issued in the first round of applications, expected before the end of the calendar year. The amended budget includes:

Community Energy Efficiency Initiative: \$578,962.00 in federal funding

Of this total, \$343,962.00 is the amended budget to staff and continue consultant support and administration for the Property Assessed Clean Energy (PACE) and for A2energy.org education and outreach, with \$73,962.00 remaining during the extension period.

Additionally, \$200,000.00 will be used for the PACE loan loss reserve fund (LLRF), established on March 7, 2011 by resolution R-11-085. The LLRF allows the City to leverage a larger pool of funding for PACE projects and potentially reduce interest rates for participating property owners by covering a portion of delinquent or defaulted payments. The LLRF will be proportionally allocated to each PACE project in the first PACE bundle. The LLRF was initially established at \$432,800.00, but is being readjusted based on current uptake in the PACE program. By reducing the LLRF to \$200,000.00 other activity areas can be further bolstered during the grant extension, including additional PACE promotion discussed above.

A small Commercial Energy Revolving Loan (CERL) program in the amount of \$35,000.00 was also established per EECBG guidelines as an eligible grant activity.

LED Streetlight Upgrades: \$609,438.00 in federal funding

LED conversions through the EECBG program have helped to convert most of the approximately

2,000 city-owned streetlights not already switched-over, to LED fixtures. Field Services staff helped identify additional sites, including the Broadway Bridge location and facility yard lights.

Municipal Renewable Energy Installations: \$55,000.00 in federal funding

An approved solar water heating project and other renewable opportunities at city locations qualify in the EECBG.

Prepared By: Matthew Naud, Environmental Coordinator and Nathan Geisler, Energy Programs Associate

Reviewed By: Craig Hupy, Public Services Area Administrator

Approved By: Steven D. Powers, City Administrator

Sponsored By: John Hieftje, Mayor

Whereas, The US Department of Energy (US DOE) awarded the City of Ann Arbor a \$1,243,400.00 Energy Efficiency and Conservation Block Grant (EECBG) as part of a national effort to reduce fossil fuel energy use, greenhouse gas emissions in local communities, and generate economic activity;

Whereas, This grant advances the attainment of Ann Arbor's climate protection and renewable energy goals by funding approved activities: Community Energy Efficiency Initiative, LED Street lighting, and Municipal Renewable Energy Installations;

Whereas, The US DOE has awarded the City an extension of the EECBG grant through March 7, 2013;

Whereas, To maximize the remaining funds in the EECBG during the grant extension, the US DOE has approved an amended budget to continue to support the Community Energy Efficiency Initiative (\$578,962.00), LED Streetlight Upgrades (\$609,438.00), and Renewable Energy Installations (\$55,000.00);

Whereas, The Systems Planning Unit will continue to provide grant management services for this grant;

RESOLVED, That City Council accept the approved EECBG extension through March 7, 2013 and the US DOE approved amended EECBG budget;

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 continue to be appropriated in the 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.

