

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Stufflebean  
Jennifer A. Maguire

**SUBJECT:** SEE BELOW

**DATE:** 06-01-09

Approved

Date

6/8/09

**COUNCIL DISTRICT:** City-Wide

**SUBJECT: AMENDMENT TO THE AGREEMENT WITH PACIFIC GAS AND ELECTRIC (PG&E), AND ADOPTION OF APPROPRIATION ORDINANCE AND FUNDING SOURCES RESOLUTION AMENDMENTS IN THE GENERAL FUND TO RECOGNIZE AND APPROPRIATE REVENUE TO BE RECEIVED UNDER THE AGREEMENT IN THE AMOUNT OF \$104,214 FOR 2009**

## RECOMMENDATION

- 1) Adopt a resolution authorizing the City Manager to negotiate and execute a change order to the agreement with PG&E for the Silicon Valley Energy Watch program, to extend the term of the agreement from June 30, 2009 to December 31, 2009, and increase the maximum amount of compensation payable to the City by \$104,214 from \$553,250, for a total amount not to exceed \$657,464.
- 2) Adopt the following 2009-2010 Appropriation Ordinance and Funding Sources Resolution amendments in the General Fund:
  - a. Increase the Environmental Services Department's Personal Services appropriation by \$52,864;
  - b. Increase the Environmental Services Department's Non-personal/Equipment appropriation by \$51,350;
  - c. Increase the estimate for Revenue from Local Agencies by \$104,214.

## OUTCOME

Continued administration of the agreement with PG&E will provide staff resources and support for an ongoing energy efficiency market transformation program in Santa Clara County.

## **BACKGROUND**

The Silicon Valley Energy Watch program, funded by PG&E in 2006-2007 and 2007-2008 and administered by the City of San José, provides education, outreach, coordination, and market transformation for energy efficiency in the City of San José and Santa Clara County. This program builds on the success of the collaboration with PG&E and the 2004-2005 Silicon Valley Energy Program.

A new decision by the California Public Utilities Commission (CPUC) was expected in late 2008, which would have established and funded a 2009-2011 Silicon Valley Energy Watch as part of the new State-wide energy efficiency portfolio cycle. The CPUC was unable to render a final decision on the filings from the state's four investor owned utilities (IOUs), and instead issued decision D. 08-10-027, which established Bridge Funding "to continue certain 2008 energy efficiency programs until the Commission adopts a final decision on the Utilities' energy efficiency portfolio applications for 2009-2011." The Silicon Valley Energy Watch is one of those successful programs that the CPUC wishes to continue.

In order to receive Bridge Funding and continue the program until it can be reinstated in a new 2009-2011 program cycle, the \$553,250 2006-2008 Silicon Valley Energy Watch program contract, which will terminate on June 30, 2009, must be extended and the maximum amount of compensation payable to the City must be increased to cover the extended term. The type of work being performed by the City under the agreement will remain unchanged.

## **ANALYSIS**

The Silicon Valley Energy Watch demonstrated ongoing market transformation success in its 2006-2008 program cycle, as well as in its 2004-2005 cycle. The program has become known in the Silicon Valley community as a provider of high-caliber energy efficiency and renewable energy education, community outreach, and policy coordination, reaching numerable external and internal partners. From 2006 to 2008, the program conducted 73 workshops or trainings and 71 community outreach events. Within the City, the program has provided training for Housing, Planning, Code Enforcement, and related staff on issues such as energy efficiency, green building, and renewable energy. The Silicon Valley Energy Watch is a primary resource for the Cities and the Counties for energy efficiency resources, policy issues, and communication with PG&E and the CPUC.

The Silicon Valley Energy Watch program is run on a monthly reimbursement basis for all expenses, including supplies and one full-time coordinator.

**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)**

Outreach was conducted with the City Energy Managers of several South Bay cities to determine their interest in coordinating on the activities of the Energy Watch Program. In addition, the Silicon Valley Energy Watch program reaches many architects, builders, designers, mechanical engineers and residents through the energy educational workshops conducted in cooperation with PG&E.

**COORDINATION**

The design and implementation of this program has been coordinated with the City Attorneys' Office.

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	RC #	Total Appn	2009-2010 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
001	0761	Personal Services-ESD	300333	\$159,777**	VIII-64	N/A
001	0762	Non-Personal/Equipment-ESD	300333	\$121,583**	VIII-64	N/A
Total Amount for Contract						

\*The 2009-2010 Operating Budget is expected to be adopted by City Council on June 23, 2009.  
 \*\* Additional funding of \$52,864 for Environmental Services Personal Services and \$51,350 for Environmental Services Non-Personal/Equipment is recommended to be appropriated as part of this memorandum.

HONORABLE MAYOR AND CITY COUNCIL

06-01-09

**Subject: Silicon Valley Energy Watch Contract Amendment**

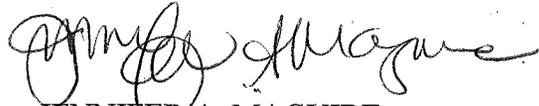
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**CEQA**

Not a project.



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 Years 2009-2010 monies in excess of those heretofore appropriated therefrom, said excess being at least \$104,214.



JENNIFER A. MAGUIRE  
Budget Director

For more information, contact Mary Tucker, Energy Program Manager, at 408-975-2581