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CITY OF SARATOGA

13777 FRUITVALE AVENUE • SARATOGA, CALIFORNIA 95070 • www.saratoga.ca.us

COUNCIL MEMBERS:

*Jill Hunter
Kathleen King
Howard Miller
Susie Nagpal
Chuck Page*

DOCKET

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DATE June 15 2009

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June 15, 2009

Karen Douglas, Chair
California Energy Commission
1516 Ninth Street, MS-29
Sacramento, CA 95814-5512

SUBJECT: Small Jurisdiction Energy Efficiency and Conservation Block Grant Proposal

Dear Chair Douglas,

The Energy Efficiency and Conservation Block Grant (EECBG) offers the unique opportunity for a wide variety of energy efficiency projects to shape and bolster the green energy market in the United States. The California Energy Commission (CEC) has the difficult job of determining the role that California's small jurisdictions will play in this effort. With the CEC's deadline to submit a strategy for EECBG monies quickly approaching, I have several suggestions that I hope the CEC will consider as it moves forward in developing its small jurisdiction program.

Matching Grant Option

The current funding option in the draft small jurisdiction program is not feasible for many small jurisdictions. Using EECBG monies to cover just 35% of project expenses would likely prevent the City of Saratoga and other jurisdictions from participating in the small jurisdiction program. Furthermore, the funding model is unusual for matching grants. It has been our experience that matching grants typically require the recipient to provide 20% of the project expenses, rather than 65%.

Population Based Formula

Even if the matching grant requirements are changed, Saratoga and other jurisdictions may not have the resources to commit to energy efficiency projects. Saratoga is just one of the many California cities that have been forced to make significant budget cuts this year. With our funds so limited, a more equitable distribution model would be to use a

population based formula. This would allow for a greater number of California jurisdictions to invest in energy efficiency.

Using a population based formula to distribute EECBG monies would also help to address AB 2176 requirements that administrative expenses be limited to 5% of the funds received. Formula based allocation would greatly reduce the amount of time the State spends evaluating and ranking applications. Furthermore, a formula based distribution would allow the CEC to meet its goal to equally distribute funds.

Job Creation and Retention

When considering proposals from small jurisdictions, I encourage the CEC to evaluate job creation and retention as an overall program-wide goal. Many smaller cities and counties cannot realistically report on the number of jobs created or retained through EECBG funded projects, because of the small size of the grants and limit on administrative expenses.

Cost Efficiency

As the CEC develops project guidelines as they relate to cost efficiency, I suggest that the CEC create an exemption for jurisdictions that can show they have exhausted all available opportunities for cost efficient projects. In recent years, the City of Saratoga has made it a priority to implement numerous energy efficiency improvements. As a result, we have already completed all of the feasible cost efficient upgrades. I am sure that there are a number of other small California jurisdictions that have done the same. Allowing an exemption to the cost efficiency requirements will help ensure the CEC allocates EECBG monies in a fair manner.

I hope the CEC will consider the ideas I have mentioned in this letter. If you have any questions about my proposals for the small jurisdiction program, please feel free to contact me at davea@saratoga.ca.us or (408) 868-1216. I appreciate the efforts the CEC has made to involve small cities and counties in the creation of a small jurisdiction program that reflects our needs.

Sincerely,

Dave Anderson, City Manager

CC: James D. Boyd, California Energy Commission Vice Chair
Arther H. Rosenfeld, California Energy Commissioner
Jeffery D. Byron, California Energy Commissioner
Julia Levin, California Energy Commissioner
Melisa Jones, California Energy Commission Executive Director
Chuck Page, City of Saratoga Mayor
Joe A. Gonsalves & Son