



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

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Sayed Sadredin
Executive Director
Air Pollution Control Officer

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www.valleyair.org

July 21, 2009

California Energy Commission
Attn: EECBG Program
1516 Ninth Street, MS-42
Sacramento, CA 95814
EECBG@energy.state.ca.us

RE: Preliminary Block Grant Guidelines for Formula-Based Grants to small jurisdiction as part of the Energy Efficiency & Conservation Block Grant Funds Allocation from the American Recovery & Reinvestment Act of 2009

The San Joaquin Valley Air Pollution Control District (Air District) and the San Joaquin Valley Clean Energy Organization (SJVCEO) appreciate the opportunity to comment on the California Energy Commission Preliminary Block Grant Guidelines (Formula-Based Grants) for the small-jurisdictions portion of the Energy Efficiency and Conservation Block Grant (EECBG) Program Funding Allocation from the American Recovery and Reinvestment Act of 2009 (ARRA).

The Air District and the SJVCEO propose to lead a **San Joaquin Valley Clean Energy Partnership** (Partnership) to maximize the effective use of these grant funds to benefit energy efficiency and conservation as well as air quality in the San Joaquin Valley. The Partnership is in a position to assist small jurisdictions in obtaining critical energy efficiency funds through a coordinated effort of grant writing, resource leveraging, program development, and program delivery. As such, the Partnership offers this joint letter reflecting the Partnership comments on the Preliminary guidelines.

Upon first read of the guidelines released on July 9, 2009, it was not clear that the Partnership would be able participate as an applicant in the name of a collaboration of small jurisdictions in the San Joaquin Valley. However, based on a comments and feedback received from John Sugar of the California Energy Commission, it is the understanding of the Partnership that the language will be changed to allow public agencies, special districts, and non-profit agencies to act in an applicant role in facilitating the grant process; and accepting and administering EECBG grant funds for multiple small jurisdictions that meet the eligibility requirements as stated in the guidelines. Please confirm that the understanding of the Partnership is correct.

In addition to the aforementioned issue regarding the intent of the eligibility requirements, three additional issues remain as concerns for the Partnership:

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1. **Award Payments and Invoicing (Section 18)** - The Air District proposes to act as the lead applicant under the Partnership, and, as a public agency, requests flexibility with regard to the award payment and invoicing process. Traditionally, grant funds to the Air District have been awarded in advance. As a public agency, this ensures that funds are available when the Air District executes grant awards with sub-grantees, thus minimizing potential cash flow and budget issues. The Air District requests that the funds be awarded in advance either in their entirety, as per a potential grant award, or awarded in advance in installments, based on an agreed upon work plan schedule. This award payment option is similar to the Department of Energy options available to large jurisdictions that received direct formula grants. As stated in previous comments to the CEC, small jurisdictions should not be saddled with more onerous restrictions than the large jurisdictions. The Air District would ensure that all guideline requirements, including eligibility, reporting, and other requirements are maintained in the course of implementing the grant project. At the July 16, 2009 meeting hosted by CEC staff in Ripon, CA, the Partnership learned that staff was considering perhaps a 10% initial outlay of funds for project planning. Given the fiscal constraints in all municipal and county jurisdictions, a higher initial up-front payment would provide much-needed assistance for planning energy efficiency projects. The Air District and the SJVCEO encourages further discussion regarding more options for flexibility under this section of the guidelines.
2. **Administrative Expenses (Section 7)** - The preliminary guidelines include a limit of 2.5 percent of funding for project administrative costs. Per AB 2176, such administrative costs include administrative program costs, indirect costs, and overhead. The collaboration effort proposed by the Partnership will not only include a project administration role, but will also include the development of program resources to be used by small cities and counties represented by the Partnership. It is the understanding of the Partnership that the costs associated with developing technical and program resources are not included in project administrative costs, but rather as direct program costs. However, it is also the understanding of the Partnership that the overall project must meet all other requirements established in the program guidelines, including cost-effectiveness requirements. As requested above, please confirm that the understanding of the Partnership is correct on this issue.
3. **Cost-Effectiveness (Section 4)** - The preliminary guidelines includes a CEC definition of cost-effectiveness as required by AB2176 - achievement of minimum energy savings per dollar spent at a rate of 10 million Btu's per each \$1000 spent. Based on comments by John Sugar at the July 16, 2009 meeting in Ripon, CA, the Partnership understands that in the case of multi-jurisdictional application, such as one the Partnership will be submitting, this cost-effectiveness calculation will be applied to the overall application; rather than to each individual jurisdiction represented by the. As requested above, please confirm that the understanding of the Partnership is correct on this issue.

The Air District and the SJVCEO hope that the California Energy Commission will find these comments and suggestions helpful in creating a stronger program that will maximize benefits to small jurisdictions in the San Joaquin Valley and all of California.

Sincerely,



Seyed Sadredin
Executive Director/Air Pollution Control Officer
San Joaquin Valley Air Pollution Control District



Paul Johnson
Executive Director
San Joaquin Valley Clean Energy
Organization

EECBG - please advise

From: "William J Schonlau" <schonlau@computer.org>
To: <eeecbg@energy.state.ca.us>
Date: 7/17/2009 4:51 PM
Subject: please advise

Dear Energy Commission,

Many thanks for the EECBG Workshop webinar yesterday, July 16, it was very informative. An important point that came forth was that this program is specifically for collaboration with cities of less than 35,000 people, I have learned that the City of Rancho Palos Verdes has a population near 50,000 and will presumably not be eligible for this program.

Our group, Modular Motion Systems, has developed what we believe to be an excellent and inexpensive system for traffic signal control that significantly reduces fuel consumption on city roadways. Our models suggest that we surpass the cost effectiveness criterion presented during the webinar by one or two orders of magnitude and our system is inexpensive and easy to install on existing signal equipment, we would be happy to send our brief presentation to any interested party.

We would be very grateful if you could recommend a course of action for us that is not precluded by the city size criterion?

Thank you for your attention, sincerely,

William J Schonlau

President
Modular Motion Systems
31107 Marne Dr
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EECBG - Comments re small cities/counties

From: "Perri Kaller" <perri@redinet.org>
To: <EECBG@energy.state.ca.us>
Date: 7/25/2009 1:58 AM
Subject: Comments re small cities/counties

I understand that comments regarding the SEP program workshop, and I am assuming EECBG small communities is coming to a close. We are a 501C(3), coordinating and facilitating many of these programs with local governments, IOUs and yourselves. Rural communities traditionally have little resources to negotiate these robust, yet complex programs. Often there is no energy manager, or even energy champion, and coordination and education is necessary to facilitate energy program applications. Many non-profits are vital to these program roll outs. Yet we are traditionally plagued with underfunding, high demand, and small administration budgets. With administration fees restricted to 2.5%, and Marketing Education and Outreach prohibited by AB 2176, there is little room to cover infrastructure and administrative costs, and staffing. I personally have put in over 70 hour workweeks for a prolonged period of time, as I know you, at the Energy Commission, have put forth as well. That is not sustainable. There is a desperate need for infrastructure funding, beyond implementations to facilitate the type of well thought out, verifiable tracking and program participation coordination anticipated. Unfortunately, due to \$5/capita allocations, while equitable, will not cover these costs. As an already stretched non-profit, we respectfully request your consideration for supplemental infrastructure funding to assist non-profits, and local governments directly participating in these, and all state programs. I know, from my colleagues, that many 501(C)(3) organizations are feeling this strain as well. The CSD system is stretched as well with increased deliverables and little infrastructural support. This is bound to become a problem with sustainability, State budget cuts, and rigorous program deliverables.

Thank you very much for your consideration,
Perri Kaller

Perri M. Kaller
Director of Program Development
Renewable Energy Development Institute
121 W. Commercial St.
Willits, CA 95490
(707) 459-1256
Fax 459-0366
Cell 841-6532

Renewable **E**nergy **D**evelopment **I**nstitute

From: "Mary Pitto" <mpitto@rcrcnet.org>
To: "EECBG EECBG" <EECBG@energy.state.ca.us>
CC: "Melissa White" <mwhite@rcrcnet.org>, "Cyndi Hillery" <CHillery@rcrcnet....>
Date: 7/21/2009 3:19 PM
Subject: RE: EECBG Guidance Document Comment

Thank you for the response to my comment during the webinar on the Preliminary Block Grant Guidelines for the small cities and counties EECBG Program. I would like to clarify my comment. The Guidance document indicates that small cities and counties are eligible applicants. The CEC also encourages regional applications. During the workshop/webinar on July 16, 2009, there were several questions about eligible partnerships and it became unclear to me if regional agencies or Joint Powers Authority (JPA) were considered an eligible applicant without the consent of all cities and counties within the agencies or JPAs.

In order to avoid competing applications within a region covering multiple jurisdictions and/or agencies, it should be clear that a regional application must have the approval of all cities (City Councils) and counties (Board of Supervisors) within the proposed region to be considered eligible.

Thank you for the opportunity to comment on the guidelines.

Respectfully submitted,
Mary

Mary Pitto
Regulatory Affairs Advocate
Regional Council of Rural Counties
1215 K Street, Suite 1650
Sacramento, CA 95814
(916) 447-4806

-----Original Message-----

From: EECBG EECBG [mailto:EECBG@energy.state.ca.us]
Sent: Tuesday, July 21, 2009 2:31 PM
To: Mary Pitto
Subject: Re: Question

Thank you for your comment Mary. I will ensure that your comment is integrated into the guideline decision process.

>>> "Mary Pitto" <mpitto@rcrcnet.org> 7/16/2009 2:05 PM >>>

Since the money is allocated to cities and counties, if there is a partnership formed, shouldn't the city of county be required to be a participant, whether or not they are the lead agency. Otherwise you will be receiving competing applications from cities and counties.

Mary

Mary Pitto

Regulatory Affairs Advocate

Regional Council of Rural Counties

1215 K Street, Suite 1650

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Thank you in advance for your cooperation.

EECBG - Re: Questions and Feedback for Workshop

From: "Steve Schmidt" <steve@ejobshop.com>
To: <EECBG@energy.state.ca.us>
Date: 7/16/2009 2:26 PM
Subject: Re: Questions and Feedback for Workshop

Just resending... I sent it in early but it hasn't been answered yet...?

----- Original Message -----

From: Steve Schmidt
To: EECBG@energy.state.ca.us
Sent: Thursday, July 16, 2009 1:36 PM
Subject: Questions and Feedback for Workshop

Hi --

I am a resident of Los Altos Hills and a volunteer working on the town's energy efficiency and GHG reduction initiatives. Note that I do NOT speak for the town.

My questions:

1. The schedule for the EECBG & SEP solicitations overlap. Should we apply to both if we believe our proposal fits both types?
2. How do we find DOE's understanding of our population? (Available on the web somewhere?)

And my responses to **your questions**:

1. What barriers would limit your jurisdiction's participation in this program?
None at this time. We're eager to get moving.
2. Does your jurisdiction have energy reduction projects identified to be funded?
Yes, focused on residential energy reductions.
 - a) At what stage of development are any project proposals?
We have completed the relevant research in our community, are convinced of the potential savings, and all data for the proposal is ready to go.
 - b) Do the proposals have match funding?
No.
3. Is your jurisdiction interested in a loan to help? If the Energy Commission were able to lower interest rate to 1%, would that make a difference?
No. Probably not even at 1%.
4. Is your jurisdiction part of a partnership that could apply for funding?
Yes. We plan to work with similar neighboring communities like Atherton, Woodside and Portola Valley.
5. How can the Energy Commission best encourage partnerships among small jurisdictions?
Allow us to get more funds if we work together on the same project.
6. Does your jurisdiction plan to work with larger jurisdictions receiving direct awards from DOE?
No; their needs are generally different from ours.

Thanks very much for all the hard work!

-Steve Schmidt

EECBG - Unemployment Rates Question

From: "Emily Schell" <eschell@ambag.org>
To: <eecbg@energy.state.ca.us>
Date: 7/16/2009 2:09 PM
Subject: Unemployment Rates Question

What point in time will the unemployment rates be drawn from for use in the grant formula, and whose numbers will be used?

Thanks,

Emily Schell
Assistant Special Projects Manager
Association of Monterey Bay Area Governments, Energy Watch

Emily Schell

Assistant Special Projects Manager, Energy Watch
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From: Rick Phelps <phelps@highsierraenergy.org>
To: <EECBG@energy.state.ca.us>
CC: John Butler <jbutler@energy.state.ca.us>, John Sugar <jsugar@energy.stat...
Date: 7/22/2009 11:25 AM
Subject: Acceptable Partnerships for Small Cities/Counties

Would the Eastern Sierra Council of Governments (ESCOG) be an acceptable partnership? It's composed of 2 elected officials from both Inyo and Mono Counties and 2 each from Mammoth Lakes and the City of Bishop.

www.highsierraenergy.org

Rick Phelps, Executive Director
High Sierra Energy Foundation, PO Box 3511
Mammoth Lakes, CA 93546
760-934-4650 (Office)
760-258-6704 (Mobile)

From: Rick Phelps <phelps@highsierraenergy.org>
To: <EECBG@energy.state.ca.us>
CC: John Butler <jbutler@energy.state.ca.us>, John Sugar <jsugar@energy.stat...
Date: 7/22/2009 11:35 AM
Subject: Follow up Question: Acceptable Partnerships for Small Cities/Counties

The application for Technical Assistance requires a Governing Board Resolution. This will delay obtaining feasibility studies through the CEC Technical Assistance Program and will further push back the timeliness of projects. Any ideas?

And, if a partnership is not possible through the ESCOG, that would mean for governing resolutions! More money will be spent obtaining resolutions than in conducting feasibility studies.

Would the Eastern Sierra Council of Governments (ESCOG) be an acceptable partnership? It's composed of 2 elected officials from both Inyo and Mono Counties and 2 each from Mammoth Lakes and the City of Bishop.

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