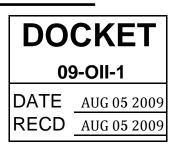
CITY OF SAN JOSÉ, CALIFORNIA

ENVIRONMENTAL SERVICES DEPARTMENT 200 EAST SANTA CLARA STREET, 10TH FLOOR SAN JOSE, CA 95113-1905 TELEPHONE 408-975-2581

California Energy Commission Dockets Office, MS-4 RE: Docket No. 09-OII-01 1516 Ninth St. Sacramento, CA 95814-5512



Attached find the comments of the City of San Jose – Energy Program on the draft State Energy Program preliminary guidelines.

- Award Agreements: We would like clarification regarding the award agreements—terms and conditions. Since there are strong linkages to the CEC PIER program, we would like clarification if the Commission will be using language included in previous PIER award agreement—terms and conditions. Past agreements included specific language related to Royalty Payments to the Commission. Do you anticipate including Royalty language in these agreements.
- Municipal Financing Program
 - "dovetailing" with other existing program: Would this include the proposed Financing program of the California State Communities Development Authority (CSCDA)? The City of San Jose is negotiating with this Joint Powers Authority to include the City in the proposed assessment district financing program that is coordinating with California First/Renewable Funding.
 - Page 20: Use of ARRA SEP funds: In item e), you indicate that funds could be used for interest rate buy downs. If a city is participating in a broader regional or state-wide program, such as the CSCDA program, could the buy-downs be applied to that financing package?
 - Page 20: Use of Funds/Item g)/Homeowner grants. Could funds be used for multi-family/affordable housing/nonprofit property owners?
 - Page 20: #2c). You indicate that the potential use of funds would be for "ongoing program administration costs (such as staffing, market surveys…". On page 25, item #13: Program Transparency and Report, you indicate that the Energy Commission will require information on the results of Market research/surveys. Are the Market surveys mandatory?
- Municipal and Commercial Building Targeted Measure Retrofit Program
 - The City of San Jose has developed a Public Private Partnership and Demonstration Policy to address the potential for using innovative and targeted clean technologies within our City facilities. Several clean tech firms reside in the San Jose/Silicon Valley area and we want to encourage the testing of these technologies in our own facilities. While we see the advantage of using one or more "Program Administrators" for the overall program, we would encourage the Commission to be open to the potential for working with larger cities and counties directly on this program.

Thank you for the opportunity to comment on these proposed guidelines.

Sincerely,

S/Mary Tucker Energy Program Manager City of San Jose