

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, NOVEMBER 27, 2012**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, November 27, 2012, commencing at 7:05 a.m.

Present: Council Member Hansen, Council Member Johnson, and Mayor Pro Tempore Nakanishi

Absent: Council Member Katzakian, and Mayor Mounce

Also Present: City Manager Bartlam, City Attorney Schwabauer, and City Clerk Johl

B. Topic(s)

B-1 Public Benefits and Solar Funds Update (EUD)

Electric Utility Director Elizabeth Kirkley and Customer Services and Programs Manager Rob Lechner provided a PowerPoint presentation regarding the public benefits and solar funds update. Specific topics of discussion included an overview of the Public Benefits program, program budget, program fund, potential customer projects, potential City projects, energy efficiency goals and targets, solar program and fund, solar systems installed, solar rebate program funding, electric vehicles, and charging stations.

In response to Council Member Hansen, Mr. Lechner stated typically funds for customer rebates are not fully spent due largely to the economy and saturation of programs such as the refrigeration program.

In response to Mayor Pro Tempore Nakanishi, Mr. Bartlam confirmed the gross sales revenue is 2.85% and state law does not require the City to spend every dollar immediately, only that it is spent fully at some time in the future.

In response to Council Member Hansen, Mr. Lechner stated the program outreach between the utility and appliance dealers is good and the appliance program remains the best customer program because it is most economical.

In response to Council Member Hansen, Mr. Lechner stated the City did partner with the County on the weather stripping program as a part of the stimulus package and some Lodi residents did utilize that program.

In response to Council Member Johnson, Mr. Lechner stated the vendor that used to conduct the home energy audits recently retired and staff is in the process of looking for another vendor to continue conducting that program.

In response to Council Member Johnson, Mr. Lechner stated the maximum amount that can be borrowed for energy retrofitting at the current time is \$50,000 and staff will be bringing forward options to increase that amount to \$150,000 to further entice the bigger customers to do large-scale energy efficiency projects.

In response to Mayor Pro Tempore Nakanishi, Mr. Lechner stated the loan program is approximately a year and a half old and currently there are 15 customers in the program.

In response to Council Member Hansen, Mr. Bartlam stated the street light program through the State will reduce operational costs thereby reducing costs for all residents. Mr. Lechner confirmed that the new LED lights are more energy efficient and lighter in color and the cost has also come down over the past few years. Mr. Lechner confirmed that staff can research changing the lighting on Lodi Avenue through the new lighting program.

In response to Mayor Pro Tempore Nakanishi, Mr. Bartlam confirmed that there are some streets in the City that do not have street lights because the residents do not want them.

In response to Council Member Hansen, Mr. Lechner stated there are funds for the Municipal Service Center lighting retrofit, Hutchins Street Square heating, ventilation, and air conditioning (HVAC), Civic Center HVAC, and City Hall Annex lighting retrofit projects.

In response to Council Member Johnson, Mr. Lechner stated the percentage split for public and private projects currently is about 50-50.

In response to Council Member Hansen, Mr. Bartlam and Mr. Lechner confirmed that the street lighting retrofit project would be contracted out and come back to the City Council for approval.

In response to Mayor Pro Tempore Nakanishi, Mr. Lechner provided a brief overview of the timing for the four City projects in order to meet the State deadline. Mr. Lechner stated the State requires reasonable targets for energy efficiency goals, which the City of Lodi has, and there is no real penalty for non-compliance.

In response to Council Member Hansen, Mr. Lechner confirmed that technology has improved greatly and therefore brought the costs of solar projects down.

In response to Council Member Johnson, Mr. Lechner provided a brief overview of how the solar funds have been spent over the past few years on both the residential and commercial side.

In response to Mayor Pro Tempore Nakanishi, Mr. Lechner confirmed that the solar program funds for residential and commercial are dispersed on a first come, first serve basis.

In response to Council Member Johnson, Mr. Lechner stated the seven charging heads for electric vehicles from the State are free, there are some public funds used for the installation of the stations, and some costs are recouped through a credit card swipe for use of the station. Mr. Lechner stated he is aware of five electric vehicles in the City currently, three for the City and two privately-owned.

In response to Council Member Hansen, Mr. Lechner stated the location of the charge stations is based on State requirements and are intended to be centrally located.

In response to Council Member Johnson, Mr. Lechner stated the State requires that the charging stations be publicly accessible on municipally-owned property as a condition of the grant program.

In response to Mayor Pro Tempore Nakanishi, Mr. Lechner and Mr. Bartlam confirmed that Sacramento, Galt, and a few cities in Southern California are pursuing similar programs although there is a bit of a difference with a municipal utility versus privately-owned utilities such as PG&E.

In response to Myrna Wetzel, Mr. Lechner provided an overview of the costs and timing associated with operating and charging an electric vehicle. Mr. Bartlam confirmed that only those with a credit card or ATM card will be able to use the charge station with the swipe mechanism.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:05 a.m.

ATTEST:

Randi Johl
City Clerk



**CITY OF LODI
COUNCIL COMMUNICATION**

TM

AGENDA TITLE: Public Benefits and Solar Funds Update

MEETING DATE: November 27, 2012

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Receive Public Benefits and Solar Funds Update.

BACKGROUND INFORMATION: Since 1998, the City of Lodi has maintained a Lodi Public Benefits Program. California Assembly Bills 1890 and 995 provide the framework for this State-mandated program, including guidance for how such a program should be funded by each utility. In general, based on a formula contained in the Code, publicly -owned utilities are required to fund the program through the use of a non-bypassable surcharge of at least 2.85 percent of all electric utility retail sales.

While there is wide flexibility regarding the planning and implementation of each utility's programs, expenditures must fall under one or more of four categories:

- Cost-effective demand-side management services to promote energy efficiency/conservation
- Services provided for low-income electricity customers
- New investments in renewable energy technologies
- Research, development, and demonstration

Also under state law per Senate Bill 1 and Assembly Bill 920, the City of Lodi is required to maintain a solar rebate program, and has done so since January of 2008.

During the City Council's Shirtsleeve Session, staff will provide an update of the City's Public Benefits and Solar Funds and their associated programs.

FISCAL IMPACT: Not applicable at this time.

FUNDING AVAILABLE: Included in FY 2012/13 Budget Account No.164604 and 166601.

A handwritten signature in black ink, appearing to read "Elizabeth Kirkley".

Elizabeth Kirkley
Electric Utility Director

PREPARED BY: Rob Lechner, Customer Service & Programs Manager
EAK/RSL/1st

APPROVED:

A handwritten signature in black ink, appearing to read "Konradt Bartlam".

Konradt Bartlam, City Manager

November 27, 2012
City Council Shirtsleeve Session
City of Lodi Electric Utility Department

PUBLIC BENEFITS AND SOLAR FUNDS UPDATE



Public Benefits and Solar Funds

- Public Benefits Program
- Energy Efficiency Goals & Targets
- Solar Fund
- Electric Vehicles & Charging Stations



Public Benefits Program

- ⦿ State-mandate per AB 1890 & 995
- ⦿ 2.85% of sales revenue
- ⦿ Eligible Public Benefits Expenditures
 - Demand-side Management
 - Assistance for Low-income Customers
 - Renewable Energy Resources
 - Research, Development & Demonstration



Public Benefits Program Budget

- ◎ \$941,760 in FY 12-13 Budget
 - Administrative costs = \$125,260
 - Customer rebates = \$525,000
 - Vendor contracts = \$160,000
 - Low-income program = \$79,000
 - RD & D = \$50,000
 - Renewable energy = \$2,500
- ◎ \$600k to \$800k additional annually
 - Qualifying renewable energy projects
 - SHARE Discount



Public Benefits Program Fund

- Current Surplus \$3.6 million
- Per AB 1890, these funds must be expended for eligible Public Benefits programs/services
- Utility/City staff have identified a list of potential expenditures



Potential Customer Projects

- Low-income Residential Weatherization
- Comprehensive Residential Energy Efficiency
- Non-residential Energy Efficiency Financing



Potential City Projects

- Streetlight Retrofit Project
- City Facilities Energy Efficiency Projects
 - MSC lighting retrofit
 - Hutchins Street Square HVAC
 - Civic Center HVAC
 - City Hall Annex lighting retrofit



Energy Efficiency Goals & Targets

- State mandated per AB 2021
- 10-year goals/targets for energy efficiency
- Updated every 3 years; changed to 4 years
- Performed in 2007 & 2010
- Next update Dec 19th City Council Meeting
- Approximately 0.75% of total energy sales



Solar Program and Fund

- State mandated per SB1 & AB920
- Ten-year program 1/1/08 - 12/31/17
- Lodi's requirement is \$6.1 million
- \$2,611,086 collected via Solar Surcharge
- \$2,677,252 expended on rebates



Solar Systems Installed

- 136 residential & non-residential systems
- Total capacity: 1.755 MW
- Enough energy to power over 350 homes for a year



Solar Rebate Program Funding

- ◎ CY 2013 Solar Rebate Program (\$600k)
 - \$150,000 for residential customer rebates
 - \$300,000 for non-residential customer rebates
 - \$150,000 earmarked for two annual payments
 - Rebate formula \$1.94/watt
 - Rebate caps
 - \$7,000 residential
 - \$40,000 non-residential



Electric Vehicles (EVs)

- Seven EVs since 2000
- Currently three Toyota RAV-4's
 - Lease expires June 2013
- Staff investigating replacement EVs, including plug-in hybrid vehicles
- In October, EUD staff test drove Mitsubishi MiEV for a 3 week period



Electric Vehicle Charging Stations

- ⦿ Two publicly accessible at City Hall
 - Recently retrofitted to universal style
- ⦿ Five additional charging stations via a grant from the CA Energy Commission
 - Hutchins Street Square
 - Animal Services
 - Downtown Parking Structure
 - Finance Department
 - Library
- ⦿ Credit card swipe for public stations



Public Benefits & Solar Funds Update

