

LRB RESEARCH AND ANALYSIS

January 06, 2010

ITEM 1, FILE # 091147

COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

RICH WATT

Introduction

File # 091147 authorizes the Office of Environmental Sustainability to accept and fund an Energy Efficiency Conservation Block Grant from the U.S. Department of Energy in the amount of \$5,839,100, with a grantor share of \$5,839,100 and no City match.

Background

The City of Milwaukee has committed to efforts aimed at increasing energy efficiency and lowering the City's environmental impact. Mayor Barrett signed the Mayors' Climate Protection Agreement in 2006, establishing a specific greenhouse gas reduction target and is in agreement with the State of Wisconsin's energy independence goals. The administration has set several goals in accordance with these agreements

Goal 1 - Reduce energy use in City facilities by 15% by 2012. The Mayor issued this directive to City departments in 2005.

Goal 2 - Reduce energy use for street lighting by 25% by 2020.

Goal 3 - Reduce energy use in the residential sector by 15% by 2025.

Goal 4 - Reduce energy use in the commercial industrial sector by 20% by 2025.

Goal 5 - Improve fuel efficiency and increase the number of alternative fuel vehicles in the City fleet to 75% by 2020.

Goal 6 - Complete greenhouse gas inventory and assess opportunities for energy conservation and improved energy efficiency in all sectors including buildings, transportation, and waste management.

Goal 7 - Establish protocol to ensure transparency and accountability in program administration and delivery.

Discussion

The purpose of this grant is to perform City building energy audits, fund City facilities energy efficiency retrofits, fund the City fleet retrofit program, establish a LED street light demonstration project, initiate the Milwaukee Energy Efficiency Residential Program (Me2) and fund the Business Retrofit Loan and Business Energy Retrofit Incentive programs. This grant is awarded through a formula process and is separate from the competitive Efficiency Conservation Block Grant for which the City has also submitted an application.

1. This is a new grant proposal intended to provide funding to assist in reducing the energy use for the City of Milwaukee. The period of grant operations is January 1, 2010 to October 25, 2012 and will entail several concurrent grant activities. The resolution in file 091147 accepts funding of \$5,839,100 from the U.S. Department of Energy and does not require City matching funds. Focus on Energy incentives apply to most of the activities in the grant, including City building retrofits of HVAC and lighting, energy audits, street lights, commercial HVAC and lighting improvements, and residential improvements. The Focus on Energy rebates will total approximately \$1,925,000 and any rebates will be expended on program related activities. Budget for the grant is as follows:

Line Description	Grantor Share	In-Kind Share
Personnel Costs	\$ 491,679	
Fringe Benefits	\$ 201,590	
ME2 Residential Contract and expenses	\$1,147,116	
Green House Gas Inventory Contract	\$ 32,000	
City Building Energy Audits	\$ 70,000	
City Facility Retrofit Costs	\$1,089,787	
LEED Commissioning Costs	\$ 10,000	
MEDC Business Retrofit Loans	\$ 850,000	
3rd Party M&V contract	\$ 100,000	
Energy Star Appliances	\$ 50,000	
DPW Operating Expenditures	\$ 431,031	
Occupancy Sensors and ES Appliances	\$ 60,595	
Hybrid passenger vehicles (marginal cost)	\$ 46,977	
PAYT equipment or route mgmt software	\$ 90,775	
LED Street lights	\$ 368,550	
Capital Improvements - Equipment	\$ 799,000	
Indirect Costs	\$ 0	
Subtotals	\$5,839,100	\$0
Total	\$5,839,100	

2. The grant supports 1 new .5 FTE position of Grant Monitor, authorized in the resolution. Sixteen existing positions are also partially supported by the grant. These positions include 5 in the Department of Administration, 7 in the Department of Public Works, and 4 in the Department of City Development.
3. The resolution in File #091147 authorizes the City Comptroller to establish the necessary Special Revenue Fund-Grant and Aid Project Grant levels and Capital Grant levels and budget against these amounts in a manner consistent with the grant agreement.
4. The resolution further authorizes the Department of Administration - Office of Sustainability, consistent with the terms of the grant, to: expend from these budgeted amounts; enter into subcontracts and leases; to expend amounts for equipment deemed necessary to the operation of the program; and to delegate spending authority for portions of the grant to the Department of Public Works and the Department of City Development.

Fiscal Impact

The resolution in file 091147 accepts non O&M funding of \$5,839,100 from U.S. Department of Energy with no City match.

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