



City Council Agenda Item

City Council Meeting Date: March 7, 2023

TO: Dean Albro, City Manager

FROM: Steven Valle, Utility Conservation Coordinator
s_valle@ci.lompoc.ca.us

SUBJECT: Adoption of Resolution No. 6564(23) Authorizing Application For, and Receipt of, Energy Efficiency and Conservation Block Grant Program Equipment Voucher for Efficient Lighting Equipment

Recommendation:

Staff recommends the City Council adopt Resolution No. 6564(23) (attached), which will authorize the City Manager, or designee, to execute all documents necessary to apply for, and receive, an equipment voucher from the United States Department of Energy (DOE) through the Energy Efficiency and Conservation Block Grant (EECBG) program.

Background:

The Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Deal and originally presented in the House as the INVEST in America Act (H.R. 3684), is a United States federal statute that was enacted by the 117th United States Congress and signed into law by President Joe Biden on November 15, 2021. The IIJA is a key element of President Biden's Build Back Better Plan and includes an allocation of more than \$62 billion for the DOE to deliver a more equitable clean energy future for the American people by investing in American manufacturing and workers; expanding access to energy efficiency and clean energy for families, communities and businesses; delivering reliable, clean, and affordable power to more Americans; and building the technologies of tomorrow through clean energy demonstrations. Out of the \$62 billion allocated to the DOE from the IIJA, \$550 million has been reserved to be used towards the administration of the EECBG program.

The EECBG Program is a formula grant program administered by the DOE and was designed with the intent to assist states, local governments, and Indian tribes in implementing strategies to:

- Reduce fossil fuel emissions in a manner that is environmentally sustainable and, to the maximum extent practicable, maximizes benefits for local and regional communities;

March 7, 2023

Energy Efficiency and Conservation Block Grant Program

Page 2 of 5

- Reduce the total energy use of the eligible entities;
- Improve energy efficiency in the transportation sector, the building sector, and other appropriate sectors; and
- Build a clean and equitable energy economy that prioritizes disadvantaged communities and promotes equity and inclusion in workforce opportunities and deployment activities, consistent with the Justice40 Initiative specified in the Build Back Better Plan.

Eligible entities for EECBG program formula grant allocations include states, eligible units of local governments, and Indian tribes. Eligible units of local governments, for the purpose of the EECBG program, are defined as:

- Cities with a population of at least 35,000;
- Cities with a population that causes the city to be one of the ten highest-populated cities of the state in which the city is located;
- Counties with a population of at least 200,000; and
- Counties with a population that causes the county to be one of the ten highest-populated counties of the state in which the city is located.

Each entity applying for and receiving EECBG program funds is required to use the funds in a cost-effective manner that is of maximum benefit to the population of that entity, and in a manner that will yield sustained long-term impacts in terms of energy efficiency and greenhouse gas emission reductions.

Discussion:

Since Lompoc has recorded a total population of 44,444, per the 2020 Decennial Census Redistricting Data provided by the United States Census Bureau, the City is eligible to apply for an award of \$76,480 in grant funding, or an equipment voucher in the same amount, through the EECBG program.

The City may apply for and utilize its EECBG formula award to carry out activities to achieve the purposes of the program, including:

1. Development and implementation of an energy efficiency and conservation strategy;
2. Retaining technical consultant services to assist the eligible entity in the development of such a strategy;
3. Conducting residential and commercial building energy audits;

March 7, 2023

Energy Efficiency and Conservation Block Grant Program

Page 3 of 5

4. Establishment of financial incentive programs for energy efficiency improvements;
5. The provision of grants to nonprofit organizations and governmental agencies for the purpose of performing energy efficiency retrofits;
6. Development and implementation of energy efficiency and conservation programs for buildings and facilities within the jurisdiction of the eligible entity;
7. Development and implementation of programs to conserve energy used in transportation;
8. Development and implementation of building codes and inspection services to promote building energy efficiency;
9. Application and implementation of energy distribution technologies that significantly increase energy efficiency;
10. Activities to increase participation and efficiency rates for material conservation programs, including source reduction, recycling, and recycled content procurement programs that lead to increases in energy efficiency;
11. The purchase and implementation of technologies to reduce, capture, and, to the maximum extent practicable, use methane and other greenhouse gases generated by landfills or similar sources;
12. Replacement of traffic signals and street lighting with energy efficient lighting technologies;
13. Development, implementation, and installation on or in any government building of the eligible entity of onsite renewable energy technology that generates electricity from renewable resources;
14. Programs for financing energy efficiency, renewable energy, and zero-emission transportation (and associated infrastructure), capital investments, projects, and programs, which may include loan programs and performance contracting programs, for leveraging of additional public and private sector funds, and programs that allow rebates, grants, or other incentives for the purchase and installation of energy efficiency, renewable energy, and zero-emission transportation (and associated infrastructure) measures; and
15. Any other appropriate activity, as determined by the Secretary of Energy.

Voucher Option

The DOE has sought to simplify and streamline the EECBG process to benefit eligible entities with limited staff resources or small award amounts, as the EECBG grant application and reporting burden is distinctly extensive. In lieu of grant funding, local governments can opt-in to receive a voucher, which covers:

1. A suite of technical assistance services; and
2. Equipment purchase and installation rebates.

Entities that opt for a voucher will not be required to apply for and administer a direct federal grant. Entities selecting the voucher option will still submit an application to the EECBG program, but will be subject to a streamlined process with reduced documentation, monitoring, and reporting requirements compared to applying for and administering a direct federal grant. The DOE recommends that eligible local and Tribal governments with a formula allocation of less than \$250,000 consider the voucher option.

Staff recommends applying for the EECBG program with the intent of receiving the City's allocated amount of \$76,480 as an equipment voucher to use toward energy efficient lighting equipment for numerous energy efficient lighting retrofit projects at City parks and City-maintained facilities. Exercising the voucher option will assist the City to take advantage of a simplified application process, less burdensome reporting requirements, and a streamlined path for equipment purchases and installations.

Potential lighting optimization projects that the EECBG equipment voucher will assist with include the tennis court lighting at Ryon Park and interior lighting throughout the Police Department and both Fire Station facilities. As a component of the conservation program administered by the City's Utility Department, staff is currently working to increase the efficiency of municipal energy use by reducing municipal energy demand through the optimization of lighting equipment installed at all City-owned facilities.

Fiscal Impact:

Applying for the EECBG program will decrease the Utility Department's equipment cost for energy efficient lighting equipment and will help expedite the optimization of lighting throughout City-owned facilities.

Conclusion:

Adoption of Resolution No. 6564(23) will authorize the application for, and receipt of, an EECBG program equipment voucher from the DOE to use towards efficient lighting equipment. Each entity applying for and receiving EECBG program funds, or an equipment voucher, is required to use the allocation in a manner that is of maximum benefit to the population of that entity, and in a manner that will yield sustained long-term impacts in terms of energy efficiency and greenhouse gas emission reductions.

The use of the City's EECBG formula allocation towards energy efficient light fixtures will assist in reducing the City's electricity demand, as well as operational and maintenance costs to provide lighting at city parks and facilities. The Utility Department's proposal to apply for and utilize an EECBG program equipment voucher will help the City execute cost-effective, long-term, and impactful projects to the benefit of the community.

Respectfully submitted,

Steven Valle, Utility Conservation Coordinator

APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

Charles Berry, Utility Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Dean Albro, City Manager

Attachment: Resolution No. 6564(23)