

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: December 4, 2012

ITEM NO.: NB1

STAFF SOURCE: Kalieh Honish, Interim Director of Public Works
Alex Gonzalez, Assistant Director of Public Works
Vivian Castro, Environmental Services Manager

ITEM TITLE: City of Covina Energy Action Plan

STAFF RECOMMENDATION

Adopt **Resolution No. 12-7125**, adopting the City of Covina Energy Action Plan.

FISCAL IMPACT

The work to be performed to implement the City of Covina Energy Action Plan will be paid for through existing resources and grants as funding becomes available. Therefore, implementation of the Energy Climate Action Plan will have no effect on the City's General Fund. Any actions not budgeted or that would impact the General Fund would be brought to the City Council for consideration.

BACKGROUND

Assembly Bill AB 32, the Global Warming Solutions Act of 2006, creates a statewide target to achieve 1990 emissions levels by 2020 through a combination of mandatory and voluntary programs. In response to AB 32, in October 2007, the California Public Utilities Commission (CPUC) created a framework to make energy efficiency a way of life in California by refocusing ratepayer-funded energy efficiency programs on achieving long-term savings through structural changes in the way Californians use energy. To help achieve the savings, the CPUC, in partnership with their regulated utilities, such as Southern California Edison (SCE) and more than 500 individuals and organizations, developed California's Long-term Energy Efficiency Strategic Plan (CEESP) as the State's roadmap for achieving energy efficiency through 2020.

To assist in achieving the CEESP goals specific to local government, SCE developed a funding opportunity through local energy partnerships. Through the San Gabriel Valley Energy-Wise Partnership, the San Gabriel Valley Council of Governments (SGVCOG), in partnership with 27 member cities, including Covina, was awarded approximately \$4.6 million dollars from SCE for projects in support of the CEESP in 2010. The City of Covina Energy Action Plan (Exhibit A, herein referred to as "the Plan") was prepared as part of a coordinated effort among the SGVCOG, SCE, the City of Covina, and PMC, the project team hired by the SGVCOG to prepare the plans and provide technical assistance.

As a result of this effort, Covina received a GHG emissions inventory for all emissions sectors (i.e. land use, water, solid waste, transportation, energy) for both municipal operations and community-wide activities at no cost to the City. The cost to undertake this task independently would have been approximately \$50,000, not including staff costs for managing the process and gathering data. While not currently required under AB 32, updates to the California Environmental Quality Act (CEQA) Guidelines in 2009 now require lead agencies to consider greenhouse gas emissions when assessing projects for purposes of CEQA. The community-wide inventory provides a comprehensive assessment of GHG emissions that can help the City complete future CEQA analyses. For example, if the City undertakes a General Plan update, the City may use the community-wide GHG inventory to support the CEQA analysis of GHGs. In addition, by developing the GHG inventory and the Energy Action Plan, Covina will have completed a significant amount of the work needed to develop a full Climate Action Plan (CAP), of which the Energy Action Plan will serve as a chapter. While the City is not required to prepare a CAP, the CEQA Guidelines create streamlining incentives for preparation of a CAP, or greenhouse gas reduction plan, that is consistent with specified criteria. The City may use a CAP consistent with the CEQA Guidelines as a tool to streamline the permitting of development consistent with the CAP.

The City of Covina Energy Action Plan identifies methods the City of Covina may take to achieve energy efficiency throughout the community and in municipal operations. Due to the parameters of the grant funding under which this Plan was developed, the Plan's analysis was limited to energy and gas consumption (City facilities and community-wide), and then estimates of the GHG emissions generated by municipal and community activities. The Plan contains a comprehensive GHG emissions inventory and forecast, provides recommendations for community-wide strategies and municipal programs to achieve cost savings through energy reductions and more efficient maintenance and operational practices, while creating a path to achieve State-recommended GHG reduction targets.

While the Plan primarily focuses on electricity efficiency, the Plan was written in a way that it could be expanded to include additional sections (transportation, water, solid waste, etc.) to transform it into a comprehensive Climate Action Plan (CAP) at some future date, as funding allows. This Plan demonstrates the City's commitment to pursue energy efficiency and reduce GHG emissions. The purpose of this Plan is to identify the City of Covina's long-term vision and commitment to achieve energy efficiency in the community and in municipal operations while providing the City flexibility for Plan updates if new regulations, advanced technologies, funding and/or regional partnerships become available. The Plan includes the following chapters:

- Chapter 1: Introduction – Provides an overview of the purpose and scope of the project, as well as the process and outreach efforts involved in developing the Plan.
- Chapter 2: GHG Inventory and Forecast – Summarizes the GHG-generating activities occurring within the community and throughout municipal operations.

- Chapter 3: Electricity Profile – Highlights the factors that influence electricity use within the community by comparing energy uses to regional averages and identifies top electricity uses within municipal accounts.
- Chapter 4: Energy Efficiency Strategy – Identifies a comprehensive set of electricity-related energy efficiency targets, goals, policies, and actions to help the community and the City become more energy-efficient.
- Chapter 5: Plan Implementation – Provides policies and actions to assist with the implementation of the energy efficiency strategy, and summarizes the policies, benefits, implementation time frame, and responsible departments for implementing the components of the energy efficiency strategy.
- Chapter 6: Conclusion – Reaffirms the City’s commitment to implementing energy efficiency projects, programs, and policies to support the goals of the California Long Term Energy Efficiency Strategic Plan and foster energy efficiency throughout the community.

The energy efficiency strategy of the Energy Action Plan presents reduction targets for electricity use and greenhouse gas emissions. These targets focus both on community activities and municipal operations. The Plan identifies five energy efficiency targets for the City:

1. Support achievement of a 15% reduction below baseline community GHG emission levels by 2020.
2. Reduce existing residential electricity use 5% below baseline 2006 levels by 2020.
3. Reduce nonresidential energy use 5% below baseline 2006 levels by 2020.
4. Move toward net zero electricity use in new residential and nonresidential buildings by 2020.
5. Reduce electricity use at municipal facilities 3% below baseline 2006 levels by 2020 (equivalent to a 10% reduction below 2004 levels).

In order to achieve the target electricity reductions by 2020, the City of Covina proposes to implement the goals, policies, and actions set forth in the Energy Efficiency Strategy (Chapter 4) of the Plan. The City’s strategy is structured around seven key topic areas:

1. Existing Residential Buildings
2. Existing Nonresidential Buildings
3. New Development
4. Planning Framework
5. Urban Cooling
6. Water and Electricity Efficiency
7. Municipal Operations

The Strategy includes a diverse mix of incentive-based, outreach, and regulatory programs for both new and existing development. The goals, policies, and actions identified in the Strategy lay out the City’s path toward achieving electricity efficiency in each sector while avoiding reliance on any one strategy or sector to achieve the targets.

The Plan does not commit the City to spend money but it does recommend specific actions to carry out its policies as funding becomes available. Staff will work with the COG and other regional partners to identify additional funding sources and grant opportunities. Adoption of the Plan will position the City to benefit from regional resources and funding to implement community-wide and municipal programs, and equips the City to apply for competitive grant funding.

The adopted Plan is considered to be a living document that will be updated and revised over time. The implementation program will be used to track, monitor, and update the Plan. As the City implements the Plan, staff will evaluate the effectiveness of each policy to ensure that the anticipated electricity and GHG reductions are occurring. In the event that GHG reductions do not occur as expected, the City will be able to modify policies to ensure the City meets its reduction target as resources permit.

RELEVANCE TO THE STRATEGIC PLAN

This item supports the City Council’s Strategic Plan goal of enhancing the City’s financial well-being by establishing goals and actions to reduce the City’s energy consumption and improve the efficiency of City facilities and operations, thereby reducing the City’s energy costs.

EXHIBITS

- A. The City of Covina Energy Action Plan
- B. Resolution No. 12-7125.

REVIEW TEAM ONLY	
City Attorney: _____	Finance Director: _____
City Manager: _____	Other: _____

RESOLUTION NO. 12-7125

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
COVINA, CALIFORNIA, ADOPTING THE CITY OF COVINA
ENERGY ACTION PLAN**

WHEREAS, the California State Legislature and Governor Arnold Schwarzenegger signed Assembly Bill 32, the Global Warming Solutions Act of 2006, which set a 2020 greenhouse gas emissions reduction goal; and

WHEREAS, the California Public Utilities Commission (CPUC) authorized Southern California Edison (SCE) to conduct strategic plan activities focused on energy efficiency to help implement the CPUC's California Long-Term Energy Efficiency Strategic Plan (CEESP), and

WHEREAS, SCE's strategic plan activities include funding and technical support of the San Gabriel Valley Council of Governments' (SGVCOG) Energy Efficiency Climate Action Plan (EECAP) and the development of an Energy Action Plan (EAP) with consultant PMC; and

WHEREAS, the City Council of Covina considered the community-wide and municipal energy use reduction policies of the Energy Action Plan, and

WHEREAS, the City Council of Covina recognizes the impact of energy use for residential, commercial, industrial and municipal buildings and facilities on the environment; and

WHEREAS, the City of Covina has developed an Energy Action Plan for more sustainable energy usage so that the City and community can reduce electricity use and greenhouse gas emissions through the adoption and implementation of the Energy Action Plan, attached hereto.

NOW, THEREFORE, THE CITY COUNCIL of the City of Covina, California, does hereby resolve that the City of Covina Energy Action Plan (Exhibit A) is adopted.

PASSED, APPROVED AND ADOPTED this 4th day of December, 2012.

Kevin Stapleton, Mayor