



**DATE:** September 11, 2017

**TO:** Council Sustainability Committee

**FROM:** Director of Utilities & Environmental Services

**SUBJECT** East Bay Energy Watch Programs for Small and Medium-Sized Businesses

### **RECOMMENDATION**

That the Committee reviews and comments on this informational report.

### **BACKGROUND**

In January 2017, staff provided the Committee with a [report](#) about regional energy programs, including the East Bay Energy Watch (EBEW). EBEW is a partnership with Pacific Gas and Electric company (PG&E) and the counties of and cities within Alameda and Contra Costa Counties.

Hayward's General Plan, adopted by Council in 2014, includes the following programs regarding regional energy programs available to businesses:

*NR-10. Financing Program for Commercial Energy Efficiency Retrofits.* The City shall work with regional agencies and organizations to develop a commercial energy efficiency retrofit financing program for commercial and industrial properties.

*NR-17. Business Engagement in Climate Programs.* The City shall engage local businesses and business organizations (e.g., Chamber of Commerce, the Keep Hayward Clean and Green Taskforce, the Alameda County Green Business Program) in climate-related programs.

### **DISCUSSION**

EBEW programs serve residential, municipal, and commercial customers. The focus of this report is on the services provided to small and medium-sized businesses, which are provided under contract by DNV GL and the Community Energy Services Corporation (CESC). The programs currently offered to business include:

*Your Energy Manager (YEM)* – Businesses receive free analysis for energy and water efficiency upgrades, including incentives and financing options.

*East Bay Energy Watch Business Program* – The EBEW small and medium sized business program offers a comprehensive package of energy-efficiency measures including lighting retrofits; refrigeration tune-ups, controls, and seals replacement; and referrals to appropriate HVAC programs. Program staff provide a no-cost energy assessment to identify potential energy-saving equipment options and determine potential incentives. Participating independent contractors can install recommended improvements. Cash rebates are identified and typically cover 50% of the project cost.

From 2012 to 2016, as a contractor to EBEW, DNV GL has achieved 4,650,000 kilowatt hours (kWh) in energy savings in the City of Hayward. The most popular building types serviced include small/large office, small retail, restaurants, groceries, and refrigerated warehouse.

To date, in 2017 EBEW has:

- Completed more than 53 projects (including 15 Hard-to-Reach businesses<sup>1</sup>)
- Installed energy efficiency lighting at 32 Hayward School District sites
- Achieved more than 1,413,637 kWh in energy savings
- Created more than \$1,371,106 in economic activity (total project costs)
- Distributed more than \$130,000 in incentives

A DNV GL representative will present more details about the program at the Committee meeting.

*Tennyson Road Campaign* – Staff recently worked with CESC to do a targeted campaign to the small and medium-sized business on Tennyson Road. In late August, staff sent a letter describing the services offered by EBEW to 180 businesses within the Tennyson corridor. CESC is currently following up by visiting the businesses in person. Assessments can be performed on the spot or by appointment.

*Microfinance* – EBEW also works with [Mission Asset Fund](#), which offers small loans (microfinancing) to businesses who need assistance with the out-of-pocket costs of an energy efficiency project. PG&E's on-bill financing is available for projects valued at \$5,000 and above. Mission Asset Fund loans are for projects that cost less than \$5,000. Loans are issued with no fees and zero interest. EBEW's goal is to reach 20 businesses this year with a focus on Hard-to-Reach businesses.

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<sup>1</sup> Hard-to-reach business customers include those that are small (fewer than 10 employees), businesses in leased space, and business owned or managed by non-English speakers.

Green Business Coordination – When EBEW representatives contact businesses about energy efficiency, information about the Alameda County Green Business Program is also provided.

## **STRATEGIC PRIORITIES**

This agenda item supports the Complete Communities and Tennyson Corridor Strategic Initiatives. The purpose of the Complete Communities Strategic Initiative is to create and support structures, services, and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work and play for all. The purpose of the Tennyson Corridor Strategic Initiative is to develop an attractive, cohesive, thriving Tennyson Corridor through thoughtful engagement of residents, businesses and community partnerships.

This item supports the following goal and objective of the Complete Communities Strategic Initiative:

Goal 1: Improve quality of life for residents, business owners, and community members in all Hayward neighborhoods.

Objective 4: Create resilient and sustainable neighborhoods.

This item also supports the following goal and objective of the Tennyson Corridor Strategic Initiative:

Goal 5: Increase Community Resiliency.

Objective 6: Reduce resident utility bills through efficiency

## **FISCAL IMPACT**

EBEW programs do not impact the City's General Fund. EBEW programs are funded by California utility ratepayer funds administered by PG&E under the auspices of the California Public Utilities Commission (CPUC). Environmental Services staff spend some staff time coordinating services in Hayward.

## **SUSTAINABILITY FEATURES**

Participation in regional energy programs allows Hayward to benefit from regional marketing activities and to access funding that would otherwise be unavailable. Such programs focus on improving energy efficiency, increasing the use of renewable energy, and conserving water – all of which support the City's sustainability and long term greenhouse gas reduction goals.

## **NEXT STEPS**

Staff will continue to work with EBEW administrators and program implementers to offer energy efficiency services to Hayward businesses and will track the results of the Tennyson corridor campaign.

*Prepared by:* Erik Pearson, Environmental Services Manager

*Recommended by:* Alex Ameri, Director of Utilities & Environmental Services

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', is positioned above a horizontal line.

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Kelly McAdoo, City Manager