

City of Las Cruces[®]

PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 14 Ordinance/Resolution# 11-096 Council District: N/A

For Meeting of October 18, 2010
(Adoption Date)

TITLE: A RESOLUTION AUTHORIZING THE CITY TO SIGN A MEMORANDUM OF UNDERSTANDING WITH CLEARRESULT CONSULTING ENABLING THE CITY'S PARTICIPATION IN EL PASO ELECTRIC COMPANY'S SCORE PLUS ENERGY EFFICIENCY REBATE PROGRAM.

PURPOSE(S) OF ACTION: Allow participation in a new El Paso Electric Program whereby EPE's contractor would give us technical assistance in analyzing the cost effectiveness of energy efficiency improvements to City facilities.

Drafter and Staff Contact: Thomas Schuster <i>TS</i>		Department: Community Develop.		Phone: x3069	
Department	Signature	Phone	Department	Signature	Phone
Department Director	<i>[Signature]</i>	3064	Budget	<i>[Signature]</i>	541-2107
Other			Assistant City Manager	<i>[Signature]</i>	541-2271
Legal	<i>[Signature]</i>	541-2128	City Manager	<i>[Signature]</i>	541-2076

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS: El Paso Electric (EPE) is mandated by State law to pursue all cost-effective energy efficiency resources available to it, and to offer programs to assist customers in achieving this end (NMSA 1978 §62-17). EPE recently received Public Regulation Commission (PRC) approval for a new program called Score Plus, aimed at local governments, schools, and large commercial customers.

Through this program, EPE will offer one time cash rebates to participating customers who install or implement qualified and verified energy efficiency and demand reduction measures, in the amount of \$137 per kW and \$0.035/kWh/year. These rebates do not cover the entire capital cost of the improvements, so the City will still have to find ways to finance them. However, the rebates can significantly reduce the payback period and increase the return on investment. Improvements eligible for rebates include retrofits to existing facilities or equipment and upgrades to specifications for new construction.

Because the program is geared toward larger consumers with more complex facilities, EPE has contracted with CLEAResult Consulting to provide technical assistance in identifying potential efficiency improvements and providing financial analyses of these improvements. These analyses would include the cost of the improvement (including rebates), the expected energy savings that would result, and the expected return on investment. This technical assistance is available to participants free of charge, and there is no obligation to act on specific recommendations. However, because program resources are limited, EPE and

CLEAResult are requiring participants to enter into a MOU which would commit the City to make a good faith effort to identify funding to increase energy efficiency.

The MOU would be valid for the remainder of the calendar year, and would be renewable annually via an addendum.

SUPPORT INFORMATION:

1. Resolution.
2. Exhibit "A" – Memorandum of Understanding
3. Attachment "A" – Score Plus Program Executive Summary

SOURCE OF FUNDING:

Is this action already budgeted?	N/A	
	Yes	<input type="checkbox"/> See fund summary below
	No	<input type="checkbox"/> If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/> Expense reallocated from: _____
		<input type="checkbox"/> Proposed funding is from a new revenue source (i.e. grant; see details below)
	<input type="checkbox"/> Proposed funding is from fund balance in the _____ Fund.	
Does this action create any revenue?	Yes	<input type="checkbox"/> Funds will be deposited into this fund: _____ in the amount of \$ _____.
	No	<input checked="" type="checkbox"/> There is no new revenue generated by this action.

FUND SUMMARY:

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
N/A	N/A	N/A	N/A	N/A	N/A

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will approve the Resolution and authorize staff to sign the MOU and participate in the SCORE Plus Program.
2. Vote "No"; this will deny the Resolution and the City will not participate in SCORE Plus this calendar year.
3. Vote to "Amend" the MOU; this would result in review and possibly rejection of the proposed changes by CLEAResult
4. Vote to "Table"; this would delay participation in the SCORE Plus Program.

REFERENCE INFORMATION

The resolution(s) and/or ordinance(s) listed below are only for reference and are not included as attachments or exhibits.

1. NMSA 1978 §62-17

RESOLUTION NO. 11-096**A RESOLUTION AUTHORIZING THE CITY TO SIGN A MEMORANDUM OF UNDERSTANDING WITH CLEARRESULT CONSULTING ENABLING THE CITY'S PARTICIPATION IN EL PASO ELECTRIC COMPANY'S SCORE PLUS ENERGY EFFICIENCY REBATE PROGRAM.**

The City Council is informed that:

WHEREAS, the City of Las Cruces spent about \$4.5 million on electricity in FY 2009; and

WHEREAS, City Council has identified energy conservation as an area of focus in the 2010 Strategic Plan; and

WHEREAS, El Paso Electric recently initiated the SCORE Plus program, which provides rebates to local government participants for the deployment of energy efficient equipment and practices; and

WHEREAS, El Paso Electric has contracted with CLEARresult Consulting to administer the SCORE Plus Program and provide free technical assistance to program participants in the form of project identification and financial analysis; and

WHEREAS, in order to participate in the program, participants are requested by El Paso Electric and CLEARresult Consulting to enter into a Memorandum of Understanding and thereby make a good faith commitment to implement energy efficiency recommendations to the extent feasible.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las Cruces:

(I)

THAT the City shall actively participate in the SCORE Plus Program.

(II)

THAT City staff is hereby authorized to execute the Memorandum of Understanding with CLEARresult Consulting (Exhibit A) and otherwise do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this _____ day of _____ 2010.

(SEAL)

APPROVED:

Mayor

ATTEST:

City Clerk

Moved by: _____

Seconded by: _____

VOTE:

Mayor Miyagishima: _____

Councillor Silva: _____

Councillor Connor: _____

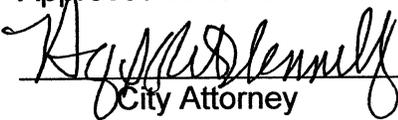
Councillor Sorg: _____

Councillor Small: _____

Councillor Pedroza: _____

Councillor Thomas: _____

Approved as to Form:



City Attorney



2010 SCORE Plus Program Sponsored by El Paso Electric

MEMORANDUM OF UNDERSTANDING

Electric customers in New Mexico are feeling the pinch of high energy costs now more than ever. El Paso Electric is committed to providing assistance to its customers so that they can better manage their rising energy costs. El Paso Electric is proud to offer the SCORE PlusSM Program, aimed at improving the energy efficiency of school, local government, and business facilities located within its New Mexico service territory. El Paso Electric has contracted with CLEAResult Consulting, Inc. (CLEAResult) to sponsor, promote, and administer the Program.

_____, (herein referred to as "Program Participant") recognizes that it is a willing participant of this **no cost** program designed to help reduce energy bills for its facilities, freeing up operating dollars for other needs AND improving the comfort and usability of these facilities. This Memorandum of Understanding reflects the **voluntary collaborative effort** between the organization and the SCORE Plus Program and details the commitments of each party in order to improve energy efficiency in your facilities. *The Program agrees to provide these services at no cost to the Participant with the understanding that the Participant will exert its best efforts to complete the applicable steps below and implement cost-effective energy efficiency recommendations. Projects being submitted to the 2010 SCORE Plus Program must be completed by November 30, 2010 to allow time for post-installation inspections to occur before the end of the calendar year.*

Description of Commitments

The SCORE Plus Program will assist the Participant to identify cost effective energy efficiency improvements that can help make facilities less costly to operate and more comfortable to use. To achieve potential energy savings and facility improvements, the SCORE Plus Program and Participant have agreed to work together to complete some or all of the following tasks according to the specific needs identified for your organization:

- Identify and assess energy efficiency measures,
- Develop and adhere to an Energy Master Plan that outlines administrative and financial decision-making criteria for energy efficiency improvements, installation of energy efficiency measures, and maintenance and operation procedures in order to succeed in implementing a cost-effective energy program in a timely manner,
- Implement energy efficient operations and maintenance practices and procedures identified during walk-through energy assessments of specific facility(s),
- Locate funding sources to enable the Participant to complete capital projects,
- Use utility incentives to buy-down the capital cost of energy efficient systems.

Principles of Agreement

Specific responsibilities of the Participant and the SCORE Plus Program in this agreement are listed below.

- Participant will select two (2) contact persons to work with the SCORE Plus Program throughout the term of this agreement, including a representative from both the Facilities/Energy Management Department and the Finance/Business Department.
- If the Program elects to provide energy performance benchmarking of Participant's existing facilities, then the Participant agrees to provide the needed energy usage and building information required to complete this

Exhibit A

analysis. The SCORE Plus Program will then develop a benchmarking report for the Participant illustrating the energy usage for the specified facilities.

- If the Program elects to provide assistance with development of an Energy Master Plan, Participant agrees to attend a facilitated workshop in order to help develop this document and process. Participant will strive to finalize any draft Energy Master Plans that are provided by the Program and will ask that senior management to endorse and approve this plan.
- The SCORE Plus Program will pay to Participant monetary incentives, as discussed in Program materials, for eligible energy efficiency savings achieved by projects that are completed no later than November 30, 2010.
- Participant will make its best effort to complete and submit relevant Project Application Forms, including necessary supporting documentation for each project, in a timely manner. Please note that the Project Application process is required in order to reserve financial incentives for your projects.
- The Participant will not seek to participate in the EPESaver™ efficiency programs sponsored by El Paso Electric for the specific facilities and projects identified under the SCORE Plus Program.
- The parties agree that El Paso Electric may reveal matters of public record, such as the fact that the City participates in the program.

Acceptance of Agreement

By endorsing below, your organization accepts this agreement with the SCORE Plus Program, sponsored by El Paso Electric. This agreement should be signed by your organization's facilities/maintenance director, superintendent, dean, city manager, county judge, or similar and is valid for the length of the 2010 program year. For your convenience, your organization's participation in the SCORE Plus Program may continue from year to year via an addendum to this Memorandum of Understanding.

Participant

CLEAResult Consulting, Inc.

Signature: _____

Signature: _____

Printed Name: _____

Title: _____

John Ashe

Address: _____

Program Manager

CLEAResult Consulting, Inc.

Phone: _____

4301 Westbank Dr, Bldg A-Suite 250

Fax: _____

Austin, TX 78746

Email: _____

Date: _____

Date: _____

Exhibit A

Please identify one (1) individual from the Energy Management Department, one (1) individual from the Facilities Department and one (1) individual from the Business/Finance Department who will be the *main points of contact* while working with the SCORE Plus Program.

Energy Management Point of Contact:

Name (Mr./Ms./Dr.): _____ Title: _____
Organization: _____ Phone: _____
Address: _____ Fax: _____
_____ E-Mail: _____

Facilities Point of Contact:

Name (Mr./Ms./Dr.): _____ Title: _____
Organization: _____ Phone: _____
Address: _____ Fax: _____
_____ E-Mail: _____

Business/Finance Point of Contact:

Name (Mr./Ms./Dr.): _____ Title: _____
Organization: _____ Phone: _____
Address: _____ Fax: _____
_____ E-Mail: _____

Please sign and mail or fax to:

CLEAResult Consulting
Attn: Ross Oakley
4301 Westbank Dr, Bldg A-Suite 250
Austin, TX 78746
Fax: (866) 379-5583

The SCORE PlusSM Program is provided by El Paso Electric as part of the company's commitment to reduce energy consumption and demand. CLEAResult Consulting, Inc. implements the SCORE Plus Program as an independent contractor. Revision date: July 16, 2010.

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 El Paso Electric
 Energy Efficiency Program Coordinator
 (915)521-4468
 Derek.pearson@epelectric.com

Ross Oakley
 CLEAResult Consulting
 Program Consultant
 (512) 416-5913
 roakley@CLEAResult.com

Thank you for your interest in the El Paso Electric SCORE PlusSM Program. El Paso Electric has developed several programs to help organizations faced with rising energy prices and resource constraints.

The SCORE Plus Program provides complimentary support to participating large commercial (> 100 kW), school, city, and county customers of El Paso Electric through a combination of tools and services, described below. Program services are available to eligible participants in New Mexico who complete projects resulting in energy savings and peak electric demand savings.

The SCORE Plus Program is designed to help participants identify energy efficiency opportunities in existing and newly planned facilities and to provide monetary incentives to implement these projects. The Program is funded by El Paso Electric and is being offered at **no cost** to participants. SCORE Plus is a voluntary program that offers objective, third-party consulting on best practices in the areas of energy usage and energy efficiency. **Please note that no products or services are sold through the SCORE Plus Program.**

The El Paso Electric SCORE Plus Program provides participants with cash incentives:

- ✓ **Cash incentives** (\$137 per kW and \$0.035/kWh) for renovation, new construction, and maintenance projects resulting in reduced energy usage and peak electric demand.

Based on the participant's needs, the SCORE Plus Program will provide customized energy efficiency solutions using the following tools and services:

- ✓ **Energy Performance Benchmarking** for existing facilities.
- ✓ **Energy Master Planning Workshops** that allow financial and facilities personnel to learn about industry best practices and determine where best to focus short and long term resources.
- ✓ **Technical Assistance** to help identify and evaluate energy-efficiency opportunities.
- ✓ **Communications Support** to help publicize the participant's leadership and accomplishments in energy efficiency.

Please do not hesitate to contact El Paso Electric or CLEAResult should you have any questions or need additional information. We look forward to working with you in the SCORE Plus Program and helping your organization to achieve energy and cost savings.

