

City of Las Cruces[®]

PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 4 Ordinance/Resolution# 09-318 Council District:

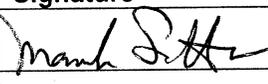
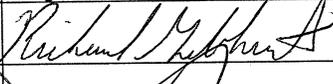
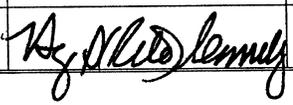
For Meeting of June 22, 2009
(Adoption Date)

TITLE:

A RESOLUTION AUTHORIZING SUBMISSION OF AN APPLICATION FROM THE CITY OF LAS CRUCES TO THE NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT, STATE ENERGY PROGRAM AND ENERGY EFFICIENCY CONSERVATION BLOCK GRANT PROGRAM, 2009 CLEAN ENERGY DEMONSTRATION PROGRAM GRANT. FUNDS ARE PROVIDED TO THE STATE OF NEW MEXICO THROUGH THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA).

PURPOSE(S) OF ACTION:

To allow the City to apply for American Recovery and Reinvestment Act (ARRA) funds offered through the New Mexico Energy, Minerals and Natural Resources Department, State Energy Program and Energy Efficiency Conservation Block Grant Program (EECBG), 2009 Clean Energy Demonstration Program Grant.

Name of Drafter: Auguie Henry III		Department: OMB/Grants		Phone: (575) 541-2281	
Department	Signature	Phone	Department	Signature	Phone
Finance Department		(575) 541-2050	Budget		(575) 541-2107
			Assistant City Manager		(575) 541-2271
Legal		(575) 541-2128	City Manager		(575) 541-2076

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

Two options are to be considered for the application for funds from EECBG.

OPTION 1: Convention Center – roof enhanced with photovoltaic system and boiler/chiller and insulation upgrade as discussed and directed by Council at its June 15, 2009 meeting.

1. Installation of a roof top photovoltaic array will provide energy for the facility possibly resulting in a reduction of electrical costs of 30-50%.
2. Upgrade to boiler and chiller will improve efficiency and reduce overall operating costs and reduce reliance on imported energy.

3. Increase building envelope insulation values will reduce the impact of energy production and energy costs for operations.
4. Instrumentation of the entire building will provide a teaching tool in regard to energy usage and conservation.
5. Funding for this project will not meet the total cost of the redesign and implementation of the photovoltaic system. The additional costs of changing the existing plans/design of the current structure are not included in the current funding for the Convention Center. Funding to complete the roof project must be secured from other sources.
6. When stimulus funds are used to supplement an existing project, the project itself becomes an ARRA project and subject to all ARRA requirements. Additionally, existing contracts and agreements must be modified to include the required clauses to allow for proper ARRA implementation, procurement and reporting.

OPTION 2: Retrofit city street lights with low energy Light Emitting Diodes.

1. Installation of LED street light heads will reduce electrical consumption by an estimated 40-50%.
2. Estimates of electrical consumption once all street lights have been retrofitted from high pressure sodium to LED could reduce costs by \$450,000 annually. Las Cruces currently has 6,400 street lights within the municipal limits.
3. Per grant requirements, each LED will be monitored for illumination levels and power consumption levels vs. traditional street lights.
4. This project is scalable based on funding available under the EECBG.

SUPPORT INFORMATION:

Fund Name / Account Number	Amount of Expenditure	Budget Amount
TBD if awarded	Unknown at this time	Unknown at this time

1. Resolution/Ordinance.
2. Exhibit "A" NM ECMD 2009 Request for Application

OPTIONS / ALTERNATIVES:

1. Approve the application to the New Mexico Energy, Minerals and Natural Resources Department, State Energy Program and Energy Efficiency Conservation Block Grant Program, 2009 Clean Energy Demonstration Program Grant for selected option available to Council.
2. Disapprove the application. No application will be submitted.
3. Return the CAES with recommended changes/direction to the project prior to submission.

(Continue on additional sheets as required)

A RESOLUTION AUTHORIZING SUBMISSION OF AN APPLICATION FROM THE CITY OF LAS CRUCES TO THE NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT, STATE ENERGY PROGRAM AND ENERGY EFFICIENCY CONSERVATION BLOCK GRANT PROGRAM, 2009 CLEAN ENERGY DEMONSTRATION PROGRAM GRANT. FUNDS ARE PROVIDED TO THE STATE OF NEW MEXICO THROUGH THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA).

The City Council is informed that:

WHEREAS, the American Recovery and Reinvestment Act (ARRA) funds are currently offered through the New Mexico Energy, Minerals and Natural Resources Department, State Energy Program and Energy Efficiency Conservation Block Grant Program; and

WHEREAS, the Energy Conservation and Management Division has made available through competitive grant application funding the 2009 Clean Energy Demonstration Program Grant; and

WHEREAS, the City of Las Cruces has determined the projects: OPTION 1: Convention Center Roof Enhancement with Photovoltaic Array, upgraded Boiler/Chiller and increased insulation; and/or OPTION 2: Retrofitting current city street lights with Light Emitting Diodes (LED's) meet the requirements under the grant RFP; and

WHEREAS, the City of Las Cruces must submit a competitive grant application based on selected projects for the appropriated funding.

NOW, THEREFORE, be it resolved by the governing body of the City of Las Cruces, New Mexico:

(1)

THAT, the City of Las Cruces is authorized to submit to the New Mexico Energy, Minerals and Natural Resources Department, State Energy Program and Energy Efficiency Conservation Block Grant Program.

THAT, City staff and officials are authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this 22nd day of June, 2009

Mayor

ATTEST:

VOTE:

City Clerk

Mayor Miyagishima: _____
Councillor Silva: _____
Councillor Connor: _____
Councillor Archuleta: _____
Councillor Small: _____
Councillor Jones: _____
Councillor Thomas: _____

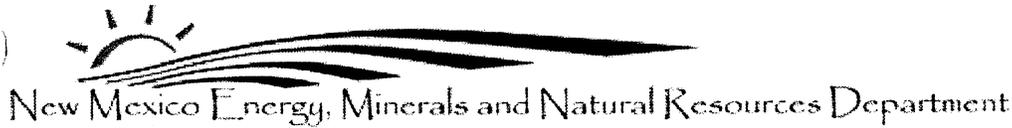
(SEAL)

Moved by: _____

Seconded by: _____

Approved as to Form:


Deputy City Attorney



Energy Conservation and Management Division

State Energy Program (SEP) and
Energy Efficiency and Conservation Block Grant (EECBG)
American Recovery and Reinvestment Act (ARRA)
Clean Energy Demonstration Program
2009 Request for Application (RFA)

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Program Purpose

The American Recovery and Reinvestment Act (ARRA) was enacted this year to preserve and create jobs and promote economic recovery; to assist those most impacted by the recession; to provide investments needed to increase economic efficiency by spurring technological advances in science and health; to invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits; and to stabilize state and local government budgets, in order to minimize and avoid reduction in essential services and counterproductive state and local tax increases.

The State Energy Program (SEP) is authorized under P.L. 94-385, P.L. 94-163, .PL. 95-619, P.L. 94-580, P.L. 101-440, P.L. 102-486, and P.L. 109-58. The Energy Efficiency and Conservation Block Grant (EECBG) Program is authorized under Title V, Subtitle E of the 2007 Energy Independence and Security Act. All grants must comply with applicable legislation. Grant guidance is provided through the Code of Federal Regulations (C.F.R.):

- 10 C.F.R. Part 420 (SEP)
- 10 C.F.R. 600 (U.S. Department of Energy (DOE) Financial Assistance Rules)
- OMB Circular A-87 (Cost principles for State, Local, and Indian Tribal Governments)
- Energy Independence and Security Act of 2007, Title V, Subtitle E, Sections 541-548 (EECBG)

The Energy Conservation and Management Division (ECMD) of the Energy, Minerals and Natural Resources Department (EMNRD) is receiving funding from DOE through ARRA in support of SEP and EECBG goals, as well as to achieve specific ARRA goals.

The purpose of this Request for Applications (RFA) is to solicit applications for Demonstration Energy Projects that:

1. Increase energy efficiency to reduce energy costs and consumption for consumers, businesses, and government;
2. Reduce reliance on imported energy;
3. Improve the reliability of electricity and fuel supply and the delivery of energy services;
4. Reduce the impact of energy production and use on the environment, demonstrate energy efficiency and clean energy technologies in New Mexico, while also reducing energy use, controlling operational costs, and reducing greenhouse gas emissions;
5. Generate renewable energy, and
6. Preserve and create jobs.

Funding of projects is contingent upon state plan approvals for SEP and EECBG and receipt of funding from DOE.

The Demonstration Energy Projects Program provides competitive grants to public entities for projects that achieve one or more of the above objectives in building projects, transportation projects, energy-related community projects, and energy education projects, or combinations of the

foregoing. In addition to energy efficiency-based projects, these projects may include use of renewable energy (solar, wind, biomass, geothermal) and clean-burning transportation fuels (compressed natural gas, propane, electricity, hydrogen, cellulosic ethanol, methanol, bio-diesel).

Eligible Applicants

SEP: Only public entities including public schools (K-12), local governments such as municipalities and counties, state agencies, colleges/universities, and Indian tribes and pueblos are eligible to apply and compete for the SEP ARRA funding under this RFA. Successful Applicants may subcontract all or parts of their projects as specified in their Applications and in compliance with the New Mexico Procurement Code.

EECBG: All New Mexico municipalities and counties are eligible to apply and compete for block grant funding. Sixty percent of the block grant awards must be awarded to entities who did not receive direct awards. The entities who received direct awards are: All of New Mexico's tribes and pueblos as well as for the cities of Albuquerque, Las Cruces, Rio Rancho, Santa Fe, Roswell, Farmington, Alamogordo, Clovis, Hobbs, and Carlsbad; and for Bernalillo, San Juan, Dona Ana, Sandoval, McKinley, Santa Fe, Valencia, Rio Arriba, Grant, and Taos Counties. These entities may apply for block grant awards from the remaining 40% of the funds.

ECMD will determine the appropriate funding source for selected projects.

Use of Funds

ECMD is looking for projects that will provide short-term, mid-term, and long-term gains in energy efficiency and creation of green jobs.

SEP: SEP projects must have concrete, measurable outcomes. Types of projects that can use SEP funds include:

Buildings

- Implementation of energy-saving technologies that demonstrate energy efficiency, clean technologies, and green building practices in design and construction, operations and maintenance, and measurement and verification of energy use for public buildings.
- Energy-efficiency retrofits of buildings that have expected energy reductions based on energy audits and/or life-cycle cost analyses.
- Use in any government building of onsite renewable energy such as solar thermal, solar electric, wind, or geothermal.
- Implementation of organization-wide energy tracking process and plan/commitment to reduce energy use through one or more pre-determined programs.

Transportation

- A program to increase transportation energy efficiency, including programs to reduce vehicle miles traveled and accelerate the use of alternative transportation fuels (compressed natural gas, propane, electricity, hydrogen, cellulosic ethanol, methanol, bio-diesel) and hybrid vehicles.

- Transportation measures to conserve energy, such as synchronization of traffic signals, or other measures that decrease energy use and increase energy efficiency.

Community

- Application of energy distribution technologies such as district heating and cooling systems that will result in reduction of fossil-fuel based energy consumption.
- Application of technologies that capture methane from landfills and generate electricity or natural gas.
- Programs or projects that reduce energy consumption for pumping, treating, or otherwise handling water.
- Programs to increase workforce readiness in energy-related fields or green building disciplines, including improved building code implementation.

Education

- A public education program to promote energy conservation.
- Education and outreach for building professionals to expand their knowledge and expertise in energy-efficient design and construction.
- Educational programs to support adoption and implementation of improved building codes and inspection services for public, commercial, industrial, and residential buildings to promote energy efficiency and renewable energy.
- Energy efficiency behavioral programs for building occupants and facilities' staff with clear, measurable energy reduction goals.

EECBG: Types of projects that can be completed with block grant funding include:

- Energy audits of homes and commercial buildings.
- Energy efficiency retrofits of buildings of nonprofit organizations and governmental agencies.
- Development and implementation of energy efficiency programs for buildings and facilities, including design and operation, public education, measurement and verification of energy use, or identification of energy efficient technologies.
- Transportation measures to conserve energy, including use of flex time by employees, satellite work centers, development of zoning and other land use guidelines to promote energy efficient land use development, development of alternative infrastructure such as bike lanes, pathways and sidewalks, synchronization of traffic signals, or other measures that decrease energy use and increase energy efficiency.
- Financial incentive programs for energy efficiency improvements.
- Development and implementation of building codes and inspection services for public, commercial, industrial, and residential buildings to promote energy efficiency.
- Application of energy distribution technologies such as district heating and cooling systems.
- Activities to increase participation in material conservation programs such as recycling.
- Application of technologies that capture methane from landfills, wastewater treatment plants, dairy and hog operations, or operations producing food waste.

- Installation of light emitting diodes (LED) for all exterior lighting and for indirect lighting of the outside of buildings. Please note: All traffic signals throughout New Mexico will be converted to LED lights using SEP funding, and therefore are not eligible for block grant funding.
- Use in any government building of onsite renewable energy such as solar thermal, solar electric, wind energy, or geothermal.

~~Applicants may also propose a project that is not listed above, but that still meets Program objectives. Funding of these alternative projects may require prior approval from DOE.~~

With this RFA, ECMD is seeking applications for projects that are eligible for either SEP funding or EECBG funding, or both types of funding. Applicants should designate their projects as one or the other or both.

Amount of Funding Awards

SEP and the EECBG Demonstration Grant Program may fund projects that range from \$50,000 to \$500,000 per application. ECMD may award SEP and EECBG projects in increments as funds are made available from DOE. These funds shall not be used for administrative overhead.

ECMD may award funding amounts based on the ~~criteria identified on Page 7:~~

~~Please note that DOE guidance requires no less than 10 million source BTUs saved per \$1,000 awarded.~~

ECMD will develop a payment schedule for each entity receiving an award. Each entity receiving an award will receive an advance of 40% of the total project award no more than 60 days after a contract is fully-executed. Subsequent payments will follow the developed payment schedule. The payment schedule will be based on each entity's project schedule. The payment schedule will also be determined by DOE's distribution of funds to ECMD.

Please note that project awardees will be required to submit weekly progress and payment reports.

Federal Requirements

Users of SEP and EECBG funds provided through ARRA must comply with:

- All applicable anti-discrimination and equal opportunity statutes and regulations, including but not limited to Titles VI and VII of the Civil Rights Act of 1964; Title IX of the Education Amendments of 1972; the Rehabilitation Act of 1973; the Fair Housing Act; the Fair Credit Reporting Act; the Home Mortgage Disclosure Act; and the Americans with Disabilities Act; as well as the Uniform Relocation Act;

- The National Environmental Policy Act, the National Historic Preservation Act, and related statutes, including requirements for plans and projects to be reviewed and documented in accordance with those processes;
- Payment of not less than the prevailing wages under the Davis-Bacon Act to "all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to this Act."
- Lobbying restrictions on federal funds:
 - (1) Applicants shall use no federal appropriated funds to influence or attempt to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
 - (2) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, Applicant shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," (attached) in accordance with its instructions.

State Requirements

For building projects, successful Applicants must:

- Agree to use the Portfolio Manager software, or an alternative approved by ECMD to:
 - record at least one year of utility data for an existing building, prior to implementing energy efficiency measures in the proposed project, to establish an energy baseline¹; and
 - track ongoing utility data to measure building energy performance after completion of the proposed project.
- Provide ECMD access to said utility data to measure and verify energy efficiency gains attributable to the project.

For other project types including transportation, community or education projects, successful Applicants must:

¹ For buildings that are not metered separately, successful Applicants may extrapolate the baseline for the building in question, using a formula that is based on reasonable assumptions. The project must include an acceptable method of tracking utility data in the future.

- Provide a baseline of energy use, describing the methodology used to determine the baseline; and
- Demonstrate how energy use will be calculated upon completion of the project, into the future, and how it will be reported to ECMD to measure and verify energy efficiency or conservation gains.

Note: DOE has not yet provided final guidance on required performance reporting. Entities whose projects receive awards will be required, under the terms of the contract between EMNRD, ECMD, and the entities, to apply the final DOE guidance to their projects. For **all** projects, successful Applicants must:

- Apply the methodology developed by the DOE and provided by ECMD to identify and track newly created and retained jobs and their expected duration; and
- Document, at the end of the project, the actual numbers of jobs created and retained.

Criteria and Points

Criteria and points (100 points maximum) for each Application:

Criterion	Points
<input type="checkbox"/> Project's energy-related need The significance of the current energy-related situation that the proposed project is meant to overcome.	10
<input type="checkbox"/> Project's purpose How effectively the project will address the need and result in the expected project outcomes, as measured in terms of one or more of the impacts below.	10
<input type="checkbox"/> Project's impact The expected quantitative results in one or more of the following areas: <ul style="list-style-type: none"> ▪ energy savings per dollar invested; ▪ renewable energy generated; ▪ number of people trained in new/green technologies; ▪ number of jobs created; and ▪ number of jobs retained. Any anticipated qualitative results (e.g. environmental, occupant health & comfort, resource efficiency that indirectly affects energy, etc.)	25
<input type="checkbox"/> Cost benefit Dollars spent per energy savings (and/or renewable energy generated).	10

<input type="checkbox"/> Funds leveraging and budget reasonableness Demonstration that funds have been leveraged from other sources and that the funding requested, when combined with other funding, is sufficient to complete the project as proposed, while remaining cost-effective.	10
<input type="checkbox"/> Project's feasibility, readiness, and schedule All necessary funding, plans, staff, contractors, materials, and other resources are in place to successfully complete the project in the timeframes required by ARRA.	25
<input type="checkbox"/> Administrative capability The ability to provide all required project oversight, reporting, and financial accounting to assure timely and accurate reporting of deliverables.	10
	100

Application Submittal Deadline

Deadline for Applications to be received by ECMD is 4 p.m. Santa Fe local time on June 26, 2009.

Applicants must submit an original completed and signed Application and five copies by the date and time specified above to:

Energy Conservation and Management Division
 Energy, Minerals and Natural Resources Department
 1220 S. St. Francis Drive
 Santa Fe, N.M., 87505
 Telephone (505-476-3310).

Applicants must also provide the following with their Applications:

- Completed project plan with required documentation
- Map of building or project area showing proposed improvements, if applicable
- Detailed cost estimate for each activity
- Documentation of other funding sources
- Baseline Portfolio Manager performance rating (for building project)
- Completed plans and specifications, if applicable