



REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

July 21, 2009

Honorable Mayor and
Members of the City Council

Title: Grant/Agreements: 2009 Solar America Cities Special Projects Grant Application

Location/Council District: Council District 4

Recommendation: Adopt a Resolution: 1) authorizing the City Manager or authorized designee to submit an application for the 2009 Solar America Cities Special Projects Grant for an amount of up to \$400,000 for the installation of solar photovoltaic panels at the City's Department of Utilities Engineering and Administration Building; 2) appointing the City Manager and authorized designees as the City's agents with authority to conduct negotiations and execute and submit all documents, including, but not limited to, applications, contracts, amendments and payment requests, necessary to obtain the Grant funding, contingent on the City's receipt of the grant award; and 3) authorizing the City Manager to establish a grant project and related revenue and expenditure budgets for the grant amount and matching Utility funds contingent on the City's receipt of the grant award.

Contact: David L. Brent, Engineering Manager, 808-1420; Rick Matsuo, Supervising Engineer, 808-1728

Presenters: N/A

Department: Utilities

Division: Engineering Services

Organization No: 14001311

Description/Analysis

Issue: On May 28, 2009, the U.S. Department of Energy (DOE) released a Funding Opportunity Announcement (FOA) for the Recovery Act - Solar Market Transformation: Solar America Cities 2009 (Grant) to support cities that have

progressive and renewable energy ideas to help accelerate the adoption of solar technology.

The DOE selected 13 Solar America Cities in June 2007 and an additional 12 cities in March 2008 to help lay the foundation for a solar energy market that can serve as a model for cities around the nation. The City of Sacramento was designated as one of the 25 Solar America Cities that is committed to developing a comprehensive, city-wide approach to solar technology that facilitates mainstream adoption and provides a model for other cities. With the support of the Solar America Cities financial and technical assistance, many cities have developed innovative programs and concepts with potential to significantly boost the solar market.

Cities across the country like the City of Sacramento are taking action to make solar energy a more viable option for their communities. These Solar America Cities are using innovative approaches to remove market barriers to solar and to encourage adoption of solar energy technologies at the local level.

The City of Sacramento is applying to the DOE's Solar America Cities 2009 Grant. Under this funding opportunity, the City is requesting up to \$400,000 in DOE grant funding for the installation of photovoltaic panels on the City's Department of Utilities Engineering and Administration Building. The Grant also requires that the City share 50% of the costs, or up to \$400,000 of in-kind grant match. Under this FOA, DOE expects to make 5 to 20 Awards between \$100,000 and \$2 million totaling \$10 million.

This report requests authorization to submit a Financial Assistance Application and execute an agreement(s) with the Department of Energy's Recovery Act – Solar Market Transformation contingent on receipt of award.

Policy Considerations: This report's recommendation is consistent with the City's Sustainability Master Plan goals.

Environmental Considerations:

California Environmental Quality Act (CEQA): Actions requested in this staff report do not constitute a project as defined by the California Environmental Quality Act (CEQA) [CEQA Guidelines Section 15378 (b)(4)].

Sustainability Considerations: The project is consistent with the Sustainability Master Plan goals to reduce the use of fossil fuels, improve energy efficiency, reduce peak electrical demand, and provide long term affordable and reliable energy that has no price volatility.

Other: Not Applicable

Commission/Committee Action: None

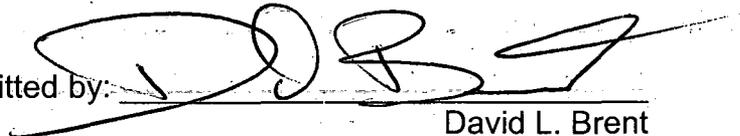
Rationale for Recommendation: This action will allow the City to apply for funding under the Solar America Cities 2009 Grant which would bring about significant improvements in environmental quality in the region.

Financial Considerations: No additional funds are requested. The DOE has a 50% match or dollar-for-dollar match requirement. Staff will be requesting up to \$400,000 total in grant funds, thus a \$400,000 grant request requires a match of \$400,000 for a total project budget of \$800,000 for the project. There is sufficient funding in the Water, Sewer, and Drainage funds to meet the match requirement.

As there will be improvements to the City's Department of Utilities Engineering and Administration Building, staff recommends establishment of a capital grant project and related revenue and expenditure budgets to reflect the grant award and matching City funding contingent on receipt of award.

Emerging Small Business Development (ESBD): The selection of consultants and contractors for this project will follow City established guidelines for inclusion of ESBD firms.

Respectfully Submitted by:



David L. Brent
Engineering Manager

Approved by:



Marty Hanneman
ACM/Director of Utilities

Recommendation Approved:

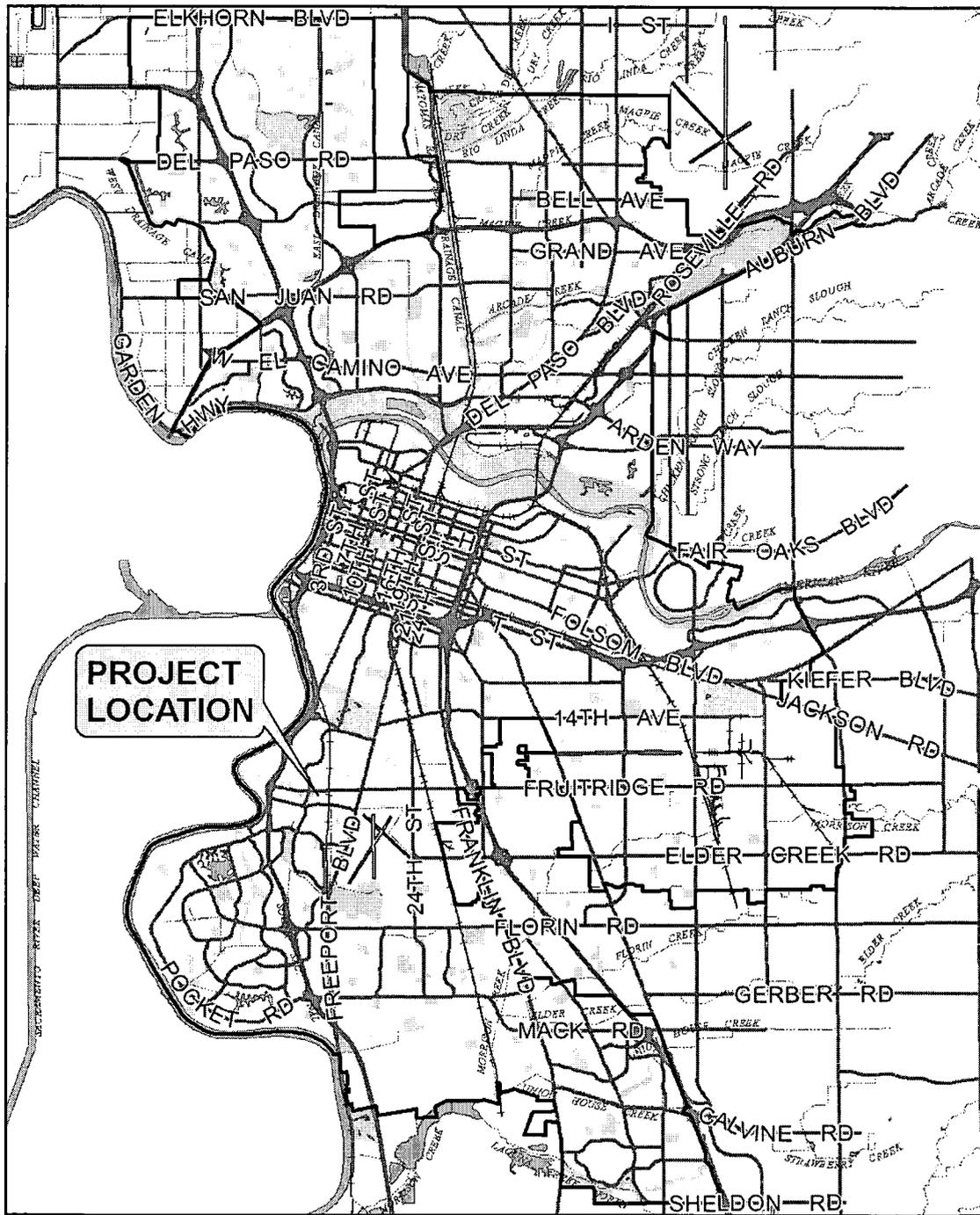


Ray Kerridge
City Manager

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Attachment 1



CITY OF SACRAMENTO
DEPARTMENT
OF UTILITIES

Attachment 2**Background**

On May 28, 2009, the U.S. Department of Energy (DOE) released a Funding Opportunity Announcement (FOA) for the Recovery Act - Solar Market Transformation: Solar America Cities 2009 (Grant) to support cities that have progressive and renewable energy ideas to help accelerate the adoption of solar technology. DOE is looking for cities to commit to achieving sustainable solar infrastructure, not simply a year or two of experimental projects.

The DOE selected 13 Solar America Cities in June 2007 and an additional 12 cities in March 2008 to help lay the foundation for a solar energy market that can serve as a model for cities around the nation. The City of Sacramento was designated as one of the 25 Solar America Cities that is committed to developing a comprehensive, city-wide approach to solar technology that facilitates mainstream adoption and provides a model for other cities. With the support of the Solar America Cities financial and technical assistance, many cities have developed innovative programs and concepts with potential to significantly boost the solar market.

Cities across the country like the City of Sacramento are taking action to make solar energy a more viable option for their communities. These Solar America Cities are using innovative approaches to remove market barriers to solar and to encourage adoption of solar energy technologies at the local level.

The mission of the DOE's Solar Energy Technology Program (SETP) is to accelerate the wide-spread adoption of solar electric technologies across the United States. SETP's goal is for solar technologies to become cost effective across the U.S. markets by 2015.

SETP is working to reduce market barriers and promote market expansion of solar energy technologies through non-research and development activities, including activities that provide technical, regulatory, institutional, financial and educational solutions to market transformation barriers and efforts that accelerate demand for new solar technologies.

The objectives of this Funding Opportunity Announcement are to address current market barriers to the adoption of solar technologies, and establish a nationally coordinated effort to spread solar installation training to the local level.

Topic 1 - Solar America Cities Special Projects

As the load centers of energy use across the nation, cities present unique challenges and opportunities for solar market transformation. Cities can be champions of progressive energy efficiency and renewable energy efforts. DOE wishes to support their bold and innovative approaches to accelerate solar technology adoption at the local level.

Under this Topic, DOE is looking for the Solar America Cities, like Sacramento, to scale-up innovative programs and concepts so they can be tested in a broader marketplace; thereby, increasing the likelihood of replication in other U.S. cities. Such an approach recognizes the city's role as an important end user of electricity, as a key intermediary to other end users within their jurisdiction, and as a regulatory entity. DOE expects award recipient cities to develop projects that support their city-wide solar implementation plans.

Through this Topic, DOE is seeking to advance the progress toward a sustainable solar infrastructure started with the earlier Solar America City efforts and partnerships. In contrast to the city-wide programs supported previously, this Topic is intended to support discrete focused projects. Projects must tackle specific barriers important to urban solar and must be replicable at some level among fellow Solar America Cities, other cities and local governments, states, and internationally.

The City of Sacramento is applying to the DOE's Solar America Cities 2009 Grant. Under this funding opportunity, the City is requesting up to \$400,000 in DOE grant funding for the installation of photovoltaic (PV) panels on the City's Department of Utilities Engineering and Administration Building. The Grant also requires that the City share 50% of the costs, or up to \$400,000 of in-kind grant match. Under this FOA, DOE expects to make 5 to 20 Awards between \$100,000 and \$2 million totaling \$10 million offered exclusively to the 25 Solar America Cities.

The proposed project offers an innovative and unique approach specifically with its roof configuration. Unlike most roof designs, this saw-toothed roof top which faces south is an excellent solar PV candidate with its 20-degree roof pitch.

This report requests authorization to submit a Financial Assistance Application and execute an agreement(s) with the Department of Energy's Recovery Act – Solar Market Transformation contingent on receipt of award.

Attachment 3

RESOLUTION NO.

Adopted by the Sacramento City Council

**RECOVERY ACT - SOLAR MARKET TRANSFORMATION: SOLAR AMERICA CITIES
2009 GRANT APPLICATION AND FUNDING**

BACKGROUND

- A. On May 28, 2009, the U.S. Department of Energy (DOE) released a Funding Opportunity Announcement (FOA) for the Recovery Act - Solar Market Transformation: Solar America Cities 2009 (Grant) to support cities that have progressive and renewable energy ideas to help accelerate the adoption of solar technology.
- B. The mission of the Department of Energy's Solar Energy Technology Program (SETP) is to accelerate the wide-spread adoption of solar electric technologies across the United States.
- C. SETP's goal is for solar technologies to become cost-competitive across U.S. markets by 2015.
- D. The City of Sacramento has been selected as one of 25 Solar America Cities eligible for this grant funding opportunity.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1. The City Manager or the City Manager's authorized designee is hereby authorized to sign and file a Grant Application for a US Department of Energy 2009 Solar America Cities Special Projects Grant in an amount of up to \$400,000 for the installation of solar photovoltaic panels at the City's Department of Utilities Engineering and Administration Building; and
- Section 2. The City Manager and the City Manager's authorized designees are appointed as agents of the City and shall be authorized to conduct negotiations and execute and submit all documents, including, but not limited to, applications, contracts, amendments and payment requests necessary to obtain the US Department of Energy 2009 Solar America Cities Special Projects Grant funding, contingent on the City's receipt of the grant award.
- Section 3. The City Manager is authorized to establish a grant project and the related revenue and expenditure budgets for the grant amount and matching Utility funds contingent on the City's receipt of the grant award.