

# South Bay Cities Council of Governments

October 14, 2019

TO: SBCCOG Steering Committee

FROM: Kim Fuentes, Deputy Executive Director

SUBJECT: Torrance Energy Efficiency Services Payment

## **Adherence to Strategic Plan:**

*Goal D: Organizational Stability.* Be a high performing organization with a clear path to long-term financial health, staffing continuity, and sustained board commitment.

## **BACKGROUND**

At the February 2019 Steering Committee meeting, the SBCCOG approved a 5% charge on all Edison incentive funds received in 2019 to support the Energy Leader program. The action was reported to the Board in March 2019 and was discussed for several months prior with the city facility staff and city managers at their meetings. This policy was created to address Edison program funding reductions causing SBCCOG budget shortfalls in both 2018 and 2019. There was concern that the SBCCOG would not have adequate funding to support our energy efficiency work through 2019 which included funding Greg Stevens, the contract energy engineer. In addition, there were several energy efficiency projects in the development stages, and the SBCCOG wanted to make sure the cities received support to complete them.

## **CURRENT STATUS**

To date four cities have been invoiced under this policy – Hermosa Beach (paid \$4,367), Inglewood (paid \$1,728.83); Carson (billed \$608.67 not received); and Torrance (billed \$59,426.45 requested a reduction). Staff is anticipating that additional projects will be completed in 2019 and invoices will be sent to the following cities: Carson (est. \$11,737.60) and Rancho Palos Verdes (est. \$12,049.60) for a total of \$23,787.20.

## **FUTURE**

Edison has informed all partners that they will not be funding programs such as the SBCCOG's in 2020. They have committed, however, to complete their funding incentive obligations to cities through next year. There are several city exterior lighting projects in the pipeline which could be completed in 2020 if the cities continue to move forward – Carson, El Segundo, Gardena, Hawthorne, Hermosa Beach, Inglewood, Manhattan Beach, Palos Verdes Estates, Redondo Beach, and Torrance. The SBCCOG will not be receiving funding from Edison to support these projects if they continue into 2020, so the SBCCOG may want to consider ways to continue providing this resource through the next year.

## **TORRANCE REQUEST**

The City of Torrance has requested a reduction in the SBCCOG Energy Efficiency fee. The city is willing to pay \$12,500 for project completed in 2019. In addition, they have requested utilizing Greg Steven's services through the SBCCOG in 2020 to complete their park lighting

project. The city has offered to pay an additional \$15,000 now to access these services through 2020 which will require including this in the renewal of Greg Steven's contract with the SBCCOG for 2020. The two payments total \$27,500.

RECOMMENDATION

Recommend Board approval of accepting compromise with Torrance for payment of a total of \$27,500 for the SBCCOG Energy Efficiency fee for their two projects.