



## CITY COUNCIL SUSTAINABILITY COMMITTEE MEETING

Hayward City Hall – Conference Room 2A  
777 B Street, Hayward, CA 94541-5007

### *Mission Statement:*

*Make Hayward a more sustainable community in order to ameliorate negative impacts of climate change, conserve natural resources and promote a clean environment.*

January 5, 2011  
4:30 p.m. – 6:00 p.m.

## A G E N D A

- I. Call to Order
- II. Roll Call
- III. **Public Comments:** *(Note: All public comments are limited to this time period on the agenda. For matters not listed on the agenda, the Committee welcomes public comments under this section, but is prohibited by State Law from discussing items not listed on the agenda. Items not listed on the agenda brought up under this section will be taken under consideration and may be referred to staff for follow-up as appropriate. Speakers will be limited to 5 minutes each; organizations represented by more than one speaker are limited to 5 minutes per organization.)*
- IV. Approval of Minutes of October 25, 2010 and December 1, 2010
- V. Energy Efficiency Projects for City Hall and Police Station  
Derrick Rebello, President, QuEST
- VI. Energy Efficiency Incentive Programs Funded by the Energy Efficiency and Conservation Block Grant  
Derrick Rebello, President, QuEST
- VII. Summary of Last Climate Action Management Team Meeting
- VIII. General Announcements and Information Items from Staff
- IX. Committee Referrals and Announcements
- X. Next Meeting: Wednesday, February 2, 2011  
Annual Review of CAP Implementation and Priorities  
Residential Energy Conservation Ordinance (RECO)
- XI. Adjournment



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SPECIAL MEETING OF THE  
CITY COUNCIL SUSTAINABILITY COMMITTEE  
FOR DEVELOPMENT OF A  
RESIDENTIAL ENERGY CONSERVATION ORDINANCE

Hayward City Hall – Council Chambers  
777 B Street, Hayward, CA 94541-5007

October 25, 2010  
7:00 p.m.

**MEETING MINUTES**

I. Call to Order – Meeting called to order at 7:00 p.m. by Mayor Sweeney.

II. Roll Call

**Members:**

- Michael Sweeney, Mayor
- Olden Henson, Council Member
- Bill Quirk, Council Member (absent)
- Diane McDermott, Planning Commissioner
- Sara Lammin, Planning Commissioner
- Al Mendall, Planning Commissioner
- Doug Grandt, Keep Hayward Clean and Green Task Force (KHCG)

**Staff:**

- Fran David, City Manager
- David Rizk, Development Services Director
- Bob Bauman, Public Works Director
- Erik Pearson, Senior Planner
- Amelia Schmale, Sustainability Coordinator
- Katy Ramirez, Administrative Secretary (recorder)

**\*Others:**

- Mike Gable, Gable Associates, LLC
- David Siddiqui, Energy Beyond Design
- Brandon Ridley, PG&E
- Amir Talai
- Mariellen Faria
- Timothy May, Rental Housing Owners Association
- Edward Bogue
- Everardo Gutierrez, Smart Builders, Inc.
- Sam Yason, Denton Estate
- Simon Wong, Government Editor, Tri-City Voice Newspaper

*\*There were several other attendees in the audience that did not sign in.*

### **Public Comments Speakers:**

- Tom Silva, Rental Housing Owners Association
- Rod Andazola, Realtor
- Mickey Souza
- Lisa Brunner
- Richard Calhoun
- Linda Kincaid
- Jason Christodoulou
- Wade Winblad, Realtor
- Kim Huggett, Hayward Chamber of Commerce
- Chait Diwadkar
- Jan Libby, Realtor
- Cynthia Chiasson, Realtor
- David Stark, Public Affairs Director, Bay East Association of REALTORS®
- William Pape
- Rob Simpson, Realtor
- Danielle Keil, Realtor
- Laura Oliva
- Lyman Menger, Realtor
- Bill Espinola, Bay East Association of REALTORS®
- Sharon Luther, Realtor
- John Kyle, Resident
- David Siddiqui, Energy Beyond Design

Mayor Sweeney extended a warm welcome to everyone and explained the purpose of the meeting is to hear from staff, the Committee, and the public, regarding the development of a Residential Energy Conservation Ordinance (RECO). Mayor Sweeney said that the meeting would begin with staff presentations, followed by Committee questions and comments, the public comments/speakers, and then the staff and Committee members will address any issues and concerns raised by the speakers, followed by adjournment of meeting.

### **III. Presentation by City Staff – Development of a Residential Energy Conservation Ordinance**

David Rizk, Development Services Director, began with a brief description of the meeting presentations. He said that that Amelia Schmale, Sustainability Coordinator, will explain what a RECO is and why the City is proposing a RECO; will provide a summary of what staff has learned about RECOs and will outline some of the important fundamental aspects such as the triggers and energy efficiency improvement measures. Mr. Rizk said that staff will also summarize their preliminary recommendation on the draft ordinance which will be presented to the Sustainability Committee and City Council during the first half of calendar year 2011.

Mr. Rizk said that Brandon Ridley of PG&E will talk about various existing and anticipated programs and rebates that are offered and will be offered by PG&E. In addition, Mr. Rizk said that David Siddiqui of Energy Beyond Design, who does residential energy audits and user efficiency improvements, will provide a presentation that gives a reality perspective on how the process works.

Mr. Rizk introduced Amelia Schmale, Sustainability Coordinator. Ms. Schmale provided an overview of a PowerPoint presentation and details of the following key issues:

- Triggers (remodels; point of sale/time after sale; and date certain);
- Retrofit measures (prescriptive approach; performance approach); and
- Incentives (rebate programs, tax credit, etc.).

Ms. Schmale continued the presentation with background information about RECO and RECOs in other cities; the benefits of a RECO; an overview of potential sea level rise projections that may affect Hayward; a brief overview of greenhouse gas emissions from Hayward buildings; Hayward's Climate Action Plan's goals and priorities; the RECO process and calendar, and staff recommendations.

#### IV. Presentation by PG&E – Incentives and Rebates Available

Brandon Ridley of PG&E provided a PowerPoint presentation describing PG&E's Residential Weatherization Program that provides low cost home energy audits, education and tips on energy use, energy-efficiency and weatherization measures, and appliance repair and replacement for qualifying homeowners. Mr. Ridley also outlined program eligibility, qualifications, income guidelines, and the application process.

Mr. Ridley continued with information about a new program soon to launch called the Whole House Program, and described the program structure, level of rebates, rebates for the basic and advanced packages, and customer benefits. Lastly, Mr. Ridley provided an overview of PG&E's general rebate programs for high efficiency dishwashers, clothes washers, etc. for multi-family and single-family homes and noted that these rebates do not necessarily tie into any specific PG&E program; however, they are good resources for customers.

#### V. Presentation by David Siddiqui – Home Energy Audits and Retrofits

David Siddiqui, Energy Beyond Design, said that he is an independent environmental consultant in addition to working with Energy Beyond Design. Mr. Siddiqui said that Energy Beyond Design are general contractors that conduct audits and retrofits; however, they call themselves home performance contractors because they focus exclusively on the types of efficiency measures that we are learning about tonight.

Mr. Siddiqui provided a PowerPoint presentation that described why saving energy is important (i.e., save money, help the environment, etc.) and provided historical numbers on the rise of residential electricity and natural gas since 1973. Mr. Siddiqui also outlined some of the triggers for requesting an audit (high utility bills, drafty rooms, unexplained odors, allergies, etc.), and explained the energy audit process. Mr. Siddiqui indicated that once an audit is complete, a report is prepared and given to the customer that summarizes the findings and includes a list of what energy upgrades should be done to improve your home, in what order they should be done, and cost effectiveness information.

Questions and discussion from the Committee followed the presentations that were all addressed by staff, Mr. Ridley, and Mr. Siddiqui. For example, the cost of upgrades and does the cost differ for multi-family versus single-family buildings; 2050 goals; date certain options, Hayward's climate, the actual process for requesting incentives; and clarification on staff recommendations.

Council Member Quirk said that he would not make any recommendations or decisions until he has reviewed the actual numbers on the cost of upgrades and the energy saved. Mr. Quirk asked staff to research and bring back ground truth figures so that the Committee can advise the citizens of Hayward.

Mayor Sweeney opened the public comments period and reminded the audience to state their name and address for the record, and encouraged them to try and be brief and to the point as much as possible, and to be mindful of the time limit.

John Kyle, resident of Hayward, said that he has been a real estate appraiser for 30 years of the 40 years that he has been in banking. Mr. Kyle expressed his concern with the quality and construction of homes such as those built in Palma Ceia and other areas in Hayward, and feels there will be major problems with upgrading these older homes.

Sharon Luther, Realtor, said that she is not in favor of Point of Sale especially because of the current real estate market. Ms. Luther said that she is not saying never to energy upgrades; however, she feels that with behavioral change and educating the residents by letting them know what they can do, how they can do it, and how cheaply they can do it, then this might be the solution for now.

Bill Espinola, Realtor, said that he lives in Castro Valley and has rental properties in Hayward. Mr. Espinola said that he opposes the Point-of-Sale trigger in the RECO; however, he thinks the remodel and time/date for retrofits triggers are a good idea. Mr. Espinola said that education for residents and providing incentives to update homes would work better than Point-of-Sale and ordinances.

Lyman Menger, Realtor, said that he is against Point-of-Sale. He said that of the 528 single-family homes and condominiums that are for sale today, 356 are either short sale or bank owned properties. Mr. Lyman asked who will be responsible to pay for the

retrofits. He said that other communities in the area are affluent neighborhoods that are doing a RECO (i.e., Marin County, Berkeley) and for some reason Hayward wants to get in with the program. Mr. Lyman asked why Hayward has to make retrofits mandatory for those that cannot afford it.

Laura Oliva said that she lives in South Hayward and is here to support the RECO and said that energy efficient homes help to offset greenhouse gases. Ms. Oliva said that she understands there are costs associated with upgrading homes; however, she feels that the current generation should do all we can to reduce our emissions. She expressed that we need to stop passing on the responsibilities and cost to our children and grandchildren, and their children and grandchildren. Ms. Oliva said that it is important for us to be part of the solution because we know we are part of the problem.

David Siddiqui, Hayward resident, said that he spoke earlier on behalf of Energy Beyond Design, but wanted to come up as a Hayward resident to express his support for a RECO. Mr. Siddiqui said that residential buildings account for approximately 20 percent of greenhouse gas emissions and energy use in our country and he believes the numbers for Hayward are 13 percent or a little lower; however, still significant. Mr. Siddiqui said there really is no excuse, that we have the technology to do this and we should be doing it now, and said that he applauds the group for trying to make it happen.

Danielle Keil said that she lives in Castro Valley and is a Realtor in Hayward. She said that she appreciates that the City is not looking at Point-of-Sale right now because she does not think it will work. Ms. Keil said that it is hard to sell in Hayward right now and it's sometimes hard for clients to even pay \$100.00 to strap a water heater when they are not making any money on their house. Ms. Keil said that energy efficiency is wonderful but that she agrees with Mr. Menger about not making it mandatory.

Rob Simpson, Hayward resident, said he is a realtor that has been involved in 3,300 real estate transactions in Hayward. He said that his industry does not want more regulations nor does it want to hear that there is another ordinance that needs to happen when a property transfers. Mr. Simpson said that the City needs to look at public health and safety, look at things that are sustainable, and look at adding value to the community. He indicated that water heaters and windows are the main items when remodeling properties and not only do they value to the property, they make the house more comfortable and livable and use less energy. Mr. Simpson said that the Energy Commission is currently distributing \$314 million dollars for energy efficiency and renewable energy programs and the City has not taken advantage of these funds. Mr. Simpson said that he thinks we need the RECO upon transfer, upon remodel, and with a date certain.

William Pape said that he lives in Hayward and has been a real estate broker in the Hayward area for over 25 years. Mr. Pape said that energy retrofit is not a bad thing, but he thinks that residents will upgrade their house when the time is right for them. Mr. Pape said that with the current economy, and the majority of homes in Hayward being

pre-1978 in the low-lying areas, this would affect most of the people that are hurting the most. Mr. Pape said that he agrees that we have to worry about the future and our children, but right now is not a good time.

David Stark, Public Affairs Director for the Bay East Association of REALTORS®, thanked the Committee for holding this second community meeting. Mr. Stark outlined seven areas of agreement, as follows:

1. We can all agree that reducing greenhouse gas emissions is good.
2. We can all agree that Hayward's mild climate means that greenhouse gas emissions from heating and cooling are not as significant as greenhouse gas emissions from other sources.
3. We can all agree that the Hayward real estate market is fragile and dominated by short sale and REO properties that are sold in an "as is" condition, and, unfortunately, those conditions are going to continue in the future.
4. We can certainly agree that public interest in greenhouse gas emission reduction is very high; evidence by the folks in the room and the statements made by many of us. That being said, the staff resources and financial resources to address this are unlimited.
5. I think we can all agree that we should use our limited resources strategically and effectively and we should concentrate on the greatest sources of greenhouse gas emissions.
6. We can all agree that transportation sources account for 60 percent of greenhouse gas emissions.
7. Finally, as already stated, RECO is low-hanging fruit. We need to spend our staff resources, our volunteer time resources, our financial resources, on greenhouse gas reduction strategies that would have the greatest impact with the smallest cost to our community, and will work in Hayward and engage our entire community.

Cynthia Chiasson said that she is a realtor and has been a Hayward resident for 36 years. She said that she has been very interested in this topic and has attended several meetings, primarily as a realtor and as a resident of Hayward. Ms. Chiasson thanked the Committee for their effort on this topic and said that she really feels like the Committee is listening to the community. Ms. Chiasson said that she agrees with everything that David Stark so eloquently stated and just wants to add that if the topic is this important, then it should be the goal of every resident in Hayward, and not just the responsibility of one or two groups in trying to meet the goals. Ms. Chiasson again thanked the Committee for all their hard work.

Jan Libby said that she has worked as a realtor in the Hayward area for several years. Ms. Libby said that she works with a lot of first time homebuyer with lower income levels and feels that the cost of retrofits would create a huge hardship on many people. She said that the housing market is very discouraging and many sellers do not have the extra money to retrofit and neither do the buyers. Ms. Libby suggested that the City look at this issue differently.

Chait Diwadkar said that he moved to the area fairly recently and bought a housing apartment in July, and fully supports a RECO including the Point-of-Sale. Mr. Diwadkar said that the time for wishy-washiness has passed; that we have led a fantastic lifestyle over the last 40 years, and it is time to make sacrifices. Mr. Diwadkar said that he is willing to make changes by omitting cable services, shopping at discount stores, driving less/saving gas, etc. He said that when you combine these savings with the incentives from PG&E, the City, and other state and federal programs, then he would be able to afford the necessary retrofits to his home. Mr. Diwadkar said that everyone saw the movie that was presented previously, and as mentioned by Doug Grandt, there is going to be a rise in the sea level, and we have to do something. He said that other countries are doing it; for example, Germany and Denmark and even developing countries are doing it, and the City of Hayward is no exception.

Kim Huggett, Hayward resident and President and CEO of the Hayward Chamber of Commerce, showed the Committee an article from the newspaper with a headline that read "Sales Slump" which indicates that Alameda County homes sales fell 27 percent between September 2009 – September 2010. Mr. Huggett said that he would like to read a letter to the Committee from board member, Chris Zaballos, whose family company has 700 rental units and several hundred thousand square feet of commercial property in Hayward. Mr. Huggett began reading Mr. Zaballos letter, which expressed concerns about the difficult housing market and its effect on homeowners; how we all agree that energy conservation makes sense and is here to stay; however, forcing homeowners to make upgrades at Point-of-Sale, in an extremely tough housing market, is bad business for everyone. Mr. Zaballos' letter suggests that rather than putting one more hurdle for home sellers to navigate, the City of Hayward should be promoting energy education and conservation to everyone. Mr. Huggett said that he could speak for the Chamber of Commerce in saying that they are ready to assist in those efforts to help with energy education and conservation.

Wade Winblad, Hayward resident and Realtor, said that previously, there was a concern about a hole in the ozone and how we are all going to cook; then we were concerned about global warming, and since it didn't happen and the temperature didn't go up, we are now concerned about climate change. Mr. Winblad said that he is not convinced that this whole thing is real. He said that his main concern is retrofitting existing housing – Point-of-Sale is one thing; remodel is another thing. Mr. Winblad said that he doesn't want to see the City of Hayward kicking in the doors of old ladies and making them tear up their houses; this is not the kind of place where he wants to live where our privacy is invaded and we are told what to do. Mr. Winblad said that we have smart meters on every house and if our consumption gets too high, then we can get an email that says that we are using up too much energy. Mr. Winblad reiterated that he does not like the idea of the City telling the residents what to do; and he hopes that we are listening

Jason Christodoulou, Hayward resident, said that he wants to point out that Wade Winblad is the most energy conscious man that he has ever met and that he really works

on his house to make it energy efficient. Mr. Christodoulou asked Mr. Siddiqui if he owns a home; Mr. Siddiqui responded no. Mr. Christodoulou said that Mr. Siddiqui's earlier comment was that there is no excuse for not taking care of this type of work; Mr. Christodoulou wants to point out that this comment is coming from a man that does not own a home. Mr. Christodoulou said that he really does care about saving energy and does not know if it is agreed by all that there is global warming or not, and said it's not important. He said that what is important and what does matter, is that we all use a lot of energy and we need to do the right thing to resolve that issue. Mr. Christodoulou asked how much greenhouse gas and fossil fuel is being burned right now to completely rebuild Carlos Bee? Mr. Christodoulou said that the problem is that our government is looking out and not looking in, and looking at the residents to bear the burden of what the government is trying to accomplish. He said that City Hall is a gorgeous building and he really likes the way it was built; it's huge and way bigger than this town, and cost \$30 million dollars, however, he feels this money could have been spent somewhere else. Mr. Christodoulou said that he has so many more things to say but unable to say them in this short amount of time. He said that the Committee gets to talk freely while everyone else is on limited time and asked how the format of the meeting can be changed, and asked if there will be other meetings. Mayor Sweeney responded that there will be other hearings and suggested that he check with the City Clerk's office and the City's website for meeting dates and times, and indicated the format of the meeting will be the same, with three minutes for public comments. Mr. Christodoulou said he felt that the meeting format should be changed.

Linda Kincaid of Saratoga said that she does indoor air quality consulting throughout California and would like to focus on one issue, air sealing. She said that when the Committee discusses the cost analysis of air sealing, that we need to include the cost of increased health care expenses that some of the families are experiencing. Ms. Kincaid said that in December of 2009, California Air Resources Board released an indoor air quality study on newer, well-insulated and well-sealed homes, and found that 98 percent of these homes had formaldehyde and other chemicals at levels that were unhealthy. She said that her own research published last February, focused on green-point-rated homes versus conventionally-built homes, found that in the green-point-rated well-insulated, well-sealed, better than average homes, had substantially higher formaldehyde, many at levels that approached or exceed the levels found in the FEMA trailers that made so many occupants ill. Ms. Kincaid said that all homes and commercial buildings need about one air change per hour to dilute chemicals to levels that are healthy. She stated that many of the homes that are new or remodeled to green-point standards or equivalent have less than 0.2 air changes per hour, which is one-fifth of what is needed for a healthy home. Ms. Kincaid said that occupants of some of these homes are getting ill and some of these families have left their home because they cannot live in them any longer. She said that they have worked with a number of these families to bring additional ventilation back into the house to dilute the chemicals to where it is now safe for them to go back to live in their homes again. Ms. Kincaid said that these families are now spending money to undo the air sealing that caused the problem in the first place.

Richard Calhoun of Saratoga said that he works with Linda Kincaid and that they do air quality assessments, pro bono. Mr. Calhoun said that he heard two points tonight and that is that home retrofits improve indoor quality and health, and that he challenges them to produce the data. Mr. Calhoun said that the data from California Air Resources Board and the University of California in Southern California all indicate that it makes health worse. He said there is a study out comparing LEED to energy sarb commercial buildings, which indicates that absenteeism went up in the energy sarb buildings where it only improved in the LEED buildings. Mr. Calhoun outlined a few circumstances of homes that were sealed-up resulting in health conditions for the occupants, and said that the City needs to take into consideration the total health cost (doctors, loss of work, and transportation). Mr. Calhoun said the data is available and if you research every state in this country, it will show that the asthma rate and cancer rate in children went up. Mr. Calhoun asked the City to make sure that we get the real data and value at all cost.

Lisa Brunner, Highland Boulevard, Hayward, said that of the 45 homes on Highland Boulevard, approximately 40 are 50 plus years old, and most of the residents have probably lived in these homes for over 50 years. Ms. Brunner said that most of the residents are 70, 80, and 90-years-old, and paid one percent of the value of their homes; and to indicate that one percent is not a lot; it is for these folks. Ms. Brunner said that she bought her house 12 years ago and the first winter season showed her PG&E bill as being three times higher than the 3-year-old house where she previously lived. Ms. Brunner said that a PG&E inspection showed leaky ducts, and because they didn't have the financial resources to make upgrades at that time, they used energy efficient fireplace enclosures for heat. She said the fireplace enclosures lasted up to about three years ago when they did some upgrades to their home (replaced windows, leaky roof, garage doors, etc.). Ms. Brunner said that the sensible and practical thing to do is to have a mandatory home energy inspection within the first year of purchasing a home. She said this way people will know how their home can be energy efficient, they can make their own choices, how to save money, what they can afford, and decide what they want to purchase. Ms. Brunner said that the City cannot force people to decorate their homes in a certain way, cannot force them to paint their home a certain color; so why are you forcing them to change their heater?

Mickey Souza, Hayward resident, said that she has done several studies regarding energy over the last few months. Ms. Souza said that energy use affects our homeland security, our health, our comfort, and our pocketbook. She said that the increase in energy bills is a trend that is not going to go away and is going to increase at an even higher rate. Ms. Souza feels we need to become more educated, that we need a government and leadership that will give us a path and will push this forward, and she believes that Hayward is the place to do it. She said that Hayward is a great city with great people and a lot of resources and knowledge and she is glad that we are doing this. Ms. Souza said that she would like to be the first one to step forward to do any kind of education, and she hopes to see the real estate people and government do it, as well.

Rod Andazola, Hayward resident and Realtor, said that he thinks it is very admirable that the City is trying to save energy and he knows a lot of people that are trying to do their part. Mr. Andazola said that he would like to talk about triggers. He said because there are so many pre-1978 homes in Hayward, he wonders if the City's goal is also to improve the housing stock. He said that we have a rental inspection program that forces landlords to paint their house and do other improvements to keep the quality of their homes up; however, the homeowners do not have to comply. Mr. Andazola noted that Mr. Siddiqui showed slides of pre-1978 homes that showed asbestos and ducting and indicated that asbestos will have to be removed before a heating contractor will work on the ducts; which is an additional cost for the homeowner that needs to be calculated in with the figures. Mr. Andazola said that with pre-1978 homes, there is a new regulation for lead-based paint that requires a certified contractor to do the painting because no one is suppose to sand, scrape, and remove paint from over a 20 square-foot area because of the possibility of lead, so the cost to paint the homes will increase approximately 20-50 percent. He said the outcome would be that most folks will not paint their home. Mr. Andazola suggests that the City think about how the triggers of what they are trying to accomplish will impact the other goals. He also ask that the City consider alternate ways of accomplishing their goals; for example, the PG&E incentive programs, a City education program, or the residents can do things on their own without it being mandated at this time.

Tom Silva, President of the Rental Housing Owners Association of Southern Alameda County, and Hayward landlord since 1979, distributed a letter to the Committee Members addressed to the Honorable Alice Lai-Bitker, President, Alameda County Board of Supervisors dated October 22, 2010. Mr. Silva said that if you refer to the most recent California Green Building Ordinances you will see that the Alameda County Green Building Ordinance meets and in many ways exceeds the Green Building Standards that we all have to comply with beginning January 1, 2011 and the current Tier 1 California Green Building Voluntary Measures. Mr. Silva said that the Alameda County Green Building Ordinance includes building additions in existing single-family, multi-family, residential and commercial building, as well as new buildings. He said that the new California Green Code only applies to new construction. Mr. Silva said that they recently learned through roundtable discussions for Alameda County's Climate Action Plan, that local governments have to take into account all of the mitigations that are brought forward by federal, state, regional and local activities, in figuring out greenhouse gas emissions. He said in Alameda County the (Green Building Ordinance is projected to) result in approximately a 67 percent reduction; once that was figured in of all the measures that were made, and this is documented in Bruce Jenson's staff report for the Castro Valley Municipal Advisory Council meeting this evening. Mr. Silva said that Alan Lang, Alameda County Building Official, is working through the process and it looks like the effects of the 2009 County Green Building Ordinance will take care of the other third to the point where County staff is no longer recommending a RECO OR a CECO for Alameda County. (Mayor Sweeney reminded Mr. Silva of the time limit and thanked Mr. Silva for his comments.) In closing, Mr. Silva said that it is better when we

communicate rather than litigate and this is a prime example of a good effort through communications, and thanked the Mayor and Committee members.

Mayor Sweeney closed the Public Comments Session, and asked if there were any further comments from the Committee Members.

Council Member Quirk said that a lot of issues were raised tonight; however, the issue that he heard loud and clear that has not been discussed, is the health issue with sealing up homes. Mr. Quirk said that we definitely have to look at this issue and determine whether or not if there are going to be health effects and, if so, what we will have to do to mitigate that.

Council Member Henson said that he agrees with Mr. Quirk about researching the health issues. Mr. Henson said that the one thing that was accomplished tonight is that the Committee heard from the community and the community heard exactly what the City is trying to accomplish. Mr. Henson asked everyone to keep in mind that nothing has been set, and that the Committee is gathering all the information to try to find a solution that will work for Hayward. Mr. Henson said that this is not an option of whether we do something to reduce our energy; it is about getting our energy plans on board, and said that we will be seeing a lot more cities across the country doing something to this effect. Mr. Henson said that this is not something that is going away; if there are alternatives or suggestions that would work, he doesn't think the Committee would turn them down or not give them some consideration. Mr. Henson said that he feels the meeting tonight was a success.

Planning Commissioner Lammin thanked everyone for their comments and especially folks who brought forward solutions. Ms. Lammin said that she looks forward to further discussions and said yes, there are ways that we can make that happen.

Planning Commissioner Mendall asked staff to display the Sea Level Rise slide. Mr. Mendall said that climate change is real and that we have to deal with it; either by making changes such as the RECO or by flooding, as displayed on the slide. Mr. Mendall said that he would much rather make instrumental changes now than end up having 10-20 percent of Hayward under water. Mr. Mendall said that he thinks it is important to remember that we have a choice - flooding or the steps that the City is talking about. He said that everything discussed has costs, and they all have benefits as well. Mr. Mendall said that we need to craft something that makes sense and to make it as efficient as possible, as practical as possible; and not just not do anything and end up with a fifth of Hayward under water. Mr. Mendall said he would like to hear more about the indoor air quality and health effects because those points made were a little alarming. Mr. Mendall suggested that we move forward with the changes that we are talking about and try and craft the best ordinance that we can.

Mr. Grandt said that he is not sure if anyone saw the movie earlier; however, he did five climate presentations and would like to focus on the solutions, the innovations, the

imaginations, and entrepreneurship. Mr. Grandt said that in the movie he got to talk about the Gloom and Doom and indicated that if we don't put the brakes on in meeting greenhouse gases, we are going to have social and economic chaos, not just timing chaos. Mr. Grandt said that he has a nephew that works for a brand new company and they are going to reduce the cost of solar panels by two orders of magnitude by printing them on a printing press. He said that when it comes to air exchange or any of these solutions, hot water heaters, solar space heating, etc., innovation is going to change; that we don't have a clue what the innovators are going to come up and said not to worry about how it's going to be solved; we have to start planning for the future and they will solve it.

Planning Commissioner McDermott said that she is new to the Sustainability Committee as well as the Planning Commission, and appreciates the opportunity to listen to different perspectives and points of view. She said that she personally learned a lot this evening and at the two meetings that she has attended with the Sustainability and Planning Commission. Ms. McDermott said it was wonderful to hear another perspective that we have not thought of previously, and thanked everyone for taking the time to attend this meeting.

Mayor Sweeney thanked the Committee and staff, and thanked the speakers for testifying. Mayor Sweeney said that this process still has a ways to go and the group is not making a recommendation this evening. Mayor Sweeney said that there will be other meetings of the Sustainability Committee and public meetings, and there will always be public comments periods for folks that would like to attend and make public comments. Mayor Sweeney said that if anyone is interested in knowing when the Sustainability Committee meets, you can contact the City Clerk's office, or the easier way to keep track of is to visit the City's website for meeting agendas and materials.

IV. Adjournment: Meeting adjourned at 9:22 p.m.

CITY COUNCIL SUSTAINABILITY COMMITTEE MEETING  
Hayward City Hall – Conference Room 2A  
777 B Street, Hayward, CA 94541-5007

December 1, 2010  
4:30 p.m.

**MEETING MINUTES**

I. Call to Order – Meeting called to order at 4:35 p.m. by Mayor Sweeney.

II. Roll Call

**Members:**

- Michael Sweeney, Mayor
- Olden Henson, Council Member
- Bill Quirk, Council Member (via telephone conference call at 26420 Parkside Drive, Hayward)
- Diane McDermott, Planning Commissioner
- Sara Lamnin, Planning Commissioner
- Al Mendall, Planning Commissioner
- Doug Grandt, Keep Hayward Clean and Green Task Force

**Staff:**

- David Rizk, Development Services Director
- Bob Bauman, Public Works Director
- Alex Ameri, Deputy Director of Public Works
- Erik Pearson, Senior Planner
- Vera Dahle-Lacaze, Solid Waste Manager
- Katy Ramirez, Administrative Secretary (recorder)

**Others:**

- David Stark, Public Affairs Director, Bay East Association of Realtors®
- James Millet, Resident
- Simon Wong, Tri-City Voice

III. Public Comments

David Stark, Public Affairs Director, Bay East Association of Realtors®, thanked the Committee for his appointment to the Climate Action Management Team. Mr. Stark said that he attended both meetings and feels that there is a very good cross-section of participants. He said that he would have liked to see more representatives from the homeowners associations and PG&E; however, he thinks it is a good start, the team seems to be working well, and he is excited to be a part of the team.

Al Mendall, Planning Commissioner, said that he recently read an article in the newspaper about a new program called Recovery Through Retrofit, and said that it sounds like it might fit well with Hayward's Residential Energy Conservation Ordinance (RECO), in terms of minor home upgrades and scoring system. Mr. Mendall said that he does not have all the details; however, he thought it might be worth researching to determine if it is something that can tie in with Hayward's RECO. David Rizk, Development Services Director, indicated that staff would research the program.

IV. Approval of Minutes of November 3, 2010 and October 6, 2010 – minutes approved.

V. Update on Ordinances to Ban Plastic Bags

Alex Ameri, Deputy Director of Public Works, said that this report is a follow-up to the Committee's direction for an update regarding options for regulating one-time use bags. Mr. Ameri provided an overview of the PowerPoint presentation, which summarized the opposition by the plastic bag industry; existing and proposed State laws; other municipalities' efforts to adopt a single-use bag ban without an EIR; regional efforts in preparing environmental documents, and the economic and fiscal impacts.

Mr. Ameri outlined the options below that are available to the Committee:

- Adopt the model ordinance that was prepared by Green Cities California, which will require preparation of environmental documentation such as an Initial Study or Negative Declaration. Staff is not recommending this option because of the risk of it being challenged.
- The second option is to work with Stopwaste.org in preparing their EIR. If this option is selected, then there will be one model EIR and ordinance that will hopefully be adopted by other cities in Alameda County, and will allow for the implementation and enforcement to be easier (Fremont, Hayward, San Leandro, and other cities would have similar ordinances).
- The third option would be for the Hayward to prepare its own EIR, which will be costly and is not recommended by staff at this time.

Mr. Ameri said that the schedule for Stopwaste's certified EIR is planned for December 2011; and if the Committee decides to work with Stopwaste.org, this will allow staff to concentrate on the Council-approved polystyrene ban implementation, which becomes effective July 2011. He said that the next step would be for staff to monitor and participate in Stopwaste's preparation of an EIR, and monitor other cities to see how they are dealing with their CEQA processes and the challenges they face. Mr. Ameri said that after December 2011, staff would report back to the Committee summarizing the conclusions of the EIR. With Committee and Council direction, staff will prepare an ordinance and the implementation document for Council consideration in early 2012.

Bob Bauman, Public Works Director, said that he would like to add that the Governor made an effort to resurrect the bill, and there will be a special session on December 6 for the State to come back and hopefully approve and pass a statewide ban.

Olden Henson, Council Member, said that in response to Mr. Bauman's comment, at the Stopwaste meeting that morning, they believe that this will happen on December 6; the Governor believes that he has the necessary support and that it is high on his agenda. Mr. Henson said that even if the statewide ban does not occur, Stopwaste will still move forward with selecting a consultant for an EIR, and he recommends that the City of Hayward work with Stopwaste in preparing an EIR.

Al Mendall, Planning Commissioner, asked that if the State passes the ban, would we still need an EIR to implement a ban.

Mr. Bauman said that he does not believe the state has the same responsibilities to do an EIR as the City; the State can legislate that this is appropriate.

Mr. Rizk said there would be no project for which an EIR needs to be presented; the City would not have to adopt an EIR.

Mr. Mendall said that he agrees with Mr. Henson to go with Stopwaste and he does not like the idea of the City doing it on its own and spending \$100,000. He agrees that this could open us up for lawsuits and suggests that we move forward with Stopwaste and assist them in any way that we can.

Doug Grandt, Keep Hayward Clean and Green, asked for clarification on the date of the State meeting, he said that he heard December 6 and he also heard in three weeks. Mr. Bauman clarified that the State will be meeting in a special session on December 6, and this bill and the budget are on the list of things that the Governor wants to see happen. Mr. Grandt said that given the timeframe, would it be helpful for the Council to pass a resolution or something from the City of Hayward in support of this legislation.

Mr. Mendall asked if we know where in court this stands. Mr. Henson said that the courts have been on board and supportive. Mr. Mendall said that he thinks that a letter might not have much effect.

Council Member, Bill Quirk, said that it would not hurt to send a letter to Assembly Member Mary Hayashi and Senator Ellen Corbett for support, if they have not supported it already. Mr. Quirk said that he agrees with everyone's comments about going along with Stopwaste, and noted that Mr. Ameri provided an excellent presentation on this item.

Sara Lamnin, Planning Commissioner, said that she wants to lend her support to the regional approach and feels that it is a much more sensible approach. Ms. Lamnin said that she would like to make sure that in banning plastic bags, we are not encouraging the

use of paper bags; that we are eliminating the use of single-use bags no matter what the material, and what we are looking at is the utilization of reusable bags. Ms. Lamnin noted it might be worth a call or an email to Assembly Member Hayashi and Senator Corbett's office to let them know that the City of Hayward is behind them on this topic and to thank them for standing firm in the past, and to please continue to do so.

Diane McDermott, Planning Commissioner, said that she is supportive of Stopwaste's EIR. Ms. McDermott asked if anyone had any idea of what the City's cost would be for Stopwaste's EIR. Mr. Bauman indicated that there would not be a cost, just time and support.

Mayor Sweeney said that unless there are no objections, then the Committee is in support of staff's recommendation to participate in StopWaste's efforts to prepare an EIR, and for Mr. Ameri to prepare a letter to Assembly Member Mary Hayashi and Senator Ellen Corbett for the Mayor's signature.

#### VI. Summary of Last Climate Action Management Team Meeting

Mr. Mendall said that at the Climate Action Management Team meeting on November 10, 2010, there was a presentation on the history of the Climate Action Plan, contents of the Plan, priorities, and the reason behind it, and follow-up discussion of whether the CAMT was meant to be an advisory board to the Sustainability Committee and/or City Council for implementation guidance, which was something that was discussed early on. Mr. Mendall asked for clarification on the purpose of the CAMT, if it is to implement policies or if it is to advise on decisions that have not been made.

After much discussion from the Committee and staff about the role and functions of the CAMT, Council Member Quirk said that he looks at the CAMT as a part of the staff process, as opposed to part of the policy process, which is done by City Council. Mr. Quirk said that one of the things staff does is make recommendations to the Sustainability Committee and City Council based on what we have requested and what we have prioritized. He said that he looks at the CAMT as an extension of staff which would work on implementation when something is done; however, would also provide advice when asked for on a specific subject. Mr. Quirk said that this is part of the staff process rather than the policy process; however, this does not mean that it excludes working on the policy but it does mean that it is heading in the direction of the policy.

Mayor Sweeney said that we have a consensus from the Committee that we are in agreement with Mr. Quirk's explanation on the role of the CAMT, and asked Mr. Mendall if he is comfortable with going back to the CAMT with this explanation. Mr. Mendall responded yes, he is clear on the role of the CAMT.

#### VII. General Announcements and Information Items from Staff

None.

VIII. Committee Referrals and Announcements

None.

IX. Next Meeting: Wednesday, January 5, 2011  
Energy Audits of City Facilities  
Energy Efficiency and Conservation Block Grant

X. Adjournment: Meeting adjourned at 5:35 p.m.



**DATE:** January 5, 2011

**TO:** Mayor and City Council Sustainability Committee

**FROM:** Development Services Director

**SUBJECT:** Energy Efficiency Projects for City Hall and Police Station

## **RECOMMENDATION**

That the Committee reads and comments on this report.

## **BACKGROUND**

On July 28, 2009, the City Council adopted the City of Hayward's Climate Action Plan (CAP). The CAP sets a communitywide goal of reducing greenhouse gas emissions (GHG) by 12.5 percent below 2005 levels by 2020. The City has shown leadership in the past by making a number of improvements to reduce GHG in City operations. The City is continuing to show leadership by investigating other opportunities to reduce energy consumption in City operations. As part of this effort, the City participated in the Municipal Implementation Team (MIT) program, a component of the East Bay Energy Watch, a local government partnership funded by PG&E. Through the MIT program, City Hall and the Police Department building were audited, which yielded a number of energy savings opportunities.

## **DISCUSSION**

The police station building and City Hall were analyzed and the resulting audits were reviewed twice by third parties, including PG&E, to ensure the accuracy of the results. The audits focused primarily on optimizing existing building systems that tend to provide the most cost-effective solutions as opposed to equipment replacement, retrofits, which tend to be more capital intensive. The tables below show that, in aggregate, both buildings would yield savings of \$33,755 with costs of \$5,000, before incentives. Incentives for these projects are projected to be \$2,457. Each building is presented separately in the attached tables (see Attachments I and II). In addition to the cost savings, the recommended improvements are expected to increase the life of the equipment and also increase comfort for the buildings' occupants.

*Police Station* - Attachment I presents the findings for the police station located at 300 West Winton Avenue. The estimated savings for the three projects identified at the police station would yield more than an eight percent reduction in energy costs. The three projects are optimizing the variable air volume (VAV) component of the heating, ventilation, and air

conditioning (HVAC) system, repairing the economizer, and resetting the chilled water setpoints. From a resource standpoint, electricity consumption is projected to decrease by more than eight percent. According to conversion factors provided by PG&E, the associated GHG reduction is 24.4 metric tonnes of CO<sub>2</sub> equivalent<sup>1</sup>. The three projects represent total annual savings of more than \$12,500 while the installation costs are projected to be \$3,800, and \$1,900 after incentives. Attachment I provides a brief description of each measure, as well as the specific energy and dollar savings associated with the measure. Incentives for the measures are provided in a separate column. Note that the incentives are capped at 50 percent of each measure's cost. Payback and adjusted payback are simple measures of cost-effectiveness and simply the ratio of project costs to annual savings. For example, one measure, Repair Economizer, has a payback of 0.2 years, or less than three months. All costs are budgetary estimates until bids can be developed by contractors.

*City Hall* - Attachment II presents the findings for City Hall. The estimated savings for the three projects identified at City Hall are estimated to be more than five percent in electricity costs and 29 percent in gas costs. The three projects involve operating the HVAC schedule, resetting the HVAC supply air, and locking out the boiler. The associated GHG reduction is 73.7 metric tonnes of CO<sub>2</sub>e per year. The three projects in Attachment II represent total annual savings of more than \$20,000, while the installation cost is projected to be \$1,200, and \$643 after incentives. As above, all costs are budgetary estimates until bids can be developed by contractors.

## **ECONOMIC IMPACT**

The economic impacts of the proposed energy efficiency projects will be minimal. Staff will attempt to find a local contractor to install the improvements to benefit the local economy. Expenditures needed to make the changes recommended in the audit reports are estimated to be \$5,000, though, as stated previously, contractor bids are needed to provide a firm number.

## **FISCAL IMPACT**

The City spends \$382,220 each year on electricity and gas for City Hall and the police station. Total estimated cost savings, are projected to be \$33,755, or 8.8 percent of current energy costs. The up-front cost of the measures will be paid for out of the City's Heating, Ventilation and Air Conditioning budget. The measures would yield a payback (costs/savings) of less than two months. After the estimated incentives of \$2,457 are factored in, the payback will be less than one month.

## **NEXT STEPS**

The MIT program will develop specifications for measures described in the audit and attached tables. Measures that require a contractor will be bid out, in accordance with established procedures. The MIT program can provide installation support, including identifying contractors and assisting in contractor selection. Measure installation should take less than six months. Once measures are installed, incentives will be paid in one month.

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<sup>1</sup> CO<sub>2</sub> equivalent, or CO<sub>2</sub>e, refers to a mixture of greenhouse gases, including carbon dioxide (CO<sub>2</sub>). The global warming potential of each gas is considered when calculating CO<sub>2</sub>e.

*Prepared by:* Erik Pearson, Senior Planner, and Derrick Rebello, QuEST President

*Recommended by:* David Rizk, AICP, Development Services Director

Approved by:



Fran David, City Manager

Attachments:

- Attachment I    Police Station Energy Audit
- Attachment II    City Hall Energy Audit

# QUEST

QUANTUM ENERGY SERVICES & TECHNOLOGIES, INC.

7/28/2010

**Engineering Report  
Hayward Police Station  
300 West Winton Avenue  
Hayward, California**

Energy Conservation Measure (ECM)	Building	ECM Order by Building	Measure Description	Demand Savings (kW)	Electrical Energy Savings (kWh/yr)	Natural Gas Energy Savings	Energy Cost Savings (\$/yr)	Estimated Measure Cost (\$)	Simple Payback Period (years)	50% Capped Incentives	Adjusted Payback Period (years)
RCx-M1	Hayward City Police Station	1	Change Variable Air Volume Min Stop to 20%	2.15	28,508	0	\$3,810	\$720	0.2	\$360	0.1
RCx-M2	Hayward City Police Station	2	Repair Economizer	0.00	62,004	0	\$8,286	\$2,720	0.3	\$1,360	0.2
RCx-M3	Hayward City Police Station	3	Chilled Water Reset	0.00	5,896	0	\$766	\$380	0.5	\$180	0.2
<b>Totals</b>				<b>2.15</b>	<b>96,408</b>	<b>0</b>	<b>\$12,862</b>	<b>\$3,800</b>	<b>0.3</b>	<b>\$1,900</b>	<b>0.1</b>

Utility Type	Usage	Cost	Rate
Electricity	1,148,400 kWh	\$153,475	0.13 \$/kWh
Natural Gas	kWh		0.87 \$/kWh

RCx-M1	Change Variable Air Volume Min	Two 50 ton Carrier air-cooled reciprocating chillers (1997) provide chilled water for the PD. The offices spaces in the Main PD building are served by Variable Air Volume Air Handling Units with a hot water reheat. Variable Air Volume reheat boxes are used for perimeter zones only. Variable Air Volume boxes without reheat are only cooling and used for interior zones. First floor have 13 Variable Air Volume boxes with reheat coil, and 15 boxes for second floor. There is one large cooling only Air Handling Unit. The economizer on the main air-handling units is in operation. Some of the motorized dampers and control wiring connections are rusted. The pneumatic controls have been replaced with a DDC system. The 50 HP SF & 40 HP EF motors have been recently replaced. A variable speed drive is modulating the fan speed to maintain the duct static pressure set point. Variable Air Volume box dampers are modulated to maintain the space temperature. Each Variable Air Volume box has a minimum flow rate setting which is 30%. It is recommended that this be set 20% during unoccupied hours. Gas savings is not calculated in this simulation.
RCx-M2	Repair Economizer	The economizer is not working properly due to the aging actuators and stuck open dampers. Based on our observation, there is build up around the actuator joint. The dampers stuck open are wasting the energy that they were intended to save. In addition, the EMS screen and damper's position are inconsistent, either the controls are malfunctioning or the dampers are stuck. It is recommended that return and outdoor air dampers should be tested and repaired. Gas savings is not calculated in this simulation.
RCx-M3	Chilled Water Reset	Two 50 ton Carrier air-cooled reciprocating chillers (1997) provide chilled water for the PD. This ECM investigates savings from implementing a CHW Reset.

Note: Audit report prepared by John Avina P.E.

Audit reviewed by PG&E



QUANTUM ENERGY SERVICES & TECHNOLOGIES, INC.

8/22/2010

**Engineering Report**  
**Hayward City Hall**  
 777 B Street  
 Hayward, CA 94541

Energy Conservation Measure (ECM)	Building	ECM Order by Building	Measure Description	Demand Savings (kW)	Electrical Energy Savings (kWh/yr)	Natural Gas Energy Savings (therms/yr)	Energy Cost Savings (\$/yr)	Estimated Measure Cost (\$)	Simple Payback Period (years)	Incentive Before Cap	Incentives Capped at 50% of Measure	Adjusted Payback Period (years)
RCx-M1	Hayward City Hall	1	HVAC Schedule	0	75,189	7,977	18,124	600	0.0	6,767	300	0.0
RCx-M2	Hayward City Hall	2	Supply Air Reset	0	7,034	1,980	2,769	600	0.2	633	257	0.1
RCx-M3	Hayward City Hall	3	Boiler Lockout	0	0	215	187	200	1.1	0	0	1.1
<b>Totals</b>				<b>0.00</b>	<b>82,222</b>	<b>9,957</b>	<b>\$20,893</b>	<b>\$1,200</b>	<b>0.1</b>	<b>\$7,400</b>	<b>\$557</b>	<b>0.0</b>

Utility Type	Usage	Cost	Rate
Electricity	1,549,280 kWh	\$230,477	0.15 \$/kWh
Natural Gas	34,111 Therm	\$29,674	0.87 \$/Therm

RCx-M1	HVAC Schedule	HVAC Schedule Changes: Based on 15 minute interval data, AC1 runs from 130AM to 630PM T-F, and from 1230AM to 630PM on Mondays. On weekends it is off. AC2 runs from 1230AM to 630PM on Monday, 130AM to Midnight on Tuesday, Midnight to 630 on Wednesday, 130 to 630 on Thursday and Friday, and 130AM to 415PM on Saturdays, and sporadically on Sundays. AC3 runs from 1230AM to 12AM on Mondays, all hours on Tuesdays through Fridays, and 1230AM to 230AM, and 2PM to 12AM on Saturdays, and 9 random hours on Sundays. According to maintenance staff, occupancy schedule is between 8 AM through 5 PM, sometimes there is late occupancy due to the meetings. City Hall is also used for weddings and other entertainment purposes, this makes changes to set schedule hours in EMS system. We recommend changing HVAC schedule based on actual occupancy hours and if needed HVAC can be energized through thermostat override button. The thermostat gives opportunity to occupant to energize HVAC unit up to 2 hour by pressing override. The only change in this simulation between baseline and proposed is the number of hours. For AC1 number of hours of operation has changed from 4772 hrs to 2730 hrs, AC2 the hours of operation has changed from 5815 hrs to 3458 hrs and for AC3 the operating hours has changed from 7262 hrs to 3154 hrs. All the new hours of operation is the proposed hours of operation.
RCx-M2	Supply Air Reset	Supply Air Temperature Reset. According to interval data, the AHU supply air temperature is constant whether the AHU is in cooling or heating mode. This means, during cold times, the AHU will deliver 55 degree air to the zones where it is reheated. A better method is a supply air reset which will deliver warmer air to the zones, and it can be reheated less. The supply air must still remain somewhat cool as there are still some zones that may require cooling even when it is cold outside. This measure recommends resetting supply air temperature up to 65 degrees when it is cold outside.
RCx-M3	Boiler Lockout	Interval data show that boiler operates even when it is up to 78 degrees outside. This measure investigates the savings that would result from lowering the lockout to 72 degrees.

Note : Audit report prepared by John Avina P.E  
 Audit reviewed by PG&E



**DATE:** January 5, 2011

**TO:** Mayor and City Council Sustainability Committee

**FROM:** Development Services Director

**SUBJECT:** Energy Efficiency Incentive Programs Funded by the Energy Efficiency and Conservation Block Grant

### **RECOMMENDATION**

That the Committee reads this report and recommends approval to City Council for use of federal Energy Efficiency and Conservation Block Grant funds for the three programs described within this report.

### **BACKGROUND**

The City of Hayward has been allocated \$1,361,900 in formula-based Energy Efficiency and Conservation Block Grant (EECBG) funds funded by the federal American Recovery and Reinvestment Act. The City of Hayward will use the funds to promote the following EECBG program goals:

- Reduce fossil fuel emissions;
- Reduce the total energy use of the eligible entities;
- Improve energy efficiency in the transportation, building, and other appropriate sectors; and
- Create and retain jobs.

The EECBG funds have been and will be used for a number of programs and projects, including funding a part-time sustainability consultant for three years and three energy efficiency programs targeted at specific sectors/users: residential homeowners, large energy users, and non-profit organizations. These programs were identified by staff for the Sustainability Committee on May 5, 2010. The three programs are briefly described below.

*Large Energy Users Incentive Program*—In a special election on May 19, 2009, the voters in the City of Hayward approved Ballot Measure A, which imposes a 5.5 percent tax on certain utility services. The services subject to the tax include natural gas, electricity, telecommunications (i.e., traditional telephone service, long distance service, cellular phone service, and data services), and video/cable television services. The utility users tax (UUT) became effective on October 1, 2009, and is paid by Hayward residents and businesses that use the services listed above

(exemptions include government entities, public schools, and low-income applicants, among others). The tax is collected by the utility service providers and remitted to the City monthly. The Large Energy Users Program is targeted at those that have been most impacted by the UUT and is meant to help reduce energy costs for larger energy users, thereby providing some relief from the UUT while also helping to reduce greenhouse gas (GHG) emissions.

*Non-Profit and Governmental Agencies Energy Efficiency Program*–Non-profit organizations and governmental agencies provide important services to the community. In many cases, the operating budgets for these groups have been strained by increased demand for services and reduced contributions. In an effort to provide some relief to operating budgets and at the same time to help the community reach its climate action goals, a separate program is proposed to support non-profits and governmental agencies in making energy efficiency improvements.

*Residential Energy Efficiency Incentive Program*–The Energy Upgrade California (EUC) program in Alameda County, which was discussed during the November 3, 2010 Sustainability Committee meeting, has rolled out for single-family residential properties, with the multi-family program component anticipated for launch in early 2011, followed by small commercial properties program launch. EUC has conducted training sessions, approved contractors, and is coordinating incentives offered by PG&E for homeowners to implement energy conservation strategies in their homes. This City program will offer additional incentives and leverage the EUC program.

## **DISCUSSION**

The three programs outlined above are designed to reduce energy efficiency barriers specific to each group. For example, the large commercial users tend to be more sophisticated consumers of energy and are more likely to have a staff person with at least part time responsibilities for energy and facilities management. Non-profits, because they are generally resource constrained, are likely to encounter more challenges and informational barriers when considering energy efficiency projects. Given these barriers, the proposed program would not require non-profits to develop their own programs, but instead would focus on working with contractors that can develop and install the projects directly. Further, the non-profits would only be responsible for the difference between project costs and incentives, thereby putting fewer constraints on cash flow. For example, if a project costs \$10,000 to implement and the incentives (PG&E and EECBG) are \$8,000, then the customer will only contract for \$2,000. Under standard programs, the customer would contract for \$10,000 and wait for their incentive of \$8,000, which has a much larger impact on cash flow, relative to contracting for \$2,000. The Residential Energy Efficiency Incentive Program would spur the home performance audit and retrofit industry by doubling the rebate currently offered by PG&E through their Whole House Performance Program.

A detailed description of each program follows.

*Large Commercial Energy Users Incentive Program*–This program has a budget of \$250,000 and is scheduled to run from January, 2011 through December 31, 2012.

*Program Description*–The Large Commercial Energy Users Incentive Program is designed to supplement an existing PG&E program and increase penetration of energy efficiency in

Hayward's commercial sector. It will provide financial incentives to eligible "energy intensive" Hayward businesses that make qualifying energy efficiency improvements to their facilities. Example improvement measures include lighting retrofits, chiller replacements, variable-speed drive installation for an HVAC system, and reflective window film installation. In order to maximize cost-effectiveness and potential energy savings, this program will leverage the existing infrastructure and processes of PG&E's Customized Retrofit Incentive program<sup>1</sup> and offer incentives additional to those provided by PG&E.

Program Participation Eligibility and Process—Program participation will be limited to Hayward's most "energy intensive" businesses that use a minimum of 1,500,000 kWh annually and which meet the eligibility requirements of and successfully participate in the above-listed PG&E program. A list of eligible businesses will be determined using PG&E data. Large public/institutional energy users, such as municipal facilities, community colleges and hospitals, will not be eligible for this program, as incentive programs targeted for such users already exist. Applicants meeting selection criteria described below will be awarded program incentives upon verified installation of approved energy efficiency improvement measures. Proposed projects will be ranked based on cost-effectiveness and incentives will be awarded to those with the largest cost savings per dollar spent.

All energy efficiency improvement measures approved for PG&E's Customized Retrofit Incentive program will be eligible for additional incentives from the Large Commercial Energy Users Incentive Program, which will match PG&E incentives, up to \$50,000 per project installation. This cap on incentives is recommended to promote wider distribution of program funds among Hayward businesses (and to avoid the potential of one or two businesses using all the funds).

The program participation process will follow one of three paths, as described in Attachment I, depending on whether an applicant has already identified energy efficiency projects/measures. If applicants do not have pre-identified projects, they may enlist the assistance of PG&E or the East Bay Energy Watch program (EBEW<sup>2</sup>) (option 2), or if that is not possible, the City's consultant, Quantum Energy Services & Technologies, Inc. (QuEST), may provide project identification assistance (option 3). If time constraints preclude options 1 or 2, applicants can default to option 3. As noted above, the program leverages existing PG&E program infrastructure and processes, making use of PG&E's verification and approval process to better ensure that measures are installed correctly and will actually save energy.

Incentives—Incentives for the Large Energy Users Program will be based upon the PG&E's Customized Retrofit Incentive program, which provides incentives based on energy savings. The City of Hayward's Large Energy Users Program will match (in effect, double) the following PG&E incentives<sup>3</sup>:

- Lighting \$0.05 / kWh;
- Air Conditioning and Refrigeration \$0.15 / kWh;

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<sup>1</sup> <http://www.pge.com/mybusiness/energysavingsrebates/rebatesincentives/ief/>

<sup>2</sup> EBEW is a joint project of PG&E, participating cities in the East Bay, and local energy efficiency experts, and is funded by California utility customers and administered by PG&E under the auspices of the California Pacific Utilities Commission (CPUC).

<sup>3</sup> PG&E incentive programs cap the customer incentive to 50 percent of the cost of measures for most projects.

- Other \$0.09 / kWh.

The incentives will be paid on the annual savings. For example, if a \$30,000 lighting retrofit project will annually save 200,000 kWh, the incentive will be \$10,000 from PG&E (200,000 x 0.05) and \$10,000 from Hayward's Large Energy Users Program. Costs for this project after incentives will be \$10,000. Incentives will be capped at \$50,000 per participant and cannot exceed the project cost.

**Program Implementation** –The Sustainability Coordinator will administer the program. In addition to the applicant assistance described in option 3 above, QuEST will provide program administration and implementation assistance to the City. Such activities may include applicant review, scoring and selection, and program marketing and outreach, including a program web presence and direct mailings to potential applicants.

A program description will also be included and easily accessible on the City of Hayward website, to include succinct and clear eligibility requirements, sample energy efficiency improvement measures and projects, a general program timeline, program application forms, and contact information for the Sustainability Coordinator. For businesses that are ineligible to participate in this program, the website will have information and a link to the EBEW's BEST program<sup>4</sup>, which is designed for small and medium-sized businesses. Logos and links for PG&E's Customized Retrofit Incentive program will also be included.

Given the limited number of eligible businesses, a direct mail letter campaign will also be implemented. The letter will contain a brief description of the program, sample measures and projects, and a "for more information" link to the above-described section of the City's website. Follow-up calls will be made shortly after the letters are sent.

<b>Program Timeline</b>	
<b>Activity</b>	<b>Date</b>
Program launch	End of January 2011
Participant project development (Audits and Analysis of Energy Efficiency Measures)	February – March 2011
Deadline to submit letter of interest to City	March 31, 2011
Proposed projects submitted to PG&E	March – April 2011
Proposed project approval from PG&E	April – May 2011
Applications due to the City	May 31, 2011
Application/Project review complete	July 31, 2011
Award notifications begin	August 1, 2011
Project installation	September 2011 – June 2012
Projects completed and approved by PG&E or its subcontractors	by August 2012
Incentive checks issued	August - September 2012
Program shut-down and final reporting	October - November 2012

<sup>4</sup> The BEST program provides direct installation of energy efficiency measures providing "one-stop" shopping for program participants: <http://www.californiabestprogram.com/>

Non-Profit and Governmental Agencies Energy Efficiency Program—This program has a budget of \$251,339 and is also scheduled to run from January, 2011 through December 31, 2012.

Program Description—The Non-Profit and Governmental Agencies (NPGA) Energy Users Incentive Program is designed to increase penetration of energy efficiency in Hayward’s non-profit and non-governmental sectors and will provide financial incentives to eligible Hayward NGAs that make qualifying energy efficiency improvements to their facilities. Example improvement measures include lighting retrofits, HVAC upgrades, and refrigeration efficiency. In order to maximize cost-effectiveness and potential energy savings, this program will leverage the existing infrastructure and processes of the EBEW’s BEST program and offer incentives in addition to those currently available.

Program Participation Eligibility and Process—Program eligibility is limited to Hayward-based NPGAs, including non-profits and governmental organizations. (The City of Hayward would not be eligible, due to potential perceived conflicts of interest in reviewing applications and granting of awards. Also, other energy efficiency programs are available for City of Hayward facilities.) Non-profits and governmental organizations that lease their space are eligible providing they have approval of their landlords and successfully participate in the BEST programs. Program incentives will be reserved for participants on a first-come, first-served basis until funds are depleted. Participants will be awarded program incentives upon verified installation of approved energy efficiency improvement measures.

All energy efficiency improvement measures approved for the BEST program will be eligible for additional incentives from the NGA Energy Users Incentive Program, which will match BEST incentives up to \$10,000 per project installation, or the project cost, whichever is lower. This cap on incentives is recommended to promote wider distribution of program funds among Hayward NGAs. As an example, if a project has costs of \$35,000 and incentives from the BEST program of \$15,000, the NGA program will offer incentives of \$10,000, leaving a customer with a \$10,000 cost for a \$35,000 project. As noted previously, the program participant will only contract for \$10,000, rather than \$35,000, as the incentives will be paid directly to the contractor.

Program participation will be offered on a first-come, first-served basis. Program applications will be accepted for 30 days and then the program will close. If program funds are not exhausted in the first solicitation and the remaining funds are \$50,000 or less, then the City will conduct a second round offering, similar to the first. If the remaining funds are greater than \$50,000, then the program will provide a list of eligible participants to each contractor so they can market the program directly to potential participants. The rationale for this decision point is that if a relatively small amount of funds are available, then it is likely that initial marketing and outreach (i.e. direct mail and web) will have been sufficient. If, however, the remaining funding is relatively large, then a more active approach to marketing and outreach will be required to get NGAs to participate.

Program participation will involve the steps outlined in Attachment II, which leverage the processes and infrastructure of the BEST program and utilize Hayward’s Community Development Block Grant and Social Services funding notification process. Each project is estimated to take 67 - 92 days.

Program Implementation–The Sustainability Coordinator will administer the program, including development of City staff program briefings, a program web presence and phone calls and direct emails, and “snail” mailings to potential applicants. The following activities are recommended for a comprehensive marketing and outreach strategy:

- In order to ensure that City staff who interact with federal block grant recipients are given the tools to help promote the program, one or more staff briefings will be conducted, which will entail review of the NGA program details and distribution of program brochures. A promotional e-mail footer banner, reading something like, “Don’t forget about the energy efficiency project for nonprofits – it’s a great way to make your grant go further” and including contact information, would be provided as another promotional tool for staff members.
- A program description will also be included and easily accessible on the City of Hayward website, to include succinct and clear eligibility requirements, sample energy efficiency improvement measures and projects, a general program timeline, downloadable program applications, and contact information for the Sustainability Coordinator. Logos and links for the EBEW’s BEST program will also be included.
- A direct mail campaign will also be implemented. A mailer, designed and produced in-house by QuEST, will be sent to all entities eligible to participate in the program. It will contain eligibility requirements, sample measures, the PG&E logo (if PG&E approves usage), the City logo, and logo/contact information for the BEST program. It should be ensured that the program information is available on the Hayward website prior to the commencement of the letter campaign, with follow-up phone calls to be made shortly after the letters are sent.

Program Timeline	
Activity	Date
Program launch initial solicitation	End of January 2011
Initial solicitation ends	February 2011
Project approval, installation, and incentive payment process	February 2011 – July 2011 (or until incentive funds are reserved, whichever comes first)
Second solicitation begins (if remaining funds less than \$50,000)	August 2011
Second solicitation ends (if necessary)	September 2011
Direct Marketing by Contractors begins (if remaining funds are greater than \$50,000)	August 2011
Project approval, installation, and incentive payment process	August 2011 – February 2012 (or until incentive funds are depleted, whichever comes first)
All projects to be completed and approved by PG&E or its subcontractors	May 2012
Program shut-down and final reporting	June – July 2012

Residential Energy Efficiency Incentive Program—This program has a budget of \$250,000 and is scheduled to run from January, 2011 through December 31, 2012.

The program was identified in May as one that would incentivize audits for residential and commercial properties, but not incentivize actual energy efficiency improvements. Because commercial properties can benefit from the BEST program described above, and, in an effort to allow this program to provide assistance to property owners seeking to comply with the anticipated Residential Energy Conservation Ordinance (RECO), the program is being modified to also help pay for improvements that are identified during the audit. Accordingly, staff is working with the Department of Energy to revise this program.

Program Description—The Residential Energy Users Incentive Program (Residential Program) is designed to increase penetration of energy efficiency in Hayward’s residential sector and will provide financial incentives to eligible Hayward residents who have home energy audits performed and who make qualifying energy efficiency improvements to their homes. Typical improvement measures include insulation, duct sealing, furnace and water heater upgrades. In order to maximize cost-effectiveness and potential energy savings, this program will leverage the existing infrastructure and processes of Energy Upgrade California in Alameda County<sup>5</sup> and Pacific Gas and Electric Company’s (PG&E) Whole House Performance Program (WHPP)<sup>6</sup> and offer incentives additional to those provided through the WHPP.

Program Participation Eligibility and Process—Program participation will be limited to Hayward residents who meet the eligibility requirements of and successfully participate in the above-listed programs. Eligibility criteria include owning a single-family home, purchasing natural gas and/or electricity services from PG&E, and being up-to-date on taxes and liens. Additionally, one must have a program home energy audit conducted to qualify for rebates.

As noted above, the Residential program will be coordinated with PG&E’s WHPP, and focus solely on the Performance track. The Performance track uses a home performance rating to provide baseline energy consumption for the home and recommendations to improve energy-use performance, thereby improving the home’s rating.

The Residential Energy Users Incentive Program will provide funding for two components, home audits to identify cost-effective energy conservation and efficiency measures, and incentives to buy down the cost of installed measures. Measures eligible for incentives under this program will be:

- Comprehensive Home Energy Audit;

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<sup>5</sup> Energy Upgrade California is a statewide program supported by utilities and local government energy efficiency funds, and which helps home-owners improve the energy efficiency of their residences and puts local construction workers back to work. Energy Upgrade California in Alameda County is one of its county-specific sub-programs.  
<http://www.acgreenretrofit.org>

<sup>6</sup> WHPP solicits, screens and trains qualified residential repair and renovation, and HVAC contractors to assemble capable contracting teams and perform whole-house diagnostics, propose a comprehensive improvement package, and complete the improvements. The program also includes marketing activities to help educate customers on program services and provide additional customer leads to trained contractors. [www.pge.com/myhome/saveenergymoney/rebates](http://www.pge.com/myhome/saveenergymoney/rebates)

- Attic, Wall & Floor Insulation;
- Air and Duct Sealing;
- Energy Efficient Lighting Improvements;
- Hot Water Pipe Insulation;
- Door, Window, Furnace & Water Heater Replacements; and
- Additional energy-saving measures, as identified in the audit and approved by PG&E

The WHPP provides a \$2,000 incentive for a 20 percent reduction from baseline energy use, and an additional \$1,000 for each additional 10 percent increase in improvement. In discussions regarding a possible RECO, staff has indicated that one of the compliance options being considered would require a 10 percent reduction from baseline energy use. The Residential Program would provide an additional \$2,000 for the same initial 20 percent (or more) reduction, and \$250 for the home energy audit. As an example, if a home audit reveals that a 22 percent reduction over baseline can be achieved for \$6,000, PG&E's program will provide incentives of \$2,000 and the Hayward Residential Program will provide another \$2,000, leaving a co-pay of \$2,000. The audit, which may cost between \$350 and \$700, will be eligible for a \$250 rebate.

Qualifying improvement measures must be purchased and installed between February 1, 2011 and September 30, 2012. Program incentives will be reserved for participants on a first-come, first-served basis until funds are depleted. A more detailed participation process is summarized in Attachment III.

Program Development and Implementation—The program will be marketed through a number of sources, including at events such as the Downtown Hayward Farmer's Markets and at Neighborhood Partnership Program meetings. However the most powerful marketing will come from the contractors themselves. Additionally, information about the program will be available on the City's website.

As shown above, the program will be integrated with the PG&E WHPP performance track. All approvals and denials will be tied directly to the PG&E WHPP, thereby reducing the need for developing separate infrastructure for what will be a temporal program.

<b>Program Timeline</b>	
<b>Activity</b>	<b>Date</b>
Program launch	February 2011
Rolling application, installation and incentive payment process	February 2011 – March 2012 (or until incentive funds are depleted, whichever comes first)
All projects to be completed and approved by PG&E or its subcontractors	July 2012
Program shut-down and final reporting	August – September 2012

## ECONOMIC IMPACT

The three energy efficiency programs are expected to have a positive impact on the local economy. The programs are expected to spur more home retrofits and will reduce energy costs, increase property values and create jobs. An increase in jobs will be associated with assessments of existing buildings as well as with the installation of energy efficiency improvements. A total of approximately \$750,000 in City EECBG funds will be disbursed to the community. In combination, the effect of the three programs should result in \$975,000 in reduced energy costs and \$2,250,000 in upgrades to local businesses and residences<sup>7</sup>.

## FISCAL IMPACT

The three programs will have no significant impact to the City's General Fund. The City's contribution to the programs and involvement by City staff and consultants will be covered by the City's Energy Efficiency and Conservation Block Grant (EECBG) funds.

## NEXT STEPS

Staff will seek City Council formal approval in mid January for development and roll-out of these three programs. QuEST and City staff will prepare application forms, website content, marketing materials, and invitation letters to solicit participation in the programs. Materials will be distributed starting in late January.

*Prepared by:* Amelia Schmale, Sustainability Coordinator

*Recommended by:* David Rizk, AICP, Development Services Director

Approved by:



Fran David, City Manager

## Attachments

- |                |                                                                     |
|----------------|---------------------------------------------------------------------|
| Attachment I:  | Large Commercial Energy Users Incentive Program Process and Options |
| Attachment II: | Non-Profit/Governmental Agencies Energy Efficiency Program Process  |
| Attachment II: | Residential Energy Efficiency Incentive Program Process             |

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<sup>7</sup> Assumes that the programs pay on average \$0.10 per kWh saved and that incentives will cover approximately one-third of the installation costs, PG&E incentives will cover a third and the customer will pay a third.

**City of Hayward  
Large Commercial Energy Users Incentive Program  
Process and Options**

1. Program applicants who have already identified energy efficiency projects/measures:
  - a. Applicant sends a letter of interest to the City briefly describing the proposed project, including cost and savings, if known.
  - b. QuEST sends PG&E and City of Hayward applications to applicant
    - i. Both applications will be available for download on the City website
  - c. Applicant fills out PG&E application
    - i. QuEST provides assistance as needed
  - d. Applicant submits PG&E application to PG&E
    - i. Project is approved or denied by PG&E based on PG&E criteria
  - e. If approved, PG&E sends Project Application Review (PAR) letter to applicant
  - f. Upon approval from PG&E, applicant submits Hayward application and copy of PAR to the City, which then reviews and approves/rejects it, based on selection criteria below.
  - g. If approved, City issues project approval letter notifying participant that incentive money has been reserved. If rejected, City notifies applicant of rejection.
  - h. Participant installs project consistent with City rules and regulations.
  - i. PG&E approves/rejects project
    - i. PG&E sends post-installation verification letter to applicant
  - j. Participant submits incentive payment request to the City along with PG&E approved post-installation verification letter
  - k. City issues check to participant.
  
2. Program applicants who do not have already-identified energy efficiency projects and who PG&E or East Bay Energy Watch (EBEW) can assist in developing projects (i.e., identifying energy efficiency measures):
  - a. Applicant sends a letter of interest to the City including as much description of potential project as possible
  - b. Applicant engages with PG&E for audit services or calculation assistance, or gets assistance from EBEW to identify energy efficiency measures
  - c. *Follow steps 1b-1k (above)*
  
3. Program applicants who do not have not already identified energy efficiency projects and who PG&E or East Bay Energy Watch (EBEW) cannot assist in developing projects (QuEST will provide audit services):
  - a. Potential applicant sends a letter of interest to the City including as much description of potential project as possible
  - b. Applicant engages with QuEST for audit services or calculation assistance to identify energy efficiency measures
  - c. *Follow steps 1b-1k (above)*

Selection will be based upon the cost-effectiveness of each proposed project, which will be provided on the application form in terms of the kilowatt hours projected to be saved per dollar spent.

**City of Hayward  
Non-Profit and Governmental Agencies  
Energy Efficiency Program Process**

1. All non-profits that receive notifications of Community Development Block Grant and Social Services funding in Hayward will receive notice of the program and will be encouraged to participate.
2. Interested parties will submit a program application describing their annual budgets, annual energy costs, description of the services provided, and the number of full-time employees.
3. Potential participants are then contacted by program-approved contractors to discuss project and schedule site visit
4. Contractor visits potential participant's facility to assess project potential (within 5 days)
5. Contractor presents energy efficiency proposal to potential participant (within 2 days)
6. If potential participant chooses to participate, s/he signs and submits to City electronically:
  - a. BEST Application
  - b. City of Hayward NGA Application
7. City reviews and approves/rejects application (within 5 days)
8. After application approval, contractor installs energy efficiency measures (within 10-20 days)
9. BEST program and/or PG&E representative(s) inspect measure installation (a sample of projects are inspected by virtue of the EBEW contract with PG&E) (within 10-20 days)
10. BEST program administrator submits verified measures to EBEW/PG&E for payment (within 5 days)
11. PG&E approves/rejects projects and incentive payment via its Bulk Upload Approval system (within 5 days)
12. QuEST sends check approval/request for check to Hayward for projects approved by PG&E via Bulk Upload Approval system. (within 3 days)
13. Hayward issues project incentive check (within 20 days)

**City of Hayward  
Residential Energy Efficiency Incentive  
Program Process**

Home Energy Audit:

1. Potential participant submits application for Residential program audit incentive
2. A contractor certified by the Building Performance Institute (BPI) and approved by Energy Upgrade California conducts a home performance test
3. Participant submits audit report and proof of payment to City for approval
  - a. If paperwork is correct, City sends a check for \$250 to participant, or
  - b. If paperwork is not correct, City notifies participant of what is required for the incentive to be approved. Participant then resubmits corrected paperwork for City review.

Measures Installation:

1. Potential participant submits WHPP Performance track application to PG&E
2. Participant submits approved PG&E application and completed Residential program application to Sustainability Coordinator
  - a. Sustainability Coordinator approves application and reserves funds, or
  - b. Sustainability Coordinator does not approve application and sends letter explaining why application was rejected
3. Participant works with approved contractor to install eligible energy efficiency improvement measures
4. Participant has home performance test conducted BPI and /or Energy Upgrade California approved contractor
5. Participant submits completed home performance test report verifying a minimum of 20 percent energy use reduction to PG&E
6. PG&E approves project completion and awards incentives
7. Participant submits PG&E approval to City
8. City reviews and approves/denies incentive
9. If approved, City issues check to participant
10. If denied, City notifies participant with explanation of denial

### Sustainability Committee Monthly Meeting Topics for 2011

Presenting Department	Date	Topics	Climate Action Plan Action Number (priority)
DS & Facilities	January 5	Energy Audits of City Facilities	
		Energy Efficiency and Conservation Block Grant (EECBG) Programs (Large Energy Users, Audits, etc.)	
DS	February 2	Annual Review of CAP Implementation and Priorities	
		Residential Energy Conservation Ordinance (RECO) – Draft Ordinance	3.1 (11)
PW	March 2	Update on Food Scraps Programs	6.2 (13)
		Introduction of Commercial Energy Conservation Ordinance (CECO)	3.3 (2)
DS	April 6	Update on Education/Outreach Efforts	9.1, 9.2, 9.3
DS		Update on Property Assessed Clean Energy (PACE) and Energy Upgrade California (EUC)	5.1, 5.2, 3.7, 3.8, 3.9
DS	May 4	Update on Sea Level Rise Studies	Strategy 8
DS		Green Building - Requirements for Commercial Buildings, Parking Requirements, and Solar Requirements	4.1, 4.2, 5.3
PW	June 1	Possible Transportation Demand Management (TDM) Programs	1.1 (21)
DS		Local Food Production/Healthy Eating	8.1
PW	July 6	Report on Public Transportation	1.4 (16)
DS/PW		Pedestrian Master Plan ( <i>may be addressed in Circulation Element of GP when we do update in 2012</i> )	1.6 (24)
	August	<i>No Meeting – annual recess</i>	
PW	September 7	Update on Recycling Programs (food scraps, construction & demolition debris, multi-family recycling, City facilities and waste to energy)	6.1, 6.2, 6.3, 6.6, 6.7, 6.8, 6.9
		CECO Update	3.3
Finance	October 5	Environmentally Preferred Purchasing	6.10
DS		Update on Green Team Efforts	
DS	November 2	Multi-Family RECO (introduce topic)	3.2 (12)
DS		Discussion of Topics for 2012	
PW	December 7	Plastic Bag Ordinance	6.4 (25)

Presentation to  
City Council Sustainability Committee  
January 5, 2011

Energy Audit Results  
- Hayward City Hall -  
- Hayward Police Building -



## Project

- CAP sets a communitywide goal of reducing greenhouse gas emissions (GHG) by 12.5% below 2005 levels by 2020.
- As part of the City's leadership in reducing energy consumption in City Operations, City Hall and the Police Station were audited through the Municipal Implementation Team (MIT) Program.
- Audit goals were to optimize existing building systems.
- Audit findings were reviewed and approved by QuEST and PG&E.
- Results for both buildings
  - Annual Savings: \$33,942
  - Cost without incentives: \$5,200
  - Incentives: \$2,457
  - Cost with incentives: \$2,743



## Audit Results

- **City Hall Totals**
  - Savings per Year: \$21,080
  - Cost without Incentives: \$1,400
  - Incentives: \$557
  - Cost to City of Hayward: \$843
- **Police Building Totals**
  - Savings per Year: \$12,862
  - Cost without Incentives: \$3,800
  - Incentives: \$1,900
  - Cost to City of Hayward: \$1,900



## Potential Additional City Projects

- Lighting replacement with advanced technologies in five buildings
- Installation of two solar arrays
- LED streetlight replacement
- Projects are being funded through revolving loan program



Presentation to  
City Council Sustainability Committee  
January 5, 2011

Energy Efficiency Incentive Programs  
Funded by Energy Efficiency and  
Conservation Block Grant



## Background

- The City of Hayward has been allocated \$1,361,900 of Energy Efficiency and Conservation Block Grant (EECBG) funds by the federal American Recovery and Reinvestment Act.
- Funding will be used for programs and projects, including 3 targeted Energy Efficiency programs:
  - The Large Commercial Energy Users Program
  - The Non-Profit & Governmental Agencies Energy Efficiency Program
  - The Residential Energy Efficiency Program



# Large Commercial Energy Users Incentive Program (1)

- Purpose:
  - Reduce the impact of Utility Users Tax on large energy users.
- Program Budget:
  - \$250,000



# Large Commercial Energy Users Incentive Program (2)

- Description
  - Provide incentives to Energy Intensive Businesses to make energy efficiency improvements to their facilities.
- Eligibility
  - Energy Intensive Businesses – Business that use at least 1.5 million kwh annually and participate in PGE's Customized Retrofit Incentive Program.
- Incentives
  - Program matches PGE incentives up to a \$50,000 per project installation.
    - Lighting Improvements - \$0.05/kwh
    - Air Conditioning and Refrigeration Improvements - \$0.15/kwh
    - Other Improvements - \$0.09/kwh



# Non-Profit and Governmental Agencies Energy Efficiency Program (1)

- Purpose:
  - In response to economic conditions resulting in reduced donations and increased demand for services this program will provide cost relief to non-profits and governmental agencies.
- Program Budget
  - \$251,339



# Non-Profit and Governmental Agencies Energy Efficiency Program (2)

- Description
  - Provide incentives to Non-Profit & Governmental Agencies (NPGA) to make energy efficiency improvements to their facilities.
- Eligibility
  - Hayward based NPGAs that successfully participate in BEST program on a 1<sup>st</sup> come, 1<sup>st</sup> served basis until funds are depleted.
- Incentives
  - Match BEST incentives up to \$10,000 per project installation or project cost, whichever is lower.
  - Incentives will be paid directly to the contractor to limit impact of project on NPGA Cash Flow.



# Residential Energy Efficiency Incentive Program (1)

- Purpose:
  - Jump start installation of residential energy efficiency measure in Hayward.
- Budget:
  - \$250,000



# Residential Energy Efficiency Incentive Program (2)

- Description
  - Provide incentives to Hayward residents who have home energy audits performed and make qualifying energy efficiency improvements to their homes.
- Eligibility
  - Single-Family home ownership, purchase natural gas and/or electricity services from PG&E, current on taxes and liens, completed a home energy audit, participation in the Energy Upgrade California in Alameda program and PG&E Whole House Performance Program (WHPP)
- Incentives
  - Program matches PG&E \$2,000 incentive for 20% reduction in baseline energy use, plus \$250 for the home energy audit.

