CITY OF LOS ANGELES

JUNE LAGMAY City Clerk

HOLLY L. WOLCOTT Executive Officer

When making inquiries relative to this matter, please refer to the Council File No.

June 20, 2013

CALIFORNIA



ANTONIO R. VILLARAIGOSA MAYOR Office of the CITY CLERK

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SHANNON HOPPES Council and Public Services Division

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To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File

No. <u>13-0721</u>, at its meeting held <u>June 18, 2013</u>.

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E. ERGY & ENVIRONMENT

MOTION

WHEREAS: The City of Los Angeles has become a national model for promoting green economic and workforce development initiatives through new construction standards and retrofit upgrades to existing municipal, commercial and residential buildings. The Green Retrofit and Workforce Program Ordinance was passed by the City Council in 2009 and has proceeded to renovate existing City facilities by leveraging federal American Recovery an Reinvestment Act (ARRA) dollars made available to the City through the Department of Energy.

WHEREAS: In 2009, The Department of General Services (GSD) received \$13 million in ARRA Energy Efficiency Block Grant (EECBG) funding to complete 33 retrofit projects which have been completed and reduced the City's energy consumption by 412,000 kilowatt hours annually.

WHEREAS: In 2010, the City Council authorized the issuance of \$12 million in Qualified Energy Conservation Bonds (QECB) to fund a three-year program to retrofit 52 City buildings (CF-10-1348). The work will generate a 20 percent reduction in energy consumption resulting in savings to the General Fund of approximately \$1.3 million annually.

WHEREAS: The Department of Water and Power loans continue to be available for financing energy efficiency projects. In 2001, the Mayor and the Council authorized GSD to enter into loan agreements with the DWP to borrow funds for energy efficiency and water conservation projects (CF 01-0223). This program resulted in the completion of over 250 energy efficiency and water conservation projects, which reduced energy consumption by approximately 20 million kwh annually.

WHEREAS: The long-term financial sustainability of a Green Retrofit Program is essential to offsetting the impact of higher energy costs over the long term. Without the projects implemented to date, the City's General Fund energy costs would be higher than the \$36 million currently budgeted for this purpose.

WHEREAS: In order to maximize the energy efficiency, green house gas reduction, cost savings and job creation potential of the City's Green Retrofit Program, the terms and conditions of the DWP loan program should allowed maximum flexibility to insure that the full potential for municipal retrofits can be achieved at the first available opportunity.

I THEREFORE MOVE: That the City Council instructs the City Attorney to draft an amendment to the Administrative Code Section 23.141 (Ord. No 172606) Section 1 (e) to read as follows:

(e)The funds provided by the Department of Water and Power to finance Water and Power Customer Energy Efficiency programs (WCEEP), Solar Energy Projects (SEP), and Utility Infrastructure Project (UIP) loans along with applicable interest payments shall be at the Department's cost of funds and shall be fully recovered within the life of the measure(s) financed up to a maximum of twenty years.

PRESENTED BY: Herb J. Wesson Jr. Councilman, 10th District 2 EXELENCE (SECONDED BY: **E**HELETS-an States Repairing the

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LOS ANGELES CITY COUNCIL