

# South Bay Cities Council of Governments

November 15, 2018

TO: SBCCOG Board of Directors  
FROM: SBCCOG Steering Committee  
RE: Energy Engineer Contract Renewal

## Adherence to Strategic Plan:

*Goal A: Environment, Transportation, and Economic Development.* Facilitate, implement, and/or educate members and others about environmental, transportation, and economic development programs that benefit the South Bay.

## BACKGROUND

The South Bay Cities Council of Governments (SBCCOG) currently contracts with GSE Solutions, LLC for the services of Greg Stevens, the SBCCOG's Energy Engineer. This contract is to assist member cities in identifying and facilitating completion of energy efficiency projects. This work includes completing Edison and SoCalGas city incentive applications, facility audits, equipment recommendations, and support to the SBCCOG staff to advocate to the utilities on behalf of the member cities. GSE Solutions, LLC was selected through competitive bid in November 2011 and reselected through the same process in 2016. The amount of the contract is approved annually.

Cities have been pleased with the services of GSE. When Greg submitted the GSE Solutions 2016 proposal, 9 cities sent letters of recommendation (El Segundo, Gardena, Hawthorne, Hermosa Beach, Lawndale, Manhattan Beach, Rancho Palos Verdes, Redondo Beach, and Torrance).

From the end of 2011 through August 2018, working with the SBCCOG staff, Greg has assisted the South Bay cities in achieving:

- 14,740,302 annual kWh savings
- 60,994 annual therms savings
- \$1,573,366 annual Energy Cost savings
- \$2,859,503 total Incentive checks received by our member cities

## DISCUSSION

The SBCCOG along with city staff rely heavily on Greg to implement energy efficiency. Without this expertise, it is doubtful that member cities will be able to continue to make significant progress towards energy and money saving projects. For example, recently Edison expired outdoor lighting incentives with 16 days' notice. Because the SBCCOG had Greg on contract, he was able to audit and submit applications for 51 parks (Carson, El Segundo, Gardena, Hawthorne, Inglewood, Manhattan Beach, Redondo Beach, and Torrance) before the deadline. These projects are anticipated to be installed by Feb. 28, 2019 just in time to address the potential increase in electricity cost for evening lighting when the new "time of use" rates go into effect next year.

## CONTEXT AND CURRENT ACTIVITIES

It is a critical time for energy efficiency, not only because of changing rate structures, but also because of recent California Public Utilities Commission rulings. The utilities have been instructed and actions are underway to move 60% of the energy efficiency portfolio to 3rd party providers. These rulings effect commercial, residential, and even the government sector. It is unclear what programs will be available in 2020 and solicitations for 3rd parties are starting January 2019. With this time of uncertainty, it is essential to have an expert to provide guidance to the SBCCOG and cities to help ensure continuation of program success.

In addition, in 2019, Greg is needed to complete work that is currently underway. There are several cities that need assistance with benchmarking of their facilities as well as 15 projects which are scheduled for completion by the end of 2019. These 15 projects have an estimated incentive value of \$1,005,645 and 5,717,734 kWh in savings. Greg is also needed to assist with the Cities of Hawthorne and Torrance California Green Building Certification programs. For these two programs, Greg will assist with commercial property audits.

## FUNDING/SCOPE

Contracts with GSE Solutions, LLC have been funded with utility dollars either through partnership, special strategic plan, or Green Business funds. The GSE Solutions 2018 scope of services (ending Dec. 31, 2018) is for \$179,500 and includes tasks for each of these programs. For 2019, SBCCOG staff is proposing a contract extension in the amount of \$171,000 for the same scope of work for partnership and green business programs and the completion of benchmarking for the strategic plan. However due to Edison budget cuts there is a shortfall of \$69,600.

## RECOMMENDATION

Steering Committee recommends SBCCOG Board approval for a contract with GSE Solutions, LLC in an amount not to exceed \$171,000 for the period of January 1 through Dec 31, 2019 with \$101,400 funding from utility partnership, strategic plan, green business program, and the remaining funding of \$69,600 yet to be identified.