

MEMORANDUM

TO: Roger L. Stancil, Town Manager

FROM: John Richardson, Sustainability Officer
Lance Norris, Public Works Director
John Newark, Sustainability and Facilities Management Superintendent

SUBJECT: Energy Efficiency and Conservation Strategy

DATE: January 11, 2010

PURPOSE

To present information about a process for developing a strategy for use of Energy Efficiency and Conservation Block Grant funds.

BACKGROUND

At the June 8, 2009 Council Business Meeting, the Council received a staff [report](#) detailing a possible course of action for the use of \$554,900 in Energy Efficiency and Conservation Block Grant funds made available to the Town by formula under the American Recovery and Reinvestment Act (ARRA). The granting agency for this award is the U.S. Department of Energy (DOE).

In a manner consistent with the June 8 report, the staff subsequently applied for the total allotment of funds and requested an initial portion (\$50,000) to develop the mandatory Energy Efficiency and Conservation Strategy (“energy strategy”). On September 22, 2009, the DOE approved the Town’s request.

The energy strategy is designed to detail programs and projects that will—among other objectives—reduce fossil fuel-based energy consumption in the recipient’s jurisdiction. The energy strategy also serves as a guide for how the full allotment of funds will be expended over the three-year performance period (ending September 27, 2012).

In order to draw down the remainder of the total allotment (or \$504,900), the Town must develop and receive approval of its energy strategy. The Town has until January 28, 2010 to submit an energy strategy for DOE review. Clean Energy Solutions, Inc. has been engaged to assist in the development of an approved energy strategy.

A menu of possible activities for the energy strategy, along with anticipated cost and performance metrics, appears in Attachment 1. The Sustainability Committee and Sustainability, Energy and Environment Council Committee (SEE) have each reviewed and commented on the list of possible activities for the strategy. These comments appear in Attachment 2.

The procedural comments made by the SEE Committee also appear below under Next Steps. Additionally, the SEE Committee has asked the staff to provide more information concerning possible solar thermal opportunities.

DISCUSSION

The activities found in Attachment 1 offer a mixture of both municipal and community projects, where some municipal projects have a “crossover” potential, i.e., the ability to enhance the energy efficiency of municipal operations and also serve as a direct benefit to the community.

As a set, the selected activities will create an energy strategy that has the potential to address each of the core principles of the Energy Efficiency and Conservation Block Grant Program as listed below:

- Job creation/retention
- Energy savings
- Greenhouse gas emissions reduction
- Enhanced renewable energy capacity
- Leveraging of funds

Furthermore, the chosen activities can establish a foundation which positions Chapel Hill for other federal and state grant opportunities that can support the Town’s goals for greenhouse gas emissions reduction and enhanced community sustainability.

NEXT STEPS

At the January 4, 2010 SEE Committee meeting, the committee agreed to recommend the following process for developing an energy strategy for DOE review.

1. As part of an information item at the January 11th business meeting, the Council would receive the report entitled “Chapel Hill Energy Efficiency Block Grant Strategic Options” (Attachment 1), as well as a process memorandum which explains the committee’s plan for developing and submitting the energy strategy.
2. The SEE Committee will meet at its regularly scheduled time later this month (January 15th at 10 a.m. in Town Hall) to consider the requested information concerning solar thermal projects (see above), and any further direction from the Council as provided in the January 11th meeting. In addition, the Committee will develop a recommendation for the Council’s January 25th meeting, which identifies all of the activities that should be included in the Town’s energy strategy.
3. Upon the full Council’s approval of an energy strategy, Clean Energy Solutions will submit this plan to the DOE on or before January 28, 2010.

RECOMMENDATION

We anticipate providing the Council with additional analysis and a staff recommendation as part of the January 25th report.

ATTACHMENTS

1. Chapel Hill Energy Strategy Options (p. 4).
2. Committee Comments on Activities for Energy Strategy (p. 15).