

BOARD MEETING DATE: September 4, 2015

AGENDA NO. 7

PROPOSAL: Recognize Revenue and Appropriate Funds for AB 1318 Weatherization Projects

SYNOPSIS: To enhance the SCAQMD's AB 1318 Weatherization Program and reach more homes, SCAQMD has applied for residential rebates from the Southern California Gas Company (SoCalGas) and the Energy Upgrade California (EUC) initiative for additional installation of attic insulation in eligible homes. Staff anticipates receiving up to \$50,000 each from SoCalGas and EUC. This action is to recognize up to \$100,000 in the AB 1318 Mitigation Fees Fund (58).

COMMITTEE: Administrative, July 17, 2015; Less than a quorum was present; the Committee Members concurred that this item be approved by the Board.

RECOMMENDED ACTIONS:

- 1.) Recognize upon receipt up to \$50,000 from SoCalGas and up to \$50,000 from EUC into the AB 1318 Mitigation Fees Fund (58) to insulate more properties through the AB 1318 Weatherization Program, and
- 2.) Authorize the Executive Officer to amend the existing contract with Quality Interiors in an amount up to \$100,000 for the AB 1318 Weatherization Program.

Barry R. Wallerstein, D.Env.
Executive Officer

MM:FM:CD

Background

On January 4, 2013, the Board approved awards for emission reduction projects in the Coachella Valley with mitigation fees from the CPV Sentinel Project provided pursuant to the requirements of AB 1318. A total of \$50,923,275 was allocated to 26 projects, and one of the projects approved was for weatherization. Through this program, properties located in the Coachella Valley achieved improved insulation and reduced energy use.

The Southern California Gas Company (SoCalGas) currently administers a Residential Rebate Program that offers cash rebates to eligible single-family residential customers for installing attic insulation and other energy saving measures meeting certain specifications.

Energy Upgrade California (EUC) is a state initiative to save energy, conserve natural resources and help reduce demand on the electrical grid. EUC offers cash rebates to eligible customers for installing energy-saving measures that meet their specifications.

The SCAQMD weatherization program has been one of the most successful weatherization programs in the State. In the fall of 2014, SCE requested that SCAQMD partner with them in their EUC program. Since that time, staff has been working with SCE to develop a process where SCAQMD funds could be leveraged with both EUC and SoCalGas funds to further reduce energy usage and improve air quality.

Proposal

To enhance the SCAQMD's AB 1318 Weatherization Program and reach more homes, SCAQMD has worked with SoCalGas and EUC to leverage incentive and rebate funding for residential weatherization projects. This proposal is to recognize funding from SoCalGas and EUC. These funds would be reimbursed to the SCAQMD for partial costs incurred in the installation of attic insulations under the AB 1318 Program. Funding reimbursement would be dependent on the specific work done at individual homes, and could be up to \$2,000 per qualifying property. Rebate revenues, combined with the AB 1318 funds, will result in the successful implementation of the three agency programs and increase the number of homes weatherized.

All work will be done by SCAQMD's contractor, Quality Interior, under the current AB 1318 contract. As this contract calls for most of the same type of upgrades, (insulation, air seal and weather stripping), being done under the current contract leveraging funding will allow for a greater number of homes to be insulated, thus reducing energy consumption and improving air quality.

Benefits to SCAQMD

The AB 1318 Mitigation Fees Fund (58) was established by the transfer of funds for certified emission offsets. These funds along with rebate revenues from SoCalGas and EUC will be used to implement emission reduction weatherization services in the Coachella Valley that will have a direct impact on air quality and the health of residents, while aiding the region's energy conservation goals.

Resource Impacts

Up to \$100,000 (\$50,000 each from SoCalGas and EUC) shall be recognized into the AB 1318 Mitigation Fees Fund (58) to increase the number of homes being weatherized under the AB 1318 Weatherization Program.