

AGENDA ITEM NO.
COUNCIL MEETING

APPROVED BY

DEPARTMENT DIRECTOR

CITY MANAGER

February 24, 2009

FROM: RENE A. RAMIREZ, Director 
Public Utilities Department

BY: STEPHEN A. HOGG, Assistant Director 
Department of Public Utilities – Wastewater Management Division

SUBJECT: ADOPT RESOLUTION AUTHORIZING THE DIRECTOR OF PUBLIC UTILITIES OR HIS DESIGNEE TO EXECUTE ALL NECESSARY GRANT APPLICATION DOCUMENTS FOR A CALIFORNIA ENERGY COMMISSION, RENEWABLE-BASED ENERGY SECURE COMMUNITIES (RESCO) GRANT THROUGH THE PUBLIC INTEREST ENERGY RESEARCH (PIER) PROGRAM IN THE AMOUNT OF \$3,000,000 FOR A RENEWABLE ENERGY RESEARCH AND IMPLEMENTATION PROJECT

KEY RESULT AREA

One Fresno

RECOMMENDATION

Staff recommends that the City Council:

Adopt a resolution authorizing the Director of Public Utilities or his designee to execute all necessary grant application documents for a California Energy Commission (CEC), Renewable-Based Energy Secure Communities (RESCO) grant through the Public Interest Energy Research (PIER) Program in the amount of \$3,000,000 for a renewable energy research and implementation project.

EXECUTIVE SUMMARY

The PIER Program, administered by the California Energy Commission, funds selected public interest energy Research, Development and Demonstration (RD&D) efforts that advance energy science and technology in California. One PIER competitive grant program sponsored by the CEC is the RESCO grant. The emphasis of RESCO is on economic and environmental integration of solutions that enable multiple individual renewable energy conversion technologies to serve a community's energy needs more cost effectively than would be possible using a single technology.

The City of Fresno, Wastewater Management Division in conjunction with the Department of General Services intends to submit an application to the CEC in an effort to secure RESCO grant funding. The proposed grant will be used to fund further development and deployment of renewable energy resources within the City of Fresno including the potential development of a renewable natural gas vehicle fuel supply by converting biogas to liquefied natural gas (LNG), which is used to fuel most City refuse trucks.

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Adopt a Resolution Authorizing the Direct to Execute Grant Application Documents for a CEC, RESCO Grant
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KEY OBJECTIVE BALANCE

Affirmative Council action on this matter optimizes the three key objectives of customer satisfaction, employee satisfaction, and financial management. Customer satisfaction is achieved by evaluating the potential deployment of additional renewable energy resources within the City of Fresno. Employee satisfaction is derived from the fact that the professional and technical staff taking part in the potential project perceive an enhanced sense of accomplishment by potentially securing grant funding to help preserve the local environment. Prudent financial management is exemplified in attempting to secure grant funding and developing a reliable, cost effective use of renewable energy.

BACKGROUND

The PIER Program, administered by the CEC, funds selected public interest energy RD&D efforts that advance energy science and technology in California. The selected projects are intended to bring environmentally safe, affordable and reliable energy services and products to the marketplace. Traditionally, the PIER Renewables Program has focused on RD&D to improve specific technologies for converting renewable energy sources to electricity and transportation fuels. One PIER competitive grant program sponsored by the CEC is the RESCO grant. The emphasis of RESCO is on economic and environmental integration of solutions that enable multiple individual renewable energy conversion technologies to serve a community's energy needs more cost effectively than would be possible using a single technology.

The City of Fresno, Wastewater Management Division in conjunction with the Department of General Services intends to submit an application to the CEC in an effort to secure RESCO grant funding. The proposed grant will be used to fund further development and deployment of renewable energy resources within the City of Fresno including the potential development of a renewable natural gas vehicle fuel supply. The project to be developed will include the integration of several potential renewable energy elements including converting biogas to LNG for fueling vehicles, solar energy, and the increased production of renewable biomass for increased biogas generation. The request will be for a grant in the amount of \$3,000,000. This application is in-line with the natural resource management strategic focus area of the Department's Strategic Business Plan.

Several other organizations such as the California State University Fresno and the San Joaquin Valley Clean Energy Organization expressed an interest in partnering with the City in the development of this project.

The grant application requires the inclusion of an authorizing resolution from the agency's governing body by February 27, 2009.

FISCAL IMPACT

Acceptance of the grant will require 25% to 50% in matching funds to from existing or FY10 capital projects in the Sewer Enterprise Fund.

Attachment:
- Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO, CALIFORNIA, AUTHORIZING THE DIRECTOR OF PUBLIC UTILITIES OR HIS/HER DESIGNEE TO EXECUTE ALL NECESSARY GRANT APPLICATION DOCUMENTS OF A GRANT FUNDING APPLICATION FOR A CALIFORNIA ENERGY COMMISSION, RENEWABLE-BASED ENERGY SECURE COMMUNITIES (RESCO) GRANT THROUGH THE PUBLIC INTEREST ENERGY RESEARCH (PIER) PROGRAM IN THE AMOUNT OF \$3,000,000 FOR A RENEWABLE ENERGY RESEARCH AND IMPLEMENTATION PROJECT

WHEREAS, The City of Fresno has identified, as part of the Fresno Green program, deployment of renewable energy resources such as solar, bio-gas, and energy efficiency as one strategy for making Fresno a sustainable community by 2025; and

WHEREAS, the City of Fresno has deployed several renewable energy projects such as solar power at Fresno Yosemite International Airport and the Municipal Service Center, bio-gas to power the Regional Wastewater Reclamation Facility, and energy efficiency upgrades to City building facilities; and

WHEREAS, the City of Fresno has deployed the largest fleet of natural gas powered vehicles in the San Joaquin Valley and fuel for that fleet can be produced from renewable bio-gas produced at the Regional Wastewater Reclamation Facility; and

WHEREAS, the research, development, and deployment of renewable energy resources is identified as the goal of the Renewable-based Energy Secure Communities (RESCO) grant solicitation from the California Energy Commission; and

WHEREAS, up to \$3,000,000 is available from the RESCO grant solicitation through the Public Interest Energy Research (PIER) Program that could be used to further deployment of renewable energy resources within the City of Fresno including development of a renewable natural gas vehicle fuel supply; and

WHEREAS, the RESCO/PIER grant program requires a resolution of the local governing body approving submittal of application materials.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Fresno as follows:

- a. The Council has received and considered the report and recommendations of City staff.
- b. Application for RESCO/PIER grant program assistance is approved in the amount of \$3,000,000 for a renewable energy research and implementation project, subject to

