



Office of the City Manager

CONSENT CALENDAR  
February 27, 2024

To: Honorable Mayor and Members of the City Council  
 From: Dee Williams-Ridley, City Manager  
 Submitted by: Andrew Murray, Interim Director of Public Works  
 Subject: Accept Energy Efficiency and Conservation Block Grant Program Equipment Voucher

RECOMMENDATION

Adopt a Resolution authorizing the City Manager or their designee to submit an application and an Energy Efficiency and Conservation Strategy to the U.S. Department of Energy (DOE), execute any related revenue agreements and amendments, and accept funds for an equipment voucher from the Federal Energy Efficiency and Conservation Block Grant (EECBG) Program of up to \$174,290 for the two-year period of February 14, 2024 through February 13, 2026.

FISCAL IMPACTS OF RECOMMENDATION

There is no match requirement and/or leveraging of funds required to receive these funds. The total funding available for this project is up to \$174,290, according to the DOE State and Community Energy Programs' Final Allocation of Funds notice which, specifically cites this amount for the City. The grant will fund necessary energy efficiency equipment upgrades at two critical municipal facilities: Fire Station 6 and the Public Safety Building. Vouchers to local governments will be for a two-year project and budget period. All funding will go towards equipment purchase and installation.

CURRENT SITUATION AND ITS EFFECTS

The funding from this EECBG Program will allow the City to make energy efficiency improvements to critical municipal facilities, which will in turn save money and allow the City to better serve the community. The projects are:

- Fire Station 6: Replace building windows to increase energy efficiency and improve comfort and health conditions.
- Public Safety Building: Replace old rooftop electric heat-pump HVAC units with new, more efficient electric heat-pump HVAC units.

The City plans to submit a formal application for the equipment voucher to DOE, and these projects will be managed through the Department of Public Works. All funding spent through this program must follow all federal regulations and rules, including Build

America, Buy America (BABA), Davis-Bacon, and the National Environmental Policy Act (NEPA).

This is a Strategic Plan Priority Project, advancing our goals to:

- Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities.
- Be a global leader in addressing climate change, advancing environmental justice, and protecting the environment.

### BACKGROUND

The US DOE EECBG Program is designed to assist states, local governments, and Tribes in implementing strategies to reduce energy use, to reduce fossil fuel emissions, and to improve energy efficiency. The EECBG Program is a Justice40-covered program and thus contributes to the goal that 40 percent of the overall benefits of federal investments in clean energy and climate solutions flow to disadvantaged communities.

#### *2009 EECBG Funding - ARRA*

The EECBG program was first funded through the 2009 American Recovery and Reinvestment Act (ARRA). On June 2, 2009, Council authorized a previous application for the EECBG, and the City of Berkeley was awarded \$1,013,500 to develop the Money for Energy Efficiency (ME2) Program, which ran from 2009 to 2012. The program provided rebates and mini-grants for energy audits and improvements for City residents and property owners.

#### *2022 EECBG Funding – IIJA (Current)*

In 2022, the EECBG program was funded with \$550 million for fiscal year 2022 through the Infrastructure Investment and Jobs Act (IIJA). Prior to distributing funding to eligible entities, DOE intends to utilize \$110 million to ensure delivery of an effective and efficient EECBG Program and to provide technical assistance to eligible entities. DOE will distribute \$440 million in formula and competitive EECBG Program funding to eligible units of local government, states, and Indian tribes, with 98% of the funds being directly allocated to entities eligible for the formula allocation, and 2% as competitive grants for formula-ineligible entities. As a local government with more than 35,000 people, the City is eligible for a formula allocation of up to \$174,290. The program outlines 14 eligible activities which range from strategy development to clean energy development.

Local governments receiving an allocation can choose to receive the funding as a formula grant, a voucher for technical assistance, or a voucher for equipment purchase and installation. The vouchers are equivalent to the formula allocation amount, and eligible entities that opt for vouchers have a simplified application process. Those using vouchers will not need to apply for and administer a direct federal grant, will have reduced documentation, monitoring and reporting requirements, and are not required to establish financial management systems typically required for federal grant management. The voucher option is recommended by DOE for entities receiving less

than \$250,000, and therefore Staff recommends pursuing a voucher in lieu of a grant. Since there are several upgrades needed in the City's critical facilities, staff recommends this funding of up to \$174,290 for equipment purchase and installation.

#### ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

This EECBG funding will advance energy efficiency, health and comfort benefits in critical municipal facilities directly serving the community. This work is aligned with the City's ambitious goals, including those outlined in the Climate Action Plan.

#### RATIONALE FOR RECOMMENDATION

The proposed usage of the equipment voucher to make energy efficiency upgrades in critical municipal facilities is an eligible activity under the DOE guidelines and is also a goal under the Climate Action Plan. This work directly addresses the EECBG program goals of reducing energy use and improving energy efficiency in buildings that serve the City's underserved communities.

The window replacements at Fire Station 6, which serves the West Berkeley community, will increase the efficiency, comfort, and health conditions at that station. The rooftop HVAC replacements at the Public Safety Building, which serves many critical functions including the Emergency Operations Center, Jail, and Fire and Police Departments, will improve the energy efficiency, has the potential for financial savings, and will ensure that the community and Staff utilizing the building will have continued comfort and health benefits.

#### ALTERNATIVE ACTIONS CONSIDERED

Staff considered receiving the funding as a grant for \$174,290 as opposed to an equipment voucher, but this route is not recommended by the DOE and would require significantly more administrative work and time for application, implementation, and reporting. A grant would enable the City to program the funding out to other organizations and/or community members, whereas a voucher does not allow this re-granting. The City is currently programming over \$2M from the Council-funded Pilot Climate Equity Fund and Just Transition Pilot Program for electrification and resilience benefits for low-income residents.

#### CONTACT PERSON

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Katie Van Dyke, Climate Action Program Manager/Chief Resilience Officer, Planning, (510) 981-7403

#### Attachments:

- 1: Resolution
- 2: Berkeley Energy Efficiency and Conservation Strategy

RESOLUTION NO. ##,###-N.S.

RESOLUTION TO ACCEPT FUNDING FOR AN EQUIPMENT VOUCHER FROM U.S. DEPARTMENT OF ENERGY (DOE) ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT (EECBG) PROGRAM

WHEREAS, on June 2, 2009, the Council adopted the Climate Action Plan to reduce greenhouse gas emissions by 80% of the City's 2000 emissions level; and

WHEREAS, on April 1, 2016, the City released its Resilience Strategy; and

WHEREAS, on November 1, 2016, the Council approved the City's participation in the East Bay Community Energy (EBCE) Authority and authorized implementation of EBCE in the City; and

WHEREAS, on June 12, 2018, the Council declared a Climate Emergency and proposed a goal to become a Fossil Fuel-Free City; and

WHEREAS, on November 30, 2021, Council adopted a resolution approving the Existing Buildings Electrification Strategy; and

WHEREAS, on November 30, 2021, Council adopted a resolution for the Cities Race to Zero Campaign to establish a 2030 emission reduction target that reflects the City's fair share of the 50% global reduction in CO<sub>2</sub>e, committing to reduce emissions 60.5% from 2018 levels by 2030; and

WHEREAS, the Infrastructure Investment and Jobs Act (IIJA) authorizes up to \$174,290 of U.S. Department of Energy, Energy Efficiency Conservation Block Grant funding to the City; and

WHEREAS, an equipment voucher to purchase and installation of windows at Fire Station 6 and efficient electric heat pump HVAC rooftop systems at the Public Safety Building meets the objectives of the Climate Action Plan and federal guidelines for the EECBG Program.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley authorizes the City Manager or their designee to submit an application and an Energy Efficiency and Conservation Strategy to the US Department of Energy, execute any related revenue agreements and amendments and accept funds for an equipment voucher, from the Federal Energy Efficiency and Conservation Block Grant Program in the amount of up to \$174,290 for the two-year period of February 14, 2024 through February 13, 2026.

**Attachment: 2**

**Berkeley Energy Efficiency and Conservation Strategy**

**Part A:**

- Grantee: *City of Berkeley, CA*
  - Date: (02/13/2024)
  - UEI Number: KC7DYL9EF25
  - Program Contact Email: [kvandyke@berkeleyca.gov](mailto:kvandyke@berkeleyca.gov)
- 1) Local governments must include within their proposed strategy a description of their goals for increased energy efficiency and conservation in the jurisdiction. Does your local government have existing energy efficiency and conservation or related goals?

*a) Yes*

i) What goals do you have? (check all that apply)

(1) GHG reduction goal

(a) Specific goal (e.g., 80% GHG reduced from 1990 levels)

(b) By what year? (e.g., 2050)

*Berkeley's 2009 Climate Action Plan sets a goal of reducing community-wide greenhouse gas (GHG) emissions by 80% below 2000 levels by 2050. On June 12, 2018, the Berkeley City Council declared a Climate Emergency and proposed a goal of becoming Fossil Fuel-Free City as soon as possible. On November 30, 2021, Berkeley City Council adopted a resolution for the Cities Race to Zero Campaign to establish a 2030 emission reduction target that reflects Berkeley's fair share of the 50% global reduction in CO<sub>2</sub>e, committing to reduce emissions 60.5% from 2018 levels by 2030.*

(2) Energy use reduction goal

(a) Specific goal –

(b) By what year?

*On June 12, 2018, Berkeley declared a Climate Emergency and established a goal of becoming a Fossil-Fuel-Free City. Since municipal accounts and most of the community purchase clean electricity that is 100% renewable, becoming a fossil-fuel-free city in buildings requires the transition away from natural gas to clean electricity through electrification. On July 23, 2019, Berkeley adopted a prohibition on natural gas in new construction and in order to eliminate natural gas from existing buildings, Berkeley adopted the Berkley Existing Building Electrification Strategy (BEBES) on November 30, 2021. BEBES provides actions and policy pathways to reduce and ultimately eliminate natural gas usage in existing buildings as quickly as possible with equity guardrails to assure that communities of color benefit from the clean energy transition.*

(3) Clean energy use goal

(a) Specific goal

(b) By what year?

*Along with the fossil-fuel-free goal stated above, the City adopted a 100% renewable energy as soon as possible, or no later than 2045. Currently all municipal accounts and most residential and commercial electricity accounts subscribe to the 100% renewable option.*

(4) EV adoption goal

(a) Specific goal

(b) By what year?

*Berkeley's Electric Mobility Roadmap, adopted on July 21, 2020, states that EV adoption rates in Berkeley of approximately 25% of the community-wide in-use fleet by 2025, 55% by 2030, and 100% by 2045 are needed for Berkeley to achieve zero net carbon by 2045. On September 15, 2021, Berkeley City Council adopted a resolution requiring that trips, which begin or end within the Berkeley, use sustainable modes of transport including walking, bicycling, public transit, or electric vehicles. The goal states that 50% of trips must be sustainable by 2030 and 100% must be sustainable by no later than 2040. In addition, on July 28, 2020, Berkeley City Council adopted a Municipal Fleet Assessment, a plan to accelerate Berkeley's municipal fleet electrification by 2030.*

(5) Job creation goal

(a) Specific goal

(b) By what year?

*The Berkeley Existing Building Electrification Strategy identified that the transition to all-electric buildings will require additional training for skilled workers. The City did not adopt specific job creation goals.*

(6) Job quality goal

(a) Specify goal

(b) By what year?

*The Berkeley Existing Building Electrification Strategy included specific actions to achieve the goal of creating high-road jobs – family sustaining, living wages, comprehensive benefits and opportunities for career advancement - for building electrification. These actions include labor standards, Community Workforce Agreements, contractor prequalification and partnership with apprenticeship and pre-apprenticeship programs to support disadvantaged workers.*

(7) Other

(a) Specific goal

(b) By what year?

**2) Does your local government have an existing plan or strategy document (e.g., climate action plan, energy conservation plan, comprehensive energy plan, etc.) to reduce energy use, increase energy efficiency, reduce emissions, or train workers for high-quality energy efficiency jobs?**

*a) Yes*

**i) Please attach/submit/link your plan**

**(1) See: <https://berkeleyca.gov/your-government/our-work/adopted-plans/berkeley-climate-action-plan>**

**ii) Do you intend to update your plan in the next two years?**

*Since passing the Climate Action Plan in 2009, the City of Berkeley has developed several implementation plans, projects, and programs to meet the goals set forth in the CAP and by Council. For example, the City of Berkeley released its Resilience Strategy in 2016, adopted the Berkeley Electric Mobility Strategy in 2020, and adopted the Berkeley Existing Buildings Electrification Strategy in 2021. Further, in 2021 Berkeley City Council established*

*a \$600,000 Pilot Climate Equity Action Fund to provide electrification and resilience upgrades to low-income residents, and also established a \$1,500,000 Just Transition Pilot Program to provide low-income electrification retrofits in combination with minimum labor standards to advance equitable building decarbonization and high road jobs.*

**3) Are you planning to use a blueprint (see Section 4.5 of the EECBG Program Formula Grant Application Instructions document for more details)?**

**a) No**

i) What category of work do you plan to apply your EECBG Program funds to? (check all that apply)

*(a) 5.d. Energy efficiency retrofits - Municipal*

