ACTION SHEET
PUBLIC UTILITES COMMITTEE MEETING OF 5/6/15

ISSUE NO. 27

Request for approval of Resolution No. 2015-_____. A resolution directing the City Manager to enter into a Memorandum of Agreement between the New Mexico Energy, Minerals and Natural Resources Department (EMNRD), Energy Conservation and Management Division and the City of Santa Fe, whose purpose is to provide the city access to services and support provided under EMNRD's Local Energy Efficiency Performance (LEEP) Program for development and implementation of guaranteed energy service performance contracts. (John Alejandro) (Councilor Ives)

Public Utilities Committee – 5/6/15
Finance Committee – 5/18/15
City Council – 5/27/15

PUBLIC UTILITES COMMITTEE ACTION: Pulled by Councilor Bushee. Approved.

SPECIAL CONDITIONS OR AMENDMENTS:

STAFF FOLLOW UP:

VOTE:	FOR	AGAINST	ABSTAIN
COUNCILOR RIVERA, CHAIR	Excused		
COUNCILOR MAESTAS	X		
COUNCILOR BUSHEE	X		
COUNCILOR DIMAS	Excused		
COUNCILOR IVES	X		

City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Resolution No. 2015-___

EMNRD Memorandum of Agreement

SPONSOR(S): Councilor Ives

SUMMARY: The proposed resolution directs the City Manager to enter into a Memorandum of Agreement between the New Mexico Energy, Minerals and Natural Resources Department (EMNRD), Energy Conservation and Management Division and the City of Santa Fe, whose purpose is to provide the city access to services and support provided under EMNRD's Local Energy Efficiency Performance (LEEP) program for development and implementation of guaranteed energy service performance contracts.

PREPARED BY: Rebecca Seligman, Legislative Liaison Assistant

FISCAL IMPACT: No

DATE: April 29, 2015

ATTACHMENTS: Resolution
FIR

CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. _____

INTRODUCED BY:

Councilor Peter N. Ives

A RESOLUTION

DIRECTING THE CITY MANAGER TO ENTER INTO A MEMORANDUM OF AGREEMENT BETWEEN THE NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT (EMNRD), ENERGY CONSERVATION AND MANAGEMENT DIVISION AND THE CITY OF SANTA FE, WHOSE PURPOSE IS TO PROVIDE THE CITY ACCESS TO SERVICES AND SUPPORT PROVIDED UNDER EMNRD'S LOCAL ENERGY EFFICIENCY PERFORMANCE (LEEP) PROGRAM FOR DEVELOPMENT AND IMPLEMENTATION OF GUARANTEED ENERGY SERVICE PERFORMANCE CONTRACTS.

WHEREAS, the State of New Mexico, Energy, Minerals and Natural Resources Department (EMNRD), Energy Conservation and Management Division (Division) is responsible pursuant to NMSA 1978, § 9-5A-4 for planning, administering, reviewing, providing technical assistance, maintaining records and monitoring state and federal energy conservation and renewable energy technology programs; and

WHEREAS, the Division is responsible for certification that qualified providers of energy

conservation measures pursuant to NMSA 1978, § 6-23-5B(2), to meet experience requirements and the guaranteed energy savings from the energy conservation and renewable energy measures proposed in guaranteed utility savings contracts with governmental units appear to be accurately estimated and reasonable; and

WHEREAS, few local governments have the tools, technical knowledge, and financing to pursue energy efficiency and renewable energy projects; and

WHEREAS, the US Department of Energy (DOE) has entered into a cooperative agreement with EMNRD to implement a Local Energy Efficiency Performance (LEEP) Program to fill these technical and financial gaps by creating a sustainable state-led program to support successful implementation of energy service performance contracts (ESPCs) throughout all local government facilities in New Mexico; and

WHEREAS, this MOA's purpose is to provide the City access to the services and support provided under the LEEP Program for development and implementation of guaranteed ESPCs and to help the City follow and adhere to the guidelines of the Program; and

WHEREAS, EMNRD and the City desire to enter into this MOA for administrative efficiency so that the project can be carried out through a single program; and

WHEREAS, the Division seeks to use its experience to support implementation of ESPCs throughout local government facilities in New Mexico; apply lessons learned to continually improve the LEEP Program; reduce facility energy use and carbon emissions; and ensure proper level of financing accompanies each Project identified by the Program; and

WHEREAS, the Governing Body, through the adoption of Resolution 2014-85, the Governing Body declared its intention of having 50 percent of its energy come from renewable sources by 2025 and becoming carbon neutral by the year 2040.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF SANTA FE that the City Manager is directed to enter into the Memorandum of

Agreement to provide the City access to the services and support provided under the LEEP Program for development and implementation of guaranteed energy service performance contracts.

PASSED, APPROVED and ADOPTED this _____.

_____

JAVIER M. GONZALES, MAYOR

ATTEST:

_____

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:

Kelley A. Brennan

KELLEY BRENNAN, CITY ATTORNEY

M/Legislation/Resolutions 2015/EMNRD MOA

FIR No. 2659

City of Santa Fe
Fiscal Impact Report (FIR)

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

Section A. **General Information**

(Check) Bill: _____ Resolution: X

(A single FIR may be used for related bills and/or resolutions)

Short Title(s): **A RESOLUTION DIRECTING THE CITY MANAGER TO ENTER INTO A MEMORANDUM OF AGREEMENT BETWEEN THE NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT (EMNRD), ENERGY CONSERVATION AND MANAGEMENT DIVISION AND THE CITY OF SANTA FE, WHOSE PURPOSE IS TO PROVIDE THE CITY ACCESS TO SERVICES AND SUPPORT PROVIDED UNDER EMNRD'S LOCAL ENERGY EFFICIENCY PERFORMANCE (LEEP) PROGRAM FOR DEVELOPMENT AND IMPLEMENTATION OF GUARANTEED ENERGY SERVICE PERFORMANCE CONTRACTS.**

Sponsor(s): Councilor Peter Ives

Reviewing Department(s): Public Utilities

Persons Completing FIR: John Alejandro Date: 4/27/15 Phone: 955-6236

Reviewed by City Attorney: Kelly A. Brennan (Signature) Date: 4/29/15

Reviewed by Finance Director: for Loretta Garcia (Signature) Date: 4/29/15

Section B. **Summary**

Briefly explain the purpose and major provisions of the bill/resolution:

The purpose of the Memorandum of Agreement (MOA) is to enable the City to access the services and support provided by EMNRD under its Local Energy Efficiency Performance program, which is designed to assist local governments with the research, development and implementation of an energy service performance contract (ESPC). Energy performance contracting is a tried and proven approach in identifying cost savings associated with energy use and building performance. It has been widely used in federal, state and local government projects across the nation for the past three decades.

The Public Utilities Department staff wishes to further reduce the energy and water used by City buildings and facilities. The MOA enables the City to partner with EMNRD to utilize the department's expertise, knowledge and counsel in the pursuit of a potential performance contract project.

Section C. **Fiscal Impact**

Note: Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)*

Finance Director: _____

1. Projected Expenditures:

a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)

b. Indicate: "A" if current budget and level of staffing will absorb the costs
"N" if new, additional, or increased budget or staffing will be required

c. Indicate: "R" – if recurring annual costs
"NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs

d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns

e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)

__X__ Check here if no fiscal impact

Column #: 1	2	3	4	5	6	7	8
Expenditure Classification	FY ____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY ____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected
Personnel*	$____	____	____	$____	____	____	____
Fringe**	$____	____	____	$____	____	____	____
Capital Outlay	$____	____	____	$____	____	____	____
Land/ Building	$____	____	____	$____	____	____	____
Professional Services	$____	____	____	$____	____	____	____
All Other Operating Costs	$____	____	____	$____	____	____	____
Total:	$____			$____			

* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. **For fringe benefits contact the Finance Dept.

2. Revenue Sources:

a. To indicate new revenues and/or

b. Required for costs for which new expenditure budget is proposed above in item 1.

Column #: 1	2	3	4	5	6
Type of Revenue	FY ____	"R" Costs Recurring or "NR" Non-recurring	FY ____	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected
____	$____	____	$____	____	____
____	$____	____	$____	____	____
Total:	$____		$____		

3. Expenditure/Revenue Narrative:

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

N/A

Section D. **General Narrative**

1. Conflicts: Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

None identified.

2. Consequences of Not Enacting This Bill/Resolution:

Are there consequences of not enacting this bill/resolution? If so, describe.

Yes. If this resolution is not enacted, the city will have to pursue any potential energy service performance contract by itself, without any third-party expert assistance from EMNRD.

3. Technical Issues:

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

None identified.

4. Community Impact:

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

An energy service performance contract could potentially save Santa Fe taxpayers over $500,000 in utility costs per year from the energy efficient and/or renewable energy investments used to power its buildings and facilities. An ESPC could also help to reduce carbon emissions in the community through the reduced consumption of fossil fuel-based electricity, create local jobs, and improve the indoor environments of public buildings utilized by the public and City employees.

Form adopted: 01/12/05; revised 8/24/05; revised 4/17/08