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## City Council

### Approval to Apply for Energy Efficiency Grant from Department of Commerce

**Agenda Date:** 9/9/2014  
**Agenda Item Number:** 4.C  
**File Number:** 14-0822

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**Type:** decision **Version:** 1 **Status:** Passed

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**Title**

Approval to Apply for Energy Efficiency Grant from Department of Commerce

**Recommended Action**

**Committee Recommendation:**

Not referred to a committee.

**City Manager Recommendation:**

Move to authorize staff to submit the grant application.

**Report**

**Issue:**

Whether to authorize staff to submit an application for an Energy Efficiency Grant in the amount of \$500,000 to the Washington State Department of Commerce (Commerce), Energy Efficiency and Solar Grants Program.

**Staff Contact:**

Tom Swartout, Water Resource Engineer, Public Works, 360.753.8441

Andy Haub, Water Resources Director, Public Works, 360.753.3795

**Presenter(s):**

None - Consent Calendar Item

**Background and Analysis:**

The proposed application for grant funding under Commerce's Energy Efficiency and Solar Grants Program is due on September 18, 2014. This deadline closes the final round of 2013-2015 Commerce Energy Efficiency and Solar Grants. It is unknown if there will be funding allocated to this program in future years.

Commerce's 2013 - 2015 Energy Efficiency and Solar Grant program focuses first on energy efficiency. Energy efficiency grants will be awarded through a competitive process and used solely for energy and operational cost savings improvements. The immediate goal of the program is to stimulate Washington's economy by creating jobs. The long-term goal is to reduce energy costs at the state's public education facilities, local agencies, and state agencies.

If the City receives the grant, staff will utilize the project management services of the Department of Enterprise Services (DES) through their Energy Savings Performance Contracting (ESPC) program. This fulfills Commerce's requirement that applicants have relevant expertise to manage the energy projects and follow the ESPC guidelines. The City successfully completed multiple energy savings projects through ESPC in recent years under the DES's management.

The project scope of the grant includes system improvements to three drinking water booster pump stations previously identified by Water Resources in need of rehabilitation/replacement within 1 to 3 years. Additionally, staff will evaluate optimization of pumping operations across the entire drinking water system seeking energy savings opportunities.

**Options:**

1. Move to approve the request to apply for the Commerce grant in the amount of \$500,000 and allow staff to proceed with the application.
2. Do not approve the request to apply for the Commerce grant and miss the opportunity to receive additional funding for these projects.

**Financial Impact:**

Successful application for a Commerce Energy grant may provide up to \$500,000 for needed drinking water utility capital improvement projects.

If the Commerce grant is awarded to the City, staff will return to Council for approval to accept the grant and to present a financial analysis.