

**COUNCIL ACTION FORM**

**SUBJECT: RESIDENTIAL ENERGY AUDITS FUNDING INCREASE**

**BACKGROUND:**

Electric Services' "Smart Energy" programs are designed to reduce summer demand for electricity resulting in a lower cost to the utility by delaying investment in future generation. Additional benefits are a reduction in customer bills, a lower electric rate over time, contribution to a more robust electric distribution system, and a cleaner environment. One popular Smart Energy program is the Residential Energy Audit. These audits are performed by Sustainable Living Solutions under a contract through December 31, 2012.

More people are participating in the Smart Energy Residential Energy Audit than estimated over this contract period. As a result, the contract amount must be increased so that Sustainable Living Solutions can continue to perform requested audits. The original amount of the contract is \$45,000. It is estimated that adding another \$20,000 will be enough to get through the end of the current contract period.

Council has approved \$1,000,000 in FY 2012/13 for Smart Energy programs. The \$20,000 would be moved from the Power Factor Correction and the Business Audit Programs, which have not experienced the same level of usage.

**ALTERNATIVES:**

1. Authorize the addition of \$20,000 to the Sustainable Living Solutions contract to continue performing requested audits for the balance of this calendar year.
2. Deny the increase in the contract amount, thus delaying further audits until a new contract starts on January 1, 2013.

**MANAGER'S RECOMMENDED ACTION:**

It has been a goal of the City Council to hold down increases in energy consumed in our community and to make it more sustainable. The Smart Energy incentive programs have encouraged individuals and businesses to invest in more energy-efficient technologies and have reduced increases in demand on the City's Electric Utility. Particularly important have been reductions in peak demand during the summer months.

Residential energy audits provide customers a baseline understanding of their home's energy efficiency and provide recommendations on what can be done to improve efficiency and conserve energy. For this reason, it is the recommendation of the City Manager that the Council approve Alternative #1, thereby authorizing the addition of \$20,000 to the Sustainable Living Solutions contract for the continuation of Smart Energy residential energy audits.