



CITY OF MARTINEZ

**CITY COUNCIL AGENDA
October 16, 2013**

TO: Mayor and City Council
FROM: Michael Chandler, Senior Management Analyst
SUBJECT: Water Treatment Plant Retrocommissioning Program Study
DATE: October 10, 2013

RECOMMENDATION:

Motion directing the City Manager to submit an application to PG&E for a retrocommissioning program study for the Water Treatment Plant.

BACKGROUND

The Municipal Implementation Team (MIT) of the East Bay Energy Watch (EBEW) has provided technical assistance to the City for the past 5 months at no cost to evaluate opportunities for municipal energy efficiency projects. MIT toured five City facilities on June 27th to evaluate project potential: City Hall, Senior Center, Water Treatment Plant, Rankin Aquatic Center, and the Howe Road Pump Station. Of these, the City Hall, Senior Center and Water Treatment Plant were recommended for potential actions.

The recommendations for the Water Treatment Plant were for the City to submit an application to PG&E for a retrocommissioning (or “RCx”) program study to allow for much more extensive analysis of systems operations. MIT believes the RCx study may identify projects that could reduce the Water Plant’s operable compressed air pressure; mitigate leaks; and retrofit the desiccant dryer to achieve cost and energy savings.

The RCx study, expected to take 4-6 months to complete, would be done at no cost to the City, but the City as a condition of the application must be willing to commit at least \$25K towards all reasonable and eligible energy-efficiency projects recommended by the RCx study with a simple payback of one year or less. This minimum funding amount would be reduced if the recommended projects identified by the study which meet the aforementioned criteria cost less than \$25K.

The Franchise and Public Infrastructure Subcommittee met on July 31, 2013, and recommended the City submit the RCx application.

FISCAL IMPACT:

The RCx study will be done at no cost to the City. As a condition of submitting the application, the City agrees to commit at least \$25K toward any reasonable and eligible energy-efficiency projects recommended by the RCx study with a simple payback of one year or less. If the projects recommended by the study which meet these criteria cost less than \$25K, the City would commit that amount toward the projects.

ACTION:

Motion directing the City Manager to submit an application to PG&E for a retrocommissioning program study for the Water Treatment Plant.

Attachment:

RCx Program Application (blank for reasons of confidentiality)

APPROVED BY:


City Manager



2013 Retrocommissioning Program Application

The Pacific Gas and Electric Company (PG&E) Retrocommissioning Program provides incentives and connects you with experts to make sure your facilities—and the equipment and systems within them—are running in peak condition for optimal energy savings.

Retrocommissioning projects can provide an average of 16% whole-building energy savings.* Incentives are paid directly to the customer based on achieved annual energy savings at the rate of \$0.09/kWh, \$1.00/therm, and \$100/on-peak kW**, capped at 50% of the total project cost. Plus, PG&E will provide engineering resources to identify and analyze potential energy savings from RCx measures, verify that the RCx measures were installed per industry best practices and assist you with identifying other potential energy saving opportunities involving demand response, retrofitting and benchmarking.

The PG&E Retrocommissioning Program funding is offered on a first-come, first-served basis and is available until funding is expended or the Program is discontinued by the California Public Utilities Commission (CPUC). The Program is funded by California utility ratepayers and administered by PG&E under the auspices of the CPUC.

*The average cost to deliver commissioning in existing buildings (RCx) is \$0.30/square foot, an average of 16% whole-building energy savings, and with an average payback time of 1.1 years.

** Estimate only. PG&E finalizes the incentive amounts after completing the project approval process.



How the Retrocommissioning (RCx) Program Works

1 Project Initiation: Using your billing data, your RCx application, as well as any information gathered from a phone screening (if required), PG&E scores your facility's candidacy based on several criteria, including the U.S. Environmental Protection Agency's Energy Performance Rating System.

If your facility looks promising, a PG&E representative then works with you to schedule an initial on-site assessment by a RCx Program Engineer. The engineer gathers more information about your facility's control system, the condition of your equipment and so forth, and generates an estimated project budget, timeline, potential savings and payback period.

2 Project Investigation: If the Program Engineer determines that cost-effective energy-saving measures exist, you'll be asked to sign an RCx Program Customer Agreement. This agreement confirms that you're committed (as the building owner) to implementing these reasonable measures with an estimated payback period of one year or less, up to the cost of the RCx Provider Study.

The RCx Provider Study is a detailed report of your facility, listing recommended measures, estimated project costs and incentives, energy savings, and payback periods. It is created by a RCx Provider who uses careful observation, targeted functional testing and trend data analysis to identify problems and opportunities for energy savings in your facility.

3 Implementation, Verification and Payment: You and PG&E's RCx Team together decide which measures to implement. PG&E's RCx Team then provides help with reviewing bids, documentation, training and limited measure commissioning support as requested. Your RCx Provider confirms that the installed measures are complete and verifies the savings calculations you'll need to receive your Retrocommissioning incentive based on verified savings.

Need help?

Call your PG&E Account Representative or contact the Business Customer Service Center at 1-800-468-4743.

FOR PG&E INTERNAL USE ONLY, ROUTE TO:

PG&E POST
77 Beale Street,
Mail Code B3B
San Francisco, CA 94105-1814

Apply for Program Participation

Check that each item below is complete.

- Review** the Participant Commitment to determine:
 - If you want to participate in the Retrocommissioning Program
 - If your facility is eligible for an incentive
- Read** the Terms and Conditions to ensure you understand your obligations and responsibilities as a participant in the Retrocommissioning Program.
- Verify** the primary uses of your facility and the type of control system you have in place.
- Complete** this application.
- Sign** the application.
- Make copies** of all documentation for your records.
- Submit** your completed application for participation.

By email: Customizedapps@pge.com

By fax: 1-415-972-5155

By mail: PG&E Project Office Support Team
P.O.Box 7265
San Francisco, CA 94120-7265



Participant Commitment

Retrocommissioning (RCx) is a systematic process for identifying less-than-optimal performance in an existing facility's equipment, lighting and control systems and making the necessary adjustments. As such, successful RCx requires that participants be willing to spend time documenting their facilities, committed to minimum spending levels, and motivated to implement measures within one year. RCx Program Participants must:

- Receive gas OR electric service from PG&E.
- Pay a California public purpose surcharge on their utility bills.
- Own or operate a high energy usage facility that has a least 50,000 square feet of conditioned space or that consumes 1,000,000 kWh or 50,000 therms per year.
- Be willing (in most cases) to spend a minimum of \$25,000 on all reasonable and eligible RCx measures identified as having a simple payback less than or equal to one year.
- Grant PG&E access to their facility's billing data to establish an initial benchmark rating, as well as to the facility itself for on-going program assessment, monitoring and measurement purposes.

For the latest eligibility requirements and commitments, be sure to visit www.pge.com/rcx before submitting your application.



2013 Retrocommissioning Program Application

Please complete the application. Incomplete applications **cannot** be processed.

Check here if you're participating in PG&E's Government Partnership Partnership Name _____

Account and Customer Information

<input type="text"/>	<input type="text"/>
Electric Service Agreement ID #1	Gas Service Agreement ID #1
<input type="text"/>	<input type="text"/>
Electric Service Agreement ID #2	Gas Service Agreement ID #2
<input type="text"/>	<input type="text"/>
Electric Service Agreement ID #3	Gas Service Agreement ID #3

Account Holder/Company Name (as it appears on bill) _____

Facility Name _____

<input type="text"/>	<input type="text"/>
Service ID# from Gas Account Detail	Service ID# from Electric Account Detail

Facility Address _____ City _____ State _____ Zip Code _____

Mailing Address (if different than above) _____ City _____ State _____ Zip Code _____

Contact Information

_____	_____
Name	Title
_____	_____
Email	Work Phone
_____	_____
Cell Phone	Fax
_____	_____
Primary Contact (if different than above)	Primary Contact Title
_____	_____
Email	Work Phone
_____	_____
Cell Phone	Fax

Facility Information

Primary Facility Uses: (check all that apply)

<input type="checkbox"/> Agricultural/Irrigation	<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Residential
<input type="checkbox"/> Bio Tech	<input type="checkbox"/> Medical/Healthcare	<input type="checkbox"/> Retail
<input type="checkbox"/> Food Processing	<input type="checkbox"/> Mineral/Chemical	<input type="checkbox"/> School
<input type="checkbox"/> High Tech	<input type="checkbox"/> Office	<input type="checkbox"/> Warehouse
<input type="checkbox"/> Hospitality	<input type="checkbox"/> Petroleum	<input type="checkbox"/> Other _____

Gross Floor Area _____

Facility Square Footage (conditioned) _____

Hours of Operation: Weekday _____ Weekend _____

Total Annual Hours of Operation _____

Tenant Owns facility Leases facility

If tenant leases facility, number of years remaining on lease _____

Year that facility was constructed _____

Do you have a primary HVAC O&M service contractor? Yes No

Do you have a primary controls contractor? Yes No

Control System Information

Type:

Direct Digital (fully) Pneumatic (fully) Hybrid (digital pneumatic)

Years since replacement or major upgrade _____

Are there planned changes to the system within the next three years?

Yes No

If yes, please describe _____

Preferred Facility Characteristics

The following Facility Characteristics are desirable for Retrocommissioning, yet not required for Program Eligibility. (check all that apply)

- | | |
|---|--|
| <input type="checkbox"/> Central plant within facility | <input type="checkbox"/> There are built-up air handlers |
| <input type="checkbox"/> DDC controls throughout | <input type="checkbox"/> Customer is responsible for operating expenses |
| <input type="checkbox"/> Mechanical equipment and control systems are in relatively good condition | <input type="checkbox"/> Known facility operational/energy problems |
| <input type="checkbox"/> Working relationships with established contractors (maintenance, controls, and installing) | <input type="checkbox"/> At least 75% occupancy for office facilities |
| <input type="checkbox"/> Available and up-to-date facility documentation, including controls drawings, equipment schedules and schematics | <input type="checkbox"/> History of energy-efficiency investments |
| <input type="checkbox"/> Automated lighting controls | <input type="checkbox"/> There are no retrofits or renovations that will significantly modify the existing central plants and/or control systems planned within the next three years |
| <input type="checkbox"/> Test & Balance Report is available | <input type="checkbox"/> There are no significant changes of facility status (i.e., sale, major tenant changes, etc.) anticipated within the next three years |
| <input type="checkbox"/> The facility has been previously commissioned | |

Proposed measures (if applicable)

Proposed RCx provider (if known)

Customer Signature (please check the boxes below and sign)

- By signing this Program Application, Customer represents and warrants that it has read, understands and agrees to the Terms and Conditions and PG&E/Customer responsibilities of this Agreement.
- By checking this box, I confirm I will use a licensed contractor, where applicable, and will/have obtained all required permits for this installation.

SIGN HERE

Customer Signature

Date

Customer Name (please print)

Title

RCx Program Representative Signature

- By signing this Program Application, PG&E's Program Representative represents and warrants that it has read, understands and agrees to the Terms and Conditions and PG&E/Customer responsibilities of this Agreement.

SIGN HERE

Signature

Date

Authorized PG&E Program Representative (please print)

FOR PG&E USE ONLY

PO Manager Name

Cell Phone

Email

ES&S Rep Name

Cell Phone

Email

CES ESM/ESE Name

Cell Phone

Email

PG&E Responsibilities

1. PG&E will assign a Program Representative to be the Customer's (or Customer-designated facility contact's) point of contact for the Project. The Program Representative will assist the Customer with the Project, attend meetings as necessary, and work closely with the Customer to select measures for implementation that best meet the Customer's needs and budget cycles, as well as the Program's energy savings goals.
2. PG&E will select a RCx Provider to perform in-depth RCx investigations and follow-up services. PG&E will contract with a RCx Provider to perform the investigation.
3. Upon completion of the investigation phase, PG&E will provide a list of opportunities, deficiencies and measures (collectively, the "Project Deficiency and Resolution Log") to the Customer based upon the work of the RCx Provider.
4. PG&E may provide limited assistance during the implementation phase of the Project. At the completion of the implementation phase, PG&E will verify the installation of the RCx measures, suggest any improvements and evaluate the cost of the measures and their energy-saving impacts.

Customer Responsibilities

1. The Customer's investment responsibility is equal to the total cost of all reasonable and eligible RCx measures identified having a simple payback less than or equal to one year, or \$25,000, whichever is less. These measures must be witnessed by PG&E as installed and operational within 12 months of the date of the Customer signature on the Incentive Agreement. Otherwise the Customer will be obligated to reimburse PG&E for RCx Provider costs incurred, up to \$25,000.
2. Customer agrees to pay for any ancillary expenses that may be incurred by PG&E during the course of the Program, including but not limited to copying of plans or facility documentation, access to equipment, security access, and documentation of contractor work (e.g., programming changes) for implemented measures.
3. Customer understands and agrees to the Program incentive structure and payment schedule, summarized on page 1 of this Agreement.
4. The Customer shall be responsible for all aspects of implementing the agreed-upon measures. This includes, but is not limited to, obtaining bids, negotiating scope of work, paying for materials and labor and approving the completed product. PG&E may assist in this process, but the ultimate responsibility for proper implementation shall be the Customer's.
5. Customer further understands and agrees that PG&E, RCx Providers nor the CPUC make any warranty or representation of any kind nor are they liable for any of their contractors, EM&V contractors, and RCx Provider's work performed in connection with the Project.
6. Customer agrees to give PG&E and its contractors, CPUC EM&V contractors, and RCx Providers access to its facility in order to perform work for this Program and evaluate facility operations both before and after measure implementation. Access includes but is not limited to pertinent facility areas, equipment and systems that are the subject of the investigative work. The investigative work may include the installation of monitoring and data logging equipment (hereinafter "Monitoring Equipment") to assess the functionality and operation of the Customer's equipment and control systems. If installation of Monitoring Equipment is necessary, as determined by PG&E, Customer agrees to:
 - a. Give PG&E and its contractors timely access to all necessary trend data and interval data.
 - b. Permit the installation of Monitoring Equipment in accordance with the provisions set forth herein; Provide PG&E or PG&E's RCx Provider with suitable space and area for the installation and use of the Monitoring Equipment in the Facility at no additional cost to PG&E or PG&E's RCx Provider; Permit removal of the Monitoring Equipment prior to the termination of this Agreement at the sole discretion of PG&E or PG&E's RCx Provider.
 - c. Permit PG&E and PG&E's RCx Provider reasonable access to and egress from the Facility to install, inspect, test, operate, modify, repair and maintain the Monitoring Equipment during the term of this Agreement, to request that its contractors, such as maintenance and/or mechanical contractors, cooperate and coordinate with PG&E and PG&E's RCx Provider in the Project.
 - d. Refrain, and to require its contractors to refrain, from making any changes, modifications, adjustments, from tampering with or abusing Monitoring Equipment in any way, and from removing any component parts, seals, tags, or stickers from the Monitoring Equipment.
7. Notify PG&E and PG&E's RCx Provider promptly, in the event it becomes necessary, during the term of this Agreement, to sell or rent the Facility to a party not signatory to this Agreement. Therefore, if such sale or rental situation arises, the Customer agrees to explain the nature of the Project to all prospective buyers or tenants (with the assistance of PG&E and PG&E's RCx Provider, if requested) in a reasonable effort to recruit the ultimate buyer or tenant to continue participation in the Project. Customer agrees to notify PG&E in writing as soon as information is publicly available, upon determination to sell, rent or otherwise dispose of the Facility.
8. Customer, at its own expense, shall obtain and maintain all licenses and permits necessary to perform the work on the Project. Customer's failure to maintain the necessary licenses and permits constitutes a material breach of Customer's obligations.

Terms and Conditions

Eligibility: Incentives are available to commercial, industrial, agricultural, municipal and institutional gas and electric service customers of PG&E who pay a PPP surcharge. Customer certifies that it is a PG&E customer and pays the PPP surcharge.

Customer confirms there are no known barriers to implementing RCx improvements or repairs, such as tenant agreements or sensitivities, major retrofits or relocation plans.

Customer confirms that it has not received incentives or services for the same services from another utility, state or local program. Customer agrees not to apply or receive incentives for the same services from another utility, state or local program.

Safety and Facility Codes: Customer represents that all equipment installed and work performed in connection with the Project shall comply with all federal, state, and local safety, facility and environmental codes, and all applicable manufacturer instructions.

Property Rights: Customer represents that it has the right to perform the energy-saving measures on the Facility on which those measures are performed and that any necessary permits, licenses and consents have been obtained.

Indemnification: Customer shall, at its own cost, defend, indemnify and hold harmless PG&E, its affiliates and RCx Providers and PG&E's, its affiliates and RCx Providers' respective officers, agents, employees, assigns and successors in interest of PG&E and its Affiliates, from and against any and all liability, damages, losses, claims, demands, actions, causes of action, costs, including attorney's fees (which shall include allocable costs of in-house counsel) and expenses or any of them, resulting or arising from any (i) negligent or wrongful acts or omissions of the Customer or of its officers, employees, agents, representatives, subcontractors, or affiliates (ii) breach by the Customer of its officers, employees, agents, representatives, subcontractors or affiliates of this Agreement, or (iii) any willful or negligent conduct of the Customer, its officers, employees, agents, representatives, and affiliates, arising out of the performance of the Customer's obligation under this Agreement.

To the extent permitted by applicable law, Customer agrees to waive any and all claims against PG&E and PG&E's RCx Provider, except for claims arising from the Project that are directly caused by the negligent acts of PG&E or PG&E's RCx Provider or any of their respective employees, contractors, subcontractors, or agents, during the term of this Agreement.

Energy Information Release: Customer agrees that the Program or PG&E may include Customer's name, program services and resulting energy savings in reports or other documentation submitted to PG&E and/or the CPUC. PG&E will treat all other information gathered in evaluations as confidential and report it only in the event that Customer agrees to release such information.

No Publicity: Customer shall not use the name, trademark, logo, or any identifying characteristics of PG&E or its contractors for any advertising, sales promotion or other publicity of any kind whatsoever, without Utility's prior written consent.

Governing Law and Venue: This Agreement shall be interpreted, governed and construed under the laws of the State of California as if executed and to be performed wholly within the State of California. Any action brought to enforce or interpret this Agreement shall be filed in San Francisco County, California.

Termination: The term of this Agreement shall not exceed the term of the Program (which is currently scheduled to end December 31, 2013) or the availability of funds provided by PG&E to pay for the services or incentive payments provided by the Program. Either Party may terminate

this Agreement at any time by providing the other Party with 30 days advance written notification, provided, however, that if the Customer terminates participation, Customer agrees to reimburse PG&E for the Project costs PG&E incurred to date in full.

If the Agreement is terminated for any reason, PG&E shall not be liable to the Applicant for damages or compensation of any kind.

Disputes: The Parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiations between the Parties' authorized representatives. The disputing Party shall give the other Party written notice of any dispute. Within twenty (20) days after delivery of such notice, the authorized representatives shall meet at a mutually-acceptable time and place, and thereafter as often as they reasonably deem necessary to exchange information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) days of the first meeting, any Party may initiate a mediation of the dispute. The mediation shall be facilitated by a mediator that is acceptable to all Parties and shall conclude within sixty (60) days of its commencement, unless the Parties agree to extend the mediation process beyond such deadline. Upon agreeing on a mediator, the Parties shall enter into a written agreement for the mediation services with each Party paying a pro rate share of the mediator's fee, if any. The mediation shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association; provided, however, that no consequential damages shall be awarded in any such proceeding and each Party shall bear its own legal fees and expenses.

Force Majeure: Failure of a Party to perform its obligations under this Agreement by reason of any of the following shall not constitute an event of default or breach of this Agreement: strikes, picket lines, boycott efforts, earthquakes, fires, floods, war (whether or not declared), revolution, riots, insurrections, acts of God, acts of government (including, without limitation, any agency or department of the United States of America), acts of terrorism, acts of the public enemy, scarcity or rationing of gasoline or other fuel or vital products, inability to obtain materials or labor, or other causes which are reasonably beyond the control of such Party.

Miscellaneous: PG&E may assign the Agreement, in whole or in part, or its rights and obligations hereunder, directly or indirectly, by operation of law or otherwise, without Customer's prior written consent. Customer may not assign this Agreement, in whole or in part, or any of its rights and obligations hereunder, directly or indirectly, by operation of law or otherwise without the prior written consent of PG&E. No waiver, consent or modification of any other provisions of this Agreement shall be binding unless in writing and signed by duly authorized representatives of all Parties, and no waiver by any Party of any default of the other shall be deemed to be a waiver by such Party of any other default. Both Parties represent and warrants to the other Party that they are duly authorized to execute, deliver and perform their respective obligations under this Agreement. This Agreement shall be interpreted, governed and construed under the laws of California, to the extent such laws do not conflict with the federal law, in which cases federal law shall prevail.

Facsimile/Scanned Signatures: Facsimile transmission of this Agreement, and the retransmission of any signed facsimile transmission, shall be the same as delivery of the original signed document. Scanned original documents transmitted to PG&E as an attachment via electronic mail shall be the same as delivery of the original signed document. At the request of PG&E, Customer shall confirm documents with a facsimile transmitted signature or a scanned signature by providing an original document.