

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Financial Services

AGENDA DATE: 1/27/09

CONTACT PERSON/PHONE: Carmen Arrieta-Candelaria/541-4293

DISTRICT(S) AFFECTED: Citywide

SUBJECT:

Staff is recommending the attached resolution to allow for the interest accrued in the Palo Verde Funds to be allocated equally between the Business Incentives Program for Energy Efficiency Uses and the Dark Skies Compliance Programs.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

On June 28, 2005, City Council approved a resolution to accept certain funds from the El Paso Electric Company for projects that fell within the definition of demand-side management. Subsequently, the Fiscal Affairs/Internal Audit LRC met and discussed various options and approved a recommendation to come forward to Council. This recommendation called for the use of the rewards for the following initiatives:

1. Project Bravo, Inc. "El Paso Saving Home Energy" Project
2. Business Incentives Program for Energy Efficiency Uses
3. Dark Sky Compliance Projects

On January 3, 2006, the City Council approved various resolutions that allocated funds between to the above projects and that all projects would be administered by various City departments and overseen by the City Manager. Initial funds will be allocated equally between the initiatives and any subsequent interest derived from these funds will be used for administrative purposes. By approving all three resolutions, Council (i) approved the letter of agreement between EPE and the City; (ii) approved the usage of funds for the three initiatives and authorize the execution of all necessary budget transfers; and (iii) entered into an agreement with Project BRAVO, Inc.

At this time, City staff is recommending that instead of using these additional funds for administrative purposes that funds be allocated to two of the initiatives originally approved by Council for the following reasons:

- 1) Project Bravo, Inc. has been allocated the full \$1,940,000 which was the amount originally agreed to by Council through the resolution enacted on January 3, 2006. This program has been fully executed and final close-out procedures are in process.
- 2) Streets Department is in need of additional funding in order to advance its Dark Skies compliance project and would like to take advantage of a current contract in order to retrofit remaining traffic signals.

At this time, although City staff is recommending that interest be allocated to the Business Incentives Program, this will more than likely be modified in the upcoming months due to various other initiatives that Economic Development is currently working on.

PRIOR COUNCIL ACTION

Has the Council previously considered this item or a closely related one?

June 28, 2005 and January 3, 2006

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

This item will be funded from funds received from the El Paso Electric Company and said funds will flow into the City upon the approval of the resolution. Interest funds to be reallocated: approximately \$944,591.

BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A

N/A

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: Carmen Arieta Candalaria
(Example: if RCA is initiated by Purchasing, client department should sign also)
Information copy to appropriate Deputy City Manager

APPROVED FOR AGENDA:

CITY MANAGER: _____

DATE: _____

RESOLUTION

WHEREAS, on June 28, 2005, the City Council of the City of El Paso (the “City Council”) approved a resolution to accept, on behalf of the City, an award of approximately \$5,822,173 from the El Paso Electric Company Palo Verde Performance Rewards (the “Fund”) for demand- side management programs to assist small business and commercial customers, pursuant to the terms and conditions of the settlement of Public Utilities Commission of Texas Docket No. 20450 and subject to the approval of the City Council of all projects to be funded;

WHEREAS, on January 3, 2006, the City Council approved a resolution that allocated the monies in the Fund to 1) Project Bravo, Inc.’s “El Paso Saving Home Energy” Project, 2) Business Incentives Program for Energy Efficiency Uses, and 3) Dark Sky Compliance Programs, and that any subsequent interest be used for administrative purposes; and

WHEREAS, there remains unspent interest in the Fund and staff recommends that the interest accrued in the Fund be allocated equally between the Business Incentives Program for Energy Efficiency Uses and Dark Sky Compliance Programs.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

THAT the interest accrued from the Palo Verde Performance Standards Awards be equally allocated to the Business Incentives Program for Energy Efficiency Uses and Dark Sky Compliance Program and that the City Manager is authorized to effectuate all necessary budget transfers to comply and implement the approved initiatives.

ADOPTED this _____ day of _____, 2009.

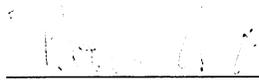
CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

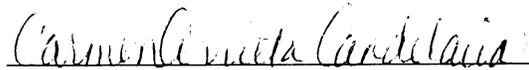
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Bertha A. Ontiveros
Assistant City Attorney

APPROVED AS TO CONTENT:



Carmen Arrieta-Candelaria
Chief Financial Officer

City of El Paso
Palo Verde Funds
Accounting as of December 1, 2008

	P507000 Project Bravo SHEP	P507001 Economic Dev Rebate Incentive Program	P507002 Dark Skies Compliance Project	Totals
3/13/2007	253,866.00			253,866.00
7/12/2007	483,115.50			483,115.50
3/6/2008	663,091.25		2,266.28	665,357.53
8/14/2008	179,975.75		13,376.00	193,351.75
12/1/2008	179,975.75		603,925.53	783,901.28
sub total	<u>1,760,024.25</u>		<u>619,567.81</u>	<u>2,379,592.06</u>
award from EP Electric	<u>1,913,282.58</u>	<u>1,913,282.58</u>	<u>1,913,282.58</u>	<u>5,739,847.74</u>
balance	153,258.33	1,913,282.58	1,293,714.77	3,360,255.68
Interest accrued	<u>223,070.39</u>	<u>297,552.57</u>	<u>297,427.72</u>	<u>818,050.68</u>
Total available	<u>376,328.72</u>	<u>2,210,835.15</u>	<u>1,591,142.49</u>	<u>4,178,306.36</u>
 Total Budget	 1,940,000.00			
 Amount not yet allocated	 349,611.30	 297,552.57	 297,427.72	 944,591.59

RESOLUTION

WHEREAS, the City of El Paso (the "*City*") is entitled to an award from the El Paso Electric Company ("*EPE*") in an amount equal to or approximately \$5.850 million for Palo Verde Performance Rewards (the "*Rewards*") as called for in Public Utility Commission of Texas ("*PUC*") Docket No 20450 (the "*Docket*");

WHEREAS, the City approved a resolution on June 28, 2005 to accept these funds from EPE and desires to use 100% percent of the funds for projects that fall within the definition of "demand-side management" (defined hereinafter).

WHEREAS, the definition of demand side management as defined by the PUC Energy Efficiency Rule Subst. Rule 25.181 is "activities that affect the magnitude or timing of customer electrical usage or both;" and

WHEREAS, the City desires to use the rewards for the following initiatives:

1. Project Bravo, Inc. "El Paso Saving Home Energy" Project
2. Business Incentives Program for Energy Efficiency Uses
3. Dark Sky Compliance Projects

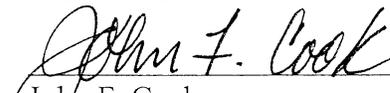
All projects will be administered by various City departments and overseen by the City Manager. Initial funds will be allocated equally between the initiatives and any subsequent interest derived from these funds will be used for administrative purposes.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EL PASO OF EL PASO:

THAT, the City Manager is hereby authorized to effectuate all necessary budget transfers to comply and implement the approved initiatives.

ADOPTED this 3rd day of January, 2006.

CITY OF EL PASO

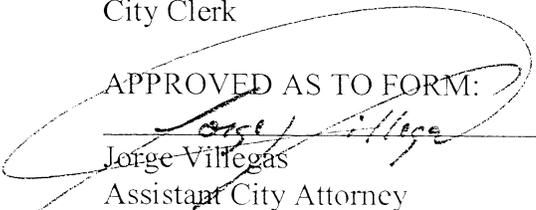


John F. Cook
Mayor

ATTEST:

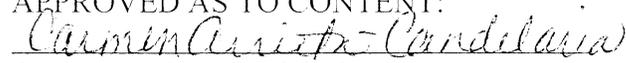
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Jorge Villegas
Assistant City Attorney

APPROVED AS TO CONTENT:



Carmen Arrieta-Candelaria
Chief Financial Officer

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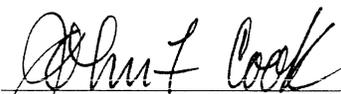
RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

THAT the City Manager is hereby authorized to sign a Letter Agreement by and between the City of El Paso (the "City") and the El Paso Electric Company ("EPE") whereby the City accepts Five Million Eight Hundred Sixty-seven Thousand Nine Hundred Thirteen Dollars (\$5,867,913) of Palo Verde Performance Standards Awards (the "Rewards") from EPE and agrees: (i) to use the Rewards solely to pay for demand-side management programs such as weatherization with a focus on programs to assist small business and commercial customers; and (ii) that if the City decides to use any amount of the Rewards to fund projects which do not qualify as demand-side management programs, such amount shall be returned to EPE with interest accrued from the date of this Resolution to the time the funds are returned to EPE.

ADOPTED this 3rd day of January, 2006.

CITY OF EL PASO



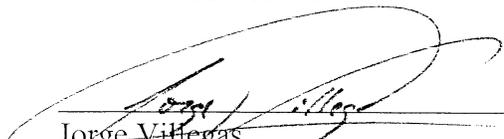
 John F. Cook
 Mayor

ATTEST:



 Richard Duffy Momsen
 City Clerk

APPROVED AS TO FORM:



 Jorge Villegas
 Assistant City Attorney

APPROVED AS TO CONTENT:



 Carmen Arrieta-Candelaria
 Chief Financial Officer

18:41 9-SEP-06
 CITY OF EL PASO

RESOLUTION

That the City Manager be authorized to sign a contract between the City and Project BRAVO Inc. to provide Demand Side Management (DSM) Programs to a minimum of three hundred and forty five low and moderate income households under the El Paso Saving Home Energy Project during the period of January 1, 2006 through December 31, 2008. The total cost of the contract will not exceed \$1,940,000.00 and is funded through the El Paso Electric Company Palo Verde Performance Rewards. The City Manager is authorized to sign amendments to this contract that do not involve additional expenditure of funds and provided that any amendments still provide for a DSM Program.

ADOPTED this 3rd day of January, 2006.

CITY OF EL PASO

John F. Cook
John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

Lupe Cuellar
Lupe Cuellar
Assistant City Attorney

APPROVED AS TO CONTENT:

Nathalie Prise
Nathalie Prise, Director
Community and Human Development

