

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

**DEPARTMENT:** Planning and Economic Development

**AGENDA DATE:** August 9, 2011

**CONTACT PERSON NAME AND PHONE NUMBER:** Marty Howell, Deputy City Manager 541-4925

**DISTRICT(S) AFFECTED:**

**SUBJECT:**

Discussion and Action to authorize the City Manager to sign an extended Services Agreement with El Paso Electric to authorize the Company to administer an incentive program for solar programs for residential and commercial properties in El Paso using funding from additional City franchise fee and Palo Verde Performance Reward Funds. (All Districts)

**BACKGROUND / DISCUSSION:**

In 2005, City Council granted El Paso Electric Company a franchise to operate the electric utility for transmission and distribution of electrical energy within the boundaries of the City of El Paso. The City Council approved an amendment to the franchise on November 16, 2010, to increase the street rental fee by 0.75%, which is to be used for economic development purposes, including, among other things, solar energy rebates and incentives. In addition, on June 28, 2005, the City Council of the City of El Paso approved a resolution to accept an award of approximately \$5,822,173 from the El Paso Electric Company Palo Verde Performance Rewards for demand-side management programs to assist small business and commercial customers, subject to approval of the City Council.

This item is to contract with El Paso Electric to administer financial incentives for solar programs for residential and commercial properties, and allocate City Funds of \$500,000 from the increased street rental fee paid by El Paso Electric and \$500,000 from the Palo Verde Performance Rewards for fiscal years 2011 and 2012. The City Funds will be available under the same guidelines established by El Paso Electric for its residential and commercial solar incentive program.

**PRIOR COUNCIL ACTION:**

On June 8, 2010, City Council by resolution directed the City Manager to include in the City's budget certain funds to fund financial incentives solar programs for residential and commercial properties.

**AMOUNT AND SOURCE OF FUNDING:**

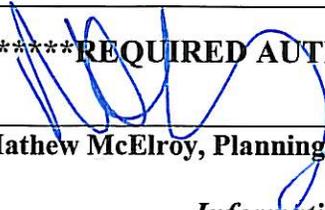
\$500,000 (Palo Verde Fund) and \$500,000 ("Additional Fee" as outlined in Services Agreement) for FY11 and FY12

**BOARD / COMMISSION ACTION:**

N/A

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**DEPARTMENT HEAD:**

  
(Mathew McElroy, Planning and Economic Development)

*Information copy to appropriate Deputy City Manager*

CITY CLERK DEPT.  
2011 AUG -4 PM 4:51

## RESOLUTION

**WHEREAS**, the City of El Paso (the "**City**") has made available funding from additional franchise fees paid by the El Paso Electric Company, Inc. (the "**EPEC**") for financial incentives solar programs for residential and commercial properties;

**WHEREAS**, on or about November 16, 2010, the City entered into a Services Agreement for Energy Efficiency Incentives with EPEC; and

**WHEREAS**, the City and EPEC desire to amend the Services Agreement to extend the period of time EPEC may accept applications for the Solar Program Incentives.

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

**THAT** the City Manager be authorized to sign the Amendment to the Services Agreement for Energy Efficiency Incentives by and between the City of El Paso and the El Paso Electric Company, Inc.

PASSED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

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:

  
\_\_\_\_\_  
William F. Studer, Jr., Deputy City Manager  
Finance & Management Support Services

STATE OF TEXAS            )  
                                   )  
 COUNTY OF EL PASO        )            **AMENDMENT TO  
 SERVICES AGREEMENT FOR  
 ENERGY EFFICIENCY INCENTIVES**

This Amendment to Services Agreement for Energy Efficiency Incentives (this "*Amendment*") is entered into this \_\_\_\_ day of August, 2011 by and between and City of El Paso, a home rule municipal corporation (the "*City*"), and El Paso Electric Company, Inc. (the "*Contractor*").

**RECITALS**

**WHEREAS**, the City has made available funding for financial incentives solar programs for residential and commercial properties; to wit \$500,000 from the Additional Franchise Fee paid by El Paso Electric and \$500,000 from the Palo Verde Performance Rewards for fiscal years 2011 and 2012 ("Solar Program Incentives");

**WHEREAS**, on about November 16, 2010, the City entered into a Services Agreement for Energy Efficiency Incentives ("Original Contract") with Contractor to administer the Solar Program Incentives along with its own incentives in accordance with the Contractor's program guidelines; and

**WHEREAS**, the City and the Contractor desire to amend the Original Contract to extend the period of time that the Contractor may accept applications for the solar program incentives.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the mutual promises set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **EPE RESPONSIBILITIES**. Section 2, Paragraph F is hereby amended to read as follows:

A. City Funds allocated in City FY2011 Budget (both Additional Fee and Palo Verde Fund) will be reserved for specific projects by October 31, 2011 and disbursed no later than December 31, 2011. Funds allocated in City FY2012 budget will be reserved for specific projects by June 30, 2012 and disbursed no later than December 31, 2012. In the event that it is necessary to further revise these dates, EPE will consult with and obtain the written consent of the City's Deputy City Manager responsible for utility regulation oversight ("Deputy City Manager") and the Agreement will be amended automatically without further need for formal amendment.

2. Except as set forth herein, all the terms and conditions of the Agreement shall in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto set their hands this \_\_\_\_ day of August, 2011.

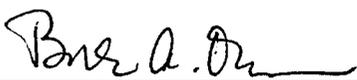
CITY OF EL PASO

\_\_\_\_\_  
Joyce Wilson  
City Manager

**CONTRACTOR**  
EL PASO ELECTRIC COMPANY, INC.

  
\_\_\_\_\_  
Name: David G. Carpenter  
Title: Senior Vice President - CFO

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Bertha A. Ontiveros  
Assistant City Attorney

APPROVED AS TO SUBSTANCE:

  
\_\_\_\_\_  
William F. Studer, Jr., Deputy City Manager  
Finance & Management Support Services