

Ventura County Regional Energy Alliance

2007 Annual Report

The VCREA mission is to establish Ventura County, its communities and neighboring regions as the leader in developing and implementing durable, sustainable energy initiatives that support sensible growth, healthy environment and economy, enhanced quality of life and greater self-reliance for the region by (1) reducing energy demand and increasing energy efficiency and (2) advancing the use of clean, efficient and renewable local resources.

2007 Governing Board Ventura County Regional Energy Alliance

Casitas Municipal Water District

Peter Kaiser, VCREA Chair
Russ Baggerly, Alternate

City of Santa Paula

John Procter, VCREA Vice Chair
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Mary Haffner, Member
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VCREA is a Joint Powers Agency (JPA) composed of public agencies working in collaboration to address the availability, reliability, conservation and innovative use of energy resources in the Ventura County region. Each agency appoints a representative board member and alternate to serve on the VCREA Board. Quarterly Board meetings are held in January, April, July and October on the third Thursday of the month; meetings are open to the public. Membership may be expanded at any time to include new public agency members with shared interests and powers in common.

Making History

With the turn of the 21st century, Ventura County Regional Energy Alliance (VCREA) was born in response to the electricity crisis of 2001. Local elected officials and business and community leaders joined forces to develop public awareness, a strategic plan and undertake a course of advocacy related to California's electrical situation, and more importantly, to address the affects limited power had on the local region.

Since those formative steps in 2003, VCREA has advanced energy efficiency throughout the region by working through state and local government representatives, local utilities and the California Public Utilities Commission (CPUC). The emphasis has been reducing barriers to actions that result in reduced energy consumption and lead to more sustainable practices. The organizations business plan directs that utility ratepayer funds, energy grants and other leveraged funds be returned to the region to underwrite projects and programs that support long-term energy stability and encourage renewable alternatives. The VCREA approach is taking shape as one of the successful new models for local governments.

Beginning in 2004, and working through the utility partnership program, VCREA has helped return a grand total of \$1,557,106 of CPUC ratepayer funds to the region for the purpose of funding 75 energy efficiency projects through 2007. The resulting energy efficiencies have helped the region reduce energy costs by approximately \$1,400,000 and carbon emissions by more than 5,000 tons per year.

This report highlights the 34 separate projects completed in 2007, but more importantly, reports the success in advancing an *ethic of energy efficiency* within the region that is timely to the international economic and political concerns that affect energy costs and availability. Local leaders in business, government and community sectors are seeking control over their energy costs and taking steps to reduce consumption so energy resources remain reliable. Every organization and household needs reliable energy resources; the goal remains to reduce reliance on fossil fuels and encourage development of renewable fuels that are economically and environmentally viable.

In 2007 VCREA continued to seek funds for local investment in energy savings that will allow our short history to repeat, and lead to even better outcomes.

2007 Energy Champions

VCREA shares its success with those that make energy a priority.

VCREA ADVISORY COMMITTEE

The VCREA Advisory Committee provides advice to the VCREA Board and staff on a broad range of energy and economic issues. The group meets three times a year and is "on-call" to assist where needed to advance the long-term goals of VCREA and help with community outreach.

Bob Beisner, SolarWorld Industries
Andy Carrasco, Southern California Gas Company
Nan Drake, Harrison Industries
Rudy Gonzales, Southern California Edison
Dan Hardy, Cabrillo Economic Development Corporation
Poul Hanson, Ventura County Office of Education
Dave Intner, Ventura County Green Building Council
Michael Lind, REC Solar Inc.
Tom Nielsen, Energy Systems, Inc
Wayne Tanaka, Tanaka Associates
Doug Tapking, Area Housing Authority County of Ventura
Tom Umenhofer, Entrix
Mike Villegas, Ventura County Air Pollution Control District

SHARED EMPLOYEE PROGRAM

Jamie Kuhl, Ventura City Public Works Supervisor, is the first "Shared Employee" to work at VCREA, filling a halftime position over six months of this year. The "shared employee" program is a concept developed to leverage human resources and build skills that mutually benefit the participating agency and its constituents, as well as VCREA.

Wearing hats for both the City and VCREA, Mr. Kuhl worked to position more City energy efficiency projects and technical trainings for employees, develop contacts and expertise for City staff that contribute to a growing network of in-house skills, and extended benefits to local schools and non-profits that require additional technical support in developing energy plans to reduce costs.

Energy Efficiency Reduces Carbon

While the VCREA mission is broadly stated, the initial focus has been on energy efficiency. This is an essential starting point that compliments state and local efforts related to climate change and reduction in fossil fuel consumption.

In light of rising energy consumption to grow our food, manage water delivery systems, run our offices and schools, and secure the comfort of our homes, there is a necessity to consider the consequences of energy consumption. Thus, energy efficiency, and getting the best use of the energy we purchase and consume, is essential to powering the economy without degrading the environment.

Since the 1970s, the California Public Utilities Commission (CPUC) has overseen the funding and design of energy efficiency programs in California. The five member commission is appointed by the Governor to regulate the utilities and oversee programs that promote cost-effective and environmentally beneficial investments in energy saving products and technologies.

Energy efficiency programs are funded by the Public Goods Charge (PGC) applied to each customer's bill. The CPUC oversees the allocation of these PGC funds for customer programs implemented through each of the four investor owned utilities in California: Pacific Gas & Electric (PG&E), Southern California Edison (SCE), Southern California Gas Company (SCG), and San Diego Gas & Electric (SDG&E).

The focus on funding energy efficiency is a combined effort by Governor Schwarzenegger, the CPUC, and the California Energy Commission to secure California's energy future and reduce consumption of fossil fuels which are linked to global climate change. The combined effort has positioned California as one of the most aggressive nation-states in the world in reducing energy usage and reducing the harmful emissions linked to global climate change.

California's energy efficiency programs have historically encompassed some of the largest and most effective programs in the United States, so that the per capita electric consumption in the State has remained nearly unchanged in 30 years. This is a remarkable feat, considering population growth and expanded electronics. According to the US Department of Energy, 11-13% of the average American household's electricity bill goes to the costs of consumer electronics, and that number is expected to rise to 18% by 2015. Consumers need to take steps to improve efficiencies, reduce waste and seek opportunities to reduce energy consumption if we are to reduce reliance on fossil fuels and improve air quality.

The Ventura Partnership

Southern California Gas Company Southern California Edison Ventura County Regional Energy Alliance

The **Ventura Partnership Program** is funded by California utility ratepayers and administered by Southern California Gas Company and Southern California Edison Company, in partnership with Ventura County Regional Energy Alliance (VCREA), under the auspices of the California Public Utilities Commission.

The 2006-08 Ventura Partnership Program is focused on public agencies and non-profit “community asset” facilities such as schools, libraries, preschools, public housing, medical centers and not-for-profit organizations to reduce energy use by 5.7 million KWH over three years. The Ventura Partnership Program provides funding for:

- The Ventura County Energy Resource Center
- Training seminars, briefings and community outreach programs
- Technical services, project support and tailored incentives
- Direct links to utility incentive and rebate programs

With the financial support of utility partners SCE and SCG, the day-to-day operations of the Ventura Partnership Program are the responsibility of VCREA, providing regional communities an accessible center for energy efficiency information and technical project support. The Ventura Partnership has provided utility customers with a direct link to dozens of energy rebates, training programs and customer recognition programs such as the Agricultural Pump Testing and Irrigation Program in conjunction with Cal State Fresno, the California Preschool Energy Efficiency Program and local participation in utility and US EPA light change programs.

2007 Ventura Partnership Program Accomplishments

- **26 Training seminars benefited 467 individuals.**
- **14 Community Events reached approximately 17,149 individuals.**
- **12 Newsletters in print and electronic formats.**
- **34 Public agency energy efficiency retrofit projects saved 4 million kWh.**

2007 “Lessons Learned”

A central focus of the **Ventura Partnership Program** has been reducing barriers to energy efficiency through proactive efforts directed to public agencies and other eligible organizations. Some of the key lessons learned will help broaden the program’s outreach:

Leverage Resources

Public taxpayer dollars and scarce donor funds allocated to maintenance and building operations can be maximized when leveraged with the CPUC utility ratepayer funds allocated for energy efficiency. Replicating successful projects among organizations minimizes administrative costs and reduces the time needed to identify, plan, bid and complete projects.

Couple Money with Technical Assistance

Money is essential, but must be coupled with credible and locally available technical support to advance projects. Funding the local resource center and technical support to validate project costs, identify projects and understand new technologies and applications is pro-active support that makes things happen!

Identify Projects

Identifying candidate projects (lighting upgrades, pump replacements, etc) is the basis for building a *project pipeline* that leads to a strategic action plan. Once a project is identified, it may be considered for bundling with other projects and be poised to take advantage of incentives or other timely funding opportunities. One project leads to another, and soon energy efficiency is business as usual.

Establish an Energy Efficiency Ethic

Making Energy Efficiency a priority and recognizing it is the first step to reducing greenhouse gas is a leadership and budget issue. Tracking energy efficiency savings in the form of reduced consumption, high efficiency installations and changes in behaviors (like turning off the lights when not in use) all lead to favorable outcomes that have an economic impact.

Make Energy Efficiency Investments

Funds are budgeted to pay monthly utility bills, but consuming more energy than needed is a waste of those funds. By investing the same money in energy efficiency through upgrades paid by “on bill finance” and other options that leverage funds, a net positive result can help even the smallest cash-strapped organization reap benefits. Energy efficiency is a commitment to lifecycle costs rather than cheap up-front costs. Treat energy efficiency as an investment, not just the cost of doing business.

2007 Project Successes

Building Project Momentum

The year 2007 marked the first fully operational year of the 2006-2008 Ventura Partnership with Southern California Edison and Southern California Gas Company, since the first half of 2006 included contract negotiations. The utilities and VCREA were able to build on their prior project successes, so that by the second half of 2006, VCREA-supported 11 projects resulting in over 2.6 million kilowatt-hours (kWh) of annual energy savings. In economic terms, the value of these savings to project participants was approximately \$350,000 annually. The actual savings will increase as energy costs inevitably increase. The 2006 projects achieved 45% of the three-year goal.

With the start of 2007, a large number of energy efficiency opportunities had made their way into the project "pipeline", which identified 72 separate energy efficiency projects, **of which 34 were completed through the end of 2007**. Every month VCREA was successful in offering technical support to organizations and identifying new projects that contributed to a regional project pipeline.

Building on this momentum, the VCREA and its utility partnership program provides....

- Credible and objective information to assure organizations that they are making the right project choices and can be confident about project outcomes (i.e. saving energy and reducing costs).
- Readily available technical support to identify and analyze projects, recruit vendors, and provide project support and follow-up.
- Reasonable financial incentives tailored to the special needs and constraints faced by public agencies and non-profit organizations.

This momentum has led to achieving more than 4 million kWh savings for 2007. The combined savings results for 2006 and 2007 now totals 6,600,000 kWh, and exceeds the three-year program goal by more than 15%.

Additionally, electrical demand on the grid was reduced by almost 1,250 KW. Demand measures how much electrical power must be delivered at any one time to supply all customer usage. To put the 1,250 KW reduction in perspective, it is the equivalent to totally removing the Ventura County Medical Center from the electrical grid. These reductions are critical to eliminating the possibility of brownouts or blackouts in the region.

2007 Project Energy Savings & Incentives

ORGANIZATION	ENERGY SAVINGS (kWh)	INCENTIVE
County Office of Education	213,040	\$31,941
City of Oxnard	522,954	\$78,443
County of Ventura	1,496,572	\$174,264
City of Ventura	24,632	\$3,695
Naval Base Ventura	628,257	\$91,097
Conejo Rec & Park District	70,276	\$10,707
Ojai Unified School District	89,847	\$13,531
Cabrillo Economic Development Corp.	54,199	\$8,115
Trinity Lutheran Church	17,721	\$3,544
Thacher School	35,832	\$5,375
TOTALS	3,153,230	\$420,712

Program Incentives

Basic energy efficiency incentives have been available to public agencies and non-profits for a number of years. These utility-offered incentives are offered in two categories: residential and non-residential customers. All non-residential customers are treated alike such that schools and governments are in the same category as factories, retail, offices, and private business customers. Historically, public agencies and non-profits have had a lower than average participation rate in utility energy efficiency programs, and therefore VCREA has focused efforts on these customers.

Public agencies have greater economic barriers to overcome. Work done by contractors on public projects must pay "prevailing wage" labor rates and meet the test of public bid processes. For the most part, private sector companies are not subject to these requirements which can mean significantly greater costs for a public agency compared to the same project undertaken in the private sector. These increased costs can diminish the value of the standard utility incentives, and therefore the partnership incentive program provides the support to create a "tipping point" that leads to completed projects.

A third barrier for both public agencies and non-profits is competition for scarce dollars. Every facility manager knows the value of energy efficiency, but funding these projects must compete with all the other agency needs. By having a reasonable incentive, (averaging \$0.125 per kWh saved), this program has encouraged decision-makers to reprioritize funds and place energy projects ahead of other needs that can be deferred. The incentive levels offered have been critical to accomplishing the savings that have been realized and leading to longer term energy savings.

VCREA Initiative Program for 2007

In addition to energy efficiency projects, VCREA has developed an Initiative Program to rapidly deploy low cost, easily implemented energy saving technology. The focus has been on two technologies: LED exit signs and beverage vending machine controllers.

The strategy is to use program funds for large quantity purchases and directly deliver the necessary hardware to recipient public agencies and non-profit organizations. It is the responsibility of the recipient to install the measure(s) and report back to VCREA. Using this cooperative approach over 1700 exit signs and 300 vending machine controllers were installed in 2007.

Each of these technologies has modest savings on a unit-by-unit basis. However, by deploying each measure in large numbers the energy savings from these initiatives have **totaled more than one million kWh per year**. The potential to expand the Initiative Program will be explored in the near future.

Goals for 2008

VCREA will continue to identify, support and see to conclusion an expected 500,000 kWh savings as early as the first quarter 2008. Many program participants have committed to, or are considering a range of projects. Look for these success stories in 2008:

- Ventura Unified School District and the County of Ventura are moving forward with major upgrades to central plant air conditioning systems.
- Ventura County is about to begin additional lighting upgrades at a number of locations.
- City of Ventura is about to start a major upgrade to the pool pump systems at the Community Park, and with innovative HVAC improvements at both the City Hall and San Jon maintenance facility.
- Pleasant Valley Recreation and Parks District will implement lighting and other projects at various District facilities.

Many non-profit organizations are also taking steps to enhance their energy efficiency. Look for actions in 2008 that will lead to projects at: Ventura Family YMCA, Community Memorial Hospital, and the Association of Retarded Citizens (ARC). VCREA anticipates an additional \$315,000 in utility funds will be made available for project incentives beginning in the first quarter 2008. Based upon projects in the pipeline and using these additional funds, VCREA will achieve a three-year program goal of 9.5 million kWh, exceeding the original program target by 67%.

A Message to the Community

Cheryl Collart, VCREA Executive Director

Energy Efficiency is an Investment, Not A Cost

The necessity of maintaining adequate energy resources and some degree of control over the costs and reliability of those resources is a shared concern for local organizations and businesses. High energy costs can seriously impact profits, and more importantly, reduce available funds that should be directed to producing products and providing services.

Energy efficient resource management starts with a plan of good maintenance and regular investments in every energy system to assure reliability and savings. Local elected leaders are challenged to stretch every public dollar, and making investments in projects described in this report support the essential energy safety net that keeps public buildings open and “24/7” operations secure.

Reliable and affordable energy is essential to every household, business and community organization. Daily operational plans should be energy efficient--don't waste the raw resource by consuming more than necessary, particularly during times of peak demand, like those hot summer afternoons, or through lack of discipline to simply turn off unnecessary lights and appliances.

Investing in projects and actions to achieve greater energy efficiency are resulting in real rewards to this region of taxpayers and utility ratepayers. Making solid investments lay the groundwork for a sustainable future—insist and support local building projects that are highly efficient, make sure the lights are off when you leave the building and make a charitable contribution to your favorite community organization that keep operational costs manageable.

Energy efficiency is the first and best line of defense in reducing carbon and providing reliable energy resources. The costs of not investing in new technologies, green building, renewable energy and sustainable policies are expenses our community cannot afford to underwrite.

The momentum is building and opportunities should not be missed!

VCREA Staff

Cheryl Collart Executive Director brings a combination of organizational, managerial and technical experience as well as close familiarity with Ventura's local governments, businesses and community leaders.

David Inger Energy Projects Manager is a Certified Energy Manager, with 30 years of technical energy expertise and related experience with public agencies and private sector contract consulting.

VCREA staff works with more than 25 technical consultants and service contractors that support the 21st Century VCREA model of collaboration.



Ventura County Regional Energy Alliance
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