

# Agenda Report

June 3, 2024

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT: ADOPT A RESOLUTION TO AUTHORIZE SUBMITTAL OF A GRANT APPLICATION FOR THE CALIFORNIA CLEAN ENERGY PLANNING PROGRAM FROM THE CALIFORNIA ENERGY COMMISSION; AND AUTHORIZE THE CITY MANAGER AND GENERAL MANAGER OF THE WATER AND POWER DEPARTMENT, RESPECTIVELY, TO ENTER INTO AND ADMINISTER ANY RESULTING AGREEMENT**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act ("CEQA") pursuant to Section 21065 of CEQA and Sections 15060(c)(2), 15060(c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required;
2. Adopt a Resolution authorizing the Pasadena Water and Power Department's ("PWP's") submission of a grant application for the California Clean Energy Planning Program ("CCEPP") grant for an amount not-to-exceed \$100,000 from the California Energy Commission ("CEC");
3. Authorize the City Manager as the authorized representative with signature authority to execute the CCEPP grant agreement with CEC for an amount not-to-exceed \$100,000; and
4. Designate the General Manager of PWP, or designee, as the authorized representative for all matters related to the application, administration, implementation, and any subsequent activities related to the administration of the grant agreement.

## **BACKGROUND:**

On December 11, 2023, the Pasadena City Council unanimously approved PWP's 2023 Power Integrated Resource Plan ("IRP"). The IRP incorporates Resolution 9977, which was approved by the City Council on January 30, 2023, and includes the goal to source

100% of Pasadena's electricity from carbon-free sources by the end of 2030 while optimizing for affordability, rate equity, stability, and reliability of electricity. As a condition of approval, the City Council requested that the City Manager's Office oversee the development of an Optimized Strategic Plan ("OSP") to support the IRP, utilizing a third-party consultant with expertise in green energy. Accordingly, a recommendation was made to reengage Energy and Environmental Economics, Inc. ("E3"), the firm that performed an independent technical review of the IRP modeling results, to help develop an OSP that would achieve the goals of Resolution 9977.

City Council approved E3's 2-year contract on March 25, 2024, in an amount not-to-exceed \$1,210,000, for the development of an OSP that meets the objectives of Resolution 9977 and includes the references and additional studies. E3 anticipates completing the project in four phases over a 12-month period beginning with preparatory studies, followed by portfolio development, impact assessments, and finally, selection of an OSP that best achieves the City's goals.

### ***CCEPP Grant***

In accordance with Assembly Bill 128 (Budget Act of 2021), the CEC's Siting, Transmission, and Environmental Protection Division announced the CCEPP and the availability of up to \$1,550,000 in grant funds, including \$500,000 available to local government entities to develop new or updated land use planning documents that support the implementation of Senate Bill 100 and advance local clean energy development. The OSP project supports these goals; therefore, PWP proposes to pursue this grant opportunity to help offset project costs.

Due to the tight timeline of the application process and the expected competitiveness for awards, which will be considered in order received, PWP submitted an application for the grant on May 7, 2024. Any resulting reward would not exceed \$100,000.

As a condition of a reward, each recipient must provide a resolution approved by its governing authority that authorizes an agreement with the CEC. The resolution must also designate an authorized representative that would be signing the agreement on behalf of the organization. Consistent with other similar awards, PWP recommends that the City Manager, or designee, be designated as the authorized representative and sign the agreement, and that the General Manager of PWP, or designee, provide all administrative oversight of the contract and management of the funds.

This grant aligns with IRP goals to pursue grant funding as a strategy to help offset the additional costs associated with the City's ambitious decarbonization plan. Moreover, grant funding opportunities that align with PWP's specific projects are limited; therefore, it is imperative that the application process is approached expeditiously to ensure that all necessary grant application requirements are completed. The CCEPP Grant meets the timeline of the OSP, which is already in the planning phase following City Council's March 2024 approval of a contract with E3.

**COUNCIL POLICY CONSIDERATION:**

The recommended grant authorization, which supports an increase in renewable energy resources and a reduction in GHG emissions, is consistent with the City's Urban Environmental Accords -- specifically, Action 1, Renewable Energy; Action 2, Energy Efficiency; and Action 3, Climate Change, as well as with Resolution 9977, passed by the City Council on January 30, 2023, declaring a climate emergency and setting a goal to source 100% of Pasadena's electricity from carbon free sources by the end of 2030.


**ENVIRONMENTAL ANALYSIS:**

The proposed action is to adopt a resolution authorizing the submission of a grant application for a CCEPP Grant. The submission of a grant application is a funding mechanism that does not involve any commitment to any specific project and does not limit the choice of alternatives or mitigation measures; Therefore, the proposed action is not a "project" subject to CEQA, as defined in Section 21065 of CEQA and Sections 15060 (c)(2), 15060 (c)(3), and 15378 of the State CEQA Guidelines. Since the action is not a project subject to CEQA, no environmental document is required.

**FISCAL IMPACT:**

There is no fiscal impact to the recommended actions to adopt the resolution. If grant funding is awarded, staff will seek corresponding increases to the Power Fund budgets. There are no anticipated impacts to other operational programs or capital projects resulting from this action.

Respectfully submitted,

*for*   
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DAVID M. REYES  
Acting General Manager  
Water and Power Department

Prepared by:

  
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Kelly Nguyen  
Assistant General Manager

Approved by:

  
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MIGUEL MARQUEZ  
City Manager