

**REVISED AGENDA ITEM 7.**

To: Matt Rexroad, Chair  
and Members of the Board of Directors

From: Mat Ehrhardt, P.E., Executive Director/APCO

Date: December 9, 2009

**Subject: State Energy Program II Grant**

Recommended Action

None. This is an informational item only.

Background

California has received \$226 million in federal American Recovery and Reinvestment (ARRA) funds for the State Energy Program (SEP). California's SEP is focused on increasing energy efficiency to reduce energy costs and consumption, cut reliance on imported energy, and shrink energy impacts on the environment. The SEP has been divided into two parts, SEP I and SEP II.

SEP I establishes the financing mechanism for loan funding through the selling of bonds at a reduced interest rate. Homeowners are then able to finance energy efficiency and retrofit improvements to their homes and the payment of the loan is collected on their tax roll and runs with the property over a 20 year period.

SEP II is focused around implementation of the SEP I program. Due to the District's jurisdiction, we were approached by Yolo County and the City of Davis to become involved in the SEP II grant application for the Residential Building Retrofit Program that is currently being solicited by the CEC. Through our involvement, residents of both Yolo and Solano counties would be able to access the energy efficiency programs and financing options of the SEP II grant under the umbrella of the District. Subsequent involvement in the application was also agreed to by the cities of West Sacramento, Winters, and Woodland. Solano County was deliberating with their cities to decide whether to participate in the District/Yolo County application or with the proposal being submitted by the Association of Bay Area Governments (ABAG). On December 3, Solano County decided to participate in the ABAG SEP II proposal and Yolo County along with its cities has since decided to participate in the Association of Monterey Bay Area Governments (AMBAG) proposal. The District will continue to support the program and will be available to assist the local governments in their effort to achieve the grant funding.

Budget Impact

None.

Other Agency Involvement

Yolo and Solano counties and their incorporated cities.