



## MEMORANDUM

Date: July 19, 2016

To: Mayor and City Councilmembers

From: Mark Houdashelt, AQAB Chair

CC: Air Quality Advisory Board  
Darin Atteberry, City Manager

Re: **Recommendations Regarding the Funding for Energy Efficiency Programs - Agenda Item #16**

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The Air Quality Advisory Board recommends that City Council fully and immediately fund the \$1.46 million required to fund the business energy efficiency (EE) rebate program and the Efficiency Works Neighborhood Pilot through the end of 2016. While we realize this may reduce the amount of funds available for this year's BFO process, forcing some City staff to revise their budget recommendations, the AQAB supports the funding of these EE initiatives for the following reasons:

- Energy efficiency is one of the best investments a homeowner or company can make. Even though the cost to the City is \$1.46 million, these initiatives have net negative costs, so they actually save money for building owners in the long run, with the payback generally a few years at most.
- Business interest in the City's EE programs has reached unprecedented levels in 2016. All of the funding for the calendar year was exhausted before the end of May, and interested businesses must now go on a wait list. It is important to keep the momentum of these programs going, as businesses may lose interest if they are forced to delay implementation of EE measures until a later date.
- These efforts are crucial to meeting the EE goals adopted in the recent Energy Policy and the greenhouse gas (GHG) emission reduction goals in the Climate Action Plan.
- EE programs also improve local air quality by reducing criteria and hazardous air pollutant emissions, including ozone precursor emissions, that occur as the result of generating electricity at fossil-fueled power plants or burning natural gas to heat buildings. In fact, EE programs are one of the only ways to reduce emissions while simultaneously reducing consumer costs.
- In terms of GHG emission reductions, it's better to act early, as the reductions per kWh saved are greater now than they will be in the future, when the grid is cleaner.
- And, finally, from a climate change perspective, temperature rise is sensitive to total carbon emitted by a given date, not the emissions level reached by that date. Thus, reducing GHG emissions quickly can actually be more beneficial than reaching any of the City's CAP goals. Looking at it another way, reaching the CAP goals along a path that focuses on early GHG reductions will be more environmentally beneficial than following a path that requires a lot of last minute action.