

HACSA W. 3.a.

HACSA MEMORANDUM

TO: HACSA Board of Commissioners

PRESENTED BY: Craig Satein, Weatherization Supervisor

AGENDA ITEM TITLE: ORDER/In the Matter of Accepting an Oil Settlement Grant from the Oregon Department of Justice for purchasing and installing Solar Water Heating Systems for low-income families in Eugene.

AGENDA DATE: June 7, 2006

I. MOTION

IT IS MOVED THAT HACSA ACCEPT AN OIL SETTLEMENT GRANT FROM THE OREGON DEPARTMENT OF JUSTICE FOR PURCHASING AND INSTALLING SOLAR WATER HEATING SYSTEMS FOR LOW-INCOME FAMILIES IN EUGENE.

II. ISSUE

HACSA accepting a grant of \$320,000 from the Oregon Department of Justice to be used in a community based program, to purchase and install solar water heating systems for low-income families in Eugene.

III. DISCUSSION

A. Background

In December of 2004, HACSA, in conjunction with the Eugene Water & Electric Board and the Lane County Human Services Commission, submitted a "Community Proposal for Cost-Effective Investment of El Paso and Duke Energy Settlement Funds" to the Oregon Department of Justice (DOJ). HACSA's proposal was seeking funding to install solar water heating systems (SWH) for low-income families in Eugene. In November of 2005, the DOJ publicly announced that HACSA/EWEB were granted \$320,000 to install SWH for EWEB customers. Listed below are highlights of our solar program.

Purpose

The Housing and Community Services Agency (HACSA) of Lane County, in partnership with the Eugene Water & Electric Board (EWEB), will install solar water heater (SWH) systems on the homes of low-income families served by EWEB, for the purpose of further reducing their electric energy bills. This program will utilize the proven technological expertise developed by EWEB and marketed throughout the Northwest under the "Bright Way" trademark.

A significant secondary outcome from this program will be the full integration of renewable energy technology as a "standard measure" in our low-income weatherization program. The long term benefits of this renewable technology, offer not only comparable energy savings achieved through a full package of standard shell measures, but perhaps more importantly, this technology employs the most appropriate natural source of thermal energy, the sun.

Project Scheduling

The SWH program will be administered in two phases, over calendar years 2006 and 2007. Phase I, during the first year, HACSA will install 25 solar water heating systems on the homes of owner occupied, framed residences with at least 4 persons and who use EWEB electricity to heat their water. This will be our pilot program allowing us to evaluate a number of parameters and value engineer the project so as to maximize benefits to program participants and the community. Phase II, will be administered during 2007. HACSA will incorporate valuable experiences gained during Phase I and broaden the program to install 50 solar water heating systems for low-income families served by EWEB.

Benefits

This project will help achieve several state, regional and national conservation and environmental goals. Perhaps most importantly, it directly impacts Goal 2 of the U.S.D.O.E. priorities identified in the Strategic Plan, by "reducing the burden of energy prices on the disadvantaged". The estimated annual energy savings are 2,500 KWH per home which is equivalent to \$200 at current EWEB rates. The value of these annual savings factored with a modest energy escalation rate of 3 percent, will yield a savings to investment ratio (SIR) of 1.3 over the 25 year average lifetime of the SWH system.

This project will increase the technical base of the weatherization assistance program (WAP) in Oregon through the collaborative efforts of HACSA staff with EWEB utility personnel and solar contractors. Agency staff will receive technical training in solar siting, solar specifications, system inspections and system performance monitoring. Installations will be by private contractors in accordance with the "Bright Way" technical specifications.

This solar water heater project will provide a valuable experience for our local community and serve as a solar "project template" for other WAPs in the state of Oregon and northwest region.

Information about the advantages of renewable energy in general and solar water heating specifically, will be expanded by this project in several ways. One of our first efforts will be to send out an information cover letter and survey which informs households about the benefits of solar water heating. Next, interested participants will be invited to a "solar workshop" to learn more and ask questions. Third, this project will be presented during a "statewide" quarterly meeting of the Oregon Energy Coordinators Association and at a regional energy conference.

Additionally, this project will leverage funding from several sources (utility rebates, owner contributions, state and federal grants) and continue to lay the foundation for future implementation.

B. Analysis

Regardless of income, all citizens benefit economically and health-wise, from programs reducing the need for more costly power generation and by reducing the negative environmental consequences such as global warming. We believe our SWH program offers an increasingly significant choice in taking the next important step towards building a clean, reliable and efficient energy future for our citizens and communities.

C. Alternatives/Options

HACSA doesn't sign the agreement and returns the grant to the Oregon Department of Justice.

D. Recommendation

HACSA accepts award of the Duke / El Paso Oil Settlement Grant of \$320,000 from the Oregon Department of Justice; and that an order be signed to this effect; and that an agreement be executed by the Executive Director in accordance with contract documents.

E. Timing

It is anticipated that all other necessary documents can be processed by the middle of June 2006, and that work will commence shortly thereafter.

IV. IMPLEMENTATION/FOLLOW-UP

As in item III. E.

V. ATTACHMENTS

A. Project budget

**IN THE BOARD OF COMMISSIONERS OF THE
HOUSING AND COMMUNITY SERVICES AGENCY OF
LANE COUNTY, OREGON**

ORDER NO.

**)ORDER/In the Matter of Accepting an Oil
)Settlement Grant from the Oregon
)Department of Justice for purchasing and
)installing Solar Water Heating Systems for
)low-income families in Eugene.**

WHEREAS, HACSA has been awarded an Oil Settlement grant from the Oregon Department of Justice for the purpose of purchasing and installing Solar Water Heating Systems for low-income families in Eugene, Oregon,

WHEREAS, the Executive Director having so recommended;


NOW, THEREFORE IT IS HEREBY ORDERED, that HACSA accept award of the \$320,000 Grant received in connection with the Duke and El Paso Oil Settlement, and that the agreement be executed by the Executive Director in accordance with the contract documents.

DATED this _____ day of _____, 2006

Chairperson, HACSA Board of Commissioners

APPROVED AS TO FORM

Date 5/30/06 Lane County


OFFICE OF LEGAL COUNSEL

In the Matter of Accepting an Oil Settlement Grant from the Oregon Department of Justice for purchasing and installing Solar Water Heating Systems for low-income families in Eugene.

EXPENSE TABLE		REVENUE		AMOUNT
Solar Water Heaters (75)	\$ 345,000		DOJ Grant	\$ 320,000
Plumbing repairs	\$ 7,000		EWEB rebates	\$ 52,500
New EE electric tanks	\$ 27,200		Owner Co-pays	\$ 11,250
Electrical repairs	\$ 9,150		Federal Grants	\$ 50,000
System Monitoring (3)	\$ 20,400			
Program Evaluation	\$ 25,000			
total:	\$ 433,750			\$ 433,750

