



Council Agenda Report

Item 6i

Department: Administration
Cost Center: 1005
For Agenda of: 10/19/2021
Placement: Consent
Estimated Time: N/A

FROM: Greg Hermann, Deputy City Manager
Prepared By: Chris Read, Sustainability Manager

SUBJECT: REQUEST FOR PROPOSALS FOR THE CARBON NEUTRAL CITY FACILITY PLAN

RECOMMENDATION

Authorize a Request for Proposals for the Carbon Neutral City Facility Plan.

DISCUSSION

Background

In August of 2020, the City of San Luis Obispo City Council adopted the Climate Action Plan for Community Recovery via Resolution R-11159 (2020 Series) establishing a goal of carbon neutral municipal operations by 2030. In July 2021, Council affirmed this goal with adoption of Lead by Example: A Plan for Carbon Neutral Municipal Operations and established an aspirational goal of no fossil fuel use in City facilities by 2030, which is also a part of the 2021-23 Climate Action, Open Space & Sustainable Transportation Major City Goal. The adopted quantifiable objectives associated with this goal are:

- Construct only all-electric new City buildings and facilities.
- Eliminate fossil fuel use to the maximum extent possible in existing buildings and facilities.

Lead by Example also calls for the electrification of fleet vehicles, and equipment and backup generators as feasible. Consistent with statewide trends, this will make energy and facility management increasingly complicated. At the same time, other key factors influence the City's ability to successfully manage the increasingly complicated energy environment, including:

- Increased exposure to events like Public Safety Power Shutoffs and grid instability as increasing heat, wildfire, and wind events affect statewide energy generation and transmission.
- Increasingly variable costs for all fuels (electricity, natural gas, vehicle and generator fuels, etc.)
- Increasing awareness that the cost and greenhouse gas intensity of electricity depends on time of year and time of day.
- Rapid changes in technology and costs including large capacity heat pumps, battery storage, energy management software, etc.

Council and the community have made it clear that the City is expected to “walk the talk”. City facilities are highly visible and are often the piece of infrastructure, outside of roads and sidewalks, that community members will most directly interact with. Lessons learned and successes achieved can be transferred to community members as they also seek to lead by example in their own buildings and facilities.

For these reasons, Council confirmed that a Carbon Neutral City Facilities Plan be developed in the 2021-23 Financial Plan to provide insights ahead of the 2023-25 Financial Plan. The request for proposals (RFP) provided as Attachment A seeks consultant support to develop this plan by Fall of 2022 and includes the following tasks:

- Task 1. Project Management: Ensure the project stays on budget and on schedule ahead of the 2023-25 Financial Plan.
- Task 2. Existing Conditions of Building and Facilities Infrastructure, Energy Use, and Emissions: Conduct a survey of existing facilities to inform Tasks 3, 4, and 6 and future operational decisions.
- Task 3. High Priority 2023-25 Projects: Identify key projects to propose as part of the 2023-25 Financial Plan.
- Task 4. Operations, Policy and Long-Term Project and Resource Guidance: Develop a framework to decarbonize facilities by 2030 based on the Lead by Example plan.
- Task 5. Stakeholder Outreach: Work with staff stakeholders and regional experts to complete an inclusive and achievable plan.
- Task 6. Microgrid Feasibility: Assess feasibility of resilience investments at critical facilities.

Previous Council or Advisory Body Action

- August of 2020: the City of San Luis Obispo City Council adopted the Climate Action Plan for Community Recovery via Resolution R-11159 (2020 Series) establishing a goal of carbon neutral municipal operations by 2030.
- June of 2021: Council adopted the 2021-23 Financial Plan, which includes the project identified in this Council Agenda Report in the Major City Goal work program and as CIP #103.
- July of 2021: Council affirmed the municipal operations goal with adoption of Lead by Example: A Plan for Carbon Neutral Municipal Operations and established an aspirational goal of no fossil fuel use in City facilities by 2030.

Policy Context

The Carbon Neutral City Facility Plan implements the community and municipal carbon neutrality goals as discussed above. The Plan would also work to ensure efficiency of operations and support a better understanding of and strategies to mitigate energy utility costs.

Public Engagement

The Carbon Neutral City Facilities Plan was identified as part of the *Lead by Example* and *2021-23 Financial Plan* processes. Combined, the two efforts depended on staff and community engagement. The public will be able to provide comments for this item at or before the meeting.

CONCURRENCE

Public Works is supporting the project and concurs with this report.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act does not apply to the recommended action in this report, because the action does not constitute a “Project” under CEQA Guidelines Sec. [15378](#).

FISCAL IMPACT

Budgeted: Yes

Budget Year: 2021-22

Funding Identified: Yes

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	\$120,000	\$	\$	\$
State				
Federal				
Fees				
Other:				
Total	\$120,000	\$	\$	\$

The project is identified in the 2021-23 Financial Plan as CIP #103 and is funded for \$100,000 in fiscal year 2021-22. An additional project, the Microgrid Feasibility Study, is also included in the 2021-23 Financial Plan (page 129) and is funded at \$20,000 in fiscal year 2021-22.

ALTERNATIVES

The Council may choose to not release the RFP. This action is not recommended as the RFP is critical to achieving the City’s 2021-23 Major City Goal work program and to make progress on the City’s carbon neutral municipal operations goal.

ATTACHMENTS

A – Draft RFP for Carbon Neutral City Operations