

Attachment D

Energy Efficiency & Conservation Strategy for Units of Local Governments & Indian Tribes

As detailed in Part 1 of this announcement, all applicants must submit an Energy Efficiency and Conservation Strategy (EECS). Units of local government and Indian tribes have the option of submitting the EECS no later than 120 days after the effective date of the award or at the time of application. Units of local government and Indian tribes who chose to submit the EECS at the time of application shall use the format contained in Attachment D. This form should be saved in a file named "UIC-Strategy.pdf" and click on "Add Optional Other Attachment" to attach.

Grantee: City of Royal Oak, Michigan Date: _____ (mm/dd/yyyy)
DUNS #: 69819845 Program Contact Email: timt@ci.royal-oak.mi.us

1. Describe your government's proposed Energy Efficiency and Conservation Strategy. Provide a concise summary of your measurable goals and objectives, which should be aligned with the defined purposes and eligible activities of the EECS Program. These goals and objectives should be comprehensive and maximize benefits community-wide. Provide a schedule or timetable for major milestones. If your government has an existing energy, climate, or other related strategy please describe how these strategies relate to each other.

The City of Royal Oak has identified two eligible activities that increase energy efficiency, reduce energy consumption and reduce energy costs through efficiency improvements in the building and transportation sector. The eligible activities also increase system reliability and budget integrity.

The eligible activities will directly reduce the total energy used by the city. Based on preliminary results of Activity #2, these activities support the city's energy efficiency goal to reduce energy consumption (gas & electric) at City Hall and the Police Department building by 36% & 7% respectively by 2012. This maximizes benefits for the local community through the overall reduction of energy consumption and improves energy efficiency in public buildings and facilities.

Eligible Activity #2 - Technical Consultant Services. This eligible activity will identify energy conservation measures, with a primary goal of reducing total utility consumption and creating savings to fund additional capital improvements, thereby providing relief for future budgets. These results are congruent with the goals of creating or saving jobs and reducing greenhouse gas emissions. These efforts are expected to identify energy conservation measures intended to increase the energy efficiency, reliability and budget integrity of facility systems. Two studies have been identified:

1. EECS - Johnson Controls Inc. has assisted in creating this EECS as well as provided the City of Royal Oak a preliminary energy audit of the City Hall and Police Department building and studied the city's energy use related to its motor vehicle fleet and various street lights. This study will be the basis for choosing energy efficiency measures that meet the stated efficiency goals of the city.
2. Non-Motorized Transportation Plan (NMTP) - Prior to the city's submission of its June 25, 2009 grant application or EECS funding, a Request for Proposals for the development of a non-motorized transportation plan was published. On July 3, 2009, the Royal Oak City Commission selected Active Transportation Alliance's proposal provided the city's success in obtaining its grant funding. The contract for the NMTP will be executed after the EECS has been approved by the DOE. The NMTP will address the city's efforts to reduce greenhouse gases in the transportation sector by developing alternative modes of transportation such as bicycle and pedestrian infrastructure improvements.

Eligible Activity #5 - Energy Efficiency Retrofits. This eligible activity includes recommendations for HVAC system replacement in City Hall, new boiler / pumps in the Police Department building, and lighting upgrades for both facilities to increase system reliability, improve ventilation and decrease energy and operational costs. This activity is expected to reduce ~256,000 kilowatt-hours of energy consumption and ~1,000 mmbtu of gas consumption per year. These combined activities are expected to reduce energy consumption at City Hall and the Police Department building by 36% & 7% respectively by 2012.

2. Describe your government's proposed implementation plan for the use of EECBG Program funds to assist you in achieving the goals and objectives outlined in the strategy describe in question #1. Your description should include a summary of the activities submitted on your activity worksheets, and how each activity supports one or more of your strategy's goals/objectives.

The City of Royal Oak will use EECBG program funds to assist in achieving its goals by implementing the strategies summarized in Question 1. EECBG Program funds will be used to upgrade city facilities, conduct a technical study regarding non-motorized transportation, and implement training and education programs.

Eligible Activity #2 - Technical Consultant Services: The total cost for these activities is \$47,359.07 to be funded with EECBG program funding. There are two components: 1) Johnson Controls Inc. has been selected through a competitive process to perform the necessary activities to identify facility needs as well as predict potential energy savings. The cost for this activity is \$17,284.00. This activity has been completed; 2) Active Transportation Alliance has been selected through a competitive process to develop a NMTP to reduce greenhouse gas emissions. The contract cost for this activity is \$30,075.07. This activity will be executed upon EECS approval.

Eligible Activity #5 - Energy Efficient Retrofits: The city has utilized Johnson Controls Inc. and other consultants such as CDPA Architects to assess its City Hall and Police Department building. The city plans to upgrade these two facilities to become more energy efficient. A preliminary scope of improvements includes: 1) upgrading and potentially combining two boilers (one at City Hall and one at the Police Department building); 2) installation of an Energy Management System; 3) major lighting retrofits; and 4) replace HVAC system to increase air quality and controllability. The retrofits will reduce energy usage at City Hall by approximately 36% by 2012 and depending upon the depth of the improvements, qualify the improved City Hall for an Energy Star rating.

The city's EECBG program funds may be leveraged to fund a comprehensive renovation at City Hall to create a modern floor plan based on staffing levels and tasks. Upgrades to the Police Department building may also be included.

Johnson Controls Inc. has performed one successful phase of Performance-Based Contracting for the City of Royal Oak. These improvements would be executed by a professional consultant through a Phase II performance contract utilizing federal funds for a portion of the facility improvements. The next step would be to retain a professional consultant, via the proper procurement procedure, to perform a detailed energy audit and provide the city with the following:

1. A detailed scope of work
2. Guaranteed energy savings profile
3. Turnkey cost for improvements
4. A financial model to illustrate how the comprehensive program will be paid for (EECBG funds, private & public funds)
5. Measurement and Verification protocols
6. Performance-based contract documents

3. Describe how your government is taking into account the proposed implementation plans and activities for use of funds by adjacent units of local government that are grant recipients under the Program (response not mandatory for Indian Tribes).

As the City of Royal Oak develops its NMTP, it will continue to work directly with the Woodward Avenue Action Association (WA3). The WA3 is an economic and community development organization working to enhance and improve the visual, economic, functional and historic character of Woodward Avenue. WA3 has retained a local engineering firm to plan and design pedestrian and bicycle friendly improvements along Woodward Avenue from 8 Mile Road to Maple Road (15 Mile Road). The City of Royal Oak is located along Woodward Avenue from 10 Mile Road to 14 Mile Road. The segment of Woodward Avenue includes a total of 7 municipalities. The WA3's NMTP is not funded with EECBG program funds. However, the City of Royal Oak will ensure that the development of its NMTP be conducted in light of WA3's non-motorized efforts along Woodward Avenue.

4. Describe how your government will coordinate and share information with the state in which you are located regarding activities carried out with grant funds to maximize energy efficiency and conservation benefits (response not mandatory for Indian Tribes).

Progress on the city's energy efficiency programs will be shared and discussed with applicable State of Michigan departments including the Department of Energy, Labor and Economic Growth (DELEG) and Department of Transportation (DOT). Quarterly and annual reports regarding measurement and verification, job creation and retention, and energy savings, will be distributed to applicable state agencies such as DELEG and DOT. The city may use communications efforts of state and regional agencies such as the Woodward Avenue Action Association (WA3), Michigan Municipal League (MML), the Southeast Michigan Council of Governments (SEMCOG), and the Michigan Planning Association (MAPA) to education the greater public on the city's accomplishments with EECBG program funds. Local print and television news media may be contacted to create education opportunities at the local level. The city may also share the project status and development with its citizens by posted information on the city's website (ci.royal-oak.mi.us), placement on the city's cable television channel, distribution in e-mail notifications, or distribution in its biannual newsletter. The city wishes to keep our citizens engaged and encourage them to commit to energy savings at their home and place of business.

5. Describe how this plan has been designed to ensure that it sustains benefits beyond the EECBG funding period.

The city's EECS compliments the work of existing city and state programs focusing on energy efficiency and other conservation measures. The city plans to use the grant funds to implement activities that achieve the city's long-term vision of creating and implementing strategies to reducing fossil fuel emissions, reduce total energy use, and improve energy efficiency in the building and transportation sector. The qualified energy efficiency retrofits to the City Hall and Police Department buildings will bring long-term (20 year minimum) energy efficiencies. The energy efficiency improvements translate to a direct energy cost savings to maintain and operate necessary city facilities. Taxpayers will not be burden by increased energy costs. The energy cost savings will be reinvesting in an Energy Savings Performance Contract. The energy cost savings may fund the implementation of additional eligible EECBG activities. Such activities provide the creation and retention of jobs in the emerging energy efficiency sector and continue to save the city money. The energy cost savings will also provide greater budget integrity as well as community support for future efficiency driven activities. The city's present actions will have an impact on generations to come and will create a more sustainable and energy efficient community.

6. The President has made it clear that every taxpayer dollar spent on our economic recovery must be subject to unprecedented levels of transparency and accountability. Describe the auditing or monitoring procedures currently in place or that will be in place (by what date), to ensure funds are used for authorized purposes and every step is taken to prevent instances of fraud, waste, error, and abuse.

The City of Royal Oak has certified, on the Financial Management Assessment, that it utilizes a financial management system sufficient to meet the reporting requirements of this grant. The financial management system will allow us to track the grant revenues and expenditures in unique accounts. The system requires multiple reviews and approvals to issue purchase orders, record journal entries, and to request budget amendments. Further, the system does not allow issuance of purchase orders or payment of invoices in excess of approved budgets.

The City of Royal Oak will comply with all budgetary requirements included in the Program Guidelines and any other applicable documents. This will be reviewed by the city's Finance Director. In addition, its financial statements are reviewed and audited by The Rehmann Group, a Michigan-based certified public accounting and consulting firms.

The city has designated Joseph M. Murphy, Planner III to be responsible for monitoring, understanding, and reporting on the success of this block grant-funded project to the city and its citizens. The city's Energy Efficiency Conservation Officer will submit quarterly and annual reports of project process and impacts pertaining to job creating, energy reduction data and savings. The city will utilize its web-site to highlight city energy conservation activities. The energy conservation web page will be continually updated. It will report on energy savings, cost savings and CHG reductions. These measures ensure accountability and transparency of EECBG funding.