



# CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

## MEMORANDUM

**To:** Mayor Eisenbeisz and Assembly Members

**Thru:** John Leach, Municipal Administrator

**From:** Bri Gabel, Sustainability Coordinator

**Date:** May 8, 2024

**Subject:** Supplemental Appropriation for the Clean Energy to Communities Project

### Background

In late 2023, CBS was selected by the U.S. Department of Energy (DOE) for their [Clean Energy to Communities \(C2C\) program](#). This 3-year partnership with the National Renewable Energy Lab (NREL) offers in-depth technical partnerships that support communities in developing secure, reliable, resilient, equitable, and affordable clean energy systems. The intent of the C2C program is to help communities develop plans and strategies to achieve their clean energy ambitions and address energy challenges. Partnerships are composed of local government, community-based organizations, electric utilities, and other key organizations that can represent the community. These partnership teams work alongside NREL staff to carry out data gathering, modeling, analysis, and equipment testing based on the community's unique goals and context. This is a multiyear project that will be supported by both in-kind technical assistance from NREL as well as \$500,000 of funding available for staff time and contract/purchased services.

In November 2023, the Municipal Administrator reassigned C2C project management to the Sustainability Coordinator. The C2C project was adjusted to align with the ongoing development of the Sitka Community Renewable Energy Strategy (SCRES), and modified to emphasize the current CBS strategic plan, identified needs of the CBS Electric Department, and skills of potential community organization partners.

This project aims to ensure Sitka's long-term success as a community with 100% renewable electricity in increasingly unpredictable economic, social, and environmental climates by pursuing the following objectives:

1. Identify and test potential improvements to operations and infrastructure that maximize the efficiency of our existing hydropower system
2. Increase the resiliency of our transmission and distribution infrastructure
3. Build workforce capacity to support continuous renewable energy production at our hydropower facilities

This project will collect and analyze critical data needed to create a comprehensive master plan that addresses core, long-term hydroelectric sustainability challenges outlined in the objectives. In addition to meeting the objectives, this project will incorporate the shared community vision for Sitka's energy future that is being developed in parallel through the SCRES.

Proposed work in the C2C project will include but is not limited to:

1. Development of a climate projection model (precipitation modeling) to inform operations
2. Identifying efficiency measures for existing infrastructure
3. Update operational standards for best management
4. Grid analysis and critical failure point identification
5. Workforce assessment, career pathway development, and training opportunities

### **Fiscal Note**

The majority of the project will be funded by the \$3.5 million of in-kind technical assistance provided by NREL. Additionally, CBS is considered a subcontractor for NREL and will be given \$500,000 in "subcontract" funds over the course of the project. (*Note: Functionally, these funds are similar to grant funds that would be awarded to CBS for a specific project with expected deliverables. DOE is piloting this subcontract structure with the intent to provide recipients with more flexibility.*). The subcontract funding is intended to provide for CBS staff time, contract/purchased services, supplies/equipment, travel and reporting as required by the program, and for community partners that will carry-out work under the project. As currently envisioned, NREL's technical assistance will primarily cover the work undertaken for objectives 1 and 2, and the subcontract funds will be primarily used for work on objective 3.

A supplemental appropriation in the amount of \$500,000 is needed to receive and expend the funds over the course of the project. Given that the resultant work under this project is intended to be an asset for the Electric Department, it was determined that it would be most appropriate to consider it a capital project under their budget. Given that staff can charge their time on the project to the subcontract funds, it is expected that this project will be budget neutral.

### **Recommendation**

It is recommended that the Assembly approve a supplemental appropriation of funds for the Clean Energy to Communities project, in the amount of \$500,000.