

PUBLIC WORKS AND UTILITIES COMMITTEE

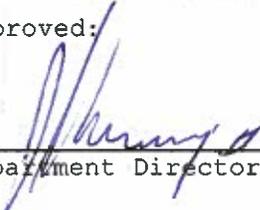
12-0264R

RESOLUTION AMENDING RESOLUTION NO. 11-0153 INCREASING THE NUMBER OF AUTHORIZED AUDITS TO 600 AND INCREASING THE FUNDING THEREFORE BY AN ADDITIONAL \$40,000.

CITY PROPOSAL:

RESOLVED, that city council resolution no. 11-0153 authorizing advanced home energy audits under the advance home energy audit program is hereby amended by increasing the number of audits authorized under the program from 400 to 600 and by increasing the authorized cost thereof from \$80,000 to \$120,000, the increased amount to be payable from Fund No. 555-500-5441 (Home Energy Conservation, Public Works and Utilities, Other Services and Charges).

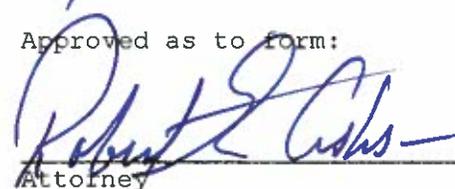
Approved:


Department Director

Approved for presentation to council:


Chief Administrative Officer

Approved as to form:


Attorney

Approved:


Auditor

PW&U/ATTY REA:dma 05/17/2012

STATEMENT OF PURPOSE: The purpose of this amendment is to increase the number of audits authorized from 400 up to 600 audits by December 31, 2012 and to increase the total authorized cost of audits from the currently authorized \$80,000 up to a maximum of \$120,000.

As of April 24, 2012, 350 Advanced Home Energy Loan Program (AHEAP) audits have been performed and 50 audits are pending through the program. AHEAP participants have received 75 Home Energy Loans and 185 participants are known to have implemented conservation or efficiency measures in their homes that were identified during the AHEAP audit. The program uses the six home energy audit performance contractors listed on ComfortSystems' website in partnership with Minnesota Power which shares the program costs with Duluth Public Works and Utilities. The typical cost of this audit to the customer is \$375. ComfortSystems provides the customer with a \$200 audit rebate and MN Power

provides the customer with a \$100 rebate after the auditor sends the utility a copy of the audit report. Most audits identify air sealing, insulation upgrades, boiler, furnace, and water heater efficiency improvements. Customers are paying about \$75 of the audit cost. The audit results are used to qualify energy measure upgrades for ComfortSystems' residential energy conservation program, Minnesota Power's residential programs, and the Duluth Energy Efficiency Program.

In partnership with the Duluth Energy Efficiency program customers receive assistance to select contractors to implement efficiency and conservation measures after a measure has been identified. A network of trained home performance audit contractors and air sealing and insulation contractors has been established that can serve homeowners seeking air leakage services.

Audits through AHEAP are performed for residential customers limited to the budgeted funds allocated by the council each year with any projects not funded in one year eligible in the next year. Regulations of the state of Minnesota require that the City's natural gas utility expend an amount equal to one-half of one percent of its gross revenues from the gas utility on energy conservation programs. This conservation program helps the City's natural gas utility to meet the State's requirements and, if the City does not expend the entirety of the required amount, the State can require that the unused amount be given to them.