

**OFFICE OF SUSTAINABILITY
FISCAL YEAR 2017 BUDGET TESTIMONY
April 29, 2016**

DEPARTMENT MISSION/PLANS

Mission:

The mission of the Office of Sustainability (OOS) is to coordinate the implementation of *Greenworks*, Philadelphia's comprehensive sustainability plan, to create a healthy, vibrant and resilient city for all residents, communities and businesses. OOS is the lead on municipal energy management, citywide energy policy, climate preparedness planning, and food policy, in addition to supporting other City departments in achieving sustainability goals.

Plans for Fiscal Year 2017:

ONGOING:

Municipal Energy Efficiency Retrofit Projects

OOS implemented the City's first guaranteed energy savings project at the City's four largest downtown office buildings, which are heavy energy users with high energy savings potential. The project is in the measurement and verification phase, where the Energy Office is tracking utility bill savings and greenhouse gas emission reductions. The Energy Office has identified additional opportunities for energy efficiency retrofit projects and will work across departments to implement them.

Energy Purchasing

The Office of Sustainability ensures that the City of Philadelphia has energy supply, purchased at an affordable rate with low risk on price volatility. Electricity, natural gas, and vehicle fuel are the three main commodities in the supply portfolio that the Office oversees.

Energy Efficiency Fund

To continue the trend of reducing energy use, OOS created the Energy Efficiency Fund (EEF), which offers funding to departments on a competitive basis to support the implementation of energy efficiency projects within existing City-owned facilities. To date, Energy Efficiency Fund investments have saved the City approximately \$1.2 million in energy costs over the life of the program.

Energy Benchmarking and Disclosure

In 2012 the "Energy Conservation" portion of the Philadelphia Code was amended by the passage of Bill No. 120428, which requires large commercial buildings to benchmark and disclose energy and water usage data to the City. Energy benchmarking and disclosure has become a national best practice, aiming to not only make buildings aware of their energy use, but also to identify opportunities for improvement and assist in establishing energy consumption baselines that will help set future goals. In 2016, the requirement was expanded to multi-family buildings larger than 50,000 square feet. OOS receives financial and technical support from the City Energy Project, a network of ten U.S. cities that share best practices and develop programs to reduce the carbon impact of large buildings.

Utility Bill Management and Demand Management

The Energy Office uses a web-based utility bill management database that enables enhanced analysis of conservation opportunities. OOS uses this database to share energy use reports with more than 70 trained employees in City departments to help them understand the opportunities and benefits of energy efficiency.

Additionally, the Office of Sustainability manages the City's participation in energy load management programs like demand response which allow the City to monetize its operational flexibility. In these programs, the City is instructed to reduce its energy consumption at key times throughout the year. By responding to these events, the City is rewarded with lower energy costs and additional revenue. The City has generated revenue of approximately \$1.9 million over the last 5 years and saved millions in energy costs.

Department Energy Reduction Incentive Pilot

Currently, within the General Fund, the Department of Public Property pays utility bills for each department from one large centralized utility budget. This creates a split incentive as a department can use energy without costs adversely affecting its budget, giving little incentive to implement energy efficiency measures or encourage energy conservation. The Office of Sustainability has been piloting an energy incentive pilot program in five departments (Fire, Police, Parks and Recreation, Public Property, and Health), with support from Budget, whereby departments are rewarded for reducing their energy consumption through shared savings.

Climate Planning

The Office of Sustainability is working with partner agencies to better understand Philadelphia's vulnerabilities and opportunities to adapt to climate changes. The newly released *Growing Stronger: Towards a Climate-Ready Philadelphia* report details the impacts of climate change on municipal operations, assets, programs and policies and lays out actions that the City can take to mitigate those impacts. OOS will work with departments to implement actions and advance policies that support climate adaptation.

Food Policy Advisory Council

The Office of Sustainability staffs the Philadelphia Food Policy Advisory Council (FPAC). FPAC facilitates the development of responsible policies that improve access for all Philadelphia residents to culturally appropriate, nutritionally sound, and affordable food that is grown locally through environmentally sustainable practices.

NEW:

Energy Master Plan

An energy master planning process will create a comprehensive plan for the City's built environment related to energy efficiency, renewable energy and energy resiliency, covering a full set of energy users, energy procurement, energy management, financing resiliency and sustainability. Given energy's role in climate change, the plan will underpin the City's climate action goals, and will set trackable metrics.

Sustainable Capital Planning

OOS will work with the Budget Office and other partners to create a checklist that can be used to evaluate planned or proposed investments for their sustainability impacts.

Sustainable procurement

OOS will work with Procurement, Fleet and others to ensure that the City's purchasing power creates demand for products that support sustainability goals. For example, the City should purchase 100% post-consumer paper products, and equipment purchases should be made with energy efficiency in mind. This work will also explore the use of alternative fuel vehicles to help reduce air pollution and municipal fuel use.

Outreach and Engagement Strategy

OOS will develop a strategy to further its work with residents to help implement sustainability programs at home, in their neighborhood, at work or at school. Holding regular events, keeping our website up to date with relevant information, and sharing news and soliciting input through newsletters and social media are critical to keeping residents engaged, informed and empowered.

PowerCorpsPHL Energy Efficiency Training Program

PowerCorpsPHL provides on-the job training to at-risk youth in the service of the City's sustainability goals, notably providing valuable support to Philadelphia Parks and Recreation and Philadelphia Water. As OOS looks to scale up municipal retrofits and to operate municipal buildings more efficiently, we would like to engage PowerCorpsPHL members in energy efficiency work.

**OFFICE OF SUSTAINABILITY
BUDGET SUMMARY AND OTHER BUDGET DRIVERS**

Staff Demographics Summary (as of January 2016)

	Total	Minority	White	Female
Full-Time Staff	7	1	6	4
Executive Staff	4	1	3	2
Average Salary - Full-Time Staff	\$85,051	\$92,000	\$83,893	\$84,750
Average Salary - Executive Staff	\$99,590	\$92,000	\$102,120	\$103,500
Median Salary - Full-Time Staff	\$92,000	\$92,000	\$82,000	\$82,000
Median Salary - Executive Staff	\$95,680	\$92,000	\$99,360	\$103,500

Employment Levels (as of January 2016)

	Budgeted	Approved	Filled
Full-Time Positions	9	9	7
Part-Time Positions	0	0	0
Executive Positions	4	4	4
<i>Overall Average Salary</i>	\$79,420	\$79,420	\$85,051
<i>Overall Median Salary</i>	\$82,000	\$82,000	\$92,000

Financial Summary by Class - General Fund

	Fiscal 2015 Actual Obligations	Fiscal 2016 Original Appropriations	Fiscal 2016 Estimated Obligations	Fiscal 2017 Proposed Appropriations	Difference FY17- FY16
Class 100 - Employee Compensation	N/A	\$537,979	\$537,979	\$537,979	\$0
Class 200 - Purchase of Services	N/A	\$279,508	\$279,508	\$279,508	\$0
Class 300 - Materials and Supplies	N/A	\$13,920	\$15,964	\$13,920	(\$2,044)
Class 400 - Equipment	N/A	\$3,920	\$1,876	\$3,920	\$2,044
Class 500 - Contributions	N/A	N/A	N/A	N/A	N/A
Class 700 - Debt Service	N/A	N/A	N/A	N/A	N/A
Class 800 - Payment to Other Funds	N/A	N/A	N/A	N/A	N/A
Class 900 - Advances/Misc. Payments	N/A	N/A	N/A	N/A	N/A
TOTAL	\$0	\$835,327	\$835,327	\$835,327	\$0

Contracts Summary (as of December 2015)

	FY11	FY12	FY13	FY14	FY15	FY16*
Total amount of contracts	N/A	N/A	N/A	N/A	N/A	\$205,020
Total amount to M/W/DBE	N/A	N/A	N/A	N/A	N/A	\$37,762
Participation Rate	N/A	N/A	N/A	N/A	N/A	18%

* as of December 2015

Note that, through FY15, the Office of Sustainability's budget, and related contract activity, was included within the Managing Director's Office budget. As of FY16, the Office of Sustainability was established as a stand-alone budgetary agency.

**OFFICE OF SUSTAINABILITY
PROPOSED BUDGET OVERVIEW**

PROPOSED FUNDING REQUEST

The proposed Fiscal Year 2017 general fund budget totals \$835,327, which stays the same as Fiscal Year 2016 estimated obligation levels.

The proposed budget includes:

- \$537,979 in Class 100. This funding will cover the salaries of the director, two deputy directors, four energy office staff, including an energy manager, and one full-time sustainability staff person.
- \$279,508 in Class 200. This funding will cover contracts that assist with energy procurement, energy management software, energy master planning, and climate adaptation consulting services.
- \$13,920 in Class 300. This funding will support the printing of the updated Greenworks plan, as well as the purchase of other materials and equipment.
- \$3,920 in Class 400. This funding will pay for office and computer equipment.

STAFFING LEVELS

The budgeted number of staff within the Office of Sustainability will remain the same. This includes one director, two deputy directors, one sustainability staff person, and four energy office staff members – one position of which is currently being filled.

- No new hires.
- See appendix for Bilingual Employees Chart.

**OFFICE OF SUSTAINABILITY
PERFORMANCE, CHALLENGES AND INITIATIVES**

DEPARTMENT PERFORMANCE (OPERATIONS)

N/A

**OFFICE OF SUSTAINABILITY
OTHER BUDGETARY IMPACTS**

FEDERAL AND STATE (WHERE APPLICABLE)

N/A: The Office of Sustainability does not currently receive any state or federal funding.

**OFFICE OF SUSTAINABILITY
CONTRACTING EXPERIENCE**

**M/W/DSBE Participation on Large Contracts
FY16 Contracts**

Vendor	Service Provided	Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DSBE Participation Achieved	\$ Value of M/W/DSBE Participation	Total % and \$ Value Participation - All DSBEs	Local Business	Living Wage Compliant?
EnergyCAP, Inc.	Utility Management Database	\$88,300	1/21/14	5/15/15	MBE: Best Efforts	7%	\$6,181	14%	Yes	Yes
					WBE: Best Efforts	7%	\$6,181			
					DSBE: Best Efforts	0%	\$0			
Practical Energy Solutions, Inc.	Energy & Design Services	\$75,000	5/8/15	9/1/15	MBE: 25-30%	15%	\$11,250	19%	Yes	Yes
					WBE: 25-30%	4%	\$3,000			
					DSBE: Best Efforts	0%	\$0			
ICF Resources, LLC	Climate Adaptation Plan	\$25,000	11/21/14	1/5/16	MBE: 20-25%	5%	\$1,250	19%	No	Yes
					WBE: 20-25%	14%	\$3,500			
					DSBE: Best Efforts	0%	\$0			
WFGD Studio, LLC	Graphic Design Services	\$10,000	3/17/14	4/30/15	MBE: Best Efforts	0%	\$0	64%	Yes	Yes
					WBE: Best Efforts	64%	\$6,400			
					DSBE: Best Efforts	0%	\$0			
EnerNOC, Inc.	Electricity Purchasing	\$6,720	11/5/13	4/15/15	MBE: Best Efforts	0%	\$0	0%	No	Yes
					WBE: Best Efforts	0%	\$0			
					DSBE: Best Efforts	0%	\$0			

**OFFICE OF SUSTAINABILITY
EMPLOYEE DATA**

Staff Demographics (as of January 2016)

	<i>Full-Time Staff</i>			<i>Executive Staff</i>	
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0.0%	0.0%	<i>% of Total</i>	0.0%	0.0%
<i>Average Salary</i>	-	-	<i>Average Salary</i>	-	-
<i>Median Salary</i>	-	-	<i>Median Salary</i>	-	-
	White	White		White	White
<i>Total</i>	3	3	<i>Total</i>	2	1
<i>% of Total</i>	42.9%	42.9%	<i>% of Total</i>	50.0%	25.0%
<i>Average Salary</i>	\$85,453	\$82,333	<i>Average Salary</i>	\$95,680	\$115,000
<i>Median Salary</i>	\$72,000	\$92,000	<i>Median Salary</i>	\$95,680	\$115,000
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0.0%	0.0%	<i>% of Total</i>	0.0%	0.0%
<i>Average Salary</i>	-	-	<i>Average Salary</i>	-	-
<i>Median Salary</i>	-	-	<i>Median Salary</i>	-	-
	Asian	Asian		Asian	Asian
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0.0%	0.0%	<i>% of Total</i>	0.0%	0.0%
<i>Average Salary</i>	-	-	<i>Average Salary</i>	-	-
<i>Median Salary</i>	-	-	<i>Median Salary</i>	-	-
	Other	Other		Other	Other
<i>Total</i>	0	1	<i>Total</i>	0	1
<i>% of Total</i>	0.0%	14.3%	<i>% of Total</i>	0.0%	25.0%
<i>Average Salary</i>	\$0	\$92,000	<i>Average Salary</i>	\$0	\$92,000
<i>Median Salary</i>	\$0	\$92,000	<i>Median Salary</i>	\$0	\$92,000
	Bi-lingual	Bi-lingual		Bi-lingual	Bi-lingual
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0.0%	0.0%	<i>% of Total</i>	0.0%	0.0%
<i>Average Salary</i>	-	-	<i>Average Salary</i>	-	-
<i>Median Salary</i>	-	-	<i>Median Salary</i>	-	-
	Male	Female		Male	Female
<i>Total</i>	3	4	<i>Total</i>	2	2
<i>% of Total</i>	42.9%	57.1%	<i>% of Total</i>	50.0%	50.0%
<i>Average Salary</i>	\$85,453	\$84,750	<i>Average Salary</i>	\$95,680	\$103,500
<i>Median Salary</i>	\$92,000	\$82,000	<i>Median Salary</i>	\$95,680	\$103,500

OFFICE OF SUSTAINABILITY
APPENDIX (Other Relevant Data and Charts)

The Office of Sustainability does not have any bilingual employees. However, the Office is undertaking a more proactive education and engagement strategy, which will include working with the Office of Immigrant Affairs on tactics for engaging limited English proficiency residents. As part of our early engagement on the update of Greenworks, a survey was created to solicit ideas for new targets and initiatives that is available in English and Spanish.