

Testimony from Mayor Marty Blum, City of Santa Barbara

**U.S. House of Representatives Committee on Small Business
Wednesday, July 11th, 10 a.m. - Full Committee Hearing**

"Small Businesses at the Forefront of the Green Revolution: What More Needs to Be Done to Keep Them Here?"

Madam Chairwoman, I am pleased to be here today to represent the City of Santa Barbara and the U.S. Conference of Mayors on the important issue of climate protection activities for small businesses. My comments will focus on how the City of Santa Barbara is encouraging small businesses to become more energy efficient and explore renewable energy and some suggestions for future federal assistance. I'll also share highlights from a recent U.S. Conference of Mayors survey on climate protection efforts in cities nationwide.

Climate Protection Activities in the City of Santa Barbara

The City of Santa Barbara is focused on helping the community learn how to be green at home and work. Similar to other cities across the country, we see our City's sustainability efforts as a way for us to lead by example with local businesses. Our Annual Sustainability Report has been provided to you as a summary of our efforts.

To give a brief overview, the City of Santa Barbara is taking action on climate protection with several strategies. We have been using B20 biodiesel in our fleet for over a year, including fire engines and construction equipment. We purchase hybrid or alternative fuel vehicles whenever they're available for our needs. A Green Building Policy for City Facilities requires new construction and major renovations to meet stringent energy efficiency requirements. We are also working with local architects to incorporate more stringent energy efficiency standards through the building permit process for private development projects in the community. Starting in July, approximately 75% of our employees will be working on a new citywide flexible work schedule to reduce vehicle trips and ease traffic congestion.

We have some major renewable energy projects that are complete or under development. 23% of the City's electrical energy is currently derived from renewable sources. We completed a fuel cell generator a few years ago at our wastewater treatment plant that converts methane to energy, generating up to half of the plant's power. This is enough renewable energy to power 500 homes. We're also planning a large solar installation on our office buildings and exploring the reactivation of a hydroelectric plant to power our water treatment plant.

Santa Barbara was the first Southern California city to certify its annual greenhouse gas emissions through the California Climate Registry. The emissions are related to the use of vehicle fuel, electricity, and natural gas. This is an important step because tracking emissions is the first step in reducing the emissions. Santa Barbara was also a finalist for the U.S. Mayors' Climate Protection Award. With cities across the country taking action on climate change, this was a significant achievement for Santa Barbara to be recognized as one of the greenest cities in the country.

One of our priorities is to help educate the community on the importance of climate protection. At my annual State of the City address in March, we discussed many of the City's environmental achievements with 600 community business leaders. We gave everyone a sustainability kit that they could take to work or home to get started. The kits included a canvas bag to reduce use of plastic bags, a CFL bulb to replace incandescent bulbs, a die tab to test for water leaks, and a coffee mug to reduce our use of disposable cups. These kits were a small step but they helped everyone understand how easy it is to be green.

Climate Protection Assistance to Santa Barbara Businesses

With the urgency of climate change, we're working with businesses more closely in the area of climate protection. I can share our perspective on how cities can help small businesses become more energy efficient. A few years ago, we formed the South Coast Energy Efficiency Partnership with Southern California Edison, neighboring cities, and the Community Environmental Council, a local environmental non-profit organization, to make our region a progressive leader in energy efficiency. Through local outreach events and educational resources, the partnership provides real solutions to reducing energy use in homes and businesses

The primary goal of the Partnership is to help educate, inform and encourage businesses and residents to use energy resources responsibly and efficiently. With funding from Edison, the Partnership combines expertise and resources from energy efficiency, demand response, self generation and income qualified programs to assist businesses in reducing energy demand.

To date, the Partnership has conducted exchange events for inefficient lamps, holiday lights, refrigerators, and freezers for free supplies and rebates for new appliances. One of the most successful programs is the Business Direct Install Program that currently helping small and medium-sized businesses. Under this Program, contractors provide a free energy audit and replace inefficient lighting and exit signs worth up to \$5,000 per business at no cost to the businesses. Energy efficiency workshops and seminars are also offered to businesses.

Our experience with small businesses has given us valuable insight to help them become more energy efficient. Many of them are owners who spend all of their time running the business and don't find the time in their busy schedules to deal with energy efficiency. Also, many of them don't own their buildings and don't want to invest in an air conditioning unit or lighting fixtures that they do not own. It's important that small business owners get educated on technologies that are available to them and save them money. For these reasons, our Direct Install Program is successful in conveniently installing upgrades for businesses at no charge.

When audits are performed, contractors are finding that refrigerators and air conditioning units are the biggest energy users in a small business. They are also the most expensive. With new Energy Star appliances, a considerable amount could be saved in energy and money. While businesses could save on their utility bills, many are not able to spend on the expensive upgrades. Federal assistance to businesses to encourage them to purchase Energy Star appliances would be helpful and significantly reduce energy demand.

To encourage the use of renewable energy, tax credits should be renewed for renewable energy installations and maintained at a stable level for the long term. The uncertainty of constantly changing rebate amounts tends to make people afraid to commit to a renewable energy project because they can't be sure of the rebate amount that will be available. Also, California businesses are still not able to select a utility provider that provides 100% renewable energy. I would encourage consideration and removal of any federal barriers to re-establishing direct access to utilities. This step could help businesses purchase higher levels of renewable energy.

In addition to energy efficiency, the City of Santa Barbara has many years of experience assisting small businesses with waste prevention and water conservation. Santa Barbara's Recycle at Work Program provides businesses with free indoor recycling bins, site visits to set up a recyclables segregation system, and presentations on "What's Recyclable" for employees. Economic analysis of the cost savings from recycling is also conducted, including onsite help to either start or improve recycling. Through our efforts, Santa Barbara now diverts 63% of our trash from the landfill.

The City also works closely with businesses to conserve water. Free water checkups and landscape irrigation evaluations are provided for businesses to find opportunities to save water. Businesses can receive commercial rebates of up to \$350 per fixture or appliance, including toilets, urinals, high-efficiency clothes washers, cooling tower retrofits, and high-efficiency water brooms. The City advises businesses on the use and installation of smart irrigation controllers, rain sensors, and state-of-the-art irrigation equipment. Green Gardener training in sustainable landscaping techniques is offered, resulting in over 900 trained landscape professionals in the Santa Barbara region. These water conservation strategies have helped businesses monitor and reduce their water use.

U.S. Conference of Mayors Survey Results

Shifting toward nationwide city efforts, nearly 600 mayors nationwide have joined as signatories of The U.S. Conference of Mayors Climate Protection Agreement, committing to reduce their city's greenhouse gases by seven percent below 1990 levels by 2012.

The U. S. Conference of Mayors recently surveyed many of these mayors to learn more about their local energy and climate protection initiatives. Their responses were just released at the Conference's 75th Annual Meeting in Los Angeles.

Foremost among these findings for this Committee, the mayors reported that they would expand programs and initiatives to encourage individuals and businesses to change energy practices, "green" commercial, residential and public buildings, and promote renewable and other alternative energy sources. When mayors were asked to describe how they would invest new federal block grant assistance, here are the activities they cited that relate most directly to small business concerns:

- Retrofit existing buildings to improve the carbon footprint;
- Outreach to business communities to ramp up energy efficiency programs;
- Develop solar water and electric programs that provide lower cost financing; and
- Promotion and education to the public and business community.

We know that the nation's cities not only play a vital role in our national goal of energy efficiency and conservation, energy independence, and climate protection, but have proven that there are many advantages to community-based solutions and strategies. As such, I want to join with my other colleagues and underscore our strong support for enactment of new energy legislation that establishes a new Energy Efficiency Block Grant program, as recently approved by the House Energy and Commerce Committee. Madame Chairwoman, I would strongly encourage you and other Members of this Committee to join with your other House colleagues to ensure adoption of this important initiative.

Thank you for the opportunity to address the Committee.