



CITY OF CARSON

Legislation Text

File #: 2017-895, Version: 1

Report to Mayor and City Council

Tuesday, November 21, 2017

Consent

SUBJECT:

CONSIDER THE PURCHASE AND INSTALLATION OF ENERGY EFFICIENT LIGHTING FOR ALL CITY-OWNED STREET LIGHTS AND SAFETY LIGHTS (CITY COUNCIL)

I. SUMMARY

The City of Carson is working with the South Bay Cities Council of Governments (SBCCOG) to convert all 900 city owned High Pressure Sodium (HPS) street lights and safety lights to more energy efficient, light-emitting diode (LED) lights.

Southern California Edison (SCE) offers a program called On-Bill Financing (OBF) which helps cities finance qualifying energy efficiency projects by providing a zero interest loan and a one-time incentive payment.

The City would need to initially cover the costs associated with the purchase and installation of the LED lights, and once the installation and post verification are complete, SCE would reimburse the City for the total project cost. Subsequently, a line item would be added to the City's electricity bills, and the City would use the energy savings to repay the loan to SCE in monthly payments over a 10 year period. The estimated one time incentive payment is \$235,000.00, and the zero interest loan amount is estimated at \$279,000.00.

An additional benefit of this project is that it would save approximately 590,000kWh and move the City to the Platinum level in the SCE Energy Leader Partnership Program. At the Platinum level, the City will receive an additional \$0.03 per kWh savings for all future qualifying energy efficiency projects.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE the purchase of energy efficient, LED lights in an amount not-to-exceed \$250,000.00.
2. APPROVE labor and disposal costs that will be incurred by Los Angeles County for the

installation of LED lights.

3. APPROVE Resolution No. 17-161.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

The City owns approximately 900 HPS street lights. HPS is an antiquated, inefficient lighting technology, whereas LEDs deliver better light while providing energy cost savings and lower maintenance costs over the life of the equipment - which can exceed 15 years). If the City were to upgrade its entire streetlight inventory to LEDs, streetlight electricity consumption would be reduced by 55%, and the City would save an estimated \$46,748.00 per year in electricity costs. The OBF program offered by SCE provides the City with the opportunity to fund qualified energy efficiency projects for zero interest and no fees, reduce the monthly electricity usage, and receive financial incentives for installing qualifying energy efficient equipment. SCE has confirmed that the upgrade from HSP to LEDs qualifies the City for both an SCE rebate and the OBF program as long as the project is completed by the end of the calendar year. The SBCCOG has identified a vendor that will be able to deliver the required materials, and Los Angeles County has agreed to complete the installation during the month of December in order to ensure the City meets the deadline requirements.

Based on the audit conducted by the SBCCOG, the estimated annual kWh savings is 590,000 kWh, and the estimated annual energy savings is \$50,000.00.

V. FISCAL IMPACT

The City would need to make the initial purchase of the LED fixtures and pay for the associated labor and disposal costs that will be incurred by Los Angeles County. After project completion and post verification, SCE will reimburse the City for the entire project. The estimated one-time incentive payment would be \$235,000. The zero interest loan amount of \$275,000 will be included on the City's utility bills in order for the City to use project savings to pay back the funds. Although this equates to a five year pay back, the City can opt for a ten year payment plan. **VI. EXHIBITS**

1. Resolution No. 17-161. (Pgs. 3-4)

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