

TOWN OF SAN ANSELMO
STAFF REPORT
February 19, 2014

For the meeting of February 25, 2014

TO: Town Council

FROM: Sean Condry, P.E., Public Works Director
Daniel Blomquist, P.E., Senior Engineer

SUBJECT: LED Street Light Retrofit Project

RECOMMENDATION:

Adopt resolution authorizing application for the Energy Efficiency Retrofit Loan Program, authorizing the Public Works Director to sign a Financing Supplement with Pacific Gas & Electric Company (PG&E), and authorizes staff to advertise for construction bids.

BACKGROUND AND DISCUSSION:

The Town of San Anselmo currently maintains a total of 647 street lights of various types. The majority of these lights are high pressure sodium (HPS) cobra fixtures. A previous grant funded project, completed in 2011, resulted in conversion of 157 HPS street lights to energy efficient induction lights.

There are 411 remaining (HPS) street lights throughout the Town of San Anselmo ranging in energy use from 70W to 200W per location. Conversion of the remaining HPS street lights to energy efficient Light Emitting Diode (LED) lights will greatly reduce the Town's energy consumption by reducing the wattage for each light to 35W to 106W per location while at the same time maintaining existing light levels.

The proposed project is in accordance with the Town's Climate Action Change Plan and would reduce Green House Gas Emissions by approximately 140,000 lbs CO₂ per year, removing the equivalent of 12 cars off the road per year.

The LED Street Lighting Retrofit project qualifies for the Energy Efficiency Retrofit Loan Program funded by California utility customers and administered by PG&E. The Program provides PG&E customers with a means to finance energy-efficient retrofit projects. The loans issued under this Program are interest-free, in order to reimburse PG&E customers for the costs they incur in connection with a qualified retrofit project. Loans are generally paid back over a ten year period from energy savings, and are calculated by dividing the loan amount by the estimated monthly energy savings resulting from the project.

If approved, the LED Street Lighting Retrofit project will save the Town approximately 105,000 kWh each year for a total annual cost savings of approximately \$14,306. This will allow for a maximum loan amount of \$143,062 to be paid back over a 10 year period. After 10 years, the annual energy cost to the Town will be reduced by the \$14,306. The attached Resolution authorizes the Public Works Director to apply for a loan from PG&E for the project mentioned. Submittal of the Loan Supplement Application will allow PG&E to proceed with the process of allowing the Town to secure an Energy Efficiency Retrofit Loan.

The total project cost is currently estimated at \$164,511. Based on this estimate, the estimated loan amount, determined by the energy savings of the project, is \$140,186. If approved, the Town will be reimbursed for all construction costs associated with the retrofit projects up to the maximum loan amount per project. In addition, the Town is eligible to receive approximately \$24,325 in additional PG&E one-time rebates. With the rebates it is anticipated this project will be completed at no cost to the Town.

The Town currently pays \$3.59 per HPS fixture per month including other costs for a total of about \$2,000 per month as outlined in the maintenance agreement with MGSA and Siemens. LED maintenance costs would be reduced to \$0.75 per fixture resulting in a maintenance cost savings of approximately \$1,130 per month and an anticipated annual maintenance savings of \$13,563.

FISCAL IMPACT

At this time it is anticipated that there will be minimal to no fiscal impact to the Town for the replacement of the Town street lights with high efficiency LEDs. There will be substantial cost savings for the maintenance of our street lights equal to more than 50% of our current total maintenance costs for streetlights. After 10 years, the savings from the reduction in the Town's energy bill will go directly to the Town.

Respectfully submitted,



Sean Condry, P.E.
Public Works Director



Daniel Blomquist, P.E.
Senior Engineer

Attachment: Resolution No.

RESOLUTION NO. _____

RESOLUTION AUTHORIZING APPLICATION FOR THE ENERGY EFFICIENCY RETROFIT LOAN PROGRAM AND AUTHORIZING THE PUBLIC WORKS DIRECTOR TO SIGN A FINANCING SUPPLEMENT WITH PACIFIC GAS & ELECTRIC COMPANY (PG&E).

WHEREAS, the Town of San Anselmo maintains and operates approximately 411 high pressure sodium street lights; and

WHEREAS, replacement of the street lights with energy efficient fixtures will reduce the energy required to maintain existing street lights and is fiscally advantageous; and

WHEREAS, Energy Efficiency Retrofit Loan Program is funded by California utility customers and administered by Pacific Gas and Electric Company (PG&E); and

WHEREAS, the loans issued under the Program are interest-free, unsecured loans to reimburse PG&E customers for the costs they incur in connection with a qualified retrofit project; and

WHEREAS, in order to receive assistance, the Town must sign a Financing Supplement Application with Pacific Gas & Electric (PG&E).

NOW, THEREFORE, IT IS HEREBY ORDERED AND RESOLVED that the Director of Public Works is authorized to apply to PG&E for an interest free loan in the maximum amount of \$143,062 for installation of energy efficient street light fixtures, and to sign the Financing Supplement to the Energy Efficiency Retrofit Program Application and the related Loan Agreement in a form approved by the Town Attorney.

IT IS FURTHER RESOLVED that the Director of Public Works is hereby authorized to take any and all such actions and make changes as may be necessary to accomplish the purpose of this resolution.

The foregoing Resolution was adopted at the regular meeting of the San Anselmo Town Council held on February 25, 2014, by the following vote:

AYES:
NOES:
ABSENT:

Tom McInerny, Mayor

Attest:

Town Clerk