

CITY OF ALBANY

MEMORANDUM

DATE: November 16, 2009

TO: Sustainability Committee

FROM: Nicole Almaguer, Environmental Specialist

SUBJECT: LED Street Light Replacement Project/Energy Efficiency Funding

Recommendation

That the Sustainability Committee recommend City Council authorize the use of energy efficiency funding to implement a citywide LED street light replacement project.

Background

The California Energy Commission (CEC) has issued the solicitation and guidelines for Energy Efficiency Block Grants (EECBG). This is a non-competitive grant funding of federal stimulus dollars, managed by the CEC, and allocated by formula to small cities & counties for energy efficiency projects. Per the CEC's anticipated schedule, grant applications are now being accepted, and the CEC encourages grantees to submit applications as soon as possible, with an ultimate deadline of January 12, 2010.

As discussed in the previous memo, staff worked closely with CEC technical staff to identify allowable projects, and adhere to the grant guidelines. Based on discussions with CEC staff, it has been determined that the most effective use of the City's EECBG funds will be on an LED streetlight installation project. This project is identified within the draft Climate Action Plan as a quantified measure to reduce greenhouse gas emissions within the City.

Other potential projects that were identified prior did not meet the cost-effective requirements the CEC has set, and/or identification of the potential cost-effectiveness could not be demonstrated until the completion of the project (i.e. retrofitting commercial businesses with energy efficient upgrades – we would not know the number of businesses nor type of particular upgrades until businesses agreed to the project and inspected).

Additionally, a compilation of vary project types is not possible as there are limits on the type of project options that can be applied for - "direct equipment purchase project", "energy efficiency project", or "municipal financing program". Applicants must choose either a direct equipment purchase project or an energy efficiency project. The LED street light project is classified as a direct equipment purchase project.

The City will work with PG&E under their Turnkey LED Street Light Replacement Program to replace existing street light bulbs with LEDs citywide. PG&E provides a number of services as part of this program, which are helpful for small cities including project management, monitoring and warranties. As identified in the attached proposal from PG&E, the total project value is estimated at \$336,302. The City will obtain a 1% interest loan from the CEC to cover project costs that go beyond the City's allocated \$88,935 EECBG funds.

Funding and development of other energy efficiency projects is ongoing - additional information is provided in a separate memo:

- Municipal financing program – being developed in coordination with the County as lead on grant applications including the State Energy Program (SEP) grant provided by the CEC.
- City facility retrofits, and commercial/residential audits/retrofits – these projects, as well as general implementation of CAP projects, was identified in the EPA Climate Communities grant, which is expected to be awarded to the small cities collaboration (Albany, El Cerrito, San Pablo & Piedmont) in early 2010.

Attachments:

1. PG&E LED Street Light Turnkey Replacement Service Proposal