



City of Rialto

Legislation Text

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For EDC Meeting [April 25, 2018]

TO: Members of the Economic Development Committee

APPROVAL: Robb Steel, Interim City Administrator

FROM: Robert G. Eisenbeisz, P.E., City Engineer/ Public Works Director

Approve an LS-1 Option E, Energy Efficiency-Light Emitting Diode (LED) Fixture Replacement Rate Agreement with SCE

BACKGROUND:

On July 26, 2016, the City Council approved the Purchase and Sale Agreement and No-Fee Lightpole License Agreement with Southern California Edison. With this approved agreement, the City purchased 3,729 street lights from SCE.

On May 9, 2017, the City Council approved the agreement with Siemens Industry, Inc. for the Conversion of the 3,729 City owned street lights from High Pressure Sodium Vapor (HPSV) to Light Emitting Diode (LED) technology. This conversion process is in the final stages of completion.

On June 1, 2016, the LS-1 Option E Tariff became available to cities for street light retrofits. This new tariff allows SCE to replace HPSV fixtures with more efficient LED fixtures with no up-front capital costs to cities. Instead, amortization of capital costs occurs through the energy cost savings over a 20-year period.

ANALYSIS/DISCUSSION:

There are approximately 890 street lights that remain under SCE's ownership. These street lights are equipped with HPSV fixtures. In an effort to conserve energy and bring uniformity to the City's street light system, under the LS-1 Option E program, SCE converts these lights to LED with no up-front costs to the City. SCE absorbs the conversion costs using an incentive program offered by the California Public Utilities Commission (CPUC). This program incorporates an energy efficiency premium through which SCE's investment capital is recovered for the new LED fixtures.

The cost to convert the SCE owned street lights in Rialto is \$293,361.60. The table below shows the cost per fixture that would be collected over a 20-year period.

The price per fixture is comparable to the LED conversion rates recently completed by the City. By converting the HPSV fixtures to LED, the City will realize an immediate annual energy savings of \$7,480 per year.

City of Rialto				
Customer Number:		1336		
Lamp Wattage	Lamp Count	Estimated High Pressure Sodium Vapor (HPSV) Annual Costs	Estimated Light Emitting Diode (LED) Annual Costs	Estimated Annual Savings
50 Watt	0	\$0	\$0	\$0
70 Watt	389	\$50,414	\$49,761	\$654
100 Watt	378	\$53,207	\$49,397	\$3,810
150 Watt	79	\$13,452	\$11,812	\$1,640
200 Watt	42	\$8,044	\$6,728	\$1,315
250 Watt	2	\$429	\$367	\$61
310 Watt	0	\$0	\$0	\$0
400 Watt	0	\$0	\$0	\$0
Total	890	\$125,546	\$118,066	\$7,480
<p>This analysis is only a 12 month estimate and the results presented are based on HPSV Lamp Wattage and counts above as of January 2017, LED wattage conversion lamps available at this time, and January 1, 2018 rates. This analysis excludes the following when applicable: Tap Device Charge, State Tax, Utility Users Tax, and Generation Municipal Surcharge. The analysis does not include costs associated with Incandescent, Mercury Vapor, Low Pressure Sodium Vapor, Metal Halide, or already existing LED Lamps. Actual costs may vary due to factors including but not limited to, rate changes, factor changes, wattage conversion changes, excluded cost components.</p>				

Adopting the LS-1 Option E tariff requires the City to enter into an agreement with SCE to initiate the conversion process. The agreement is included as **Attachment 1**. If approved, the City's conversion would be completed in 2019.

RECOMMENDATION:

Staff recommends that the Economic Development Committee consider a recommendation to the City Council to approve the LS-1 Option E, Energy Efficiency-Light Emitting Diode (LED) Fixture Replacement Rate Agreement with SCE.