

Lompoc City Council Agenda Item



City Council Meeting Date: December 16, 2014

TO: Patrick Wiemiller, City Administrator

FROM: Mary Kammer, Utility Conservation Coordinator
m_kammer@ci.lompoc.ca.us

SUBJECT: Additional Lighting Rebates and Lighting Programs

Recommendation:

Staff recommends City Council approve the following:

- 1) Offer a rebate for the purchase of LED screw-in lamps to replace existing incandescent lamps to all electric customers;
- 2) Offer the ability to purchase Compact Fluorescent Lamps (CFL) to our income-qualified customers;
- 3) Adjust the current Lighting Rebate Program to include rebates for the installation of LED strip lamps and monument signage lamps;
- 4) Assign new accounts for Program 52530 as follows:
 - a. 52530-57217 LED lamp rebate program
 - b. 52530-57219 Low Income – lighting programs
 - c. 52530-57220 T-12 retrofit program;
- 5) Appropriate budget adjustments totaling \$70,000, which will consist of \$65,000 from 52530-57202 and \$5,000 from 52530-57215, to the following accounts: 52530-57217 in the amount of \$15,000, 52530-57219 in the amount of \$5,000, and 52530-57220 in the amount of \$50,000; and
- 6) Approve supplemental revenue of \$132,500 to 40052-48033 and supplemental appropriation of \$132,500 to 52530-57202; or
- 7) Provide alternate direction.

Background:

On March 6, 2001, Council authorized the annual expenditure of monies from the public benefit funds account for Energy-Efficiency Incentive Services equal to 2.85% of annual

revenues collected. The monies provide cost-effective, demand-side management services to promote energy-efficiency and energy conservation. Using those funds, the Electric Division instituted new programs that have proven beneficial to City utility customers and that meet the requirements of the California Energy Commission (CEC). Two laws, Public Utilities Code section 9615 and Public Resources Code section 25310, require the City report the energy savings from the programs and require the City set goals reaching out over 10 years of the projected energy saved from programs.

Discussion:

The current energy-efficiency programs included rebates for the retrofit of T-12 fluorescent lighting to T-8 or T-5 fluorescent lighting and a Customized Rebate program that will allow for a rebate of \$0.15 per watt saved for any retrofit that is considered to be energy-efficient. The existing Customized Rebate covers lighting retrofits other than fluorescent lights, but to date, has not encouraged customers to retrofit to LED technology. Also, the existing rebates require the new lamps and ballasts be hard-wired in, and have eliminated rebates for screw-in lamps. Both residential and commercial customers have inquired about rebates for the purchase of LED screw-in lamps. Thus, it follows; it is time to offer such a rebate.

Staff has researched rebates offered by other utilities and found most offer a rebate of \$10 per lamp, or a rebate varying from \$0.05 to \$0.20 per Kwh, per year saved. Staff recommends the City offer a rebate to change from incandescent to LED lamps, as follows:

- A rebate of no more than \$10 per lamp, but not exceeding one-half the cost of each lamp;
- To qualify for the rebate, the customer must show a receipt for the LED lamp(s) purchased, and must also turn in incandescent lamp(s) with equivalent wattage to the newly purchased LED lamp(s);
- The rebate will be limited to no more than 10 lamps per year, per customer; and
- All new lamps must be EnergyStar labeled.

In addition to the rebate, staff would like to make available to our qualified rate-assistance customers free CFLs and recommends the following:

- Each qualified customer would receive no more than three CFLs at the time they qualify for rate assistance or within the year after they have qualified, or if during a customer requested site visit it is determined that more, but not to exceed six, CFLs can be used in the residence; and
- They must exchange incandescent lamps for CFLs of equivalent wattage.

Add to the T-12 retrofit rebate the following:

- Include in the retrofit of T-12 fixtures, a rebate to change to LED strip lights;
- The rebate amount to remain the same as for the T-12 to T-8 or T-5 retrofit; and
- Specifically for monument signage retrofits, set rebate at \$3.25 per foot of T-12 changed to T-8 fluorescent or LED strip lights.

Fiscal impact:

A total of \$70,000 would be required to finance the above programs. The programs meet energy-efficiency program requirements for the expenditures of Public Benefit Fund monies and will be funded from account number 52530-57202. To more easily track expenditures for the new or expanded programs, new accounts are recommended as follows:

52530-57217	LED lamp rebate program
52530-57219	Low Income – lighting programs
52530-57220	T-12 retrofit program

- The amount of \$15,000 from account number 52530-57202 would be moved, as a budget adjustment, to account number 53530-57217, to be set aside for the LED lamp rebate program.
- Various wattage EnergyStar rated CFLs would be purchased in an amount not to exceed \$5,000. Budgeted appropriations from account number 53520-57215 of \$5,000 would be moved, as a budget adjustment, to account number 52530-57219 for the qualified rate-assistance customers.
- An additional \$50,000 in lighting retrofit monies would be funded from account number 52530-57202, as a budget adjustment, to account number 53530-57220 for the T-12 retrofit program.

In recognition of the public benefit rates effective July 1, 2014, additional revenue is anticipated for public benefit programs during FY 2014-15 to offset proposed program costs. To recognize this, proposed supplemental revenues and supplemental appropriations of \$132,500 each are recommended for accounts 40010-48033 and 52530-57202.

Conclusion:

The above recommendations are needed to meet the needs of our customers and to meet our energy goals reported to the California Energy Commission. The above

rebates and give-away program were discussed with, and approved by, the Utility Commission on February 10, 2014.

Respectfully submitted,

Mary Kammer, Utility Conservation Coordinator

APPROVED FOR SUBMITTAL TO THE CITY ADMINISTRATOR:

Larry A. Bean, Utilities Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Patrick Wiemiller, City Administrator