

Lompoc City Council Agenda Item



City Council Meeting Date: March 1, 2005

TO: Gary Keefe, City Administrator

FROM: Mary Kammer, Utility Conservation Coordinator
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SUBJECT: Augmentation of Electric Energy Conservation Incentives

RECOMMENDATION:

Staff recommends that the City Council authorize the additional appropriation of \$155,000 in public benefit funds for rebate incentives to augment existing programs, to be allocated to account number 52530-57202, entitled Energy Efficiency Incentive Services. The funds are to be appropriated from the Public Benefits Reserve.

BACKGROUND:

On March 6, 2001 City Council appropriated \$332,100. Since then, an additional \$243,500 has been appropriated from Public Benefit Program funds to either augment existing programs or to create new programs. The monies provide the following cost-effective, electricity demand-side management services, to promote energy efficiency and energy conservation.

Program - Public Benefit Money	Funds Dedicated	Funds Expended	Funds Remaining	Customers Served
Refrigerator Rebate	\$ 66,000	\$ 66,100	-\$ 100	495
Refrigerator - Income Qualifying	285,000	295,988.83	95,591.17 (includes payback)	540
Refrigerator Buyback	11,000	7,240	3,760	132
Gas Conversion for Dryers & Water Heaters	11,000	6,820	4,180	59
Commercial Lighting	20,500	7,685	12,815	12
Dishwasher Rebate	7,000	8,300	-1,300	144
Clothes Washer Rebate	28,000	28,400	-400	188
Renewable Energy Rebate	35,000	25,921	9,079	3

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DISCUSSION:

PUBLIC BENEFIT PROGRAMS

- 1. Appropriate an additional \$50,000 in Public Benefit Money to be allocated for Refrigerator Rebate Program.**

The program provides a financial incentive to City electric customers who replace working refrigerators or freezers manufactured before 1992 with new energy efficient models. \$66,000 was initially. The City has issued 495 rebates since May of 2001. The program is currently over expended by \$100.

- Appropriate an additional \$20,000 of Public Benefit Program Funds to be allocated for Commercial Lighting Program.**

This program provides a financial incentive to City commercial electric customers who replace or retrofit existing lighting with more energy efficient lighting. \$20,500 was initially allocated. If customers who have inquired about the rebate replace current lighting current available monies will not be adequate to meet all requests.

- 2. Appropriate an additional \$15,000 of Public Benefit Program Funds to be allocated for Dishwasher Rebate Program.**

The program provides a financial incentive to City electric customers who replace working dishwashers manufactured before 1994 with new Energy Star models. Since March 2003, when City Council approved \$7,000 to establish this incentive program, 144 electric customers have received rebates at a cost of \$8,300. This program is currently over expended by \$1300.

- 3. Appropriate an additional \$35,000 of Public Benefit Program Funds to be allocated for Clothes Washer Rebate Program.**

. The program provides a financial incentive to City electric customers who replace working clothes washers with new Energy Star models. Since March 2003, when City Council approved \$28,000 to establish this incentive program, 188 electric customers have received rebates at a cost of \$28,400. This program is currently over expended by \$400

- 4. Appropriate an additional \$35,000 of Public Benefit Program Funds to be allocated for Renewable Energy Rebate Program.**

This program provides a financial incentive to City electric customers who install renewable energy (self-generating electric) systems. Since January 2004, three electric customers have installed photovoltaic systems on their roofs. The average rebate is \$8,640 per system. The remaining \$9079 will provide for only one rebate. Governor Schwarzenegger is currently recommending the purchase and installation of photovoltaic

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systems on homes and businesses. It is anticipated that requests for additional rebates will be likely.

SUMMARY:

These programs have provided energy efficiency and , in some cases, water efficiency. The requests for an additional appropriation of \$155,000 to augment and continue existing rebate programs meets the needs of City electric customers and meets the Public Benefit requirements of AB1890(1996). The Utility Commission unanimously recommended approval during their regular meeting on February 14, 2005.

Mary Kammer, Utility Conservation Coordinator

APPROVED FOR SUBMITTAL TO THE CITY ADMINISTRATOR:

James Beck, Utilities Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Gary Keefe, City Administrator