



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** April 18, 2017

**TO:** Mayor and Councilmembers

**FROM:** Facilities Division, Public Works Department

**SUBJECT:** Approval Of Rate Agreement With Southern California Edison For Utility-Owned Streetlight Fixture Replacements

### **RECOMMENDATION:**

That Council authorize the Public Works Director to enter into the Energy Efficiency Light Emitting Diode Fixture Replacement Rate Agreement with Southern California Edison.

### **DISCUSSION:**

In October of 2013, Governor Brown approved Assembly Bill 719, Chapter 616, an act added to the Public Utilities Code relating to energy. AB 719 required electrical corporations such as Southern California Edison (SCE) to develop an electrical tariff to be used, at the discretion of local governments, to fund energy improvements on utility-owned streetlight poles. In response, SCE developed "Option E", Energy Efficiency in Schedule LS-1, Lighting – Street and Highway, Unmetered Service, Company-Owned System, which allows the City to repay the cost of Light Emitting Diode (LED) streetlighting upgrades on SCE-owned light poles via this electric rate.

SCE owns approximately 1,300 streetlights within the City of Santa Barbara which are largely comprised of High Pressure Sodium (HPS) fixtures. By entering into the Schedule LS-1 "Option E" agreement, SCE would upgrade existing HPS street light fixtures to high efficiency LED fixtures. The City would amortize the payment for the upgrade over a 20 year term. With advanced notice, this agreement can be terminated within 30 days, subject to a one-time termination charge to the City equal to the present value of the balance of the energy efficiency premium over the remaining term.

It is significant to note that the City is working to upgrade the majority of City-owned streetlights from HPS to LED by the end of 2017. Once the City enters the agreement with SCE, it will be placed in the queue for upgrade. There are currently ten cities ahead of Santa Barbara. Coupling the City project with this proposed SCE streetlight upgrade would result in homogenous streetlighting throughout the City. The upgrade to LED lighting would result in improved lighting quality, energy efficiency, and safety.

**BUDGET/FINANCIAL INFORMATION:**

By entering into this agreement and adopting the LS-1 “Option E” tariff, the City would save approximately \$2,500 per year over the course of the 20-year agreement, net of reimbursement of costs to SCE. After the 20-year repayment term, it is anticipated that the City would save approximately \$23,000 per year.

**SUSTAINABILITY IMPACT:**

LED technology is the most energy efficient streetlight technology in existence today, often 50 percent more efficient than the existing HPS fixtures. By upgrading the utility-owned streetlights, the City will reduce its electricity demand and the need for electric generation in the Santa Barbara region.

A copy of the agreement is available for public review in the City Clerk’s Office.

**PREPARED BY:** Alelia Parenteau, Energy Analyst/AP/td

**SUBMITTED BY:** Rebecca J. Bjork, Public Works Director

**APPROVED BY:** City Administrator’s Office