



City of Morgan Hill

Legislation Details (With Text)

File #: 15-790 **Version:** 1 **Name:**
Type: Staff Report **Status:** Consent Calendar
File created: 11/9/2015 **In control:** City Council
On agenda: 12/16/2015 **Final action:** 4/1/2016
Title: FOLLOW UP REPORT ON COMMUNITY AND CULTURAL CENTER ENERGY EFFICIENCY PROJECT

Sponsors:

Indexes:

Code sections:

Attachments: 1. Carbon Lighthosue MHCC M&V Summary

Date	Ver.	Action By	Action	Result
12/16/2015	1	City Council	approved	Pass

CITY COUNCIL STAFF REPORT MEETING DATE: NOVEMBER 18, 2015

PREPARED BY: Anthony Eulo, Program Administrator/Community Services Department

APPROVED BY: City Manager

FOLLOW UP REPORT ON COMMUNITY AND CULTURAL CENTER ENERGY EFFICIENCY PROJECT

RECOMMENDATION(S)

Accept report.

COUNCIL PRIORITIES, GOALS & STRATEGIES:

Ongoing Priorities

Protecting the environment

Maintaining fiscal responsibility

REPORT NARRATIVE:

The City implemented a comprehensive energy efficiency project at the Community and Cultural Center last year. The project consisted of the following three main components:

- Minor hardware improvements and repairs to the ventilation system;
- LED retrofitting of parking lot lights; and

- Major adjustments to building scheduling and controls.

The project's consultants, Carbon Lighthouse, developed the attached one year evaluation report of the project and found that the energy savings realized by the building exceeded the expected savings. While a \$27,820 savings was predicted, the actual savings was \$31,671. This analysis was not a simple bill analysis, but instead evaluated the weather experienced during the past year and compared the building's actual energy usage with the building's past energy usage during similar weather conditions.

While reducing energy bills is valued, the project's environmental benefits should not be overlooked. In the area of electricity consumption alone, the facility used 22% fewer kilowatt hours during the past year than in the year before - despite the fact that 2015 was hotter than 2014. This impressive reduction reduces the facility's carbon footprint and contributes to the community's overall environmental goals.

As noted in the report, the Center's bills can be further reduced by processing a change in the energy rate schedule for the facility. Staff is now in the process of submitting this request to PG&E.

COMMUNITY ENGAGEMENT: Inform

While there were no direct customer impacts resulting from the project, staff will share information about the results of the project with the community.

ALTERNATIVE ACTIONS:

The Council could delay accepting the report and request that additional analyses be conducted before considering the report at a future Council meeting.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

This project was subject to numerous Council actions in 2012 - 2014 to consider the original analysis, the proposed project, and the financing of the work. The last Council action taken was on May 7, 2014 when the internal loan for the project was approved.

FISCAL AND RESOURCE IMPACT:

The overall cost of the project of approximately \$149,000 was financed by a combination of a "on-bill" loan from PG&E and an internal loan. Per the terms of the financing from PG&E, the City is paying approximately \$11,700 annually for 9.25 years as an addition to the PG&E bill. The internal City loan was provided with a five year term, and the annual payment is approximately \$8,500. The project will have a net savings of approximately \$5,000 for the first five years of the loans. This net savings should grow to \$13,000 for years 6 - 9 and then grow to the full amount of \$25,000 in year 10. (Note: these savings do not project changes to PG&E rates during this period. Any rate increases will result in additional savings.) If the project continues to reduce the facility's energy bill by \$30,000 per year, the entire project will have paid for itself within five years. Reducing energy at City facilities is included in the work program of the Community Services Department.

CEQA (California Environmental Quality Act):

Not a Project

This is an administrative report that does not have an impact on the physical environment and is, therefore, not a project under CEQA.

LINKS/ATTACHMENTS:

Performance Report produced by Carbon Lighthouse