



## Legislation Text

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**File #:** 17-0906, **Version:** 1

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Recommendation to authorize City Manager, or designee, to execute all documents necessary to enter into On-Bill Financing agreements with Southern California Edison, and any other necessary documents, to fund the conversion of the City's outdoor lights at the Long Beach Marine Parking Lot and adjacent areas, and the Long Beach Convention Center Parking Lot;

Increase appropriations in the Tidelands Fund (TF) in the Public Works Department (PW) by \$363,000; and

Accept Categorical Exemptions CE-17-213 and CE-17-214.  
(District 2)

City Council approval is requested to enter agreements with Southern California Edison (SCE) for On-Bill Financing (OBF) to help fund the installation of Light Emitting Diode (LED) fixtures for the Long Beach Marine (Marina Green) and Long Beach Convention Center Parking Lots. OBF is a financial mechanism that enables SCE customers to finance qualified energy efficiency projects. SCE's OBF program provides zero-interest, no-fee loans that will be repaid through the City's monthly energy bills. The City Council previously approved use of this financial mechanism in December 2015 for converting the City's streetlights to LED, and in June 2017 for improvements at six regional parks.

The City's contractor, City Light & Power (CLP), completed the LED retrofit of traffic safety intersection lights and is making significant progress in converting nearly 24,000 of the City's streetlights to LED, which is scheduled to be completed by the end of 2017.

These projects are also eligible to receive financial incentives from SCE that will lower the capital costs of the project.

The projects consist of light replacements at two sites:

- 1) Marina Green Parking Lot (Exhibit A) and adjunct areas will retrofit approximately 73,250 Watt Metal-halide lights to LED fixtures, at an estimated cost of \$144,000, inclusive of project-related expenses such as project management and inspection.
- 2) Long Beach Convention Center Parking Lot (Exhibit B) will retrofit approximately 47,175 Watt Metal-halide lights to LED fixtures, at an estimated cost of \$278,000, inclusive of project-related expenses such as project oversight and inspection.

Incentives and OBF are provided through SCE by the California Public Utilities Commission's (CPUC) set-aside of ratepayer money. City staff is working with The Energy Network, a program fully funded by utility ratepayer funds, overseen by the County of Los Angeles, and operated under the auspices of the CPUC, for incentives and OBF.

Funds for these projects will mostly be provided through OBF and incentives provided by SCE. Since these funding sources will be available to the City in the form of reimbursements upon completion and inspection of the project, Tidelands funds are proposed as the interim funding source.

While OBF can fund the majority of the costs, the financing agreement does not cover project-related costs such as project inspections and oversight. However, staff conservatively estimates \$38,000 in total energy and maintenance cost-savings during the first year for both projects, with savings projected to rise with utility rate increases and inflation. The savings are calculated based on the current rates at \$0.16 per kilowatt hour for electricity. Staff expects an approximately ten-year payback period for these projects. The City's out-of-pocket expenses will total approximately \$59,000 and will be supported by Tidelands funds budgeted for this purpose in the Public Works Department.

In conformance with the California Environmental Quality Act, Categorical Exemptions CE-17-213 and CE-17-214 were issued for these projects. (Exhibit C)

This matter was reviewed by Deputy City Attorney Linda T. Vu on September 5, 2017 and by Budget Analysis Officer Julissa Jose-Murray on September 22, 2017.

City Council action is requested on October 10, 2017, to execute the necessary agreements with SCE to finance these projects and begin work immediately.

Total project costs are estimated at \$422,000, which includes management, construction, inspection, and contingency. The projects will be funded, as currently estimated through a combination of sources as follows:

Source	Amount
SCE Incentives	\$ 36,000
SCE On-Bill Financing	\$327,000
Tidelands Funds	\$ 59,000
<b>Total</b>	<b>\$422,000</b>

An appropriation increase in the amount of \$363,000 in the Tidelands Fund (TF) in the Public Works Department (PW) to implement the project, offset by SCE OBF funds and SCE reimbursements incentives. The remaining project balance of \$59,000 is currently appropriated in the Tidelands Fund. There is no local job impact associated with this recommendation.

Approve recommendation.

CRAIG A. BECK  
DIRECTOR OF PUBLIC WORKS

APPROVED:

PATRICK H. WEST  
CITY MANAGER