



CITY OF POMONA

COUNCIL REPORT

September 21, 2020

To: Honorable Mayor and Members of the City Council

From: James W. Makshanoff, City Manager

Submitted By: Rene Guerrero, Public Works Director

SUBJECT: APPROVE LS-1 OPTION E AGREEMENT WITH SOUTHERN CALIFORNIA EDISON (SCE)

RECOMMENDATION:

It is recommended that the City Council take the following actions:

- 1) Approve LS-1 Option E Agreement with SCE to replace SCE-owned streetlights from High Pressure Sodium Vapor (HPSV) fixtures to Light Emitting Diode (LED) fixtures; and
- 2) Authorize the City Manager to execute the Agreement.

EXECUTIVE SUMMARY: With approval of the Agreement (Attachment 1) between SCE and the City of Pomona, SCE will replace their existing HPSV street lighting fixtures with LED street lighting fixtures to achieve both energy and cost efficiency benefits. There are no out-of-pocket capital costs to the City.

FISCAL IMPACT: There is no upfront cost for the replacement of SCE-owned street light fixtures, and the City does not pay any additional costs to participate in this program. SCE recovers the capital cost over a 20-year period through energy cost savings that will be rolled into the existing rate schedule that includes an Energy Efficiency Premium Charge and a Base LED Charge, under Option E of Schedule LS-1.

SCE owns and maintains approximately 2,752 street lights throughout the City of Pomona along residential and arterial streets. The City pays SCE a monthly facility fee per pole inclusive of electrical usage costs and required maintenance. The annual street lighting budget for LS-1 lights is approximately \$380,000 (Account No. 208-2563-52069-00000).

The energy cost savings is greater than the recovery mechanism; therefore, SCE estimates the City will experience an approximate cost savings of \$20,670 per year in its energy bill during the 20-year repayment period. After the 20-year repayment period, SCE estimates the City will experience

an approximate cost savings of \$71,200 per year in its energy bill (Attachment 2). SCE estimates it will take several months after the Agreement is approved before realizing the savings.

DISCUSSION: The LS-1 Option E tariff became available to cities for streetlight LED conversions in 2016. This program allows SCE to replace their HPSV street light fixtures with efficient LED street light fixtures with no out-of-pocket capital cost to the City. The capital cost will be amortized through energy cost savings over a 20-year period.

Replacement of the current warmed-toned, HPSV lights with LED lights will provide a slightly brighter and whiter-toned lighting. The proposed LED lights have a longer life cycle resulting in fewer outages and reduced maintenance requirements providing savings in future energy costs. SCE will be responsible for any replacement of light failures at no cost to the City. The program allows for cobra head replacements only, and any box fixtures or fixtures in historical areas cannot be included due to SCE restrictions.

SCE estimated the conversion of 2,752 SCE-owned street lights to LEDs would cost approximately \$1,033,871 at the approximate cost of \$375.68 per light. Staff recommends executing the Agreement with SCE for the light conversion program.

COUNCIL PRIORITIES & GOALS: *This item supports the 2019-20 City Council Priority 4: Infrastructure: Invest resources in streets, sidewalks, parks, landscaping, water systems, and public facilities to enhance the economic development, public safety, accessibility, and beauty of the City.*

Prepared by:

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ATTACHMENTS:

Attachment No. 1 – LS-1 Option E Agreement

Attachment No. 2 – City of Pomona LS-1 Option E Rate Analysis