

This item is on the agenda for approval of an On-Bill Financing Loan Agreement for an exterior lighting project for various South County buildings and parking lots located in Southern California Edison territory. This project was approved by the Debt Advisory Committee on December 22, 2020.

Background:

This is an energy efficiency exterior lighting project that will reduce the overall energy costs to the County. The savings from reduced utility energy costs due to the replacement of inefficient lighting with efficient LED lighting, can be calculated. Annual energy and maintenance costs are expected to be reduced by an estimated \$34,702 per year. Benefits of this project include improving lighting reliability, reduced maintenance costs as LED lighting has a much longer life than conventional lights, a hedge against increasing utility costs, and a reduction of greenhouse gas emissions.

The total project cost is estimated at \$248,151. Of this cost, \$134,446 will be financed with 0% On Bill Financing from SCE, and \$23,706 will be rebates and incentives. Fund 30, Energy Reduction Upgrades account will be utilized for the remaining \$90,000 in project costs as needed. To account for any cost overruns and price increases since the project was originally designed, or any issues with older wiring or electrical components encountered during the project, a 20% contingency has been included. Since SCE will not fund the OBF and rebate portion of the project until it is complete, up front funding for these amounts to start the project will be needed from another source. General Services Capital Fund 30 will advance the necessary working capital to begin the project and once SCE funds are received, they will be used to pay back the amount provided by Fund 30. A separate Budget Revision Request # 0007384 will be submitted to the Board to authorize this funds transfer.

SCE’s On-Bill Financing (OBF) Program will be utilized for this project. This is a 5.1 year payback term for the funds borrowed through SCE’s program that are interest free. The loan is paid back through the County’s SCE bill, with monthly payments matched to the monthly energy savings. The project will generate a positive cash flow in each of the five years of the loan term as the energy and maintenance savings will exceed the SCE loan payment. A competitive selection will be utilized to select a contractor to install the LED lighting.

The following locations are anticipated to be included in the project:

Santa Barbara Historic Courthouse,	Administration Building,
Engineering Building,	Garden Street Parking Lot,
Medium Security Facility (MSF),	Public Health Department (PHD) Admin Building,
Air Pollution Control District (Casa Nueva),	Casa Del Mural (Building 6),
Juvenile Hall,	Sheriff’s Shooting Range – Main,
Sheriff’s Shooting Range - Training Center,	Fire Station #13,
Fire Headquarters,	La Morada,
Coroner’s Office,	Search and Rescue,
Animal Shelter - Main,	Corp. Yard A, B, C, and D,
Parks Road Yard,	Road Yard Lab/Office - Building A,
Road Yard Maintenance Shop - Building C,	Santa Barbara County Fire Dept. HQ Warehouse,
Schwartz Building, Social Services Main Office,	Women’s Annex
Social Services Main Office	

Fiscal and Facilities Impacts:

By utilizing long life LED lights for this project, there will be an estimated facilities average maintenance savings of approximately \$5,000 per year in staff and light bulb costs.

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
SCE OBF 0% Loan (Fund 30 initially)	\$ 134,445		\$ 134,445
Lighting Rebates Awarded (Fund 30 initially)	\$ 23,706		\$ 23,706
Fund 30, Project 8846	\$ 90,000		\$ 90,000
Total	\$ 248,151	\$ -	\$ 248,151

Special Instructions:

Once finalized, all SCE loan documents will be submitted to the Clerk for signature by the Chair of the Board of Supervisors to fully execute the documents.

Attachments:

1. Sample SCE On-Bill Financing Agreement for Local Government/Institutional Customer Projects
2. Santa Barbara County Exterior Lighting Project Proposal Overview
3. Notice of On-Bill Financing (OBF) Application Approval And Funding Reservation
4. Energy Management Solutions Incentives Application