



Energy Service Contract





Agenda

- Energy Service Contract
 - Proposed Projects
 - Energy Savings
 - Highlights
- Clean Renewable Energy Bonds Discussion
- Next Steps



Energy Service Contract

- Approval of the Energy Service Contract with Johnson Controls, Inc. will authorize the design and installation of 2.4 MegaWatts of photovoltaic panels (solar) and 2 battery storage facilities at a not to exceed cost of \$13.5 million.



Proposed Projects

- Civic Center
- Police Station
- Monteville Recreation Center
- Loma Verde Aquatic Center
- Parkway Aquatic Center & Gymnasium
- Main Library



Proposed Projects (Cont'd)

- Boys & Girls Club
- Public Works Facility
- Mount San Miguel Park
- Animal Care Facility
- Salt Creek Recreation Center
- South Chula Vista Library



Energy Savings (Projected)

- Annual Net Energy Savings of \$100,000 growing to \$300,000 over 25 years.
- System will be paid off in 25 years and will net \$1.5 million in annual energy savings after year 25.
- Projections include conservative interest rate assumption of 5% gross interest rate.



Highlights

- Immediate reduction in electricity bill of \$700,000.
- Hedges against future utility rate escalation.
- Properly sized to include energy conservation retrofits (lighting upgrades, HVAC, etc.).
- Project will create local jobs.
- Guaranteed Maximum Price
- Aligns with City's Smart-City Initiative and Climate Action Plan

Clean Renewable Energy Bonds

- Federal program that subsidizes the interest rate on bonds used for clean energy projects.
- The City has already received approval from the IRS of the CREBS allocation for these projects.
- Considering a 25 to 30 year bond structure or private placement.
- Must issue bonds within 180 days of IRS approval (January 31, 2018).



Next Steps

- Recommend approval of resolution authorizing the Energy Service Contract with Johnson Controls, Inc.
- Detailed design of projects in 4-6 months.
- Return to City Council by December for authorization to issue CREBS.
- Issue CREBS by January 2018.
- Estimated construction period of 12 months.



Related Projects

Upcoming Measure P Energy Efficiency Projects

- Citywide Lighting Replacement
- Citywide HVAC Replacement
- EV Charging Station Installation (SDGE)
- Initiate EV purchases
- Citywide Irrigation Replacement

QUESTIONS?