

ENERGY COMMITTEE
TOWN OF SOUTH WINDSOR

Minutes

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November 15, 2016

Madden Room – South Windsor Town Hall

1. Call Meeting to Order

The meeting was called to order at 4:41 p.m.

2. Roll Call

Members Present:

Hank Cullinane, Resident
Mike Gantick, Director of Public Works
Athena Loukellis, Resident
Councilor Janice Snyder, Town Council
Sherman Tarr, Resident
Stephen Wagner, Resident

Members Absent:

Larry Brown, Resident
Richard Grigorian, Resident
Patrick Hankard, Board of Education
Councilor Edward Havens, Town Council
Deputy Mayor Carolyn Mirek, Town Council
Richard Stahr, Board of Education

4. Next Meeting

The next meeting has been scheduled for Tuesday, December 13, 2016 at 4:30 p.m. in the Madden Room

5. Old Business

None

6. New Meeting

A. LED Streetlights Update

- a. Conference Call with Eversource
- b. New pro-forma from Ameresco
- c. Update
- d. Meeting with Town Council

Mr. Wagner reviewed calculations as shown in attached, **Exhibit A.**

ITEM:

6. A. (Continued)

Mr. Gantick informed the Committee that for Eversource to retrofit all decorative fixtures, PURA approval would be necessary. Mr. Wagner explained that the Town has approximately 1600 cobra heads, 800 decorative fixtures, and approximately half dozen floods that are Eversource's. Mr. Gantick informed the Committee that the purchase and/or implementation cost in the first column says \$603,500 but should read \$943,000.

Commission member discussed the second column "Eversource Retrofits All Cobras". Councilor Snyder noted the net annual savings of \$57,555. Mr. Gantick explained that the only thing that could change that number is a change in the monthly charge.

Mr. Gantick then went on to explain that the net book value went up because Eversources fixed cost have remained the same and there is less streetlights out there so they are taking that cost and spreading it over the rest of the lights. If you are the last municipality buying your lights, you will be paying a lot of money. Mr. Gantick said his concern is if every other Town buys their lights and South Windsor is the only one renting, will the renting cost skyrocket because the fixed value will be spread out on the rental cost.

Committee members discussed the different options and seemed to lean toward the option of Eversource retrofitting all of the cobra heads. It was decided that the Committee will wait to inform the Council at the Council's first meeting in December. Mr. Gantick informed the Committee that Eversource has stated that when they are working on lights, they will retrofit that light with LED's. The Town will need to sign off on that action.

Mr. Tarr stated that the problem with the electric company is the Town will not know if they can trust them with the replacements as promised and the way it is laid out. There is not a lot of savings with the three purchase options.

Mr. Gantick stated that LED's are supposed to last for 20 years but the Town will have to put away money in reserve accounts to refinance LED's or pay for what could happen in 20 years. Mr. Cullinane felt that there is still significant savings with Eversource retrofitting all cobras.

ITEM:

6. A. (Continued)

Ms. Loukellis felt that if Eversource could retrofit all of the cobras within the next year, it would be good for the Town. Mr. Wagner stated that if the Town could get something in writing from Eversource then he feels the Town should go this way.

Mr. Wagner stated that he will recheck all of his numbers and Mr. Gantick will try to get something in writing from Eversource. Then Mr. Wagner stated he would bring this to the next Town Council meeting for their review.

B. Virtual Net Metering

a. Update

Mr. Wagner informed the Committee that Mr. Galligan would like to negotiate further with Lodestar for a virtual net metering project. Mr. Wagner reviewed the proposal with the Committee explaining that as a result of recent rate reductions, there are years where the Town comes out behind.

7. Miscellaneous

A. Con Serv energy savings for businesses

Mr. Gantick explained that he had received an email from James Roether who is trying to reach out to businesses to try to help them save money by switching over to LED using Eversource's small business incentive programs. He would like to know if the Town would like to help promote this program.

Mr. Wagner felt that there are significant incentives for some of these projects. Mr. Gantick stated that there may be some businesses that are not aware of this type of project. Mr. Wagner informed the Committee that there will be a program coming forward where Eversource will be targeting businesses and Eversource will encourage different agencies of the Town to work together.

Committee members discussed other outreach that could take place for energy savings. Mr. Wagner explained that the Energy Committee has the ability to promote Home Energy Solutions Audits and Solarize Programs.

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ITEM:

8. Adjournment

At 5:42 p.m. Councilor Snyder made a motion to adjourn the meeting. Mr. Tarr seconded the motion; and it was approved, unanimously.

Respectfully submitted,

Deborah W. Reid

Deborah W. Reid
Clerk of the Council

Exhibit A

Streetlight Conversion	Purchase All Existing Lights, No Retrofit	Eversource Retrofits All Cobras	Purchase All, Retrofit Only Cobras	Purchase All, Retrofit Cobras & 413 Decorative	After Purchasing and Retrofitting All Lights
Streetlight Budget**	\$408,000	\$408,000	\$408,000	\$408,000	\$408,000
Existing Annual Electric Operating Cost	(\$389,067)	(\$389,067)	(\$389,067)	(\$389,067)	(\$389,067)
Lights purchased from Eversource	2420	0	2420	2420	2420
Lights retrofitted to LED	0	1637	1637	2050	2420
Improved Annual Electric Operating Cost*	(\$200,007)	(\$331,512)	(\$131,787)	(\$103,205)	(\$77,599)
Annual Electricity Savings	\$189,061	\$57,555	\$257,280	\$285,862	\$311,468
Lost tax revenue	(\$29,553)		(\$29,553)	(\$29,553)	(\$29,553)
Insurance	(\$500)		(\$500)	(\$500)	(\$500)
Maintenance	(\$75,000)		(\$50,000)	(\$36,814)	(\$25,000)
Net Annual Operating Savings before financing	\$84,008	\$57,555	\$177,227	\$218,995	\$256,415
Purchase and/or Implementation Cost	(\$503,500)		(\$1,600,289)	(\$1,826,124)	(\$2,028,446)
Project Planning Phase	(\$72,465)	(\$72,465)	(\$72,465)	Paid out of year 1 & 2 savings	(\$72,465)
Incentives	\$0	\$0	\$271,698	\$330,424	\$383,035
Amount to Finance	(\$675,965)	\$0	(\$1,401,056)	(\$1,495,700)	(\$1,645,411)
Raw Payback Period (Years)	8.05	N/A	7.91	6.83	6.42
Financing rate	2.00%	N/A	2.00%	2.00%	2.00%
(10 year lease-purchase)					
Annual Financing cost 1st 10 years	(\$74,750)	N/A	(\$154,932)	(\$165,398)	(\$181,953)
Net Annual Savings (1st 10 years)	\$9,258	\$57,555	\$22,295	\$53,598	\$74,462
Net Annual Savings years 11-20	\$84,008	\$57,555	\$177,227	\$218,995	\$256,415
Total 10 Year Savings ***	\$92,582	\$503,086#	\$222,954	\$463,513#	\$744,621
Total 20 Year Savings ***	\$932,661	\$1,078,638#	\$1,995,226	\$2,653,468#	\$3,308,772

* Electric rates assumed to be flat based on weighted average of winter/spring and summer/fall generation rates. If rates increase over time, so will savings.

All cost estimates above reflect new lower winter generation rates recently proposed by Eversource.

** Total streetlight budget is \$448,000 including condo light reimbursements and additions/Improvements which are not affected by this proposal.

*** No correction for time value of money.

#Reflects payment of Project Planning Phase out of year 1 and 2 savings.