

ENERGY COMMITTEE
TOWN OF SOUTH WINDSOR

Minutes

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December 13, 2016

Madden Room – South Windsor Town Hall

1. Call Meeting to Order

The meeting was called to order at 4:39 p.m.

2. Roll Call

Members Present: Larry Brown, Resident
 Hank Cullinane, Resident
 Mike Gantick, Director of Public Works
 Deputy Mayor Carolyn Mirek, Town Council
 Councilor Janice Snyder, Town Council
 Sherman Tarr, Resident
 Stephen Wagner, Resident

Members Absent: Patrick Hankard, Board of Education
 Councilor Edward Havens, Town Council
 Athena Loukellis, Resident
 Richard Stahr, Board of Education

3. Approval of Minutes

Councilor Snyder made a motion to approve the minutes of August 16, 2016, September 20, 2016, October 11, 2016 and November 15, 2016. Mr. Brown seconded the motion; and they were approved with proposed amendments by Chairman Wagner.

4. Next Meeting

The next meeting has been scheduled for Tuesday, January 10, 2017 at 4:30 p.m. in the Madden Room

5. Old Business

Chairman Wagner informed the Committee that he had revised the table that was discussed at the last meeting with the correct numbers. The Committee received and reviewed a draft letter which will be sent to the Council. There were suggested changes to the letter that have been completed. The Council Clerk will email the letter with the attachments to the Council and also put a hard copy in their packets.

ITEM:

6. New Meeting

A. LED Streetlights Update

Chairman Wagner asked for recommendations from the Committee members about how they feel this project should move forward.

Mr. Cullinane felt that there was a consensus at the previous meeting to recommend to the Council Item B on the attached **Exhibit A**. This option will give the Town a significant savings and will eliminate the possibility of going to referendum.

Chairman Wagner informed the Committee that when Eversource started installing decorative fixtures they established a lower rate for the lamp fee. All of the older fixtures are being charged at a lower rate than the current rate would allow. If PURA approves and they convert to the newer fixtures, the Town may be charged a much larger lamp fee which amounts to approximately \$50,000. This is an assumption because there is no official rate from PURA yet. So the savings may be less than what is being estimated at \$55,071.

Committee members discussed the maintenance of the lights if the Town were to buy all of them. Mr. Cullinane explained that if the Town buys all of the lights, Eversource would lose approximately \$300,000 per year so Eversource offered to change the lights over to LED's by 3rd quarter 2017 where originally they had said the conversion would be within five years. Councilor Snyder stated that if the Town went forward and bought all of the streetlights, the Town would lose tax revenue also.

Mr. Gantick stated that the only way it would work if the Town were to buy all of the streetlights would be to eliminate some of the lights.

Committee members stated that the Town still owes Ameresco \$72,465. The Town Manager will need to be notified of this and will need to find where this money is coming from.

Committee members discussed a resolution being put on the Town Council agenda for Monday, December 19, 2016.

ITEM:

6. A. (Continued)

Mr. Brown made a motion to recommend to the Council that the Council authorize Town Manager, Matthew B. Galligan to request Eversource to expedite the conversion of streetlights to LED technology in the 3rd quarter of 2017. Mr. Tarr seconded the motion; and it was approved, unanimously.

7. Miscellaneous

Chairman Wagner explained that portfolio manager is a system that is used to record the Town's energy use. Chairman Wagner suggested that the Town go through Town owned buildings and determine if it is felt the building could qualify for an Energy Star rating. The energy data would need to be updated which would need to be done with staff. Chairman Wagner explained that he would input the data if he could get staff to log into Eversource and download approximately 40 spreadsheets which shows how much electricity the Town has used every month. The spreadsheets would need to be put into the portfolio after input was done. This data will become automatic through Eversource in the first quarter of 2017. Mr. Cullinane suggested that the Town wait until the first quarter to start, but then would not be able to see if the Town buildings qualify for an Energy Star rating. Committee members discussed the gap that there will be between years when the input was put into the system and when it stopped. Mr. Gantick stated he would review this with Mr. Clay Majors to see what the gap is. If it is a long term commitment, it may be something that is worth working on because the Town tracks this information for budgetary purposes but a different system is presently used.

Chairman Wagner suggested running another Energize Connecticut program to try to get homeowners to participate. The Town could also look at having another workshop for Solarize.

8. Adjournment

At 5:28 p.m. Mr. Brown made a motion to adjourn the meeting. Councilor Snyder seconded the motion; and it was approved, unanimously.

Respectfully submitted,

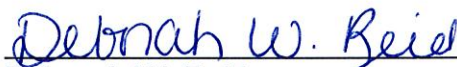

Deborah W. Reid
Clerk of the Council

Table 2 – Streetlight Options - Detail

Streetlight Conversion	A: Purchase All Existing Lights, No Retrofit (Not feasible)	B: Eversource Retrofits All Cobras	C: Eversource Retrofits All Lights - Cobras 2017, Décor 2019 (Rough guess. Not yet offered. May have big non-kWh increase.)	D: Purchase All, Retrofit Only Cobras	E: Purchase All, Retrofit Cobras & 363/763 Decorative (max allowed lease-purchase)	F: Purchase and Retrofit All Lights (Retrofit Remaining Decoratives in 2nd phase)
Streetlight Budget**			\$408,000			
Existing Annual kWh Charge			(\$148,896)			
Existing Annual non-kWh charges			(\$247,517)			
Existing Annual Electric Bill			(\$396,412)			
Lights purchased from Eversource	2420	0	0	2420	2420	2420
Lights retrofitted to LED	0	1637	2420	1637	2000	2420
Improved Annual kWh Charge	(\$148,896)	(\$85,245)	(\$53,000)	(\$83,431)	(\$69,367)	(\$53,094)
Improved Annual non-kWh charges	(\$44,607)	(\$256,096)	(\$311,000)	(\$29,223)	(\$25,918)	(\$22,093)
Improved Annual Electric Bill*	(\$193,184)	(\$341,341)	(\$364,000)	(\$112,576)	(\$95,231)	(\$75,162)
Annual Electric Bill Savings	\$203,229	\$55,071	\$32,412	\$283,836	\$301,181	\$321,250
Lost tax revenue	(\$29,553)	\$0	\$0	(\$29,553)	(\$29,553)	(\$29,553)
Insurance	(\$500)	\$0	\$0	(\$500)	(\$500)	(\$500)
Maintenance	(\$75,000)	\$0	\$0	(\$50,000)	(\$38,410)	(\$25,000)
Net Annual Operating Savings before financing	\$98,176	\$55,071	\$32,412	\$203,783	\$232,718	\$266,197
Purchase All Eversource Lights	(\$943,458)	\$0	\$0	(\$943,458)	(\$943,458)	(\$943,458)
Retrofit LEDs		\$0	\$0	(\$600,546)	(\$767,909)	(\$961,553)
Project Planning Phase (already sunk cost)	(\$72,465)	(\$72,465)	(\$72,465)	(\$72,465)	\$72,465 Paid out of year 1 & 2 savings	(\$72,465)
Cost of delay waiting for Eversource##		(\$27,535)	\$29,111			
Incentives	\$0	\$0	\$0	\$198,973	\$232,098	\$270,424
Amount to Finance	(\$1,015,923)	\$0	\$0	(\$1,417,496)	(\$1,479,270)	(\$1,707,052)
Raw Payback Period (Years)	10.35	N/A	N/A	6.96	6.36	6.41
Financing rate	2.00%	N/A	N/A	2.00%	2.00%	2.00%

(10 year lease-purchase)							
Annual Financing cost 1st 10 years		(\$112,343)	\$0			(\$156,750)	(\$163,581)
Annual Savings (Loss) yrs 1 to 10		(\$14,167)	\$55,071	\$32,412		\$47,034	\$69,138/yr after Project Planning pmt.
Annual Savings years 11-20		\$98,176	\$55,071	\$32,412		\$203,783	\$232,718
Total 10 Year Savings (Loss) ***		(\$141,673)	\$478,245#	\$224,123#		\$470,336	\$618,912#
Total 20 Year Savings ***		\$840,084	\$1,028,954#	\$575,782#		\$2,508,168	\$2,946,096#
							\$266,197
							\$774,277
							\$3,436,248

(\$188,769)

\$77,428