

## ORDINANCE No. 185838

Invest savings from LED streetlight conversion in system replacement and renewable energy.  
(Ordinance)

### Section 1. The Council Finds:

1. The Sustainable City Principles direct elected officials and staff to “use resources efficiently and reduce demand for natural resources, like energy. . .” and “act locally to reduce adverse global impacts of . . . ozone depletion and global warming, and support and implement innovative programs that maintain and promote Portland’s leadership as a sustainable city.”
2. Since 1990, with the passage of Ordinance 162975, the City has had a stated policy to “support environmentally acceptable, sustainable energy sources, especially renewable resources such as solar.”
3. In 2009 Portland City Council and Multnomah County’s Board of Commissioners adopted the Climate Action Plan, (Resolution No. 36748) to reduce carbon emissions 80% below 1990 levels by 2050.
4. The Climate Action Plan calls for the city to “convert street lighting, water pumps, water treatment and other energy intensive operations to more efficient technologies.”
5. Renewable energy, including solar, presents a promising opportunity to advance key environmental goals while supporting local economic development.
6. As a result of the Portland Bureau of Transportation (PBOT) planned conversion of 46,700 street lights from high pressure sodium to energy efficient Light-Emitting Diodes (LED), the bureau anticipates achieving savings due to lower energy use and lower maintenance and operations costs. The conversion is expected to be implemented fully over the next three to five years.
7. The useful life of the LED lights is estimated to be 24 years. As the LED lights reach the end of their useful life, the City will need to replace the LED light inventory in order to prevent system failure.
8. PBOT is planning a \$6.5 million bond sale to begin phase I of the project in FY 2012-13 and is requesting bonding authority for the full \$18.5 million needed to convert the entire inventory over subsequent phases. The anticipated total savings are projected to be sufficient to cover the total associated debt service costs and costs of implementation.

NOW, THEREFORE, the Council directs:

- a. Beginning in FY 2016-17, or in an earlier fiscal year when annual street light savings after payment of debt service is sufficient to support such costs, PBOT is directed to purchase 100% renewable energy for the street light system. At current renewable energy prices, the cost increase of this purchase is estimated to be \$84,000 per year; these prices have varied considerably in recent years, however.
- b. Once annual street light savings have reached an amount sufficient for debt service payments plus renewable energy purchase as described in Section a. above, PBOT is directed to reserve savings sufficient to replace the street light assets at the end of their useful life. As of today, this replacement cost is estimated to be \$17.5 million, or an accumulated savings of \$875,000 annually over 20 years.
- c. PBOT is directed to work with the Office of Management and Finance to confirm annual savings and establish the proper mechanism for reserving the capital replacement savings.
- d. This ordinance is the explicit statement of Council's intent to dedicate General Fund savings to support the critical need of energy efficiency.

Passed by the Council: **DEC 19 2012**

Mayor Sam Adams

Prepared by: Katja Dillmann: ls

Date Prepared: *Dillmann*

**LaVonne Griffin-Valade**

Auditor of the City of Portland

By

*Susan Parsons*


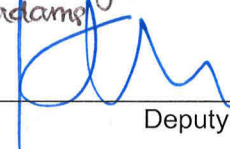
Deputy

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Agenda No.  
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<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Mayor Adams</b>	CLERK USE: DATE FILED <u>NOV 20 2012</u>
<b>COMMISSIONER APPROVAL</b> Mayor—Finance and Administration - Adams Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Leonard	 LaVonne Griffin-Valade Auditor of the City of Portland By:  Deputy
<b>BUREAU APPROVAL</b> Bureau: OMF/Bureau of Financial Services; CAO: Jack D. Graham Bureau Head: Richard F. Goward, Jr.	<b>ACTION TAKEN:</b> NOV 28 2012 PASSED TO SECOND READING DEC 05 2012 9:30 A.M. DEC 05 2012 CONTINUED TO DEC 12 2012 9:30 A.M. DEC 12 2012 Rescheduled to DEC 19 2012 9:30 A.M.
Prepared by: Lisa Shaw Date Prepared: November 19, 2012	
Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Council Meeting Date <b>November 28, 2012</b>	
<b>City Attorney Approval:</b> required for contract, code, easement, franchise, comp plan, charter	

<b>AGENDA</b>
<b>TIME CERTAIN</b> <input type="checkbox"/> Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion)
<b>CONSENT</b> <input type="checkbox"/>
<b>REGULAR</b> <input checked="" type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	<input checked="" type="checkbox"/>	
2. Fish	2. Fish	<input checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman	<input checked="" type="checkbox"/>	
4. Leonard	4. Leonard	<input checked="" type="checkbox"/>	
Adams	Adams	<input checked="" type="checkbox"/>	