

STAFF REPORT

City of Lancaster

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DATE: March 25, 2014

TO: Mayor Parris and City Council Members

FROM: Jason Caudle, Deputy City Manager
Chenin Dow, Management Analyst I

SUBJECT: **Power Efficiency and DC Fast Charger License Agreement for the Lancaster Museum of Art & History (MOAH)**

Recommendation:

Approve a Power Efficiency and DC Fast Charger License Agreement with Green Charge Networks, LLC to install an energy storage system and electric vehicle charging station at the Lancaster Museum of Art & History (MOAH) and authorize the City Manager or his designee to execute all related documents.

Fiscal Impact:

All costs associated with this project will be funded by a grant from the California Energy Commission (CEC), administered by Green Charge Networks. The project is anticipated to generate approximately \$3,200 in energy cost savings in its first year, with potential savings increases in subsequent years of the five-year agreement period as a result of escalating energy rates.

Background:

Mayor R. Rex Parris has led the charge to make Lancaster the world's first net-zero city, representing our community at a number of conferences, events and speaking engagements to promote the City's existing sustainable energy efforts and explore new ideas and technologies in this ever-changing industry. One such event, the Energy Storage North America conference in late 2013, provided Mayor Parris with the opportunity to meet representatives of Green Charge Networks, a renewable energy firm which specializes in energy storage.

As a result of this connection, Lancaster Power Authority staff began working with Green Charge Networks to identify opportunities to implement energy storage at municipal facilities. The purpose of this effort was two-fold: 1) to continue progressing toward the City's aggressive net-zero energy goals, and 2) to identify new avenues for energy cost savings on City facilities.

Research indicated that energy costs at the Lancaster Museum of Art & History (MOAH) could be reduced via installation of an energy storage system.

The proposed agreement encompasses installation of not only an energy storage system, which will reduce MOAH's energy costs by shaving demand charges, but also an electric vehicle (EV) charging station. The project is entirely funded by a grant from the California Energy Commission (CEC), which will be administered by Green Charge Networks.

The energy storage system is expected to generate approximately \$3,200 in savings in its first year alone by reducing demand charges. Savings are anticipated to be similar in subsequent years of the five-year agreement period, with potential increases in savings as energy rates continue to escalate. Exact figures will vary based on electricity usage at the facility and rates charged by Southern California Edison.

Under this agreement, Green Charge Networks (GCN) will own the system and be responsible for all operations and maintenance at no cost to the City. The City's responsibility is to provide GCN with access to the site as necessary to install and maintain the energy storage system and EV charging station. When the agreement's five-year term expires, the City and GCN may consider renewal.

As the City's first energy storage project, this effort presents a unique opportunity to reduce energy costs at a major municipal facility, further Lancaster's renewable energy goals, and provide a new service to area residents in the form of a new electric vehicle charging station, all at no cost to the City.

JC:cd