

**LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS**

**PUBLIC WORKS COMMITTEE**

**ITEM 17, FILE #090319**

**JULY 15, 2009**

**AMY E. HEFTER**

File Number 090319 is a resolution authorizing the expenditure of 2009 Energy Challenge Fund funds for capital projects.

**Background**

1. The 2009 Budget included \$500,000 in capital funding to support the goal of helping city departments reduce energy consumption by 15% from 2008 to 2012, using 2005 city energy consumption as a baseline. Funds are awarded to departments for capital projects that result in energy efficiencies or that use renewable energy or alternative fuel sources. Funds are distributed based on projected reductions in energy use and demand charges and demonstration of project payback within a reasonable time period. The Environmental Sustainability Director manages the Energy Challenge Fund.
  
2. The Energy Challenge Fund targets buildings that have the highest energy usage and highest energy costs. The projects are evaluated based on their pay-back period (e.g., a project that pays for itself in 3 years rather than 7 years might receive greater consideration).
  
3. 2009 Budget Amendment 121a, adopted by the Common Council, added a footnote to the Energy Challenge Fund capital account to require Common Council approval for expenditure. To date, the Common Council has not passed a resolution approving expenditure of funds.

**Discussion**

The following projects have been selected to receive 2009 Energy Challenge Funds per File 090319:

<b>Project</b>	<b>Department</b>	<b>Facility</b>	<b>Energy Fund Allocation</b>	<b>Third Party Rebates*</b>	<b>Total Project Costs</b>	<b>Annual Project Savings</b>	<b>Estimate Savings Payback</b>
Distributed Generation	DPW Facility Services	Zeidler Municipal Building	\$54,000	\$0	\$64,000	\$49,200	1.1 years
Lighting Retrofit	DPW-Parking	4 <sup>TH</sup> & Highland Garage	\$62,750	\$16,333	\$79,083	\$27,316	2.3 years
Lighting Retrofit	DPW-Parking	MacArthur Square	\$91,339	\$18,226	\$109,565	\$36,085	2.5 years
Lighting Retrofit	DPW-Parking	2 <sup>ND</sup> & Plankinton	\$48,830	\$7,430	\$56,260	\$15,893	3.1 years
Replace Air Handling Units; Add Variable Frequency Drives	Library	Center Street	\$13,300	\$1,200	\$14,500	\$4,000	3.3 years
Solar Hot Water Heaters	Fire Dept.	10 Firehouses	\$40,000	\$83,300	\$123,300	\$2,710	14.8 years
<b>TOTAL</b>			<b>\$310,219</b>	<b>\$126,489</b>	<b>\$446,708</b>	<b>\$135,204</b>	<b>2.29 years</b>

\*Anticipated rebates from Focus on Energy and WE Energy

**Fiscal Impact**

This resolution authorizes expenditures in the amount of \$310,219 from the 2009 Energy Challenge Fund for capital projects.

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