



Hamilton

INFORMATION REPORT

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	December 7, 2015
SUBJECT/REPORT NO:	Status of High Wattage Street Light Incentive as of December 2015 (PW14119c) - (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
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SIGNATURE:	

Council Direction:

At its meeting of December 17, 2014 Council directed staff to report back to the Public Works Committee quarterly with updates on the progress of the High Wattage Street Light Incentive Project.

This direction is in response to the approval of report PW14119 (High Wattage Street Light Incentive Project) which involves the replacement of approximately 10,000 HPS street lights with LED, including a saveONenergy incentive contingent upon a project completion date of December 31, 2015.

Information:

The installation contractor, Enersource Power Service, achieved substantial performance on October 5, 2015 ahead of the contractual deadline of October 30, 2015.

A total of 10,319 street lights were replaced with LED street lights resulting in an energy load reduction of 1,614 kilowatts. Actual load reduction values were greater than anticipated and projected annual energy savings increased from \$700,000 to \$830,000. This was achieved by conducting a progressive detailed design process to scrutinize and select the most optimal LED street lights across the scope of the project.

Capital project costs were \$4,800,000 which is \$700,000 less than initial estimates and Council approved funding allocation of \$5,500,000. Lower capital costs are a resultant of a number of factors, primarily favourable LED street light pricing received through contract C15-29-15(SL).

**SUBJECT: Status of High Wattage Street Light Incentive as of December 2015
(PW14119c) - (City Wide) - Page 2 of 2**

The anticipated value of the IESO saveONenergy incentive is \$3,425,000 which is a reduction of \$75,000 from the original value of \$3,500,000. This reduction is a function of the incentive eligibility terms and directly related to the lower capital project costs and proportionally has not changed.

The total final project cost, including the incentive funding offset, is \$1,375,000. The reported project payback of 3 years remains on track. The energy savings will be used to fund the project payback.

Project History

Contract C11-82-14, Prequalification for LED Street Lighting Luminaires - 100W and Greater, was issued and closed on December 4, 2014. Contract C15-29-15(SL), Tender for Street Lighting Luminaire Replacements, was issued and closed on February 24, 2015. The tender was for the supply and installation of approximately 10,000 LED luminaires. The contract included a completion deadline of October 30, 2015 and incorporated incentives for early completion and liquidated damages for late completion.

Ten conforming bids were received, six being within the project budget expectations. Contract C15-29-15(SL) was awarded to Enersource Power Services Inc. (EPS) on March 4, 2015, with the notice to proceed work issued to EPS on March 18, 2014. EPS began installations on April 28, 2015 and achieved substantial performance on October 5th, 2015.

Staff are in the final stages of preparing and submitting final documentation for the saveONenergy incentive through Horizon Utilities, who administers the program on behalf of the IESO. Horizon is satisfied with the information prepared to date, vetted through an independent auditor, and staff do not expect any issues regarding the receipt of the incentive.

Throughout the duration of the project, staff has closely monitored the performance of the LED street lights as well as feedback from the public. The General Electric Evolve Series street lights have operated beyond expectation from the perspective of both light performance and operation. Failure rates at the time of installation are less than 0.2% and the majority of outages are the results of issues not related to the new street lights.

Comments received from the public have been overwhelmingly positive. Any notable issues have been and will continue to be investigated and dealt with accordingly case-by-case.