

COUNCIL ACTION FORM

SUBJECT: SMART ENERGY REBATE TO BETHESDA LUTHERAN CHURCH

BACKGROUND:

The City's Smart Energy incentive programs are designed to encourage customers to purchase and install energy efficient equipment. This program helps Electric Services reduce our overall power load and particularly helps reduce our peaks. Bethesda Lutheran Church recently participated in the Smart Energy program after making upgrades to its heating and cooling systems.

Bethesda Lutheran Church, at 1517 Northwestern Avenue, installed a geothermal heating and cooling system rather than a standard heating and cooling system. It is estimated that the geothermal system will save 120,000 kWh of energy per year and reduce demand by 62 KW. This will save the customer approximately \$12,480 annually. Estimated future avoided costs (savings) for City of Ames Electric Services is \$85,000. The new geothermal system will also reduce carbon dioxide emissions by about 82 tons annually. This installation qualifies Bethesda Lutheran for a Smart energy rebate of \$70,560.

ALTERNATIVES:

1. Authorize payment of the Bethesda Lutheran Church Smart Energy rebate of \$70,560.
2. Delay the payment, and ask for additional information.

MANAGER'S RECOMMENDED ACTION:

The City Council has set a goal to reduce increases in energy consumed in our community and to have an increasingly sustainable community. The Smart Energy incentive programs have encouraged individuals and businesses to invest in more energy-efficient technologies and have reduced increases in demand on the City's Electric Utility. Particularly important have been the recent reductions in peak demand during the summer months.

Therefore, it is the recommendation of the City Manager that the City Council approve Alternative #1, thereby authorizing payment of a \$70,560 Smart Energy incentive rebate to Bethesda Lutheran Church.