

COUNCIL ACTION FORM

SUBJECT: SMART ENERGY REBATE CHECKS TO AG LEADER TECHNOLOGY

BACKGROUND:

Smart Energy incentive programs are designed to help customers purchase and install energy efficient equipment. The program helps reduce our electric utility's overall load and particularly helps reduce our peaks. Ag Leader Technology recently participated in the Smart Energy program for a second time and is due a large incentive check for upgrades to its heating and cooling systems.

Ag Leader Technology, 2202 South Riverside Drive, installed a second geothermal heating and cooling system in its training center rather than a standard electric heating and cooling system. It is estimated that the geothermal system will save 45,750 kWh of energy and 30 KW of demand per summer. This will save the customer approximately \$2,500 annually. Estimated future avoided cost (savings) for City of Ames Electric Services is \$34,575. The new geothermal system will reduce carbon dioxide emissions by 75,000 pounds (37 tons) annually. This installation qualifies Ag Leaders for a rebate of \$33,390.

ALTERNATIVES:

1. Authorize the \$33,390 Smart Energy rebate payment to Ag Leader Technology.
2. Delay this payment.

MANAGER'S RECOMMENDED ACTION:

It has been a goal of the City Council to reduce the increases in energy consumed within our community and to have an increasingly more 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 and authorize the payment of a \$33,390 Smart Energy incentive rebate to Ag Leader Technology.