

COUNCIL ACTION FORM

SUBJECT: **SMART ENERGY REBATE CHECK FOR MCFARLAND CLINIC**

BACKGROUND:

Electric Services' Smart Energy incentive programs are designed to help customers purchase and install energy efficient equipment. The program helps reduce our overall load and particularly helps reduce summer peaks. McFarland Clinic recently participated in the Smart Energy program after making upgrades to its heating and cooling systems.

McFarland Clinic built a new facility at 121 E. 12th Street and installed a geothermal heating and cooling system, rather than a standard electric heating and cooling system. It is estimated that the geothermal system will save 60,000 kWh of energy and 53 KW of demand per summer. This will save the customer approximately \$5,800 annually. Future avoided cost (savings) for the City's Electric Services is estimated to be \$59,000. The new geothermal system will also reduce carbon dioxide emissions by about 98,400 pounds (49 tons) annually. This installation qualifies McFarland Clinic for a rebate of \$45,290.

ALTERNATIVES:

1. Authorize a Smart Energy rebate payment to McFarland Clinic for \$45,290.
2. Delay this payment.

MANAGER'S RECOMMENDED ACTION:

The City Council has a goal to reduce the increase in energy consumed in our community and to have an increasingly more sustainable community. The Smart Energy incentive programs encourage 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 No. 1, thereby authorizing a Smart Energy rebate payment of \$45,290 to McFarland Clinic.