



# CITY OF SALEM

585 Liberty St SE  
Salem, OR 97301

## Staff Report

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**TO:** Mayor and City Council  
**THROUGH:** Steve Powers, City Manager  
**FROM:** Peter Fernandez, PE, Public Works Director

**SUBJECT:**

Salem Electric Funding Incentives for the Streetlight Re-Lamping Project.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

**ISSUE:**

Shall City Council authorize the City Manager to execute an Implementation Agreement with Salem Electric for funding incentives for the streetlight re-lamping project?

**RECOMMENDATION:**

Authorize the City Manager to execute an Implementation Agreement with Salem Electric for funding incentives for the streetlight re-lamping project.

**SUMMARY AND BACKGROUND:**

On March 9, 2015, City Council passed Resolution 2015-13 that created the City's Streetlight Utility, setting fees and charges to fund the operation, maintenance, upgrade, and expansion of the City's streetlight system. The first funded project was the replacement of existing high pressure sodium (HPS) light fixtures with new light emitting diode (LED) fixtures. LED light fixtures use roughly 50-percent less energy than HPS lights, are more reliable, and last four times longer.

City streetlights are located in two service areas, one covered by Salem Electric and one covered by Portland General Electric (PGE). Early in the project staff became aware of opportunities to request funding incentives through Energy Trust of Oregon for the PGE service area, and through Bonneville Power Administration for the Salem Electric service area. The incentives and rebates apply directly to the re-lamping work.

## FACTS AND FINDINGS:

- The streetlight re-lamping project which began in March 2017 is now complete. The project replaced over 8,000 HPS light fixtures with LED light fixtures at a cost of \$2.26 million.
- Streetlight incentives from Salem Electric for their service area are estimated to be \$121,190. The estimate is based on incentives per fixture as established in the attached Implementation Agreement.
- Streetlight incentives from Energy Trust of Oregon for the PGE service area were approved by Council in 2017. The full incentive payment of \$390,006 was received in January 2018.
- After incentives from Energy Trust of Oregon and Salem Electric are applied to the total project cost, the net cost to the City will be approximately \$1.75 million.
- The new LED lights are expected to result in energy savings of up to \$420,000 per year. The project payback period is 4.2 years.

Brian D. Martin, PE  
City Engineer

### Attachment:

1. Salem Electric Implementation Agreement