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Energy Savings Projects Will Retrofit 40 City of San Diego Buildings to Reduce Greenhouse Gas

AMBITIOUS 25-YEAR FINANCING AGREEMENT AND CONTRACT APPROVED BY CITY COUNCIL

SAN DIEGO – Today the San Diego City Council approved a new Energy Savings Performance Contract and financing agreement. This contract will allow the City to launch the next phase of a comprehensive plan to electrify all City buildings.

Electrification of buildings means swapping out old pollution-producing appliances and systems that operate on natural gas – such as stoves, furnaces and water heaters – and replacing them with cleaner all-electric systems. This is an important step toward one of the City's key Climate Action Plan goals of reducing the greenhouse gas emissions coming from buildings. Research shows indoor fossil fuel combustion also impacts the health and well-being of building occupants.

“This program represents a significant leap forward in our commitment to climate action, building a healthier and more sustainable San Diego for current and future generations,” said Musheerah Little, Director of General Services. **“We are grateful for the ongoing support of Mayor Todd Gloria and his commitment to helping our City achieve its climate goals and setting an example for building owners throughout the region.”**

City staff has been working for several years already toward the electrification of City properties, and the contract provides a way forward at no upfront cost to the City. The \$112-million contract with Willdan Energy Services will use the avoided energy savings generated from new high-efficiency, all electric systems and onsite generation and storage of renewable energy to pay back the capital costs over the next 25 years, creating a neutral cash flow. Willdan was selected to partner with the City through a competitive bidding process in 2023.

This portfolio of projects will finance upgrades to 40 City-owned buildings, with 23 becoming fully electrified, zero-emissions buildings. Most are libraries and recreation centers, along with two police

stations and a City administrative building on Ridgehaven Drive. Several locations will receive new solar panels to generate energy onsite. Also included are plans to retrofit 39,000 old streetlight fixtures to new, energy-efficient LED lighting.

This type of financing plan has been successfully used for more than three decades by federal, state and local governments to fund large-scale energy efficiency projects.

Construction on these projects should begin this fall. Library and recreation center patrons may see some disruption or short-term closures due to construction, but every effort will be made to minimize impacts to the users of City facilities, and the City is dedicated to communicating early and often with patrons on the status of projects.

This project will result in significant progress toward the City's climate action goals as well as upgrades that improve the everyday experience of City workers and residents who rely on these facilities. It is a win-win for the City financially, since the funding requires no initial capital outlay, and without this project, these public dollars would otherwise be spent to cover rising energy bills and emergency maintenance projects.



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