



**COUNCIL PRESIDENT PRO TEM KEVIN L. FAULCONER
CITY OF SAN DIEGO
SECOND DISTRICT**

M E M O R A N D U M

DATE: April 21, 2011

TO: Jay Goldstone, Chief Operating Officer

FROM: Council President Pro Tem Kevin L. Faulconer

SUBJECT: Fiscal Year 2012 Budget Solution: Revenue Generating Solar Panels on City Street Lights

San Diego Gas & Electric is moving forward with a pilot project to install solar panels on its power poles. This project utilizes solar power to generate additional energy and revenue for SDG&E. I strongly believe the City of San Diego should consider pursuing a similar path by installing solar panels on some of its street lights. This type of renewable energy project could be a powerful cost-cutting and revenue-generating tool for the City. It could reduce City energy costs, generate millions of dollars in revenue, and would be in line with the City's goal of promoting green technology.

At a time when the proposed Fiscal Year 2012 budget considers reducing library and recreation center hours of operation, I believe a project such as this could provide funding to help offset cuts to core neighborhood services.

At the March 23, 2011, Natural Resources & Culture Committee meeting, SDG&E made a presentation regarding its power pole solar project. In a subsequent meeting with a member of my staff, a solar industry representative said that if solar panels were installed on 33,000 of the City's 160,000 street lights – approximately the same number of street lights that are already scheduled for energy efficient lighting upgrades – the panels could generate enough energy to power the street lights on which they are installed, resulting in substantial cost savings. In addition to these savings, excess energy could be sold back to SDG&E for approximately \$6.5 million in additional annual revenue for the City.

To this end, I respectfully request responses to the following questions:

1. Is it possible at this time to include the purchase and installation of solar panels in the Request For Proposals for energy efficient high intensity discharge (HID) lighting upgrades to City street lights, potentially as a subcontract with the winning bidder,

Jay Goldstone
April 21, 2011
Page 2

assuming that the winning bidder can maintain its bid price (Street Lighting Conversion Project Design Build Contract RFP #5235DB)?

2. When is the contract for RFP #5235DB expected to come before the City Council for approval?
3. If solar panel purchase and installation cannot be included in the contract for RFP #5235DB, what options does the City have to move forward with a solar panel installation project, including the use of Energy Efficiency Community Block Grants that have already been allocated?

As solutions to close the projected \$56.7 million FY 2012 budget deficit must be vetted before the final vote on the budget scheduled on June 7, 2011, I am requesting responses to my questions as soon as possible. If, in fact, a solar panel project can be included in the street lighting RFP, the City Council must act quickly to approve the contract in order to achieve savings and revenue for FY 2012.

It is imperative that we take action on all viable and responsible options to balance the City's budget and avoid unnecessary cuts. I look forward to working with the Mayor and my City Council colleagues to pass a balanced budget that preserves neighborhood services.

cc: Honorable City Council President and Councilmembers
Honorable Jan Goldsmith, City Attorney
Andrea Tevlin, Independent Budget Analyst
Hildred Pepper, Director, Purchasing & Contracting Department
Kip Sturdevan, Interim Director, Transportation & Storm Water Department