

To the Mayor and Members of the City Council**September 13, 2016**

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**SUBJECT: SUSTAINABLE ENERGY PROGRAM UPDATE**

The purpose of this Informal Report is to update the Mayor and Council members about the City of Fort Worth's sustainability efforts managed by the Utility Administration Section within the Department of Property Management. These efforts focus on the best management practice of utilities necessary to operate and maintain municipal facilities:

- Supply-side management initiatives to obtain utility costs at the lowest possible rate;
- Demand-side management initiatives to reduce utility consumption and cost;
- Tracking and State reporting City efforts to reduce electrical consumption by a least five-percent each year over a ten-year period (2011-2021), as required by Texas law; and
- Collection and public reporting utility data; electricity-, natural gas-, and water-usage and their aggregate cost, as required by State law.

In addition, the City participates in community-focused initiatives as part of the Better Buildings Challenge (BBC.) Established in 2012 through a Community Partner Agreement (CSC 43252) with the United States Department of Energy (DOE), the Fort Worth BBC is a public-private partnership committed to its local buildings becoming 20-percent more energy-efficient by the year 2020.

Municipal-focused Initiatives

Critical to the implementation of the City's sustainable energy program is the implementation of effective supply-side- and demand-side-management practices. The plan for fiscal year 2017 is to expand on these efforts.

Supply-side management focuses on initiatives to obtain City facility energy and water utilities at the lowest cost. Particular attention is to the City's \$20-million annual electricity budget and management of its Retail Electric Provider (REP) contract which expires in June of 2021. Consideration is being given to additional REP services in improving City spend management and as well to the management of other utility service providers to City facilities, in particular the two electric cooperatives, and those utilities providing natural gas and water services.

Demand-side management seeks to responsibly reduce utility consumption, thereby reducing the pressure on City budget increases. The emphasis is on the analysis of City facility energy and water consumption in order to identify opportunities to reduce costs while also improving facility conditions and local environmental air quality.

Staff continues to facilitate development of efficiency-based sustainability efforts that build upon projects proven cost-effective through regular performance reporting. Implemented facility improvements include those to lighting-, air conditioning-, water-systems, electrical- and water utility-services, as well as the installation of renewable energy systems.

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The City's \$69-million investment to date is on track to meet Council's 10-year simple payback threshold for such projects. Performance reporting through 2015 indicates that there is a \$5.9-million positive variance against contractor utility cost avoidance guarantees.

Utility Administration continues to collaborate with City departments in evaluating potential measures that will help reduce energy and water consumption and cost. Potential projects under development include:

- Water's improvements to their reclamation and production facilities;
- Transportation & Public Works' conversion of existing streetlights to LED-technology;
- Property Management's further improvements to existing building systems; and
- Park & Recreation's expanded use of LED-technology for outdoor lighting.

Staff continues to leverage available assistance from the DOE and State Energy Conservation Office (SECO) as well as that from other public agencies and private organizations. The interest is to ensure that projects implemented assist the City in achieving its stated energy conservation goal for compliance with State legislative action – a goal to improve air quality by reducing power plant emissions, thereby helping Texas meet federal Clean Air Act standards.

Community-focused Initiatives

The Fort Worth BBC is the public extension of City conservation efforts to improve facilities owned and operated by the City. City departmental participation is by Property Management as one of 17-partners committing their facilities to a 20-percent efficiency improvement goal by 2020, and by Water as one of 12-allies assisting partners in achieving their goals. The local partner commitment continues to grow and is now over 20 million-square feet of building area.

Now representing nine market sectors, local partners and allies operate as a collaborative network to share relative challenges and successes associated with implementing cost-effective conservation projects. The DOE program current year's report indicates that the Fort Worth BBC's community partnership is on track to achieve its goal with a reported 17-percent improvement in energy efficiency of partner buildings over the period 2009 through 2015.

Questions regarding this City programming should be directed to Steve Cooke, Director, Property Management Department, at 817.392.5134.

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