

Street Light Ownership Project Update

City of Killeen, TX

February 15th, 2022



TankoLighting



Agenda



- 1. Recap of Street Light Project**
- 2. Benefits of Ownership**
- 3. Street Light Appraisal**
- 4. Oncor's Rate Structure**
- 5. Potential Savings**
- 6. Next Steps**
- 7. Open Discussion/Q&A**

Types of Streetlights



Stand Alone Light

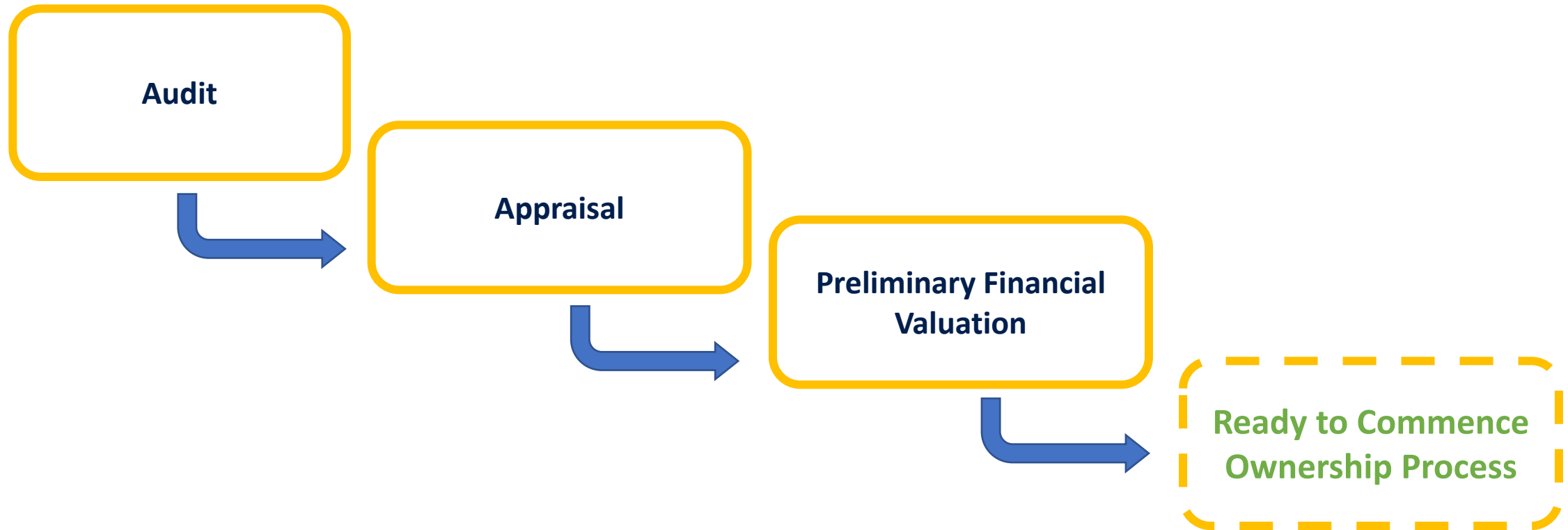


Distribution Light



Decorative Light

Where is Killeen in the Process?



Benefits of Ownership



**Reduced
Costs**



**Guaranteed
Response Times**



**Smart
Cities**



**Revenue
Generation**



**100% Fully
Outsourced**

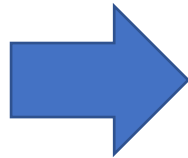
Texas Cities That Own Their Lights



Street Light Appraisal



APPRAISAL



QUANTITY



System Valued at
\$701,110
Average of
\$154 per Light

A blue icon of a street light with a curved pole and a light fixture at the top.

RESULTS



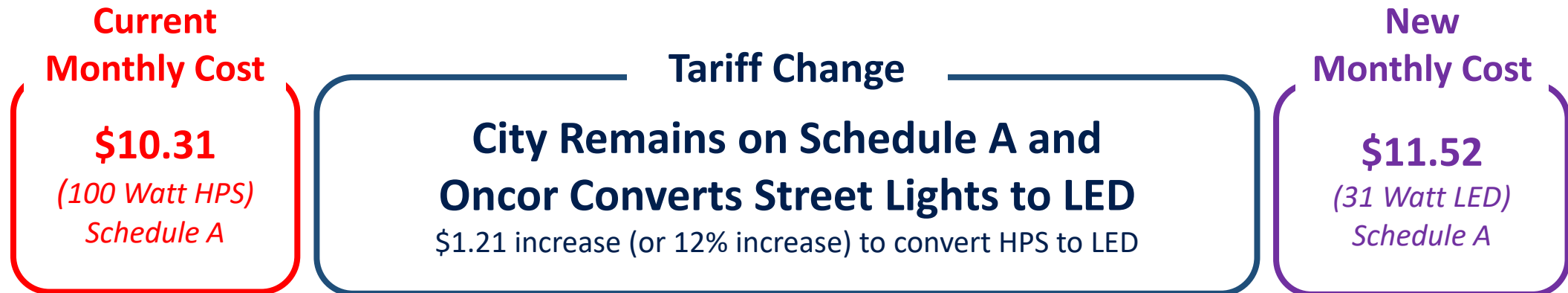
Oncor's Rate Structure

- **Current Monthly Bill Structure**
 - Schedule A & B (Oncor Owned)
- **Post Ownership Monthly Bill Structure**
 - Schedule D (City Owned)

Tariff Change | Oncor HPS vs. City Owned LED



Tariff Change | Oncor HPS vs. Oncor LED



Oncor Street Light Service Tariff | Page 81



MONTHLY RATE

I. Unmetered Facilities

Points of Delivery (POD) Charge: \$56.29 per governmental entity served by the Competitive Retailer.

Lamp	Watts	Lumens	kWh	Schedule			Rectangular*	Post-Top*
				A	B*	C* and D		
Mercury Vapor* (See Note 1)	175	7,900	70	\$10.65	\$14.88	\$1.53	\$26.53	\$10.23
	400	21,000	150	\$11.86	\$19.70	\$3.10	N.A.	N.A.
	1,000	63,000	370	\$15.00	\$23.73	\$7.43	N.A.	N.A.
Sodium Vapor	100	9,500	40	\$10.31	\$14.84	\$0.94	\$25.97	\$9.87
	150	16,000	70	\$10.86	\$16.70	\$1.53	N.A.	N.A.
	200	22,000	80	\$10.99	\$19.39	\$1.72	N.A.	N.A.
	250	27,500	100	\$11.21	\$19.63	\$2.12	\$25.97	N.A.
	400	50,000	160	\$12.60	\$22.25	\$3.30	N.A.	N.A.
	1,000*	140,000	375	\$14.78	\$23.72	\$7.52	N.A.	N.A.

Oncor Street Light Service Tariff | Page 82



LED Street Lighting Options

Lamp	Wattage Range	kWh	Schedule A LED Street Lighting				Schedule D LED Street Lighting
			Cobra Head (See Note 3)	Rectangular (See Note 4)	Post – Top (See Note 4)	Historical (See Note 4)	
LED	0 - 55	15	\$11.52	\$25.14	\$13.92	\$28.59	\$0.45
LED	56 - 100	30	\$11.91	\$25.99	\$14.30	\$29.76	\$0.74
LED	101 - 140	45	\$12.71	\$27.28	N/A	N/A	\$1.03
LED	141 - 180	55	\$13.30	N/A	N/A	N/A	\$1.23
LED	181 - 265	80	\$15.40	N/A	N/A	N/A	\$1.72



Street Light System Yearly Cost After Acquiring and Converting to LED

Current Yearly Cost

\$716,607

Oncor owned, Energy and HPS Maintenance

New Yearly Cost

\$169,875

City owned, Energy and LED Maintenance

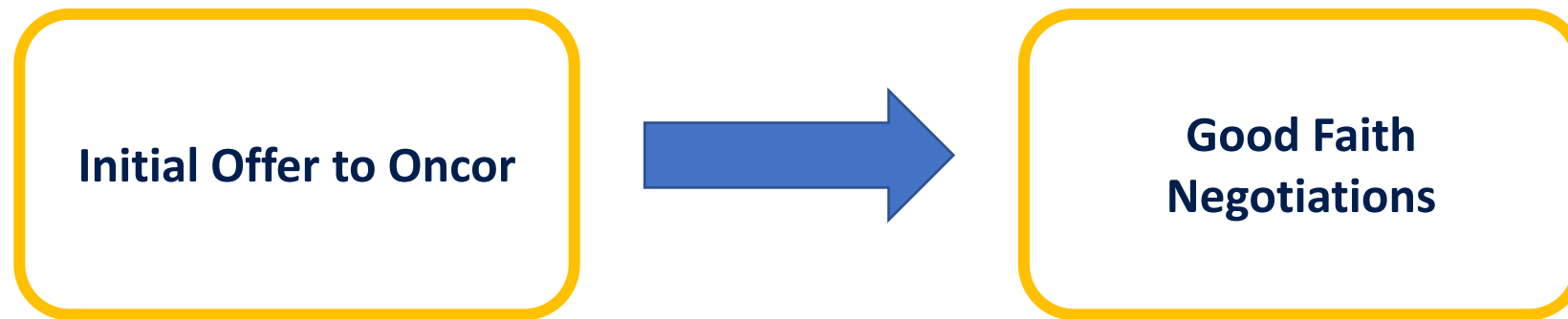
Estimated Project Payback Period: 5.48 Years

Total Project Cost of \$3,085,895

System Purchase Price of \$701,110

LED Conversion Cost of \$2,384,785

Next Steps



Stay in Touch

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[Additional Slide] Financial Analysis – Streetlights acquired from Oncor and Converted to LED

Project Overview

Total Cost <i>(Ownership + Conversion)</i>	\$3,085,895
20 Year Savings	\$10,709,267
Payback Period <i>(Energy Savings Only)</i>	4.62 years
Payback Period <i>(Energy + Maintenance Savings)</i>	5.48 years

Project Costs

Ownership Cost <i>(estimated cost to purchase the streetlights from the utility)</i>	\$701,110
LED Conversion Cost <i>(estimated costs for turnkey services, including labor/material)</i>	\$2,384,785
Rebate Incentive	Not Applicable
Additional Rebates/Grants	\$0
Net Project Cost <i>(Rebate included)</i>	\$3,085,895

Year 1 Analysis

	Existing	New	Savings
Energy Usage [kWh]	2,889,707	667,592	2,222,116
Energy Usage Cost	\$716,607	\$60,939	\$655,669
Maintenance Cost	<i>Included in current energy costs</i>	\$108,936	(\$108,936)
Total	\$716,607	\$169,875	\$546,733

20 Year Analysis

	Existing	New	Savings
Energy Usage [kWh]	57,794,148	13,351,835	44,442,313
Energy Cost	\$15,778,982	\$1,341,809	\$14,437,174
Maintenance Cost	<i>Included in current energy costs</i>	\$3,727,907	(\$3,727,907)
Total	\$15,778,982	\$5,069,715	\$10,709,267

Assumptions

Quantity of Lights Included in Analysis	4,539
Buyout Cost per Pole	\$154



Street Light Service Agreement with Oncor

2. Term and Termination. Consistent with the requirements of section 6.1.1.1.8 - Lighting Service of Company's Tariff, this Agreement shall be effective as of the _____ day of _____, 20____, and, unless terminated early in accordance with the terms of this Agreement, shall remain in effect for an initial term of ten (10) years and from year to year thereafter until canceled by either party consistent with the terms of this Agreement. After the expiration of the initial ten year term, this Agreement may be terminated by either party upon ninety (90) days written notice to the other party. Notwithstanding any provision of this Agreement to the contrary, this Agreement may be terminated at any time under the following conditions.

- (a) If Company begins installation of any requested Facilities prior to receiving full payment of any contribution-in-aid-of-construction provided for in section 6.1.1.1.8 - Lighting Service of Company's Tariff or any subsequently approved similar provision, from Customer or Customer's agent or representative ("Customer's Agent") as appropriate, and Customer or Customer's Agent thereafter fails to make such payment in full, then: (i) Company may immediately terminate this Agreement by providing written notice of such termination to Customer, (ii) Company may remove all such Facilities, and (iii) Customer shall pay Company all cost incurred by Company in removing such Facilities, less the salvage value of such Facilities, within 30 days of Company's removal of the subject Facilities.
- (b) If Customer discontinues taking electric service from Customer's designated competitive retailer at Facilities, for purposes other than to allow the Customer to begin receiving service from another competitive retailer at such Facilities, then: (i) Company may immediately terminate this Agreement by providing written notice of such termination to Customer, (ii) Company may remove all such Facilities owned by Company, and (iii) Customer shall pay Company all cost incurred by Company in removing such Facilities, less the salvage value of such Facilities, within 30 days of Company's removal of the subject Facilities.
- (c) If Customer purchases Facilities owned by Company.



Alternative Scenario - Street Light System Yearly Cost

Current Yearly Cost

\$716,607

Oncor owned and maintained system

New Yearly Cost

\$169,875

City owned and maintained system

Estimated Project Payback Period: 7.73 Years

Total Project Cost of \$4,384,785

System Purchase Price of \$2,000,000

LED Conversion Cost of \$2,384,785



Street Light System Yearly Cost After Acquiring

Current Yearly Cost

\$716,607

Oncor owned, Energy and HPS Maintenance

New Yearly Cost

\$481,749

City owned, Energy and HPS Maintenance

Estimated Project Payback Period: 3.4 Years

Assuming system purchase price of \$701,110

[Additional Slide] Financial Analysis – Streetlights acquired from Oncor and NOT Converted to LED

Project Overview

Total Cost (<i>Ownership + Conversion</i>)	\$897,410
20 Year Savings	\$3,058,246
Payback Period (<i>Energy Savings Only</i>)	1.76 years
Payback Period (<i>Energy + Maintenance Savings</i>)	3.4 years

Project Costs

Ownership Cost (<i>estimated cost to purchase the streetlights from the utility</i>)	\$701,110
Existing Tanko Contract NTE	\$196,300
Rebate Incentive	Not Applicable
Additional Rebates/Grants	\$0
Net Project Cost (<i>Rebate included</i>)	\$897,410

Year 1 Analysis

	Existing	New	Savings
Energy Usage [kWh]	2,889,707	2,889,707	0
Energy Usage Cost	\$716,607	\$209,409	\$507,199
Maintenance Cost	<i>Included in current energy costs</i>	\$272,340	(\$272,340)
Total	\$716,607	\$481,749	\$234,859

20 Year Analysis

	Existing	New	Savings
Energy Usage [kWh]	57,794,148	57,794,148	0
Energy Cost	\$15,778,982	\$4,610,974	\$11,168,008
Maintenance Cost	<i>Included in current energy costs</i>	\$8,109,762	(\$8,109,762)
Total	\$15,778,982	\$12,720,736	\$3,058,246

Assumptions

Quantity of Lights Included in Analysis	4,539
Buyout Cost per Pole	\$154