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Title: Resolution to Set Revised Energy Challenge Goals for Ann Arbor

Sponsors: John Hieftje

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Resolution to Set Revised Energy Challenge Goals for Ann Arbor

The attached resolution directs staff to continue the development and implementation of plans to increase renewable energy use and reduce greenhouse gas emissions in municipal operations and throughout the Ann Arbor community. The resolution sets revised Energy Challenge goals of reducing greenhouse gas emissions in municipal operations by 50% and in the community by 8% from 2000 levels by 2015. It also sets updated goals of using 30% renewable energy in municipal operations and 5% community-wide by 2015. Finally, the resolution directs staff to conduct an evaluation of options to purchase long-term, fixed-rate renewable electricity from wind turbines constructed in Michigan. These actions build on City Council’s original Energy Challenge goals resolution of May 1, 2006, and the resulting work that staff and the Energy Commission have undertaken.

While there are numerous compelling environmental benefits to reducing greenhouse gas emissions and increasing our use of renewable energy sources, the current economic downturn presents additional financial reasons to pursue these goals. Reducing greenhouse gas emissions and increasing renewable energy use means reducing our use of fossil fuels, which produces a number of economic and financial benefits, including:

- Reducing the City’s expenditures on electricity, natural gas and motor fuel used in municipal operations, which totaled \$5.2 million in fiscal year 2009-10, reduces the cost of providing City services.
- Most of the money spent on fossil fuel energy sources-over \$300 million each year in Ann Arbor-leaves Michigan; reducing these expenses keeps money in the local economy.
- Energy efficiency and renewable energy projects tend to employ local contractors, creating jobs, and the money saved through reduced energy bills helps to keep workers employed.

Since the original Energy Challenge goals were set in 2006, the City has been able to increase its use of renewable energy in municipal operations to 20% for the fiscal year 2009-2010. Energy Office staff have also begun monitoring community-wide renewable energy use and greenhouse gas emissions on an annual basis to understand what programs are necessary at the community level.

The Energy Commission and Energy Office staff have reviewed data on City and community energy use and suggested measures that, if implemented, would lead to meeting both the greenhouse gas emissions and renewable energy goals proposed in the resolution. Key programs include a renewable electricity purchase for municipal facilities, increased use of renewable fuel in the community, and deployment of a community energy program for residential and commercial buildings. Staff should continue to explore the Energy Commission's recommendations and also consider any other technologies and partnerships to help reach the renewable energy goals.

By committing to a goal of reducing greenhouse gas emissions by 50% in municipal operations by 2015, the City of Ann Arbor will continue to "lead by example" to help the Ann Arbor community through this necessary transition.

By committing to a goal of reducing greenhouse gas emissions by 8% for the Ann Arbor community by 2015, City staff can continue to develop the local programs and form the community partnerships necessary to assist Ann Arbor businesses and homeowners toward sustainable energy use and also point the way for other communities in Michigan to follow.

Whereas, In resolution R-172-5-06 on May 1, 2006, Ann Arbor City Council set Energy Challenge goals of 30% renewable energy use in municipal operations by 2010 and 20% renewable energy use city-wide by 2015, and to reduce city-wide greenhouse gas emissions 20% by 2015; and

Whereas, In resolution R-330-7-07 on July 16, 2007, Ann Arbor City Council set ten environmental goals, including "Eliminate net greenhouse gas emissions and other destabilizing climate impacts," and "Use 100% renewable energy"; and

Whereas, The City of Ann Arbor is committed to preserving and improving the City's natural and built environment, protecting the health of its residents and visitors, and promoting economic development; and

Whereas, Energy efficiency and renewable energy technologies provide residents and businesses with reliable, sustainable and clean energy, which helps the community benefit financially, while reducing greenhouse gas emissions and local reliance on imported energy; and

Whereas, The original Energy Commission recommendations for municipal operations included a large renewable electricity purchase from a Michigan wind farm, and Michigan wind development has been slower than the commission projected; and

Whereas, The City ended fiscal year 2009-10 with renewable energy use of 20% despite the slower-than-anticipated renewable energy development in Michigan; and

Whereas, The Energy Commission has expressed its desire to establish new Energy Challenge goals for greenhouse gas emissions and renewable energy use that are based on modeled programs and projects; and

Whereas, Energy Office staff has recently developed the data sources necessary to model community renewable energy use and greenhouse gas emissions;

Whereas, Energy Office models show that by 2015 municipal operations could achieve a 50% greenhouse gas emissions reduction and 30% renewable energy, and that city-wide greenhouse gas

emissions could be reduced 8%, with 5% renewable energy use;

Whereas, On February 8, 2011, the Ann Arbor Energy Commission endorsed Energy Challenge goals for municipal operations of reducing greenhouse gas emissions 50% from 2000 levels and using 30% renewable energy by 2015; and new city-wide Energy Challenge goals of reducing greenhouse gas emissions 8% from 2000 levels and using 5% renewable energy by 2015; and

Whereas, On February 8, 2011, the Ann Arbor Energy Commission recommended that City Council pass a resolution establishing the preceding Energy Challenge goals;

RESOLVED, That the Ann Arbor City Council sets a goal of reducing greenhouse gas emissions in municipal operations 50% from 2000 levels by 2015, a goal of using 30% renewable energy in municipal operations by 2015, a goal of reducing community-wide greenhouse gas emissions 8% from 2000 levels by 2015, and a goal of using 5% renewable energy community-wide by 2015; and

RESOLVED, That the Ann Arbor City Council directs staff to continue to update and implement plans to meet the preceding greenhouse gas emissions reduction and renewable energy goals; and

RESOLVED, That the Ann Arbor City Council directs staff to include in its plans an evaluation of options to purchase long-term, fixed-rate renewable electricity from Michigan wind energy resources.

Sponsored by: Mayor John Hieftje