

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: April 8, 2025

To: The Mayor
The City Council

From: Matthew W. Szabo, City Administrative Officer *Malaika Billups* for

Subject: **INNOVATION FUND RECOMMENDATION – SMART METER INSTALLATION**

RECOMMENDATION

The Office of the City Administrative Officer recommends that this committee note and file this report.

SUMMARY

The Innovation and Performance Commission (IPC) approved funding in the amount of \$200,000 from the Innovation Fund (IF) for the Bureau of Sanitation (LASAN) – Smart Meter Installation Project pilot project. As with all IPC recommendations, this report presents the proposal that LASAN submitted and the IPC approved, along with the information necessary to implement the idea as presented. However, since all IPC items are discretionary expenditures, in deference to the extraordinary budget constraints outlined in the Third (Mid-Year) Financial Status Report, this Office does not recommend funding the proposal as presented at this time.

SUMMARY OF PROPOSAL

The following is a summary of LASAN's Innovation Fund proposal, including the department's estimate of the benefits and costs of implementing the proposal:

Through the Smart Meter Installation Project, LASAN will be able to record energy consumption in real-time, enabling detailed data analysis and improved energy management by installing advanced smart meters across 13 City of Los Angeles libraries. This pilot will reduce greenhouse gas emissions, enhance energy efficiency, support the City's goal of achieving carbon neutrality by 2045, and result in significant cost savings. To manage costs, LASAN will start testing three locations to ensure the feasibility and effectiveness of the smart meters. LASAN has identified projected return-on-investments (ROI) resulting from the implementation of this pilot that are achievable within two to four years of installation.

LASAN chose the Los Angeles Public Library (LAPL) to pilot this project due to the City's libraries maintaining more consistent and controlled environments that will provide data that can be used to determine if this technology can be implemented in other City buildings and facilities, resulting in higher energy savings. The project will incorporate automated functionalities to turn off devices when not in use, further enhancing energy savings. The pilot is projected to be completed within six months. The first month will be dedicated to planning and coordination. Implementation and Installation will occur the following month. The remaining four months will be used for data collection, data analysis, and reporting.

LASAN provided the cost and energy saving data below. This data is based on a conservative cost and energy savings of 15%. LASAN notes that data is available indicating cost savings between 35% and 50%, depending on the project. There are no ongoing maintenance, upgrade, or shut down costs associated with this project; as the meters can be removed when no longer needed.

Potential Location #1: Los Angeles Central Library

Address: 630 W 5th St, Los Angeles, CA 90071

Library Current Bill: \$1,211,716.38

Total kWh: 5,856,000

Building Description: The building features 538,000 square feet of space on eight floors, nearly 89 miles of shelves, and seating for more than 1,400 people. There are 255 free public access computers located in the Computer Center and throughout the building.

Estimated Number of Outlets: 3,200

Estimated Cost of Meters and Installation: \$496,000

Estimated Savings per Year: \$181,757.34

Estimated Energy Savings per Year: 878,400 kWh

Return on Investment (ROI): 2.72 years

Potential Location #2: One Floor of an Office Building

Average Size of One Floor: 17,000 square feet

Average Total kWh: 376,666.67 kWh

Average Total Cost: \$76,347

Estimated Savings per Year: \$11,452.05

Estimated Energy Savings per Year: 56,500 kWh

Return on Investment (ROI): 1.66 years

Legend Explanation:

- **Light Green:** Represents the initial calculation for the following location - 630 W 5th St, Los Angeles, CA 90071.
- **Light Yellow:** Indicates that within the same budget

#	City Library	Total KWH	Total Annual Energy Cost (2023)	Estimated Savings KWH w/meters Per year	Estimated Savings Cost w/meters Per year	Estimated Cost for Project
1	630 W 5TH ST, LOS ANGELES, CA 90071	5,856,000	\$1,211,717.38	878,400	\$181,757.61	\$496,000.00
2	16244 NORDHOFF ST, NORTH HILLS, CA 91343	766,440	\$ 171,279.18	114,966	\$ 25,691.88	\$ 70,110.80
3	1201 W 48TH ST, LOS ANGELES, CA 90037	505,560	\$ 118,724.81	75,834	\$ 17,808.72	\$ 48,598.38
4	694 S OXFORD AVE, LOS ANGELES, CA 90005	479,120	\$ 121,917.95	71,868	\$ 18,287.69	\$ 49,905.45
5	1623 IVAR AVE, LOS ANGELES, CA 90028	403,520	\$ 99,819.17	60,528	\$ 14,972.88	\$ 40,859.62
6	3900 S WESTERN AVE, LOS ANGELES, CA 90062	391,040	\$ 89,740.04	58,656	\$ 13,461.01	\$ 36,733.86
7	18231 VENTURA BLVD, TARZANA, CA 91356	341,680	\$ 80,149.26	51,252	\$ 12,022.39	\$ 32,808.01
8	203 S LOS ANGELES ST, LOS ANGELES, CA 90012	332,400	\$ 79,087.11	49,860	\$ 11,863.07	\$ 32,373.23
9	9051 DARBY AVE, NORTHRIDGE, CA 91325	300,760	\$ 73,826.31	45,114	\$ 11,073.95	\$ 30,219.79
10	12006 VENICE BLVD, LOS ANGELES, CA 90066	288,880	\$ 63,281.21	43,332	\$ 9,492.18	\$ 25,903.30
11	2920 OVERLAND AVE, LOS ANGELES, CA 90064	267,920	\$ 59,607.98	40,188	\$ 8,941.20	\$ 24,399.71
12	2411 GLENDALE BLVD, LOS ANGELES, CA 90039	267,360	\$ 69,725.08	40,104	\$ 10,458.76	\$ 28,541.01
13	861 ALMA REAL DR, PACIFIC PALISADES, CA 90272	265,680	\$ 58,926.53	39,852	\$ 8,838.98	\$ 24,120.77
14	1246 GLENDON AVE, LOS ANGELES, CA 90024	263,400	\$ 60,577.70	39,510	\$ 9,086.66	\$ 24,796.66

The IPC recommended \$200,000 for the Bureau of Sanitation – Smart Meter Installation Project. Smart meters are estimated to cost \$105 each, with an additional \$50 installation fee per meter. LASAN will coordinate with the General Service Department to ensure that the smart meters are properly and seamlessly integrated with existing City infrastructure. An assessment of the number of outlets and electrical setups at the pilot locations will assist in determining the scope of work and number of smart meters to purchase. Installation costs include labor, integration with existing systems, and any necessary modifications to accommodate the smart meters, estimated at \$50 per meter. LASAN will provide training sessions on using and benefiting from the pilot. The data analysis tools are provided with the smart meter free of charge.

If the item is approved by this Committee, LASAN should return to the IPC, present any changes to the scope of work and provide updates to the IPC.

FISCAL IMPACT STATEMENT

The recommendation to note and file this report will have no financial impact.

If the Council approves an allocation of \$200,000 to LASAN for the Smart Meter Installation Project, it would reduce the remaining Innovation Fund Balance, which is currently \$2,768,922.75. Savings from the Innovation Fund Balance may be used to address the current city-wide financial crisis and the overspending in the 2024-2025 fiscal year. Additionally, funding this program may incur unfunded and ongoing costs.

FINANCIAL POLICIES STATEMENT

The recommendation in this report complies with the City's Financial Policies.

MCB:BLS: 17250006h