

MEMORANDUM

TO: Mayor and Council

FROM: John Hieftje, Mayor

DATE: May 1, 2006

SUBJECT: Resolution to Set Renewable Energy Goals for Ann Arbor

The attached resolution directs staff to explore available technologies for energy efficiency and renewable energy use in municipal operations and to prepare and implement a plan to reach a goal of 30% renewable energy for all municipal operations by 2010 with an associated 20% reduction in greenhouse gasses. It directs staff to evaluate options to purchase long-term, fixed-rate "green" electricity from windmills constructed in Michigan and provide recommendations to Council by October, 2006 on moving forward with a green electricity purchase. It also instructs staff to prepare and begin implementation of a plan to move the entire Ann Arbor community to 20% renewable energy by 2015.

Traditional energy sources, like coal, oil, natural gas or nuclear that currently provide over 95% of the energy we use, were formed through geological processes millions of years ago and therefore there is a finite supply on planet Earth. These energy sources are non-renewable, once they are used they cannot be replaced. Renewable energy comes from sources that can be replenished in a short period of time like solar, wind, biomass or hydroelectric. A presentation by the Ann Arbor Energy Commission to City Council on February 13, 2006 listed a number of advantages to using renewable energy sources:

- Energy costs for municipal operations have risen from \$4.98 million in FY03-04 to an estimated \$6.87 million in FY 06-07, a 38% increase. Renewable energy sources like wind offer the ability to enter into long-term fixed-rate contracts to help stabilize municipal energy costs.
- Money spent on renewable energy sources often stays in the local economy. Biofuels support our local farmers and keep petroleum dollars from leaving the country.
- Renewable energy sources produce less air pollution than fossil fuel based energy and contribute to making our air cleaner and meeting EPA clean air standards.
- Renewable energy sources greatly reduce global warming emissions.
- Increasing reliance on foreign oil threatens our national security and economy. Renewable fuels reduce our reliance on imported oil.

The Energy Commission presentation also provided statistics on City and community energy use and suggested a number of measures that, if implemented, could lead to 30% renewable energy for municipal operations by 2010. Staff should evaluate the Energy Commission's recommendations and also consider any other technologies and partnerships to help reach the renewable energy goals.

As the demand for fossil fuels from developing nations increases, fossil fuel supplies diminish and the ability to find affordable fossil fuel resources becomes more difficult, costs will continue to rise. It is necessary to reduce our reliance on fossil fuels and begin a transition to renewable energy sources.

By committing to a goal of 30% renewable energy for municipal operations by 2010, the City of Ann Arbor will once again “lead by example” to help the Ann Arbor community begin this necessary transition.

By committing to a goal of 20% renewable energy by 2015 for the Ann Arbor community, City staff can begin to develop the local programs and form the community partnerships necessary to assist Ann Arbor businesses and homeowners towards increased use of renewable energy.

By committing to these renewable energy goals, greenhouse gas emissions should be greatly reduced. This resolution sets a greenhouse gas reduction goal of 20% from FY2000 levels by 2015 for the whole community. This resolution will require staff to document the greenhouse gas reductions that result from the move to renewable energy.

Prepared By: David Konkle, Energy Coordinator
Submitted by: John Hieftje, Mayor

RESOLUTION TO SET RENEWABLE ENERGY GOALS FOR ANN ARBOR

Whereas, Traditional non-renewable fossil fuel energy sources make up over 95% of the energy used in the United States;

Whereas, Increasing demand for fossil fuels, along with diminishing supplies, has caused energy prices to become increasingly unstable, causing City energy costs to rise over 38% in three years;

Whereas, Money spent on renewable energy sources stays in the local economy, supports local businesses and farms and keeps petroleum dollars from leaving the country;

Whereas, Renewable energy sources greatly reduce global warming emissions compared to fossil fuels;

Whereas, Renewable energy sources produce less air pollution than fossil fuel based energy and contribute to making our air cleaner and meeting EPA clean air standards; and

Whereas, Renewable energy sources, like wind, allow for long-term, fixed-price contracts that can help to stabilize the City energy budget and provide a hedge against future increases in energy cost;

RESOLVED, That the Ann Arbor City Council sets a goal of 30% renewable energy for municipal operations by 2010, a goal of 20% renewable energy for the Ann Arbor community by 2015 and a goal of 20% reduction in greenhouse gas emissions from 2000 levels for the Ann Arbor community by 2015, and

RESOLVED, That the Ann Arbor City Council directs staff to explore available technologies for energy efficiency and renewable energy use in municipal operations and to prepare and implement a plan to reach a goal of 30% renewable energy for all municipal operations by 2010, and

RESOLVED, That the Ann Arbor City Council directs staff to evaluate options to purchase long-term, fixed-rate "green" electricity from windmills constructed in Michigan and provide recommendations to Council by October, 2006 on moving forward with a green electricity purchase, and

RESOLVED, That the Ann Arbor City Council directs staff to prepare and begin implementation of a plan to move the entire Ann Arbor community to 20% renewable energy by 2015.

Submitted by: Mayors Office
Date: May 1, 2006