



Cutting Costs and Carbon with On-Bill Financing Energy-Efficient Lighting Upgrades with No Upfront Cost



Photo: Oakland Fire Station No. 8 is one of several City facilities that used on-bill financing to upgrade to energy-efficient lighting.

The City of Oakland’s Equitable Climate Action Plan (ECAP) aims to provide clean, resilient, and equitable energy for the entire city. In response, the city has been working to electrify its building stock and shift towards 100% clean energy, while prioritizing equity for frontline communities.

Brighter Spaces, Zero Cost with On-Bill Financing

The City’s On-Bill Financing (OBF), led by Oakland Public Works Electrical Engineer, Pete Fong, program delivers energy-saving lighting upgrades to municipal facilities, including recreation centers, libraries, parking garages, and other City buildings.

Under this program, Pacific Gas & Electric (PG&E) covers the up-front costs of energy upgrades and the City repays PG&E on its monthly utility bills, using savings from reduced energy consumption. The program operates as a 0% interest loan with no up-front costs or financial risk to the City.

Project Overview

Value of Completed Upgrades	\$1.1 million
Projects Planned	>100
Projects Completed	13
Out of Pocket Costs	\$0
Project Timeline	2020-Present



Municipal Electrification Case Study

Following the upgrades, the City continues to pay the same utility bill amount as before until the project costs are repaid. Most projects are expected to be fully paid off within 10 years, after which the City will realize significant cost savings.

"On-bill financing gives the City the opportunity to upgrade over 100 buildings – with all of the projects completed, we will save over \$1 million every year on energy costs!"
- Pete Fong, Electrical Engineer, Oakland Public Works

Impact:

Since installation work began in 2020, the City has completed 13 OBF projects totaling \$1,075,988 in investment PG&E. These projects are already delivering annual energy savings of 480,844 kWh. Once the costs are repaid, they will reduce the City's utility bills by \$122,197 per year. With over 100 additional projects in the pipeline, Pete Fong projects that the City will save over \$1 million annually on energy costs once all projects are complete and paid off.

Looking Forward:

This project advances multiple ECAP actions including:

- B-2: Plan for All Existing Buildings to be Efficient and All-Electric by 2040
- B-5: Require All Major Retrofits of City Facilities to be All-Electric
- C-1: Evaluate and Reduce Climate Impacts of City Expenditures and Operation.

In the long term, the OBF program will not only reduce costs but also save millions of kWh of energy each year. Programs like OBF play a key role in helping Oakland achieve the ambitious goals outlined in the ECAP, moving toward a cleaner, more efficient, and more equitable energy system for all residents.

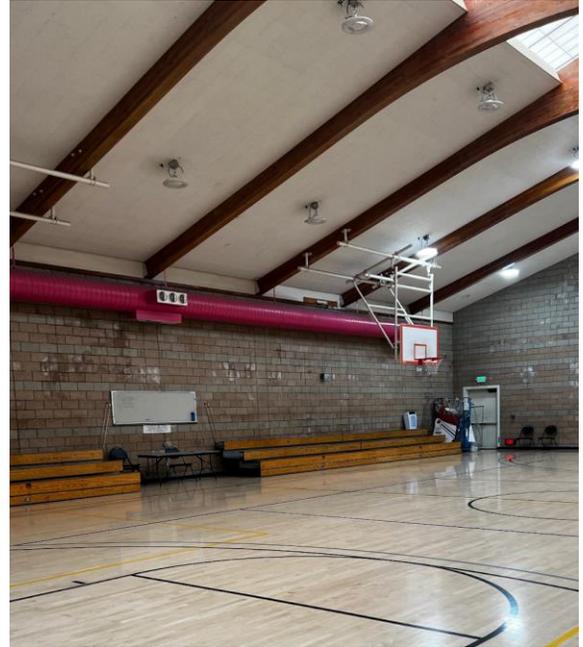


Photo: Tassafaronga Recreation Center's new energy efficient lighting

UPGRADE AT A GLANCE

Energy Savings	480,844 kWh/year
Monetary Savings	\$122,197/year
Projected Monetary Savings	>\$1 million/year
GHG Emissions Mitigated	~108.61 MTCO2e/year
Projects Completed	Montclair Garage, North Oakland Sr. Center, Dimond Rec Center, Dimond Library, Carmen Flores Rec Center, Franklin Rec Center, Fire Station #5, Fire Station #8, Fire Station #23, Asian Library, 911 Dispatch, Tassafaronga Rec Center, Marriott Garage