



Legislation Details (With Text)

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On agenda: 2/27/2024 **Final action:**

Title: 1:30 P.M. - (a) Consideration of a Brief Update from Trane US, Inc. (Trane) on the N. Lakeport Firemain Linked Auxiliary Supply/Hydraulic Energy Storage (FLASHES) Projects (Poe Mountain Upper Lake and Hartley Projects); (b) Consideration of a Resolution Authorizing Trane to Develop and Submit Two Microgrid Incentive Program (MIP) Grant Applications, at No Direct Cost to the County (c) Consideration of Agreements for MIP Application Preparation Services

Sponsors: Administrative Office

Indexes:

Code sections:

Attachments: 1. Poe Mountain Hartley MIP Application Services agreement DRAFT Rev4, 2. Resolution - Trane MIP Grant Applications (2024-02-06), 3. Poe Mountain Upper Lake MIP Application Services agreement DRAFT Rev4

Date	Ver.	Action By	Action	Result
2/27/2024	1	BOARD OF SUPERVISORS		

Memorandum

Date: February 27, 2024

To: The Honorable Lake County Board of Supervisors

From: Matthew Rothstein, Chief Deputy County Administrative Officer

Subject: (a) Consideration of a Brief Update from Trane US, Inc. (Trane) on the N. Lakeport Firemain Linked Auxiliary Supply/Hydraulic Energy Storage (FLASHES) Projects (Poe Mountain Upper Lake and Hartley Projects); (b) Consideration of a Resolution Authorizing Trane to Develop and Submit Two Microgrid Incentive Program (MIP) Grant Applications, at No Direct Cost to the County (c) Consideration of Agreements for MIP Application Preparation Services

Executive Summary:

As your Board is aware, Trane US, Inc. (Trane) has been diligently working to explore development of a Firemain Linked Auxiliary Supply/Hydraulic Energy Storage (FLASHES) facility, consisting of the Poe Mountain Upper Lake and Poe Mountain Hartley Projects. Your Board has previously expressed strong interest in entering into a Lease Agreement for this project to be sited on County property located in North Lakeport area (Poe Mountain), assuming certain conditions can be met and community benefits conveyed.

Trane indicates next steps in project development require significant expenditures by Trane

(expected to be millions of dollars), and there is a chance undertaking those steps will result in one or more discoveries that ultimately render the project non-viable. As you will appreciate, Trane has an interest in the County authorizing application for PG&E Microgrid Incentive Program (MIP) grant funds to partially offset risk capital requirements, thereby reducing the financial risk associated with the project. The applications will be prepared at no direct cost to the County, and any awarded funds would be expected to be conveyed to Trane to partially offset their costs.

Michael Day of Trane will present a brief project update. Staff has also prepared a Resolution. If Adopted by your Board, it would authorize Trane preparing and submitting two MIP applications. Finally, there are Agreements associated with each Application. Those demonstrate your Board's commitment to convey awarded funds (up to \$25,000 each) to Trane for MIP application development services, while clarifying no fee will be required of the County, if the applications are ultimately unsuccessful.

Staff recommends your Board: (a) Consider the update, and provide Direction to Staff, as needed; (b) Adopt the Resolution; and (c) Approve the two associated Agreements.

If not budgeted, fill in the blanks below only:

Estimated Cost: _____ Amount Budgeted: _____ Additional Requested: _____ Future Annual Cost: _____

Purchasing Considerations (check all that apply):

Not applicable

Fully [Article X. <https://library.municode.com/ca/lake_county/codes/code_of_ordinances?nodeId=COOR_CH2AD_ARTXPU_S2-38EXCOBI>](https://library.municode.com/ca/lake_county/codes/code_of_ordinances?nodeId=COOR_CH2AD_ARTXPU_S2-38EXCOBI)- and/or [Consultant Selection Policy <http://lcnet.co.lake.ca.us/Assets/Intranet/Policy/Policies+26+Procedures+Manual/Ch4_2021v2.pdf>](http://lcnet.co.lake.ca.us/Assets/Intranet/Policy/Policies+26+Procedures+Manual/Ch4_2021v2.pdf)-Compliant (*describe process undertaken in "Executive Summary"*)

[Section 2-38 <https://library.municode.com/ca/lake_county/codes/code_of_ordinances?nodeId=COOR_CH2AD_ARTXPU_S2-38EXCOBI>](https://library.municode.com/ca/lake_county/codes/code_of_ordinances?nodeId=COOR_CH2AD_ARTXPU_S2-38EXCOBI) Exemption from Competitive Bidding (*rationale in "Executive Summary," attach documentation, as needed*)

For Technology Purchases: Vetted and Supported by the [Technology Governance Committee <http://lcnet.co.lake.ca.us/Assets/Intranet/Intranet+Forms/Information+Technology/AdvPlan.pdf>](http://lcnet.co.lake.ca.us/Assets/Intranet/Intranet+Forms/Information+Technology/AdvPlan.pdf) ("Yes," if checked)

Other (*Please describe in Executive Summary*)

Consistency with [Vision 2028 <http://www.lakecountyca.gov/Government/Directory/Administration/Visioning/Vision2028.htm>](http://www.lakecountyca.gov/Government/Directory/Administration/Visioning/Vision2028.htm)

(check all that apply):

Not applicable

Well-being of Residents

Public Safety

Disaster Prevention, Preparedness, Recovery

Economic Development

Infrastructure

County Workforce

Community Collaboration

Business Process Efficiency

Clear Lake

Recommended Action: (a) Informational update, provide Direction to Staff, as needed; (b) Adopt the Resolution Authorizing Trane to Develop and Submit Two Microgrid Incentive Program (MIP) grant applications, at no direct cost to the County; and (c) Approve the Agreements for Agreements for MIP application preparation services