



Legislation Text

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Memorandum

Date: January 9, 2024

To: The Honorable Jessica Pyska, Chair, Lake County Board of Supervisors

From: Lars Ewing, Public Services Director

Subject: a) Consideration of Resolution Making Findings Necessary to Authorize an Energy Services Contract for Design, Installation, and Commissioning of Energy Conservation Facilities Serving the Lake County Courthouse Campus; and b) Consideration of Agreement with Staten Solar Corporation for Design, Installation, and Commissioning of Energy Conservation Facilities Serving the Lake County Courthouse Campus

Executive Summary

The County's policy for the development of the Facilities Capital Improvement Plan (FCIP) prioritizes projects that contribute to increased sustainability and environmental quality and generate long-term cost savings through energy efficiency, such as the installation of solar photovoltaic (PV) panels, electric vehicle (EV) charging stations, and similar measures at County-owned facilities. Over the last few years, Public Services staff, with the involvement and consent of the Space Use Committee and Capital Improvement Committee, has taken steps to advance a solar PV and EV charging station project at the courthouse campus to implement a high-visibility clean energy project. The purpose of this item is to consider a resolution making findings that the project will result in energy cost savings greater than the cost of the project, as well as a contract with Staten Solar Corporation to design, build, and commission the project.

Background:

In September 2022, your Board received a presentation summarizing the findings of a preliminary energy audit report for County facilities. That report identified the Courthouse and District Attorney parking lot as a good candidate site for solar PV panels and EV charging stations. Subsequently, in FY 2022-23 your Board approved appropriations for the project, and in October 2022 the County contracted with Optyon, Inc. to provide procurement and selection assistance as well as third-party financial and design analysis for the project. Optyon's scope of work included solicitation of a Request for Proposals (RFP) to design and construct the project, which in June 2023 resulted in proposal submissions from six companies. The County's selection committee ranked Staten Solar

Corporation's project proposal as the most qualified response to the RFP. Staff negotiated with Staten and recommends award of the attached contract.

The scope of work requested through the RFP was for both design and construction. Historically, public infrastructure projects have been delivered through a design-bid-build process, where the public entity contracts separately with a designer and a builder, and construction does not begin until the design process is complete and a bid for construction accepted. The Public Contract Code is traditionally geared toward this project delivery method. However, in recognition of the benefits of alternative methods, in recent years provisions have been included in state to allow for alternative options. One such allowance is Government Code Section 4217, which "provides the greatest possible flexibility to public agencies in structuring (alternate energy project) agreements". This law authorizes a public entity to select an energy services contractor and enter into an energy services agreement on terms that are determined to be in the best interest of the public agency if the cost of the project can be demonstrated to be less than the cost of electrical energy if the project is not completed, and if that determination is made at a scheduled public hearing with notice of the hearing given at least two weeks in advance. Notice for today's hearing was posted on December 22, 2023, and Optony provided the County with an analysis showing the financial benefits of the project. Consequently, staff prepared the attached resolution making findings necessary to authorize the energy services contract.

Project Summary:

The scope of the proposed project is a 444 kW solar PV carport array at the main parking lot situated West of the District Attorney building. Presently both the Courthouse and District Attorney buildings are powered by PG&E, with typical annual energy consumption and PG&E charges of approximately 870,000 kWh and \$210,000 at the Courthouse, and 290,000 kWh and \$70,000 at the District Attorney building. The proposed array will produce an estimated 670,000 kWh for the two buildings.

A carport parking lot array is recommended in this case rather than a rooftop system for a few primary reasons. First, the County holds revenue-generating facility space leases with AT&T, T-Mobile, and Verizon for telecommunications equipment located on both roofs, which makes available roof space extremely limited. Second, even if roof space were available, covering the roof with PV panels makes future roof repairs and general roof access very challenging. And third, a carport array will provide vehicle shade that offers an added, albeit non-quantifiable, benefit to employees and visitors who use the parking lot.

Optony's aforementioned financial analysis assumes a 3% assumed annual PG&E rate escalation, a 0.5% annual panel degradation rate, the County paying for O&M costs after the tenth year, and the County's receipt of a 30% investment tax credit. Their analysis anticipates that the proposed array will offset approximately 58% of facility use at both buildings and provide a payback period of approximately 10 years, resulting in total savings of approximately \$3.27 million over the 25-year system life. The modules are power warranted for 30 years, so the cost savings may very well exceed these figures.

Also included in the project are three, dual-port EV charging stations. These stations were included in the project with the vision that the County would soon add electric vehicles to its fleet. Whether or not that occurs, the charging stations will be available on a pay-for-use basis for non-County EV's (this potential revenue was not included in Optony's financial analysis).

With regard to the California Environmental Quality Act (CEQA), County staff coordinated with City of Lakeport Community Development staff to evaluate the renewable energy project in accordance with CEQA guidelines. City staff made the determination that the project is ministerially exempt from CEQA review in accordance with Section 15268 of the CEQA guidelines.

If approved by all parties, it is anticipated the project would be commissioned by this Fall, if not earlier, with a detailed construction schedule to be provided following contract execution and pending results of schematic design.

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>- and/or Consultant Selection Policy <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> 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>> ("Yes," if checked)
- Other (Please describe in Executive Summary)

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

(check all that apply):

- | | | |
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| <input checked="" type="checkbox"/> Well-being of Residents | <input type="checkbox"/> Not applicable | <input type="checkbox"/> Disaster Prevention, Preparedness, Recovery |
| <input checked="" type="checkbox"/> Economic Development | <input type="checkbox"/> Public Safety | <input checked="" type="checkbox"/> County Workforce |
| <input checked="" type="checkbox"/> Community Collaboration | <input checked="" type="checkbox"/> Infrastructure | <input type="checkbox"/> Clear Lake |
| | <input type="checkbox"/> Business Process Efficiency | |

Recommended Action:

- a) Adopt Resolution Making Findings Necessary to Authorize an Energy Services Contract for Design, Installation, and Commissioning of Energy Conservation Facilities Serving the Lake County Courthouse Campus
- b) Approve the Agreement with Staten Solar Corporation for Design, Installation, and Commissioning of Energy Conservation Facilities Serving the Lake County Courthouse Campus and authorize the Chair to sign.