



Legislation Text

File #: 20-568, Version: 1

Memorandum

Date: June 23, 2020

To: The Honorable Moke Simon, Chair, Lake County Sanitation District Board of Directors
The Honorable Moke Simon, Chair, Lake County Board of Supervisors

From: Jan Coppinger, Special Districts Administrator
Scott Harter, Special Districts Deputy Administrator

Subject: a) (Sitting as the Lake County Sanitation District Board of Directors) Authorize Special Districts Administrator to Sign Zero Cost Agreements with Tesla Energy for Power Pack Systems at Critical Infrastructure Locations; and b) Authorize Special Districts Administrator to Sign Zero Cost Agreements with Tesla Energy for Power Pack Systems at Critical Infrastructure Locations

Executive Summary: (include fiscal and staffing impact narrative):

Special Districts has qualified for 100% funding for battery backup systems at nine critical locations through the Self Generation Incentive Program (SGIP).

We intend to install the backup batteries at the SE Regional Sewer Treatment Plant, Northwest Regional Sewer Treatment Plant, SE Lift Station #1, SE Lift Station #2, NW Lift Station #1, NW Lift Station #2, Kelseyville Wastewater Treatment Plant, North Lakeport Water Treatment Plant and Spring Valley Water Treatment Plant.

These backup batteries will run at peak load for 4 hours, however, we would rarely run at peak load and can get up to 30 or more hours of run time from each battery if fully charged.

In addition to the PSPS events, we are now operating on PGE's Time of Use rate schedule which charges excessive rates from 4:00 pm until 9:00 PM, which is our peak demand period. The batteries will allow us to go to battery backup during the high rate period and recharge during the low rate period, saving an estimated 10 to 30% of current PGE costs.

The SIGP program pays for all engineering, design, installation and 10 years' worth of Operating and Maintenance costs. Our project will consist of 53 TESLA Power packs for a total product value of \$7.9 million and a total SGIP value of \$11.2 million. (Includes engineering, design and O & M)

The program is on a first come first served basis and we are working to be in quickly to receive the

full amount we qualified for. We are also working quickly to try to get ahead of the upcoming PSPS events.

Northwest Lift Station #2 is complete and ready to move forward. Each individual location will be a separate contract. The contracts are structured in such a fashion that if there is any change in the contract price (which is currently \$0.00 zero) we can cancel the agreement without risk to the County or District.

We are seeking authorization from your Board for the Special Districts Administrator to sign the first agreement for NW Lift Station #2. In an effort to save time and move quickly, we are also requesting your Board authorize the Special Districts Administrator to sign the subsequent agreements as each location is ready, as long as there are no changes or deviations from this agreement.

If not budgeted, fill in the blanks below only:

Estimated Cost: \$0.00 Amount Budgeted: N/A Additional Requested: N/A Future Annual Cost: N/A

Consistency with Vision 2028 and/or Fiscal Crisis Management Plan (check all that apply):

☐ Not applicable

- ☒ Well-being of Residents
- ☐ Economic Development
- ☐ Community Collaboration

- ☒ Public Safety
- ☒ Disaster Recovery
- ☒ Business Process Efficiency

- ☒ Infrastructure
- ☐ County Workforce
- ☐ Clear Lake

- ☒ *Technology Upgrades*
- ☐ *Revenue Generation*
- ☒ *Cost Savings*

If request for exemption from competitive bid in accordance with County Code Chapter 2 Sec. 2-38, fill in blanks below:

Which exemption is being requested?

How long has Agreement been in place?

When was purchase last rebid?

Reason for request to waive bid?

Recommended Action:

a) (Sitting as the Lake County Sanitation District Board of Directors) Authorize Special Districts Administrator to Sign Zero Cost Agreements with Tesla Energy for Power Pack Systems at Critical Infrastructure Locations; and b) Authorize Special Districts Administrator to Sign Zero Cost Agreements with Tesla Energy for Power Pack Systems at Critical Infrastructure Locations