



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Public Works



Date: May 28, 2014
Board Meeting Date: July 15, 2014
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: James C. Porter, Director of Public Works

Subject: Energy Services Agreement for Solar Photovoltaic Systems

RECOMMENDATION:

Adopt a Resolution authorizing agreements with Team-Solar, Inc., for the term of July 15, 2014 through December 31, 2015, in an amount not to exceed \$3,977,042, and SolarCity Corporation, for the term of July 15, 2014 through March 31, 2015, in amount not to exceed \$1,134,112, to design, furnish, and install solar photovoltaic systems.

BACKGROUND:

Your Board adopted the County Strategic Energy Master Plan on December 11, 2012. This plan recommended acquisition of solar photovoltaic systems as a means to accomplish the goals of procuring/generating 25% of power from renewable sources and reducing the County facilities' greenhouse gas emissions by 15% by 2020. Your Board also approved a Memorandum of Understanding (MOU) with the County of Alameda on February 19, 2013 to participate, along with 16 other local Bay Area jurisdictions, in their Regional Renewable Energy Procurement (R-REP) Process, a cooperative attempt to reduce the acquisition cost of renewable energy.

DISCUSSION:

As the lead agency, the County of Alameda completed a thorough Request for Proposals process and selected the most qualified contractor to design, furnish, and install solar systems for each bundle, a grouping by size and type of solar system, e.g. roof top, ground mount, or carport-style. San Mateo County staff nominated three projects, a small rooftop installation on the Elections building at Tower Road, a small carport-style installation at the East Palo Alto (EPA) Government Center, and a large carport-style installation at the San Mateo Medical Center (SMMC). Staff reviewed pricing proposals for the respective bundles and concluded that it was in the best interest of the County to pursue all three projects.

Following Board approval of the MOU with the County of Alameda, the Department submitted a reservation request to PG&E for a California Solar Initiative Rebate for each of these projects along with a \$27,500 non-refundable deposit. Collectively, these projects are eligible for up to \$900,000 in credits over the first five years of operation. These reservations will expire if these projects are not under contract by July 21, 2014.

The portion of the Elections Building Roof where solar panels will be mounted will reach its useful life long before the solar system. Therefore, staff will replace that section of the roof prior to the solar installation.

The combined capacity of the SMMC COGEN system that is currently under contract and the solar installation in the SMMC parking lot will exceed 1 Megawatt. Therefore, a different tariff will apply and the County will be liable for system improvements on PG&E's side of the meter should any become necessary in order to accommodate this additional generating capacity. Although staff does not anticipate that there will be any significant improvements required, we have added a termination provision in the contract with Team-Solar Inc., in the event the cost to the County will exceed \$500,000. We should have this information within 60-90 days of contract approval. In that event, total compensation due to Team-Solar Inc. is capped at \$100,000.

Department staff has initiated coordination with Real Property Services to identify options for off-site parking at SMMC and EPA, during construction to mitigate the impacts on staff, customers, and neighborhoods.

Department staff also plans to conduct neighborhood outreach to inform local residents about these projects and solicit their input.

In accordance with California Government Code Section 4217.10, staff concluded that the total cost for the R-REP solar projects provided under these Energy Services Contracts will be less than the anticipated cost of the electricity that would have been consumed by the facilities at those sites in the absence of this project, and that the terms of the awards are in the best interest of the County of San Mateo.

Staff has determined that these projects are categorically exempt from the provisions of CEQA, in accordance with Section 15301, Class I, of Title 14 of the California Code of Regulations.

The Department also requests that your Board authorize the Director of Public Works or his designee be authorized to execute contract amendments which modify the contract terms and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

The consultants have agreed to comply with the County's Contractor Employee Jury Services Ordinance, minimum insurance requirements, and non-discrimination and equal benefits policies. Other clauses in the contract have changed pursuant to extensive negotiations.

County Counsel has reviewed and approved the Resolution and Agreements as to form.

Approval of these agreements contributes to the Shared Vision 2025 outcome of an Environmentally Conscious Community through the generation of clean and renewable energy.

FISCAL IMPACT:

The term of the Agreement with Team-Solar Inc., is from July 15, 2014 through December 31, 2015. The term of the Agreement with SolarCity Corporation is July 15, 2014 through March 31, 2015. The total maximum fiscal obligation under the Agreement with Team-Solar, Inc., is \$3,977,042. The total maximum fiscal obligation under the Agreement with SolarCity Corporation is \$1,134,112. Staff has added 10% of the agreed-upon amount to each contract to address any unforeseen changes. The Board authorized \$7,000,000 in the 2014-15 Capital Project fund for these projects. This amount includes all project costs including design, construction, construction management, contingencies, a partial roof replacement on the Elections Building, off-site parking lease(s), and shuttle services as required.

There is no impact to the General Fund.