



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

File #: 22-394

Board Meeting Date: 6/14/2022

Special Notice / Hearing: Yes
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael P. Callagy, County Executive
Adam Ely, Project Development Unit Director

Subject: Energy Power Purchase Agreement with FFP BTM Solar, LLC for the County Office Building 3 Project

RECOMMENDATION:

Adopt a resolution making findings required by Government Code Section 4217.12 and authorizing a solar energy power purchase agreement between the County and FFP BTM Solar, LLC for design, installation, operation, and maintenance of solar photovoltaic system for the County Office Building 3 Project.

BACKGROUND:

On August 28, 2020, the County, through the Project Development Unit (PDU), issued a Request for Proposals (RFP) for a Power Purchase Agreement (PPA) for the design, installation, operation, and maintenance of a net-metered solar photovoltaic system (Energy Conservation Measures). After review, the County selected FFP BTM Solar, LLC (Forefront) as the best value provider.

DISCUSSION:

Government Code section 4217.12 (a) authorizes a public agency to enter into an energy services contract if the determination is made at a regularly scheduled public hearing, public notice of which was given two weeks in advance of the public hearing, that the anticipated cost to the public agency for thermal or electrical energy or conservation services provided by the energy conservation facility under that contract will be less than the anticipated marginal cost to the public agency of thermal, electrical, or other energy that would have been consumed by the public agency in the absence of those purchases. Public notice was given two weeks in advance of this public hearing.

PDU, its consultant Sage Renewable Energy Consulting Inc., and Forefront have analyzed the energy needs at the County Office Building 3 (COB3) project and have concluded that the installation and construction of the Energy Conservation Measures at the Facility will result in an anticipated reduction in energy consumption or demand that will result in net cost savings to the County.

Based on the analysis provided by County staff and its consultants, the cost to the County for

Forefront to design, install, construct, and maintain the Energy Conservation Measures will be less than the anticipated marginal cost to the County of thermal, electric, or other energy that would have been consumed by the County in the absence of the Energy Conservation Measures.

A copy of the draft form of Power Purchase Agreement is attached hereto as Attachment A and incorporated herein. The final form of the agreement will be substantially similar to the attached agreement amount. PDU is presently finalizing details that will not increase the cost at which power will be provided to County.

The agreement includes, *inter alia*, the following terms:

- Forefront provided engineering, design, permitting, fabrication, construction, commissioning, and financing of a roof-top photovoltaic system.
- Operations and maintenance provided at no cost by Forefront through the term.
- Pricing at \$.20/kWh.
- 20-year term with option to renew for an additional 5-year term.
- 90% Performance Guarantee.

The COB3 project is subject to a Project Labor Agreement (PLA) and all covered work will be completed in conformity with the requirements of the PLA. The power provided through the PPA, in combination with that for Parking Structure 2, will provide sufficient energy to operate COB3 such that the building will be considered Zero Net Energy.

County Attorney has reviewed and approved the resolution as to form.

FISCAL IMPACT:

There is no Net County Cost for installation and maintenance of panels. Costs of energy utilized by County will be an operational cost and has been determined to be less than the anticipated marginal cost to the County of thermal, electric, or other energy that would have been consumed by the County in the absence of the Energy Conservation Measures.