



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

File #: 23-699

Board Meeting Date: 9/12/2023

Special Notice / Hearing: Yes, GC section
4217.12

Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael P. Callagy, County Executive
Sam Lin, Project Development Unit Director

Subject: Energy Power Purchase Agreement with FFP BTM Solar, LLC (Forefront Power, LLC)
for the San Mateo Health Campus Upgrade Project

RECOMMENDATION:

Conduct a public hearing regarding the authorization of an Energy Power Purchase Agreement with FFP BTM Solar, LLC (Forefront Power, LLC) for the San Mateo Health Campus Upgrade Project:

- A) Open public hearing
- B) Close public hearing
- C) Adopt a resolution:
 - 1. Making findings required by Government Code Section 4217.12; and
 - 2. Authorizing a solar energy power purchase agreement between the County of San Mateo, and FFP BTM Solar, LLC (Forefront Power, LLC) for design, installation, operation, and maintenance of solar photovoltaic system for the San Mateo Health Campus Upgrade Project.

BACKGROUND:

On June 6, 2020, the County, through the Project Development Unit (PDU), issued a Request for Proposals (RFP) for Power Purchase Agreements (PPA) for the design, installation, operation, and maintenance of a net-metered solar photovoltaic system for multiple new construction projects including the San Mateo Health Campus Upgrade project. 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 for the new administrative and link buildings at the San Mateo Health Campus 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.

The Power Purchase Agreement is attached hereto as Attachment A for the board's review and approval.

The Power Purchase Agreement (PPA) cost analysis summary is attached hereto as Attachment B for the board's reference.

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

- Forefront to provide engineering, design, permitting, fabrication, construction, commissioning, and financing of a roof-top and carport photovoltaic system.
- Operations and maintenance provided at no cost by Forefront through the term of the agreement.
- Pricing at \$0.2013/kWh.
- 20-year term with option to renew for an additional 5-year term.
- 90% Performance Guarantee.

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

EQUITY IMPACT:

Hospitals that utilize renewables such as solar power can reduce the impact of hospital operations on power plant emissions and thus have a positive effect on overall environmental health.

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.