



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 20-917

Board Meeting Date: 12/8/2020

Special Notice / Hearing: Yes
Vote Required: Majority

To: Honorable Board of Supervisors
From: Michael Callagy, County Manager
Adam Ely, Project Development Unit Director
Subject: Energy Power Purchase Agreement with FFP BTM Solar, LLC

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 on San Mateo County Parking Structure 2.

BACKGROUND:

On August 28, 2020, the County, through the County Manager's Project Development Unit (PDU), issued a Request for Proposals (RFP) pursuant to California Government Code Section 4217.12 for a Power Purchase Agreement (PPA) for the design, installation, operation, and maintenance of a net-metered solar photovoltaic system (Energy Conservation Measures) at the San Mateo County Parking Structure 2 (the Facility).

DISCUSSION:

In response to the RFP, the County received and evaluated three proposals, conducted interviews, and selected FFP BTM Solar, LLC (Forefront) as the best value provider of the elements provided for in the PPA based upon: PPA price, lifetime energy cost savings, vendor experience and qualifications, system design, system components, system performance, schedule, maintenance program, performance guarantee, local participation, and overall thoroughness of proposal and responsiveness to the RFP.

PDU, its consultant Sage Renewables Inc., and Forefront have analyzed the energy needs at the Facility 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.

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.

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 solar photovoltaic canopy system mounted on the roof deck of Parking Structure 2.
- Operations and maintenance provided at no cost by Forefront through the term.
- Pricing at \$.1745/kWh for years 1-5, and \$.1780/kWh for years 6-20
- 20-year term with option to renew for an additional 5-year term
- Option to purchase at 5th year for fair market value or early termination fee.
- 95% Performance Guarantee

County Counsel 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.