



Legislation Text

File #: 18-1228, **Version:** 1

Chief Administrative Office, Facilities Division, recommending the Board:

- 1) Receive a presentation regarding the results of a feasibility analysis for solar options at the new Public Safety Facility;
- 2) Authorize the Purchasing Agent to sign Amendment III to Agreement for Services 317-S1810 (2704) with TerraVerde Energy, LLC to increase compensation by \$95,950 and extend the term an additional two years to provide services concerning the solicitation of solar photovoltaic and energy storage installation proposals as related to the Public Safety Facility Project; and
- 3) Make findings pursuant to Article II, Section 210b(6) of the El Dorado County Charter that the ongoing aggregate of work to be performed is not sufficient to warrant the addition of permanent staff. (Est. Time: 30 Min.)

FUNDING: Accumulated Capital Outlay Fund.

DISCUSSION / BACKGROUND

TerraVerde Energy, LLC (formerly TerraVerde Renewable Partners, LLC) was originally selected off a County issued Request for Information and Statements of Qualifications process that was issued on April 19, 2017. Nine responses were received with three being deemed qualified. Of the three, TerraVerde was selected as being the preferred partner for this project.

The Purchasing Agent (PA) signed Agreement for Services No. 317-S1810 on December 11, 2017, for \$9,975 to assist in the submission of an interconnection application to Pacific Gas & Electric Company (PG&E) along with some other ancillary tasks. An interconnection application is the first step in pursuing a cost saving solar project.

On February 2, 2018, the PA signed Amendment I to Agreement for Services No. 317-S1810 to add an additional \$51,310 to provide a comprehensive feasibility analysis. The analysis consisted of site audits, review of drawings, PG&E interval consumption / billing data, analysis of cost / benefit of differing systems, determination of project design-build cost estimates, estimated power purchase agreement rates and a detailed financial analysis for projected net savings, cash flows, net present value, and levelized cost of electricity.

Amendment II to the Agreement was executed by the PA on March, 9, 2018 to incorporate a business identity change from TerraVerde Renewable Partners, LLC to TerraVerde Energy, LLC. There were no changes to term or compensation

The County is considering financing two new solar photovoltaic projects through Power Purchase Agreements. One at the new Public Safety Facility and the other on County owned land adjacent to the PSF site. County Staff have worked closely with TerraVerde's team to determine the preferred locations for the proposed solar photovoltaic systems and energy storage system. Each project would require a separate Power Purchase Agreement tailored to the specifics of the project.

This proposed Amendment III would add \$95,950 in compensation, for a revised not-to-exceed of

\$157,235, and extend the term an additional two years for an amended expiration of December 10, 2020. Amendment III would provide the additional services necessary to assist in the development, solicitation and review/analysis of a Request for Proposal (RFP) process. The RFP would include both contemplated projects. Should the Request for Proposals successfully result in a project resulting in savings for the County, upon final Board approval the County will enter into one or more Power Purchase Agreement contracts.

Should a Power Purchase Agreement be approved and entered into by the County, an amendment to the TerraVerde contract to add an additional \$150,700 (this fee would be lower if only the Public Safety Facility project site was constructed) to provide design review, construction, and owner's representative management for the implementation of the solar project (and potential battery project) would be presented to the Board at the same meeting as the PPA approval.

It is anticipated that the TerraVerde fees and other costs that the County would incur in advance of a final Power Purchase Agreement would be reimbursed through a "Cost Reimbursement Agreement" between the PPA Provider and the County, resulting in a no capital cost for the County. The cost for the project incurred by the County would be the monthly invoices for the energy produced by the solar photovoltaic projects (and battery systems as applicable), at reduced rates relative to the County's cost of energy from PG&E.

Lastly, the Division recommends the Board make findings pursuant to Article II, Section 210b(6) of the El Dorado County Charter that the ongoing aggregate of work to be performed is not sufficient to warrant the addition of permanent staff. This is a project specific contract that will conclude upon project completion.

ALTERNATIVES

The County could cease to pursue this solar project and the process would stop at this juncture. This action would result in the withdrawal of the interconnection applications submitted by TerraVerde on behalf of the County. The withdrawal of the interconnection applications would have a negative impact on potential savings from a solar project based on current PG&E rules and tariffs.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

NA

CAO RECOMMENDATION / COMMENTS

It is recommended that the Board approve this item.

FINANCIAL IMPACT

The FY 2018-19 ACO budget includes \$250,000 for solar projects. There is no general fund impact.

CLERK OF THE BOARD FOLLOW UP ACTIONS

NA

STRATEGIC PLAN COMPONENT

Infrastructure

CONTACT

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