



Solar Energy Ad Hoc Committee
Thursday, October 15, 2020
5:00 p.m.

TELECONFERENCE ZOOM MEETING
<https://us02web.zoom.us/j/84574914688>

Meeting ID: 845 7491 4688

(Teleconference/Electronic Meeting Protocols are attached)

Agenda

Members: Chair Steve Thames (ST), Glenn Rambach (GR),
Director Monique Scobey (MS), Director Eric Aiston (EA), Dan Enright (DE)
Staff: General Manager Jill Ritzman, Parks Superintendent Mike Grassle

CALL TO ORDER

ROLL CALL

Public testimony will be received on each agenda item as it is called. Principal party on each side of an issue is allocated 10 minutes to speak, individual comments are limited to 3 minutes except with the consent of the Committee; individuals shall be allowed to speak on an item only once. Members of the audience are asked to volunteer their name before addressing the Committee. The Committee reserves the right to waive said rules by a majority vote.

ADOPTION OF AGENDA

APPROVAL OF CONFORMED AGENDA

OPEN FORUM

Members of the public may speak on any item not on the agenda that falls within the responsibilities of the Committee.

DEPARTMENT MATTERS

- 1. Review and Discuss Outcome of Solicitation of Solar Energy Vendor, and Options for Financing Construction and Operations - Continued (ARC Alternatives)**

2. Staff Updates

3. Future Meeting Calendar

4. Items for Next & Future Committee Agendas

5. Items to Take to the Board of Directors

MATTERS TO AND FROM COMMITTEE MEMBERS

ADJOURNMENT



Teleconference/Electronic Meeting Protocols

Cameron Park Community Services District

(Effective April 2, 2020)

WHEREAS, on March 4, 2020, Governor Newsome proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS, March 17, 2020, Governor Newsome issued Executive Order N-29-20 suspending parts of the Brown Act that required in-person attendance of Board members and citizens at public meetings; and

WHEREAS, on March 19, 2020, Governor Newsome issued Executive Order N-33-20 directing most individuals to shelter at home or at their place of residence.

NOW, THEREFORE, the Cameron Park Community Services District will implement the following protocols for its Board and committee meetings.

The guidance below provides useful information for accessing Cameron Park Community Services District ("District") meetings remotely and establishing protocols for productive meetings.

BOARD AND COMMITTEE MEMBERS:

- **Attendance.** Board and Committee Members should attend District meetings remotely from their homes, offices, or an alternative off-site location. As per the Governor's updated Executive Order N-29-20, there is no longer a requirement to post agendas at or identify the address of these locations.
- **Agendas.** Agenda packages will be made available on the District's website. They will also be sent by email to all Board and Committee Members. Note that under the circumstances, District staff may not be able to send paper packets.
- **Board and Committee Member Participation.** Meeting Chair(s) will recognize individual Board and Committee Members and unmute their device so that comments may be heard or will read comments if they are provided in writing only.

PUBLIC PARTICIPATION:

- **Attendance.** The District's office will remain closed to the public until further notice. Members of the public will be able to hear and/or see public meetings via phone, computer, or smart device. Information about how to observe the meeting is listed on the agenda of each meeting.
- **Agendas.** Agendas will be made available on the District's website and to any members of the public who have a standing request, as provided for in the Brown Act.
- **Public Participation.** The public can observe and participate in a meeting as follows:

➤ **How to Observe the Meeting:**

- **Telephone:** Listen to the meeting live by calling Zoom at (669) 900-6833 or (346) 248 7799. Enter the Meeting ID# listed at the top of the applicable Board or Committee agenda followed by the pound (#) key. More phone numbers can be found on Zoom's website at <https://us04web.zoom.us/j/6699006833> if the line is busy.
- **Computer:** Watch the live streaming of the meeting from a computer by navigating to the link listed at the top of the applicable Board or Committee agenda using a computer with internet access that meets Zoom's system requirements (<https://support.zoom.us/hc/en-us/articles/201362023-System-Requirements-for-PC-Mac-and-Linux>)
- **Mobile:** Log in through the Zoom mobile app on a smartphone and enter the Meeting ID# listed at the top of the applicable Board or Committee agenda.

➤ **How to Submit Public Comments:**

- **Before the Meeting:** Please email your comments to admin@cameronpark.org, with "Public Comment" in the subject line. In the body of the email, include the agenda item number and title, as well as your comments. If you would like your comment to be read aloud at the meeting (not to exceed 3 minutes at staff's cadence), prominently write "Read Aloud at Meeting" at the top of the email. Emails running longer than the time limit will not be finished. All comments received at least 2 hours prior to the meeting on the day the meeting will be held, will be included as an agenda supplement on the District's website

under the relevant meeting date, and provided to the Directors/Committee Members at the meeting. Comments received after that time will be treated as contemporaneous comments.

- **Contemporaneous Comments:** During the meeting, the Board President/Committee Chair or designee will announce the opportunity to make public comments. If you would like to make a comment during this time, you may do so by clicking the “raise hand” button. You will be addressed and un-muted when it is your turn to speak (not to exceed the 3 minute public comment time limit).

FOR ALL PARTICIPANTS:

- **Get Connected:** Please download Zoom application for your device and familiarize yourself with how to utilize this tool. There is no cost for using the application.
- **Ensure Quiet.** All audience members will be muted during the meeting until they are addressed by the Board/Committee as their time to speak. Please make every effort to find a location with limited ambient noise. Please turn off the ringer on your phone and other notification sounds on your devices to reduce interruptions.

We anticipate that this process of moving to remote meetings will likely include some challenges. Please bear with us as we navigate this process.



Solar Energy Ad Hoc Committee
Thursday, October 1, 2020
5:00 p.m.

TELECONFERENCE ZOOM MEETING
<https://us02web.zoom.us/j/83027256468>

Meeting ID: 830 2725 6468

(Teleconference/Electronic Meeting Protocols are attached)

Conformed Agenda

Members: Chair Steve Thames (ST), Glenn Rambach (GR),
Director Monique Scobey (MS), Director Eric Aiston (EA), Dan Enright (DE)
Staff: General Manager Jill Ritzman, Parks Superintendent Mike Grassle

CALL TO ORDER – 5:15pm

ROLL CALL – ST/GR/MS/EA (DE was absent)

Public testimony will be received on each agenda item as it is called. Principal party on each side of an issue is allocated 10 minutes to speak, individual comments are limited to 3 minutes except with the consent of the Committee; individuals shall be allowed to speak on an item only once. Members of the audience are asked to volunteer their name before addressing the Committee. The Committee reserves the right to waive said rules by a majority vote.

ADOPTION OF AGENDA - Approved

APPROVAL OF CONFORMED AGENDA - Approved

OPEN FORUM

Members of the public may speak on any item not on the agenda that falls within the responsibilities of the Committee.

DEPARTMENT MATTERS

1. Review and Discuss Outcome of Solicitation of Solar Energy Vendor, and Options for Financing Construction and Operations (ARC Alternatives)

- *Presentation of Solar Procurement Update by ARC Alternatives. Committee reviewed and discussed.*

2. Staff Updates

- Report Back on Energy Efficient Project (M. Grassle)

3. Future Meeting Calendar

- *Thursday, October 15th at 5:00pm*

4. Items for Next & Future Committee Agendas

- *Continued Discussion of Outcome of Solicitation of Solar Energy Vendor, and Options for Financing Construction and Operations*

5. Items to Take to the Board of Directors

MATTERS TO AND FROM COMMITTEE MEMBERS

ADJOURNMENT – 7:04pm



Agenda Transmittal

DATE: October 15, 2020

FROM: Jill Ritzman, General Manager

AGENDA ITEM #1: **STAFF RECOMMENDATION FOR DISTRICT'S SOLAR ENERGY INITIATIVE – POWER PURCHASE AGREEMENT OPTION**

Discussion

After the October 15, 2020, Solar Energy Ad Hoc Committee meeting, staff met to assess the information and four options provided by ARC Alternatives: Power Purchase Agreement (PPA), California Energy Commission (CEC) loan, Umpqua bank lease, and Early PPA Buyout with Umpqua Lease.

Staff is recommending the District pursue a Power Purchase Agreement with SunWorks. Staff's overall assessment is that there is less risk to the District for unforeseen complications with construction, financing and long-term management and maintenance of the asset. Specifically, factors influencing staff's recommendation include:

- *PPA Rate is Low Right Now*

SunWorks provided a very good PPA rate, which is expected to change negatively after the first of the year.

- *District Does Not Own the Asset*

In 25 years when system may not be viable, another entity owns the asset. Staff recognizes that the asset is on District property, but land ownership will provide the District leverage in negotiating on the District behalf to continue, improve or remove the system.

- *Have an Experienced, Expert Partner*

As the Committee experienced throughout this process, Solar Energy is unique. The District does not have a resident "expert" to oversee a contractor who will perform the operations, repair and maintenance if the District owns the asset.

- *Less Risk if the System Fails, Needs Improvements*

Since the vendor is obligated to the delivery of power, it's in the vendor's best interest to keep the system functioning efficiently. Capital improvements, repairs, and maintenance become a shared interest between vendor and District.

- *Immediate Annual Savings*

- *If Property Tax Revenues Decline in the Future, Investing in Asset May Be Difficult*

While the District has made progress in balancing the operations budget, and started investing in capital assets, the District financial revenues are limited. If property taxes decline in the future, setting aside funds to sustain the District's solar system asset (if owned by District) may become difficult.

Staff recognizes the greater savings of approximately \$1 million dollars over a 25 year term with the CEC loan option, but is not recommending the pursuit of a loan and District ownership of the asset for several reasons. The excellent PPA rates are available now, and in all probably will be increased in January 2021. If a CEC loan was pursued and not awarded, the current PPA rates would most likely increase. Staff is also concerned about adding the responsibility of operations, maintenance, and repairs of a solar system to the District, because staff resources are already stretched thin. If a significant capital cost is needed for repairing the system, the District's financial resources are limited to meet that need. Staff strongly supports the idea of an "expert partner" who owns the system and has a stake in the efficient operations.

Background

On October 17, 2018, the Board of Directors approved a Solar Energy Ad Hoc Committee (Committee) dedicated to the assessment and reporting back to the Board regarding a solar energy project and financing options. On January 28, 2019, the Committee began their research.

On November 20, 2019, the Board of Directors approved an Agreement with ARC Alternatives. The Committee strongly recommended having an experienced and unbiased consultant guide the District through the review and selection process for a builder and project financing. The scope of services included:

- ✓ Identifying appropriate projects in size, scope, and design;
- ✓ Assessing the project's economics and funding options;
- ✓ Assisting with a competitive request for proposal process to select a company and financing strategy for a solar project.



SOLAR PROCUREMENT UPDATE

Prepared by:
ARC Alternatives
October 15, 2020

Prepared for:
Cameron Park Community Services District



Financial Modeling Results – Solar Savings

Proposer	Proposed Solar Capacity (kW-DC)	First Year Values				Life Cycle Values			
		First Year Solar Production (kWh)	First Year Usage Offset	First Year Utility Savings <i>before costs</i> [1]	First Year Bill Offset Percent	Life Cycle Solar Production (kWh)	Life Cycle Usage Offset	Life Cycle Utility Savings <i>before Costs</i> [1]	Life Cycle Bill Offset Percent
SunWorks	263	433,989	93%	\$103,335	85%	10,223,034	87%	\$3,879,718	82%
Solar Norcal	266	413,356	88%	\$99,723	82%	9,736,988	83%	\$3,745,548	79%
Cal Solar	261	414,857	89%	\$100,255	82%	9,772,352	84%	\$3,765,095	79%
Brighton Energy	262	392,707	84%	\$96,176	79%	9,250,585	79%	\$3,604,540	76%

[1] Utility bill savings or revenue generated by the installed systems (either first year or life cycle) before considering project costs.

- SunWorks capacity updated to reflect target capacity, inline with other proposers

System Overview and Cash Pricing

SunWorks	Proposed Solar Capacity (kW-DC)	Upfront System Cost	5-Year O&M Costs	Life Cycle O&M Costs
Community Center	198	\$ 599,603	\$ 12,067	\$ 60,335
Fire Station 89	55	\$ 282,000	\$ 5,028	\$ 25,140
Fire Station 88	10	\$ 36,915	\$ 3,018	\$ 15,090
TOTAL	263	\$ 918,518	\$ 20,113	\$ 100,565
\$/W		\$ 3.49		

SolarNorcal	Proposed Solar Capacity (kW-DC)	Upfront System Cost	5-Year O&M Costs	Life Cycle O&M Costs
Community Center	205	\$ 574,601	\$ 14,365	\$ 71,825
Fire Station 89	50	\$ 161,169	\$ 4,025	\$ 20,125
Fire Station 88	10	\$ 34,033	\$ -	\$ -
TOTAL	266	\$ 769,803	\$ 18,390	\$ 91,950
\$/W		\$ 2.90		

Brighton Energy	Proposed Solar Capacity (kW-DC)	Upfront System Cost	5-Year O&M Costs	Life Cycle O&M Costs
Community Center	198	\$ 514,800	\$ 10,941	\$ 54,704
Fire Station 89	55	\$ 144,040	\$ 3,061	\$ 15,306
Fire Station 88	9	\$ 23,166	\$ 492	\$ 2,462
TOTAL	262	\$ 682,006	\$ 14,494	\$ 72,471
\$/W		\$ 2.60		

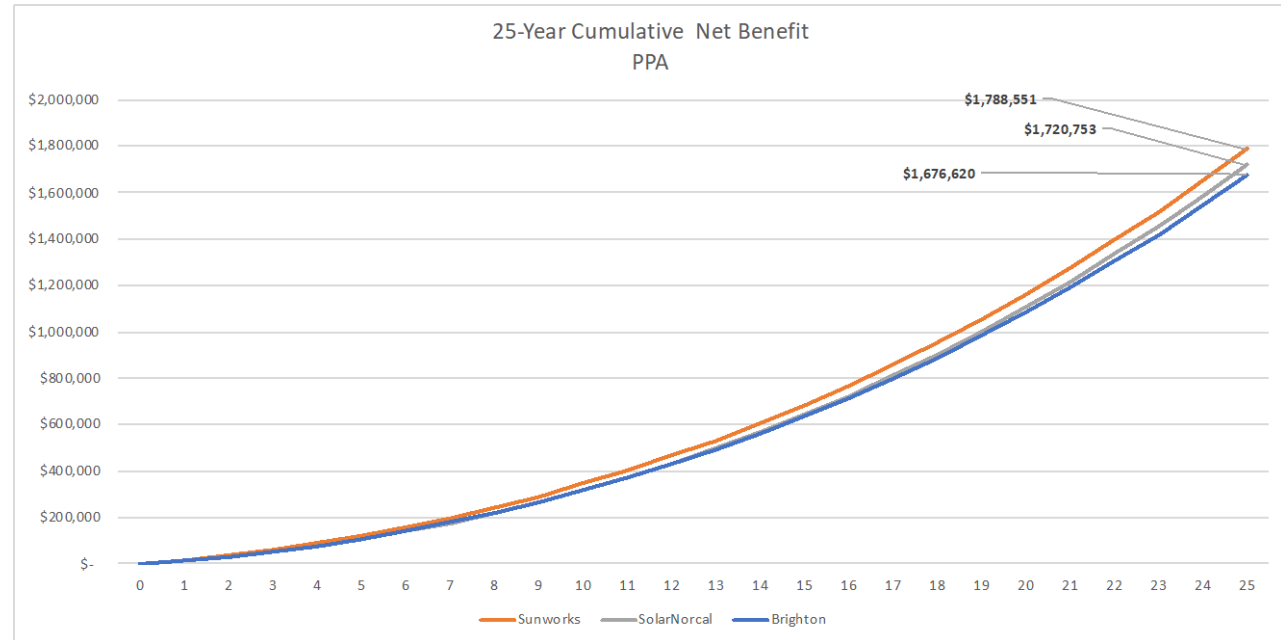
Financial Modeling Results – PPA

- Pricing for 25-year 0% escalation rate

SunWorks	Proposed Solar Capacity (kW-DC)	PPA Rate (\$/kWh)	First Year Net Benefit	Life Cycle Net Benefit
Community Center	198	\$ 0.198	\$ 12,762	\$ 1,416,155
Fire Station 89	55	\$ 0.198	\$ 3,993	\$ 372,396
Fire Station 88	10	Did not propose	n/a	n/a
TOTAL	263		\$ 16,755	\$ 1,788,551

SolarNorcal	Proposed Solar Capacity (kW-DC)	PPA Rate (\$/kWh)	First Year Net Benefit	Life Cycle Net Benefit
Community Center	205	\$ 0.198	\$ 13,303	\$ 1,397,867
Fire Station 89	50	\$ 0.237	\$ 576	\$ 272,704
Fire Station 88	10	\$ 0.264	\$ (112)	\$ 50,182
TOTAL	266		\$ 13,766	\$ 1,720,753

Brighton Energy	Proposed Solar Capacity (kW-DC)	PPA Rate (\$/kWh)	First Year Net Benefit	Life Cycle Net Benefit
Community Center	198	\$ 0.208	\$ 10,936	\$ 1,282,378
Fire Station 89	55	\$ 0.191	\$ 4,397	\$ 374,368
Fire Station 88	9	\$ 0.189	\$ 817	\$ 62,685
TOTAL	262		\$ 16,149	\$ 1,719,431



Net Benefit Comparison

- The table below shows the cumulative 25-year net benefit for the four scenarios analyzed
- All figures are presented as 25-year totals and include 25 years of O&M

First Year Net Benefit				
Proposer	PPA	CEC Loan	Umpqua Lease	Early PPA Buyout W/ Umpqua Lease
SunWorks	\$ 16,755	\$ 17,704	\$ (46,128)	\$ 16,755
SolarNorcal	\$ 13,766	\$ 27,649	\$ (25,848)	\$ 13,766
Brighton Energy	\$ 16,149	\$ 31,903	\$ (15,493)	\$ 14,332

25-Year Net Benefit				
Proposer	PPA	CEC Loan	Umpqua Lease	Early PPA Buyout W/ Umpqua Lease
SunWorks	\$ 1,788,551	\$ 2,799,843	\$ 2,761,065	\$ 2,304,279
SolarNorcal	\$ 1,720,753	\$ 2,832,845	\$ 2,800,346	\$ 2,295,280
Brighton Energy	\$ 1,719,431	\$ 2,785,445	\$ 2,756,652	\$ 2,194,485

- The PPA option has a lower overall cumulative net benefit but does not have the district incur debt and results in year one positive net benefit.

Next Steps

- Finalize vendor recommendation based on committee input
- Present findings and recommendation to Board

If board approves selection and moving forward

- Negotiate contract
- Return to Board with:
 - Negotiated contract
 - Government Code 4217 findings
 - Updated financial plan and cash flow