



Legislation Details (With Text)

File #: ID 22-1332 **Version:** 1 **Name:**
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On agenda: 9/1/2022 **Final action:**
Title: Actions pertaining to solar projects proposed at PARCS and Public Safety sites including Mosqueda Community Center, Roeding Park, Ted C. Wills Community Center, Inspiration Park, Mary Ella Brown Community Center, Fire Department Headquarters, and Police Regional Training Center (Council Districts 1, 3, 5):

1. Adopt findings pursuant to the California Environmental Quality Act (CEQA) Guidelines:
 - a. Adopt a finding of Categorical Exemptions pursuant to Sections 15303/Class 3; 15304-Class 4; and 15311/Class 11 of the CEQA Guidelines;
2. Approve the award of a cooperative purchase Energy Services Agreement-Solar with FFP BTM Solar, LLC, for the design, financing, construction, installation, operation, and maintenance of a 157 kW (DC) (estimated) solar photovoltaic system at Mosqueda Community Center;
3. Approve the award of a cooperative purchase Energy Services Agreement-Solar with FFP BTM Solar, LLC, for the design, financing, construction, installation, operation, and maintenance of a 162 kW (DC) (estimated) solar photovoltaic system at Roeding Park;
4. Approve the award of a cooperative purchase Energy Services Agreement-Solar with FFP BTM Solar, LLC, for the design, financing, construction, installation, operation, and maintenance of a 219 kW (DC) (estimated) solar photovoltaic system at Ted C. Wills Community Center;
5. Approve the award of a cooperative purchase Energy Services Agreement-Solar with FFP BTM Solar, LLC, for the design, financing, construction, installation, operation, and maintenance of a 78 kW (DC) (estimated) solar photovoltaic system at Inspiration Park;
6. Approve the award of a cooperative purchase Energy Services Agreement-Solar with FFP BTM Solar, LLC, for the design, financing, construction, installation, operation, and maintenance of a 94 kW (DC) (estimated) solar photovoltaic system at Mary Ella Brown Community Center;
7. Approve the award of a cooperative purchase Energy Services Agreement-Solar with FFP BTM Solar, LLC, for the design, financing, construction, installation, operation, and maintenance of a 110 kW (DC) (estimated) solar photovoltaic system at Fire Department Headquarters;
8. Approve the award of a cooperative purchase Energy Services Agreement-Solar with FFP BTM Solar, LLC, for the design, financing, construction, installation, operation, and maintenance of a 110 kW (DC) (estimated) solar photovoltaic system at Police Regional Training Center;
9. Authorize the Public Works Director or designee to execute subsequent documents, instruments, estoppel and acknowledgement certificates, etc. related to securing a financing party;
10. Authorize the Public Works Director or designee to approve of any changes to the PPA rates up to the maximum amount authorized in the agreements;
11. Authorize the Public Works Director or designee to execute the Pacific Gas & Electric (PG&E) Interconnection Agreement required for the project(s).

Sponsors: Public Works Department, Parks, After School, Recreation and Community Serv

Indexes:

Code sections:

Attachments: 1. 22-1332 Energy Services Agreement – Special Conditions – Solar; Mosqueda Community Center, 2. 22-1332 Energy Services Agreement – Special Conditions – Solar; Roeding Park, 3. 22-1332 Energy Services Agreement – Special Conditions – Solar; Ted C. Wills Community Center, 4. 22-1332 Energy Services Agreement – Special Conditions – Solar; Inspiration Park, 5. 22-1332 Energy Services Agreement – Special Conditions – Solar; Mary Ella Brown Community Center, 6. 22-1332 Energy Services Agreement – Special Conditions – Solar; Fire Department Headquarters, 7. 22-1332 Energy Services Agreement – Special Conditions – Solar; Police Regional Training Center, 8. 22-1332

Environmental Assessment for Installation of Solar Photovoltaic Canopies at Mosqueda Community Center, 9. 22-1332 Environmental Assessment for Installation of Solar Photovoltaic Canopies at Roeding Park, 10. 22-1332 Environmental Assessment for Installation of Solar Photovoltaic Canopies at Ted C. Wills Community Center, 11. 22-1332 Environmental Assessment for Installation of Solar Photovoltaic Canopies at Inspiration Park, 12. 22-1332 Environmental Assessment for Installation of Solar Photovoltaic Canopies at Mary Ella Brown Community Center, 13. 22-1332 Environmental Assessment for Installation of Solar Photovoltaic Canopies at Fire Department Headquarters, 14. 22-1332 Environmental Assessment for Installation of Solar Photovoltaic Canopies at Police Regional Training Center

Date	Ver.	Action By	Action	Result
9/1/2022	1	City Council	TABLED	

REPORT TO THE CITY COUNCIL

FROM: SCOTT L. MOZIER, PE, Director
Public Works Department

AARON A. AGUIRRE, Director
Parks, After-School, Recreation and Community Services Department

BY: ANN D. KLOOSE, Sustainability Manager
Public Works Department, Sustainability Division

SUBJECT

Actions pertaining to solar projects proposed at PARCS and Public Safety sites including Mosqueda Community Center, Roeding Park, Ted C. Wills Community Center, Inspiration Park, Mary Ella Brown Community Center, Fire Department Headquarters, and Police Regional Training Center (Council Districts 1, 3, 5):

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Community Center;

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11. Authorize the Public Works Director or designee to execute the Pacific Gas & Electric (PG&E) Interconnection Agreement required for the project(s).

RECOMMENDATIONS

1. Adopt findings pursuant to the California Environmental Quality Act (CEQA) Guidelines:
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EXECUTIVE SUMMARY

The proposed solar projects include the construction of on-site Solar Photovoltaic (PV) Systems at seven PARCS and Public Safety sites including Mosqueda Community Center, Roeding Park, Ted C. Wills Community Center, Inspiration Park, Mary Ella Brown Community Center, Fire Department Headquarters, and the Police Regional Training Center. These projects are the next phase of the Citywide initiative for energy efficiency and solar upgrades. As part of the extensive assessment, all City parks and public safety facilities were evaluated for solar. The sites recommended for Council consideration include the highest electricity load locations, highest yield for electricity bill savings, and minimized impacts for required tree removal. The proposed projects will include a total capacity of 930 kW of solar generation across the seven project sites, resulting in a 67% total energy offset, which provides more than \$78,000 in first year utility bill savings and over \$4.5 million in savings over the life of the 20-year agreement. In addition to the solar savings, there are also electricity bill savings at each location being achieved as a result of the current energy efficiency upgrades underway.

In previous Council action, a large solar project was approved for the Department of Public Utilities (DPU) as well as projects at Fresno Yosemite International Airport, Animal Shelter, Fire Station 18, and Southeast Policing District Substation. The City will utilize the School Project for Utility Rate Reduction (SPURR), a joint powers authority which offers the Renewable Energy Aggregated Procurement (REAP) Program, an aggregated solar procurement program that leverages the collective purchasing power of SPURR's large membership to secure transparent and pre-negotiated solar project pricing and terms. The City, as an Eligible Entity, can again piggyback on SPURR's competitively-bid RFP. The City has worked on this next phase with ForeFront Power (FFP), which was awarded the REAP Program's Master Contract, to propose Power Purchase Agreement (PPA) rates for the seven sites. Included in the PPA rate calculations are all costs to design, finance, construct, implement, operate, and maintain the Solar PV Systems at the sites. All construction costs are built into the PPA rates, and there are no upfront costs to the City. Additional terms and conditions of the agreement provides for the replacement of all trees removed during construction and allows the City to adjust the placement of the solar system within the current parcel(s) in the event of reconstruction or growth of the City's facilities.

BACKGROUND

The City of Fresno remains committed to renewable energy goals in both the update to the City's General Plan and recently approved solar projects throughout the City, with the purpose of reducing energy consumption and costs. Our local energy utility, PG&E, was directed by the CA Public Utilities Commission (CPUC) to transition to "time of use" (TOU) hours and rates, which could impact the energy costs at City facilities operating beyond normal business hours. PG&E has also increased electricity rates by nearly 22% since 2021. As a result, City staff has been exploring opportunities to offset energy costs through alternative energy sources, efficiencies, and rate analysis adjustments.

As previously reported, the Sustainability Division of the Public Works Department has extensively

researched and reviewed SPURR, a California-based joint powers authority of over 300 public agencies, which operates a variety of cooperative procurement programs including electricity, renewable energy and storage, as well as energy demand response.

The construction of these projects, as previously required, will be competitively bid and include up to 50% local labor utilized from the IBEW Local 100 and local engineering firms. The PPAs again provide rate stability and protection as it includes a 0% escalator, meaning rates will remain the same for the entire 20 years of the agreement. The proposal also includes system operations and maintenance for the life of the agreement to support an annual performance guarantee of 95%.

REAP Program and the RFP Process

The REAP Program is an aggregated solar procurement program established in 2014. On July 19, 2017, SPURR issued a Request for Proposal (RFP) seeking responsive proposals for solar energy and energy storage services from over 70 vendors and industry consultants statewide.

Following a robust response and extensive work from the diverse RFP team, SPURR awarded the bid to FFP, a wholly-owned subsidiary of Mitsui & Co. The pricing and terms accepted by SPURR have been confirmed in the REAP Master Contract dated October 26, 2017 (RMC). An amended and restated RMC dated September 2019 replaced the previous RMC and resulted in even lower available pricing for public agencies, and remains active and in effect through September 2022.

The RMC is available for use as a cooperative or “piggyback” procurement vehicle by public agencies who wish to streamline the procurement process, take advantage of excellent pricing achieved through a highly competitive statewide solicitation, and enter into a fully vetted contract with favorable project terms and conditions that result in reduced project risk. The REAP Program is a safe and proven procurement vehicle that has already been vetted and used by the City of Fresno and over 50 other public agencies across the state including the Cities of Paso Robles, San Luis Obispo, Bakersfield, and San Diego. In addition to Fresno Unified School District, several other public agencies in the Fresno Metropolitan Area have entered into agreements for solar projects with FFP under the REAP Program, including Fresno County, Clovis Unified School District, Central Unified School District, CART, and State Center Community College District.

Utilizing the REAP Program will result in significant project confidence and cost savings to the City over the life of the project and includes favorable contract terms and conditions such as an annual 95% performance guarantee, a fixed 20-year PPA rate, lifetime system operations and maintenance, City ownership of all project environmental attributes, and no money out-of-pocket from the City. The pricing and terms secured through the REAP Program are the best available in the marketplace and will allow the City to save time and money by not having to duplicate efforts, and benefit from a large-scale statewide buying power.

The process undertaken by SPURR for the REAP Program RFP meets or exceeds the City’s requirements, and the purchasing power behind the REAP Master Contract provides the City access to the lowest rates possible.

Solar Projects Overview

In maintaining the City’s goal of increasing our renewable energy commitment and reducing our Greenhouse Gas (GHG) emissions, the proposed new City facilities solar project(s) encompasses

the construction of Solar PV systems at seven City sites:

Site	System Size	PPA Rate	Year 1 Savings	Energy Offset	20 Year Savings
Mosqueda Community Center	157 kW	\$0.2165	\$0*	74%	\$369,394
Roeding Park	162 kW	\$0.2040	\$10,353	72%	\$789,073
Ted C. Wills Community Center	219 kW	\$0.1828	\$18,925	52%	\$991,169
Inspiration Park	78 kW	\$0.2150	\$10,636	73%	\$478,008
Mary Ella Brown Community Center	94 kW	\$0.2022	\$10,664	73%	\$592,976
Fire Headquarters	110 kW	\$0.2092	\$10,107	72%	\$621,620
PD Training Center	110 kW	\$0.1933	\$18,417	72%	\$742,880

**It should be noted that the Mosqueda Community Center Year 1 Savings are being utilized to provide for extensive electrical panel upgrades and required infrastructure enhancements.*

Under the recommended ESA-Solar, FFP would provide electrical energy to these City facilities at the final negotiated blended PPA rate of \$0.2013/kWh.

Included in the rate calculations are all costs to finance, design, construct, implement, operate, and maintain the Solar PV Systems. Since all costs are built into the PPA rates, there are no upfront costs to the City. Therefore, these facilities will be able to realize savings in the first year of operation. The PPA includes a 0% escalator, so rates will remain the same for the entire 20 years of the agreement, while PG&E rates are certainly expected to continue to rise.

There could be limited situations in which the negotiated PPA rates may be increased, up to a maximum pre-negotiated rate. Should PG&E require distribution upgrades to interconnect the solar systems to the PG&E power grid, the City will be required to bear all upgrade costs. Additionally, if changes in the scope of the project occur, such as adverse geotechnical conditions, the inclusion of additional spare conduit, or ADA compliance requirements not related to the solar system, the City will be responsible for the associated costs.

Should any or all of these unexpected costs arise, the City could: 1) choose to bear the distribution upgrades or reasonably documented scope change costs, and the PPA rates will remain unchanged; or 2) choose to incorporate such associated costs into the PPA rates, with a maximum increase for each type of cost. The maximum (cap) negotiated PPA rate for each facility is outlined below:

1. Mosqueda Community Center: \$0.2907
2. Roeding Park: \$0.2773
3. Ted C. Wills Community Center: \$0.2328
4. Inspiration Park: \$0.3079
5. Mary Ella Brown Community Center: \$0.2842
6. Fire Headquarters: \$0.2975
7. PD Training Center \$0.2758

Even if the PPA rates are increased to the maximum negotiated PPA rate, the rates remain below the anticipated PG&E utility rates and the project still offers the City significant savings over the course of 20 years. The City's total estimated savings over the duration of the agreement at the maximum negotiated PPA rate is conservatively estimated at over \$2.4 million.

Performance Guarantee

As a result of a 95% performance guarantee, FFP will remain motivated to ensure the proper functioning of the system. To avoid owing the City a credit under this guarantee, they will test or arrange for meter inspection and testing bi-annually when performing system operations and maintenance.

Climate and Environmental Attributes

Equally important are the environmental attributes which amount to 1.5 million kilowatt hours (kWh) of renewable energy annually, which is equivalent to taking 233 gas powered vehicles off the road every year or powering 210 homes annually. This staff recommendation aligns with the City's GHG Reduction Plan (Climate Action Plan) Municipal Strategies section 5.1.7 which targets GHG emissions generated at City facilities. The policy strategy is to "install renewable energy systems in City owned facilities" for the purpose of reducing the city's GHG emissions.

Additional Information

The City Attorney's Office has reviewed all agreements and approved to form.

ENVIRONMENTAL FINDINGS

Staff has determined that Categorical Exemptions from the provisions of CEQA exist for these Projects based on Section 15303, Class 3 New Construction or Conversion of Small Structures; 15304, Class 4 Minor Alterations to Land; and Section 15332, Class 11 Accessory Structures, of the CEQA Guidelines. Furthermore, staff has determined that none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, Section 15300.2 pertain to this project. Staff recommends that the Council adopt a finding of a Categorical Exemption per Staff determination, pursuant to Section 15303, Class 3; 15304, Class 4; and 15332, Class 11 of the CEQA Guidelines for the proposed solar projects at PARCS and Public Safety sites.

LOCAL PREFERENCE

Although Local Preference is not required, as this is a "piggyback" contract, we are fortunate that FFP takes pride in hiring qualified local labor from the IBEW Local 100 and local engineering firms to perform work on their projects.

To ensure this project aligns with the local hiring goals of the Mayor and Council, and to address the economic impacts of COVID-19, the construction portion of the project will be competitively bid, with a goal of at least 50% of the labor being locally hired. City staff has negotiated a requirement in these agreements which include a targeted hiring for journeymen and apprentices residing in economically disadvantaged areas, specifying that at least 30% of all hours for construction be of targeted workers from the City of Fresno and Greater Fresno Area. FFP typically hires 50% local for their construction projects and has previously demonstrated this with their recent Fresno area projects.

FISCAL IMPACT

The General Fund will not be immediately impacted by these projects. There are no up-front costs to

be paid; all design, construction, and operational costs are incorporated into the negotiated PPA rates.

Attachments:

1. Energy Services Agreement - Special Conditions - Solar; Mosqueda Community Center
2. Energy Services Agreement - Special Conditions - Solar; Roeding Park
3. Energy Services Agreement - Special Conditions - Solar; Ted C. Wills Community Center
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