

Dr. Karama Neal, Administrator
Rural Business-Cooperative Service
U.S. Dept. of Agriculture | Rural Development
1400 Independence Avenue, S.W.
Washington, D.C. 20250

Dear Dr. Neal:

Please accept this Letter of Intent as a demonstration of our Renewable Energy Community Partnership's intention to submit a complete application for the Rural Energy Pilot Program (REPP) Grant. Our Renewable Energy Community Partnership is a collaborative effort between the Sustainability Program of Monterey County and ENGIE North America, Inc.

Lead Applicant: Monterey County; Monterey County is an eligible lead applicant as a political subdivision of the State of California.

DUNS Number: 076298439

Employer Identification Number: 94-600524

SAM Unique Entity ID: JKHSNNJ5H3Y5

Executive Summary

The County of Monterey Sustainability Program and ENGIE, Inc. formalized a Renewable Energy Community Partnership (RECP) on 4/15/2022 for the purpose of pursuing the Renewable Energy Pilot Program (REPP) grant opportunity. The Sustainability Program is grounded in the three pillars of sustainability and is designed to support a healthy and vibrant economic, social, and environmental future for the residents of Monterey County and ensures the inclusion of equitable solutions. The County is geographically and economically diverse thanks to our robust tourism and agricultural industries; however, there is a significant economic disparity between the wealthier communities of the Monterey Peninsula and the under resourced rural communities of the County. The Sustainability Program will contribute staff time, facility access, and grant coordination and is partnering with ENGIE to provide engineering, design-build construction, and strategic expertise. ENGIE is one of the largest independent energy service companies in the U.S., specializing in renewable power, energy efficiency, and battery storage work. Within Monterey County, ENGIE has worked with the cities of Salinas, Gonzales, Greenfield, and King City on similar projects, as well as numerous schools in the region. Our goal in this project is to use local public resources to leverage federally available funding to equitably provide infrastructure that increases the sustainability, resiliency, and quality of life for our rural King City residents, who have been identified as economically, linguistically, and racially vulnerable.

We aim to accomplish these goals by installing distributed energy resources such as solar photovoltaic panels (PV), battery storage, microgrid controls and electric vehicle charging stations (EVCS) at the King City Courthouse at 250 Franciscan Way, King City, 93930, CA, so that the facility will provide a resilient cooling hub, emergency access to electricity, and convenient charging for electric vehicles (EV), so that rural residents are not left behind in transition away from internal combustion engine vehicles. It will also help economically vulnerable residents by increasing their ability to adopt EVs and benefit from the substantial operating cost-savings. The impetus for this project is the need to re-pave the Courthouse parking lot to ensure ADA compliance and provide residents access to crucial public services; however, the RECP recognized this opportunity to provide rural residents with infrastructure that increases the sustainability and resiliency of the community for a better future, as well as to meet the needs of today.

To implement this project, we are requesting the REPP provide \$2 million in funding for capital expenditures such as purchasing Distributed Energy Resources (DER) equipment, engineering expenses, and construction costs. The County will provide in-kind matching funds for project management costs and staff time estimated at \$66,000. The project will also result in a conservative estimate of \$150,000 in energy savings per year, which we intend to leverage through financing an energy services agreement. Based on early estimates, this could support up to \$3 million in capital costs. The design-engineering and construction of the project can be completed within two years of the grant award date. If this RECP proceeds to the final application, ENGIE will gather the necessary data to provide a more accurate estimate of project costs, complete a detailed design, bid out individual scopes of work for construction and present a mixed price construction contract. The Sustainability Program and ENGIE will then collaborate on the legal and contractual phase of the project. At that time, the Sustainability Program will present the REPP to the Board of Supervisors to secure any necessary matching funds or financing.

Statement of Need

There has been an acceleration of EV adoption and EVCS infrastructure in recent years, however much of that investment has occurred in densely populated urban centers where EVs have been more likely to be adopted.ⁱ This RECP aims to address the disparity of investment in EVCS and sustainable infrastructure in rural communities by

transforming the defunct parking lot of the King City Courthouse into a community charging center and decarbonized resiliency hub that will provide residents with crucial access to electricity during natural disasters and PG&E scheduled public safety power shutoff events.

Adding a microgrid to power the facility during outages will improve connections between local government and the community in King City. By serving as a community microgrid location, the courthouse will provide not only public safety and criminal justice locally in a remote part of the County, but also support for vulnerable residents in need of cooling during summer power outages. By centering a microgrid around solar and battery energy storage, the project will also improve health outcomes by lowering local air pollution.

The King City Courthouse is located at 250 Franciscan Way, King City, CA, 93930 and is rural and eligible for the REPP grant using the USDA Eligibility Tool, as shown in Appendix 1. The resiliency hub and charging infrastructure will serve the immediate zip codes of 93930 and 93945 with the possibility of expanded impact during times of natural disaster and the immediate Census Tracts 113.02 and 113.04. This provides assurance to our rural community that they will have access to transportation when they need it most, whether natural disaster, fuel shortage, or power outage. In combination with the increasing cost parity of EVs, this peace of mind could help drive EV adoption in the community, would result in economic benefits, greenhouse gas emissions reductions, and improved air quality from reduced tailpipe particulate matter.ⁱⁱ

The impact of this project is evident when viewed through the equity lenses of the Economic Innovation Group's Distressed Communities Index Interactive Map (DCI), CDC Social Vulnerability Index (SVI), Opportunity Zone Activity Map, and the definition of Disadvantaged Community; (supporting documents for these resources are gathered on Appendix 1). The DCI categorizes King City as "At-Risk" with a score of 78.5 and the SVI categorizes the area, (Census tracts 113.02 & 113.04) as "Highly Vulnerable" with overall SVI scores of .8814 and .8114, respectively. The King City Courthouse resiliency hub and EVCS infrastructure will provide low-cost EV charging capability to the Certified Opportunity Zone of Census Tract 113.02, which is less than 1,000ft away. Additionally, the majority low-income and people of color population allow this area to be defined as a Disadvantaged Community due to the "High Vulnerability" designations in the SVI themes of Minority Status & Language, Housing & Transportation, and Socioeconomic as well as the DCI demographic data.

In light of these equity indicators, it is imperative that this RECP acts to provide sustainable infrastructure solutions where they are most needed and provide rural residents with an example of the rural viability of current technology to include them in a just transition. Rural households can save between \$1,900-\$2,800 annually by switching to an EV, which is even greater than the savings potential that urban drivers have from EV conversion.ⁱⁱⁱ Publicly available charging for Disadvantaged Communities like those proposed by this RECP make those savings available, where they can make a substantial difference in the quality of life for our rural residents.

Project Activity

As the design-build energy partner for the project, ENGIE will be responsible for engineering, technology selection and construction. Excluding utility-related delays in interconnection, we anticipate the project could be fully engineered, constructed and operational within two years of project start. ENGIE has significant experience interconnecting DERs in King City and surrounding communities, as well as experience designing, building and interconnecting complex microgrids. Additional local utility incentives and project financing may be available, leveraging the energy savings of solar generation to match the program goals and final design. With available

energy guarantees and ongoing services for both the microgrid and EVCS, Monterey County will be able to provide reliable and ongoing services to residents for many years to come. This approach is novel because we are using the inertia for providing access to public resources as a catalyst for sustainable infrastructure in a rural community through a fully decarbonized resiliency hub.

The implementation of this project will use REPP funds to provide several DERs to the community including a solar PV array mounted on carports, rooftop PV panels, EVCS, battery storage, and microgrid controls. Critical actions include an in-depth design-build process led by ENGIE, soliciting local contractors in accordance with the County’s local workforce policy, ENGIE incorporating a workforce development component into the construction process, and managing the construction and implementation of DERs. Table 1 below illustrates an estimated budget for these activities.

Project Component	Approximate Cost
Solar PV Carport Structures	\$2.2 million
Battery Energy Storage System	\$1.9 million
Microgrid Controls and Infrastructure Upgrade	\$0.8 million

Based on a preliminary site analysis and costs for similar projects, we estimate the total project cost will be \$4.9 million, including all equipment and labor for installation. A preliminary analysis of the current annual energy costs and usage at the site indicates an opportunity for 500 kW of solar, and a 500kW/1000kWh battery energy storage system. The installation will also include controls, charging stations and additional electric infrastructure. The installation could save the County about \$150,000 per year in energy costs, depending on operations. If implemented before programs expire, there will also be local utility incentives available to offset the cost of the battery energy storage.

Each DER deployed in this project provides key benefits for our rural residents. The EVCS provided low-cost charging will reduce the burden of fuel on the budgets of economically vulnerable households. This aligns with the County’s long-term ambition to encourage EV adoption in all communities by providing the foundational charging infrastructure for the electric transition. In the next few years, EV cost parity will be achieved and more used EVs with sufficient range will be available for low-income residents, making this project a timely investment in equitable transportation for rural residents. Additionally, the EVCS will also benefit the Sherriff’s Department as the County transitions its fleet to EVs. The Sherriff Substation that operates out of the Courthouse will have an increased ability to provide services to residents in a remote area using EVs.

The battery storage and microgrid controllers will allow the Courthouse to be a sanctuary to residents during an emergency where grid power is no longer available. This will give residents peace of mind and provide County emergency response to be coordinated from a stable base of operations in a remote area.

The solar PV system mounted on carports and roof of the Courthouse will provide low-cost electricity and increase the resiliency of the community by providing on-site generation. Most immediately, the trenching work of the EVCS and carport installation will provide shade for vehicles and re-pave the parking lot to ensure ADA compliance and equitable access to critical public resources.

Credentials

ENGIE is one of the largest independent energy service companies in the U.S., specializing in renewable power, energy efficiency, and battery storage projects. Within Monterey County, ENGIE has worked with the cities of

Salinas, Gonzales, Greenfield, and King City on similar projects, as well as numerous schools in the region. ENGIE has installed more than 300 MW of customer-sited solar PV projects in California alone, and has installed over 190 battery energy storage systems, providing 57.9 MWh of storage capacity. This track record makes ENGIE one of the largest solar and battery energy storage installers in the state of California.

ENGIE has a dedicated team of battery storage and microgrid subject matter experts that focus on resiliency solutions like this application. For more than a decade, ENGIE has demonstrated a strong commitment to local, union job creation through construction projects with high standards for safety. ENGIE has also partnered with the local community college on their engineering and green construction programs. Hartnell College was awarded the Excellence in Energy and Sustainability Award from the California Community Colleges Board of Governors because of their partnership.

The Sustainability Program of Monterey County is an institutional partner dedicated to the sustainable conservation and development of the region. The Sustainability Program is responsible for County-wide climate action planning, fostering a just transition at the level of local government, and leading the way for our residents toward a sustainable future. Additionally, the Sustainability Program is located within the County Administrative Office, which maintains a board seat on our local community choice aggregate energy provider Central Coast Community Energy (3CE). We actively partner with 3CE to provide residents with low-cost renewable energy and implement 3CE's programs to benefit our residents.

Outcomes

The successful implementation of this project will result in several key outcomes for the community of King City. In summary, the King City Courthouse will be a resilient cooling hub that provides low-cost EV charging in a Disadvantaged Community that needs it most. The publicly available EVCS at an energy resilient facility increases the equitable access to transportation for our Disadvantaged Community members. This outcome can be measured in the kwh used by the EVCS at the facility. This will also improve air quality and reduce the greenhouse gas emissions from gasoline combustion. Depending on final design and engineering, the site could host up to a dozen charging ports, including some DC fast-chargers to serve County and public vehicles that require fast charging. This impact can be measured by converting the kwh of charging into an average mpge so that we can calculate the ghg reductions of the EVCS. The adoption of EVs, especially for County staff and low-income residents, is a key priority for the Sustainability Program, and we will continue to develop programs in this area.

A key outcome of this project is the provision of a resilient cooling hub through a combination of DERs providing an islanding capability and on-site electricity generation. This can be measured in the capability of the Courthouse to serve as a resiliency hub for up to 24 hours without grid electricity. We recognize that the high level of linguistic vulnerability of this rural community necessitates additional outreach regarding the resilient cooling hub, and will be measured through bi-lingual surveys so that the community is aware of this public safety resource.

The sustainable energy provided by the solar PV DERs is a measurable outcome that can be captured in kwhs produced and discharged during peak electricity times. Furthermore, the carport, parking lot construction, and trenching work will provide an ADA accessible parking lot, which is a key measurable outcome.

All of these outcomes rely upon a substantial construction and effort from a skilled workforce. High-skill workforce development is a key priority for the Sustainability Program, especially in low-income communities like King City. ENGIE has extensive experience incorporating workforce development into their projects, including close

collaboration with union construction trades, high school and community college STEM and sustainability curriculum and paid internships for underrepresented students. This outcome can be measured in the number of apprentice workers and hours of on-site training provided to local entrants to the green construction industry.

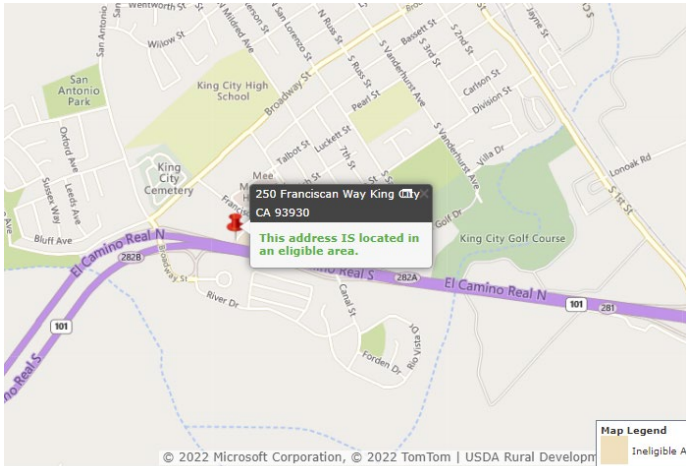
The Sustainability Program will contribute staff time to the monitoring and evaluation of this project if the grant is awarded. This project is a forward-thinking opportunity to invest in the sustainability, quality of life, and resiliency of this rural community. It is also an opportunity to increase the strength of the relationship between the County Sustainability Program and ENGIE, so that we may achieve more climate action for our community in the future.

Sincerely,

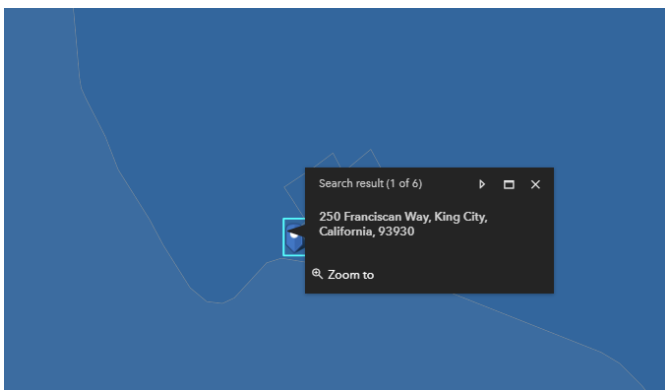
Ashley Paulsworth
Sustainability Program Manager
County Administrative Office
168 W. Alisal St., Salinas, CA, 93901
831.755.5344

Appendix

Appendix 1: USDA Rural Availability Tool



Appendix 2: CDC Social Vulnerability Index Scores by Census Tract



Census Tract 113.02, Monterey County, CA

2018 Overall SVI Score:

0.8814

Possible scores range from **0** (lowest vulnerability) to **1** (highest vulnerability).

A score of **0.8814** indicates a **high** level of vulnerability.

2018 Theme 1 - Socioeconomic SVI Score:

0.7664

Possible scores range from **0** (lowest vulnerability) to **1** (highest vulnerability).

A score of **0.7664** indicates a **high** level of vulnerability.

Socioeconomic Theme Variables

Variable Field Estimate Percent

Below Poverty E_POV 1592 28.3

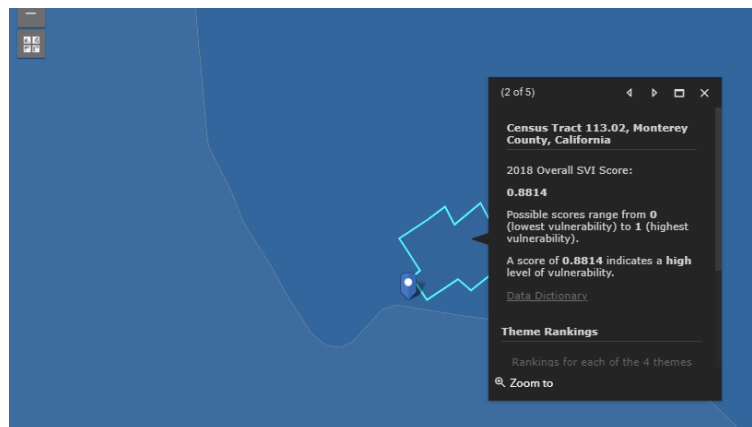
Unemployed E_UNEMP 23 0.9

Median Income E_PCI 12764 N/A

No Highschool Diploma E_NOHSDP 2100 68.6

2018 Theme 4 - Housing/Transportation SVI Score:

0.8462



Possible scores range from **0** (lowest vulnerability) to **1** (highest vulnerability).

A score of **0.8462** indicates a **high** level of vulnerability.

Housing & Transportation Theme

Variable Field Estimate Percent

Multi-Unit Structures E_MUNIT 165 10.5

Mobile Homes E_MOBILE 56 3.6

Crowding E_CROWD 387 27.5

No Vehicle E_NOVEH 237 16.8

Group Quarters E_GROUPQ 0 0

2018 Theme 3 - Minority/Language SVI Score:

0.9807

Possible scores range from **0** (lowest vulnerability) to **1** (highest vulnerability).

A score of **0.9807** indicates a **high** level of vulnerability.

Minority Status & Language Theme

Variable Field Estimate Percent

Minority E_MINRTY 5157 91.8

Speak English "Less than Well" E_LIMENG 2455 49.7

Census Tract 113.04, Monterey County, CA

2018 Overall SVI Score:

0.8113

Possible scores range from **0** (lowest vulnerability) to **1** (highest vulnerability).

A score of **0.8113** indicates a **high** level of vulnerability.

2018 Theme 1 - Socioeconomic SVI Score:

0.8435

Possible scores range from **0** (lowest vulnerability) to **1** (highest vulnerability).

A score of **0.8435** indicates a **high** level of vulnerability.

Socioeconomic Theme Variables

Variable Field Estimate Percent

Below Poverty E_POV 1490 19.9

Unemployed E_UNEMP 160 5.3

Median Income E_PCI 15331 N/A

No Highschool Diploma E_NOHSDP 2254 52

2018 Theme 4 - Housing/Transportation SVI Score:

0.592

Possible scores range from **0** (lowest vulnerability) to **1** (highest vulnerability).

A score of **0.592** indicates a **moderate to high** level of vulnerability.

Housing & Transportation Theme

Variable Field Estimate Percent

Multi-Unit Structures E_MUNIT 0 0

Mobile Homes E_MOBILE 133 7.6

Crowding E_CROWD 409 24.4

No Vehicle E_NOVEH 25 1.5

Group Quarters E_GROUPQ 64 0.8

2018 Theme 3 - Minority/Language SVI Score:

0.9857

Possible scores range from **0** (lowest vulnerability) to **1** (highest vulnerability).

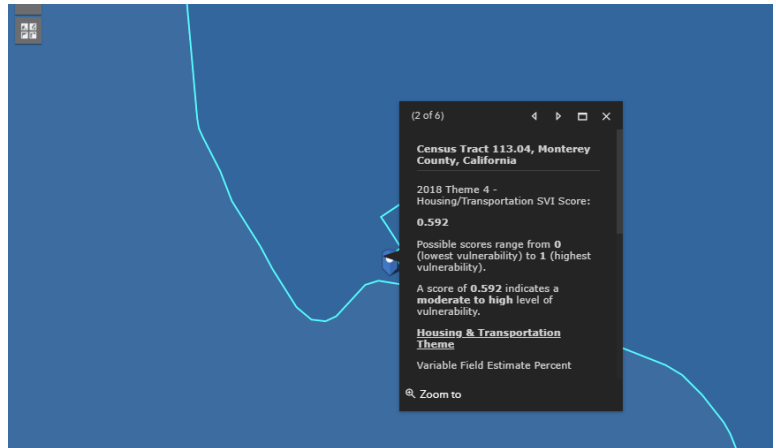
A score of **0.9857** indicates a **high** level of vulnerability.

Minority Status & Language Theme

Variable Field Estimate Percent

Minority E_MINRTY 7138 94.2

Speak English "Less than Well" E_LIMENG 2660 38



Appendix 3: Distressed Communities Index

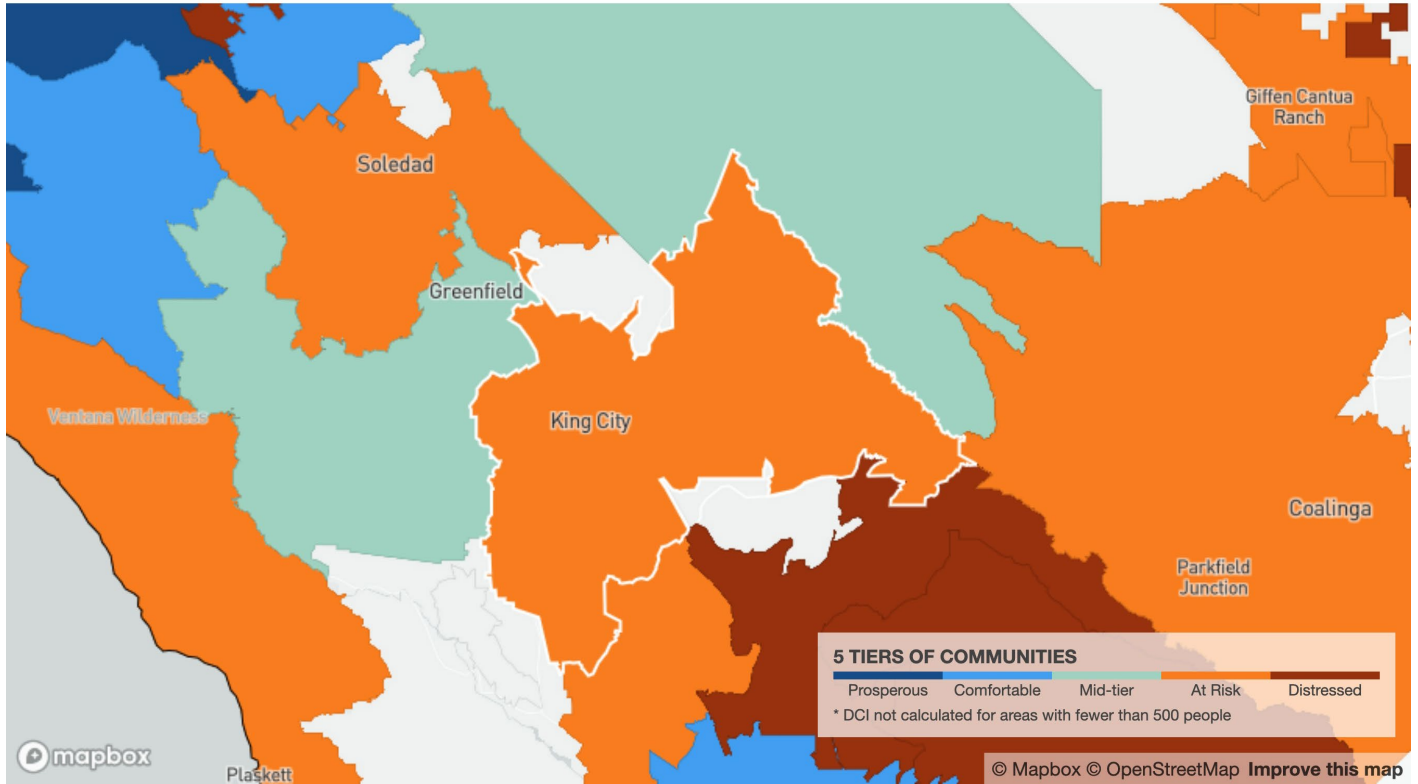


DISTRESSED COMMUNITIES INDEX



Visit eig.org/dci to explore the digital mapping interactive and more

National > California > CA-20 > 93930 - King City

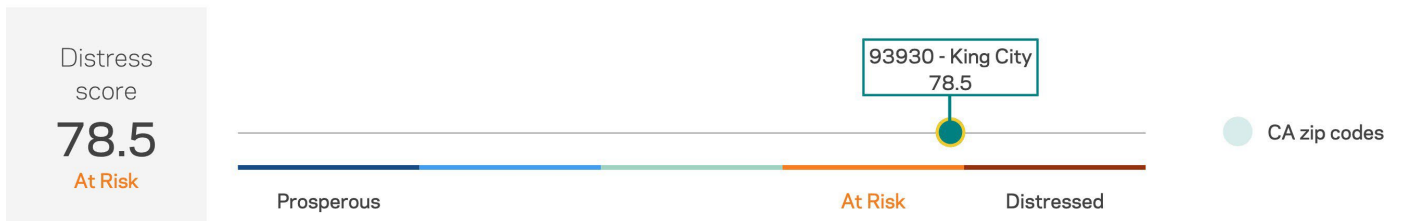


DESIGNED & BUILT BY **Graphicacy**

93930 - King City

DCI score

CURRENT



PREVIOUS

2000 **76.1** At Risk

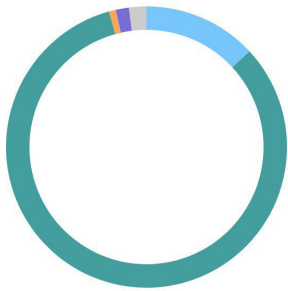
DCI factors

No high school diploma	Poverty rate	Adults not working	Housing vacancy rate	Median household income	Change in employment	Change in establishments
52.6%	23.5%	31.5%	5.8%	\$48.1k	14.1%	--
National	National	National	National	National	National	National
12.3%	13.9%	23.5%	9.4%	\$60.5k	8.0%	4.5%

Demographics distribution

RACE OR ETHNICITY

% of population by race or ethnicity



Non-Hispanic White	13.1%
Hispanic or Latino	82.6%
Black or African-American	0.7%
American Indian or Alaska Native	0.1%
Asian or Pacific Islander	1.5%
Some Other Race	2.0%

NATIVITY

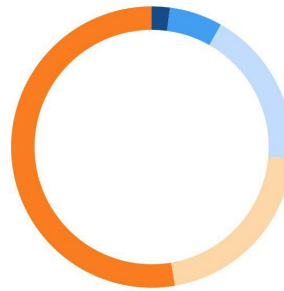
% of population by nativity



Foreign-born	43.3%
Native-born	56.7%

EDUCATION

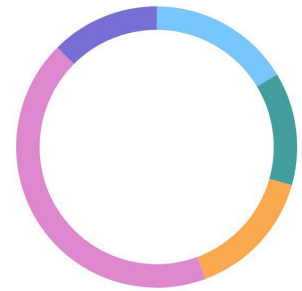
% of population 25+ by educational attainment



Advanced degree	2.1%
Bachelor's degree	6.1%
Some college	18.1%
High school diploma	21.0%
No high school diploma	52.6%

OCCUPATION

% of 16+ population by occupation



Management and Professional	16.4%
Service	13.0%
Sales and Office	15.0%
Natural Resources and Construction	43.2%
Production and Transportation	12.5%

DEFINING DCI FACTORS

No high school diploma

The share of the population age 25 and older who lack a high school diploma or equivalent.

Poverty rate

The share of individuals living below the federal poverty line.

Adults not working

The share of the population age 25 to 54 not working (i.e. either unemployed or not in the labor force).

Housing vacancy rate

The share of housing units that are vacant, adjusted for recreational, seasonal, or occasional use vacancies.

Median household income

Median household income enters into the DCI as a percent of metro area or state median household income.

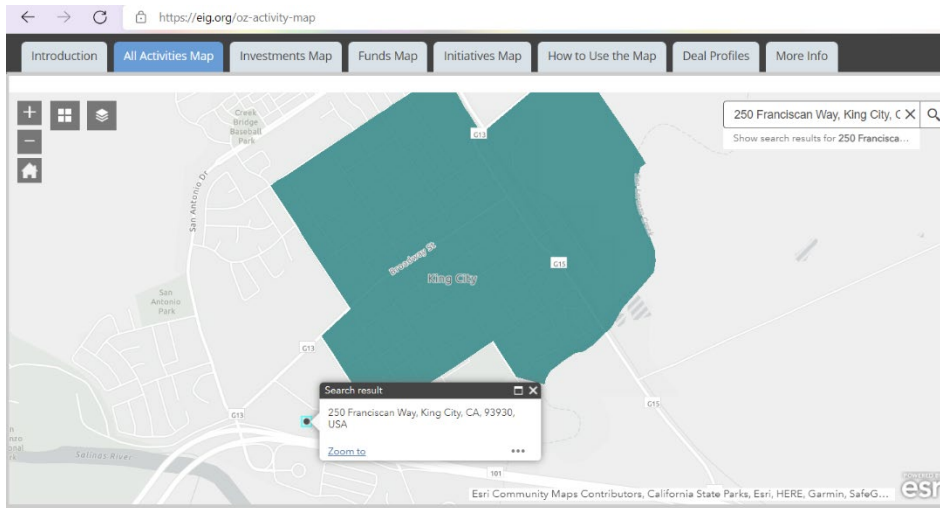
Change in employment

The change from 2014 to 2018 in the number of employees working in the geography.

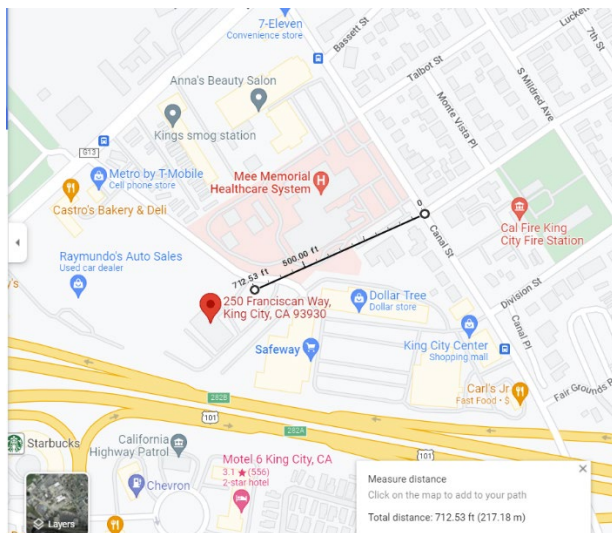
Change in establishments

The change from 2014 to 2018 in the number of establishments located in the geography.

Appendix 4: Economic Innovation Group OZ Activity Map



Appendix 5: Google Maps, showing that the King City Courthouse is located less than 1,000 feet from the Canal St. border of the 133.03 Census Tract Opportunity Zone.



ⁱ Electrification Coalition. (n.d.). *Electric Vehicles in Rural Communities*. Retrieved April 19, 2022 from [rural-guide.pdf \(electrificationcoalition.org\)](https://www.electrificationcoalition.org/rural-guide.pdf)

ⁱⁱ McKerracher, C. (2021, July 12). *The EV price gap narrows*. BloombergNEF. Retrieved April 19, 2022, from <https://about.bnef.com/blog/the-ev-price-gap-narrows/>

ⁱⁱⁱ Lowell, D., Van Atten, C., Culkin, J., & Langois, T. (2020). (rep.). *Clean Transportation Strategies for Rural Communities in the Northeast and Mid-Atlantic Sta.* M.J. Bradely & Associates. Retrieved from https://www.mjbradley.com/sites/default/files/MJBA_Report_Rural%20Transportation%20Opportunities_Final_0.pdf.