



Board Report

File #: A 24-161, **Version:** 1

- a. Receive a presentation from Mynt Systems Inc. and staff on the status of the power purchase agreement projects to install a combination of solar photovoltaic panels and battery energy storage systems at 1410 Natividad Road.;
- b. Approve the execution of a Power Purchase Agreement and related documents necessary to install a combination of solar photovoltaic panels and battery energy storage systems at 1410 Natividad Road.;
- c. Authorize non-standard indemnification and insurance provisions in those documents; and
- d. Provide direction to staff.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive a presentation from Mynt Systems Inc. and staff on the status of the power purchase agreement projects to install a combination of solar photovoltaic panels and battery energy storage systems at 1410 Natividad Road.;
- b. Approve the execution of a Power Purchase Agreement and related documents necessary to install a combination of solar photovoltaic panels and battery energy storage systems at 1410 Natividad Road.;
- c. Authorize non-standard indemnification and insurance provisions in those documents; and
- d. Provide direction to staff.

SUMMARY:

Staff recommends that the Board of Supervisors receive an update on renewable energy projects at the 1410 Natividad Road. jail complex. On July 18, 2023, the Board of Supervisors voted to authorize and enter a Master Energy Services Agreement with Mynt Systems Inc., adopt a Power Purchase Agreement Template, and authorize the implementation of solar and battery storage projects at 1441 Schilling Place and the Sheriff's Public Safety Building at 1414 Natividad Rd. Due to potential operational changes at the jail complex, a project at 1410 Natividad Rd. was not considered. Staff gave a presentation on this project to the Alternative Energy and Environment Committee on January 10, 2024, and sought input and additional direction. Staff then worked with stakeholders from the Health Department, Sheriff's Department, and Natividad Medical Center to design a project that met all stakeholder needs, including potential future use of identified sites. This version of the project was presented to the Alternative Energy and Environment Committee on March 28, 2024, and the committee recommended the project move to the Board of Supervisors for approval by the April 20, 2024 deadline to retain reserved financial incentives from the Self-Generation Storage Program by Pacific Gas & Electric in the amount between \$744,000-\$905,000. Staff now recommends that the Board approve the authorization of a power purchase agreement and all related documents necessary for a solar photovoltaic panel and battery energy storage system at the Jail Complex at 1410 Natividad Rd.

DISCUSSION:

On October 27, 2020, the Board of Supervisors recommended entering into a Program Services Agreement with Mynt Systems, Inc. to undertake an Energy Assessment at both the Natividad Jail Complex and Schilling Place with the goal of reducing energy costs and emissions while increasing resiliency. Staff received the following project recommendations and presented them to the Budget Committee on May 18, 2021, and recommended the project move forward. The project was included as part of the Draft Capital Improvement Plan FY 23-24 that received support by the Capital Improvement Committee on March 6, 2023, and was

adopted by the Board in June 2023.

Committee Recommendations:

1. 1410 Natividad Rd, including the Jail Complex and the Sheriff's Public Safety Building: Install a 1,285.9kW carport solar array with a 2,145.6kWh battery at the new jail building along with a 372.7kW rooftop solar array on the public safety building as well as energy efficiency upgrades resulting in a reduction of 127,895 kWh of energy.
2. 1441 Schilling Place Building: Install A 1,010.7kW rooftop solar array with a 2,536.8kWh battery and energy efficiency upgrades resulting in a reduction of 311,950 kWh of energy.

Due to potential changes in operations that were being considered at the jail, wherein a portion of the facility may have been converted into a behavioral health facility, staff recommended that the County not install a project at the Jail Complex, but instead, move forward with the improvements at the Sheriff's Public Safety Building and Schilling Place. These projects were approved by the Board on July 18, 2023, along with the authorization of the Master Energy Services Agreement with Mynt Systems Inc. and other documents necessary for the implementation of the project.

Staff now recommends that the Board receive a presentation providing an update on the project by Mynt Systems Inc. and that the Board approve executing the third power purchase agreement at the Jail Complex at 1410 Natividad Rd. Moving forward with this solar photovoltaic panel and battery storage project allows the County to capture \$744,000-\$905,000 in funding from Pacific Gas and Electric's Self-Generation Incentive Program. Staff has collaborated with Public Works, Facilities, and Parks, Natividad Medical Center, the Sheriff's Department, and the Health Department to ensure that the proposed energy system design and agreements meet the needs of all stakeholders. On March 28, 2024, the Alternative Energy and Environment Committee recommended that the project move to the Board of Supervisors for approval by the April 20, 2024 deadline to retain reserved financial incentives from the Self-Generation Storage Program.

OTHER AGENCY INVOLVEMENT:

Staff has collaborated with Public Works, Facilities, and Parks, Natividad Medical Center, the Sheriff's Department, and the Health Department to ensure alignment across departments. The Office of County Counsel and Auditor-Controller's Office reviewed and approved the proposed Agreements as to form and fiscal provisions, respectively. The Office of Risk Management reviewed and approved the insurance coverage and limits.

FINANCING:

This item has no budgetary implications due to the financial structure of the Power Purchase Agreement. April 20, 2024, is the deadline to execute a power purchase agreement to retain reserved financial incentives from the Self-Generation Storage Program by Pacific Gas & Electric in the amount between \$744,000-\$905,000.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This item supports the County's municipal climate action goals.

Mark a check to the related Board of Supervisors Strategic Initiatives

☒ Economic Development
☐ Administration
☒ Health & Human Services

☒ Infrastructure
☒ Public Safety

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Approved by: Deborah Paolinelli, Assistant County Administrative Officer ext. 5309

The following attachments are on file with the Clerk of the Board:

Attachment A - Capital Improvements Committee Report 9.11.2023

Attachment B - Completed Board Order 23-245

Attachment C - Completed Resolution 23-245

Attachment D - Fully Executed Master Energy Services Agreement

Attachment E - Zero Carbon Resiliency Recommendations

Attachment F - Power Purchase Agreement 1410 Natividad Rd.

Attachment G - Site Lease Agreement 1410 Natividad Rd.