



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 16-952, Version: 1

- a. Receive a report and presentation from Elisabeth Russell from AMBAG on Solar financing options;
- b. Support submission of an application to California Energy Commission (CEC) for a loan for financing energy efficiency projects; and
- c. Provide direction to staff as appropriate.

RECOMMENDATION:

It is recommended that the Alternative Energy & Environment Committee:

- a. Receive, review and approve the submission of an application to the California Energy Commission (CEC) for a 1% Rate Loan for Financing Energy Efficiency Projects;
- a. Receive information and status update about the Monterey Solar Energy and Economic Development Fund (SEED) Program; and
- b. Provide direction to staff as appropriate.

SUMMARY:

The California Energy Commission has a loan pool dedicated to local jurisdictions for the purposes of completing renewable installations as well as energy efficiency installations. The interest rate on these funds is 1%. These funds are available to all jurisdictions. Currently all available funds have been assigned to specific jurisdictions. The staff at the CEC recommends that the County of Monterey submit an application for future funding in order to get their proposed project formally onto the wait list because this is the list that is then used to assign the funding on a first come first serve basis, as new funds are added to the pool.

It is important to note that applying for these funds and getting on the waiting list does not in any way encumber the County of Monterey to go forward with the proposed project when funds become available. It is simply securing the County of Monterey access to the funds, should we want to use them when they become available. It is projected that the funds become available in early 2017 or by summer of 2017.

The project that would be proposed for the CEC 1% loan application is the installation of solar renewables at the County's Schilling Place facilities.

The Monterey Bay Solar Energy and Economic Development (SEED) Fund is another way of funding solar renewables. An update will be provided on this program at the Alternative and Energy (AEE) Committee meeting on August 25, 2015.

DISCUSSION:

The CEC 1% loan is a cost effective way to purchase renewable energy and/or install energy efficiency projects for jurisdictions. Each jurisdiction can borrow up to \$3,000,000. It is a revenue neutral funding source because the loan is paid back at the rate of energy saving achieved by the jurisdiction. The funds used in this loan pool originate from one or more of the following: Energy Conservation Assistance ACT (ECAA) or Bond Proceeds from ECAA Tax-Exempt Revenue Bonds.

The project criteria for loan approval includes the following:

- The project must be technically and economically feasible. A feasibility study is required to verify the estimated savings.
- Simple Payback requirement: The loan can fund 100% of the project cost within a 17 year (maximum) simple payback.

Staff at Monterey County has identified the highest potential sites for the installation of solar renewables. The factors included in the evaluation include shading, geotechnical, structural, electrical, and environmental. Schilling Place was identified as the number one location to install solar renewables from a cost benefit analysis. Renewable solar can be installed at Schilling Place in the form of covered parking structures. This project is projected to save 1,068,085 kWh annually. The estimated cost of this project is \$2,307,000 - \$2,691,500, which could be accomplished with the CEC 1% loan. The projected payback period for this loan is 10-12 years. A presentation will be given on this 1% loan option at the AEE Committee meeting on August 25, 2016.

The Monterey Bay SEED Fund is a program that uses collaborative procurement for the public sector to participate in a regional group purchase of municipal solar PV projects. A presentation will be given on the status of this project in the region.

OTHER AGENCY INVOLVEMENT:

The Go Green! Monterey County Program, Auditor Controller and the Resource Management Agency Public Works Division collaborates with the Association of Monterey Bay Area Governments (AMBAG) Energy Watch Program.

FINANCING:

The Go Green! Monterey County Program is funded in County Administrative Office - Department 1050, Intergovernmental & Legislative Affairs Division - Unit 8054. Approval of this recommendation will not result in additional general fund contributions.

No financing is required. Submission of an application to the CEC 1% loan provides Monterey County with the potential to access these funds and does not encumber the County of Monterey to ultimately use the 1% loan when it becomes available.

Approved by:

Nicholas E. Chiulos
Assistant County Administrative Officer

Attachments: Presentation slides