



CITY OF CARSON

Legislation Text

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Report to Mayor and City Council

Tuesday, August 01, 2017

Discussion

SUBJECT:

UPDATE ON THE DEVELOPMENT OF A NET ZERO ADVANCED ENERGY COMMUNITY PROJECT WITHIN THE CITY OF CARSON (CITY COUNCIL)

I. SUMMARY

Charge Bliss, inc. (Charge Bliss) is working on developing the engineering plans, specifications, and estimates for a Net Zero Advanced Energy (AEC) project for City facilities. This work is fully funded using a California Energy Commission (CEC) grant in the amount of \$1.5 million. All city-owned sites have been preliminarily evaluated, and prior to moving forward, it is critical that Charge Bliss understand the City's near, mid and long term intentions for these sites so that only viable options are included in the project. It is anticipated that the City will apply for a \$14 million grant from the CEC to construct the alternative energy improvements.

On July 18, 2017, staff provided the City Council with an update on the development of a Net Zero (AEC) project. The Council directed staff to meet with the City Buildings / Facilities subcommittee in order to discuss viable sites for inclusion in the grant.

The City Buildings / Facilities subcommittee is comprised of Mayor Pro Tem Lula Davis-Holmes and Councilmember Cedric Hicks. Due to scheduling constraints and the need to bring this item back the City Council by August 1, 2017, staff was only able to meet with Subcommittee Member Hicks to discuss the project benefits and future site considerations.

Subcommittee Member Hicks reviewed the sites in detail and provided staff with recommendations on the location(s) of the solar panels, potential issues with overnight parking at city parks, security concerns and lighting requests. Subcommittee Member Hicks also provided insight on near, mid, and long term site goals. All City-owned sites and one Carson Successor Agency site have been listed in alpha/numeric order and categorized according to Subcommittee Member Hicks's recommendations (Exhibit No. 1). Details about specific funding requirements and operational considerations are provided in the background section of this staff report. The City Council is being asked to review Exhibit No. 1 and confirm that each site is categorized appropriately.

II. RECOMMENDATION

1. Direct Charge Bliss, Inc. to proceed with preparing plans, specifications, costs, and financial models based on each site's category as shown on Exhibit No. 1.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

As part of the City of Carson's commitment to sustainability and alternative energy, the City Council approved a contract with Charge Bliss, Inc (Charge Bliss) to develop a shovel-ready, net zero Advanced Energy Community (AEC) project for the City of Carson.

The CEC's competitive grant solicitation will be funded in two phases. Phase I focuses on the development of innovative planning, permitting, and financing approaches for Advanced Energy Communities, with the deliverable being a "shovel ready" project. Only recipients of Phase I funding will be eligible to compete for Phase II funding. The total amount available from CEC for Phase II is \$14 million.

The Charge Bliss team has begun the preliminary engineering phase of the project. The project could include solar generation, battery storage, electrical vehicle charging stations, power conditioning and controls for City facilities. It is anticipated that Phase 1 would require approximately 12 months for development.

Charge Bliss does not want to expend grant dollars to design a system at a City-owned site that will not be a viable option for inclusion in the project. Having a clear understanding of the City's near, mid, and long term goals for each site will be helpful in moving the project forward. Furthermore, the CEC has specific funding requirements and operational considerations that must be taken into account.

With respect to funding requirements, all systems paid for by the CEC must have a minimum operational life of 10 years.

With respect to operational considerations:

- Solar: Since Charge Bliss is proposing mostly canopy solar systems, the City may re-use, redevelop, or do anything they wish with the **adjoining** buildings and property.
- Battery Energy Storage: Though these can, in some cases, be moved easily, the presumption of the CEC will be that at least a 10 year deployment is expected.
- HVAC/chiller: For these systems, the presumption of CEC is that the subject buildings will benefit for at least 10 years.
- LED: In the scenarios where there is a substantial cost outlay for LEDs such as inside a large building, the presumption of the CEC would be that the system will operate for 10 years or longer.

With all of this in mind, and in the interest of full disclosure, staff is being asked to

categorize all City-owned properties using the suggested categories below.

1. Category No. 1: Site is **highly likely** to be sold, or redeveloped in a manner that would require de-commissioning or relocation of new energy equipment in the next 5-15 years, or is otherwise infeasible. Properties in this category will be eliminated from further consideration.
2. Category No. 2: Site is **under consideration** by the City to be placed in Category No. 1 **and/or** the City would be unlikely to sign a AEC contract. Properties in this category could be eliminated from further consideration or the City could allow a site to be included in the project and decide after the project is built to re-develop or sell. It should be noted that the future buyer and the owner of the energy system would have to agree on the new owner assuming the AEC contract obligation.
3. Category No. 3: Site is unencumbered, unlikely to be sold or be redeveloped during the contract period in such a manner as to require equipment re-location.

As an example of appropriately categorizing properties, there has been some discussion about developing the Civic Center. If future redevelopment of the Civic Center is a near term goal for the City Council, then staff would direct Charge Bliss to remove the solar design components from this site because solar systems have an effective life of approximately 20 years. Based on recommendations from Subcommittee Member Hicks, City Hall, the Community Center, the Corporate Yard, and the Successor Agency property located at 17505 S. Main Street have been identified as Category No. 2, meaning that the sites are under consideration to be sold or redeveloped in the future and the City would need to either eliminate these sites from the AEC design process, consider shorter term contracts, and/or include a buyout clause or require relocation of the solar collectors, battery systems and charging stations if feasible. There can be benefits and consequences to a buyout clause. Staff will work with Charge Bliss to build a model that works. As the project advances, staff will provide periodic updates to the City Council.

At this time, the City Council is being asked to review Exhibit No. 1 and confirm that each site is categorized appropriately. Charge Bliss then begins detailed design of the systems and submission of the alternative energy projects for building plan check. Charge Bliss is currently developing series of financial options, with assistance from staff, designed to fund the grant match. The financing options will need to be reviewed and approved by the City Council prior to submitting for the construction grant.

V. FISCAL IMPACT

There is no financial impact at this time.

VI. EXHIBITS

1. List of City-owned and Successor-owned sites under consideration. (Pg. 4)

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