

Energy Resilience Upgrades

Countywide Energy Audits & Conservation Assessment Report

Sonoma County Public Infrastructure and CAO/Climate Action and Resiliency



Why Energy Upgrades Now?

- **Strategic Plan - Climate Action and Resiliency Pillar:**
 - ❖ Make Sonoma County carbon neutral by 2030.
 - ❖ Make all County facilities carbon free, zero waste, and resilient.
 - ❖ Resilient Infrastructure: Enhance services to the community by investing in County facilities and infrastructure; including roads, buildings, communications, and flood protection.
- **Energy Efficiency upgrades save money**
 - ❖ Many upgrades save more money over the life of the equipment than the equipment costs.
- **3-year project to audit County facilities & prioritize improvements**
 - ❖ Actionable findings & recommendations in March 2024.
 - ❖ Not-to-exceed pricing, incentives, and funding path now.



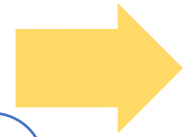
Aviation Pros. (2022, March 25). Sonoma County and forefront power complete 963 kW solar energy portfolio at Airport and nearby Fleet Facility. Aviation Pros.

Phased Approach to Energy Upgrades

Near-Term

- Energy upgrades that pay for themselves by reducing energy used
- Cost savings + Incentives cover all costs, including financing
- No net GF use
- Implement over the next 24 months.

Focus: Utility Cost Savings



Mid-Term

- Energy upgrades are impactful & feasible
- Will not pay for themselves
- Establish funding strategy in Climate Resilience Comprehensive Action Plan

Focus: Decarbonization



Long-Term

- Energy upgrades have significant costs, uncertainties, and/or feasibility constraints
- Replace existing building stock with new County Government Center.
- Develop long-term plan to address residual energy use with feasibility constraints.

Focus: Carbon Free, Zero Waste & Resilient

Recommended Near-term Upgrades

(referred to as the “Reduced Cost” scenario in the Board Summary)

	SCOPE #	ENERGY CONSERVATION MEASURE	COSTS, SAVINGS & INCENTIVES					ENERGY & EMISSIONS REDUCTION			
			PROJECT COST	ANNUAL TOTAL SAVINGS	GRANTS & INCENTIVES	SIMPLE PAYBACK w/ ESCALATION (YEARS)	Expected useful life	Annual kWh savings / generation	Annual Natural Gas Savings, therms	Annual Water savings, kGal	Annual CO2e saving annual, lbs
Scope of Work	1	LED Lighting w/ Controls	\$6,736,170	\$481,303	\$0	11	20	1,811,786	0	0	126,825
	2	Solar PV - Carport	\$13,353,879	\$560,735	\$3,269,155	14	30	2,988,369	0	0	209,186
	3	Battery Energy Storage System	\$4,881,958	\$183,340	\$1,193,408	14	20; 15	(41,782)	0	0	(2,925)
	4	Water Conservation	\$3,520,361	\$292,246	\$0	11	15	34,942	25,939	10,750	351,223
	5	Heat Pump DHW heaters, incentivized	\$96,072	\$61	\$51,191	>20 years	15	(18,670)	2,684	0	34,782
	6	CMP Chiller Schedule Update	\$0	\$62,500	\$0	0	20	0	0	0	0
		Investment Grade Audit	\$247,500	NA	NA	NA	NA	NA	NA	NA	NA
		Energy Conservation Assessment	\$27,500	NA	NA	NA	NA	NA	NA	NA	NA
				\$28,863,439	\$1,580,185	\$4,513,754	13		4,774,645	28,623	10,750

Installations at the County Center Align with Future Uses



Costs & Funding

- Installation Costs
 - Turnkey Contract price: \$28,863,439
 - Sonoma Public Infrastructure oversight: \$2,886,344
- Funding Sources
 - Certificate of Participation for Public Sale
 - Incentives (\$4.6M)
- Financing Costs
 - Borrowing Cost (indicative rate up to 3.95%)
 - Preparation of Certificate for Public Sale (not to exceed \$500K)

Cost Implications of Decisions

- \$500,000 estimated cost of issuance for the Certificate of Participation for Public Sale and \$275,000 for energy audits & recommendations rolled into the Certificate Participation upon closing.
- \$104,000 estimated costs for preparation if the Certificate of Public Sale does not close:
 - \$54,000 for Bond Counsel due for preparation of materials for Board consideration
 - \$10,000 for preliminary title report
 - \$40,000 for rating agency fees
- \$275,000 for energy audits & recommendations due under existing Master Agreement if the project does not move forward.

Compliance with CEQA

- The project was reviewed by Permit Sonoma
- The review found the project is categorically exempt from environmental review under the California Environmental Quality Act (CEQA) under:
 - Sections 15303, 15311 Class 3 (New Construction or Minor Conversion); and
 - Class 11 (Accessory Structures)

Requested Action

- A. Receive final Investment Grade Audit and Energy Conservation Assessment of County facilities
- B. Approve recommended near-term County facilities energy upgrades totaling \$28,863,439.
- C. Direct Staff to initiate process of issuance of the Certificate of Participation via Public Sale for public hearing, and delegate authority:
 - (i) for the Auditor-Controller-Treasurer-Tax Collector to negotiate and execute an agreement with KNN Public Finance, LLC, for municipal financing advisory services in an amount not to exceed \$125,000, in form approved by County Counsel;
 - (ii) for the Auditor-Controller-Treasurer-Tax Collector to negotiate and execute agreements with specialized debt issuance and public sale services providers as required for the Certificate of Participation financing, in form approved by County Counsel and subject to availability of funding therefor; and
 - (iii) for County Counsel to award, negotiate, and execute special bond counsel legal services with Jones Hall, APLC, in an amount not to exceed \$100,000. (4/5ths vote required)
- D. Determine and find that the proposed energy services, facilities, and measures are categorically exempt under the California Environmental Quality Act (CEQA).

Next Steps

- Preparation of the Certificate of Participation for Public Sale
- Presentation of the Certificate of Participation at a consolidated public hearing pursuant to:
 - Government Code Section 4217, and
 - Government Code Section 53635.7
- Consideration of a contract to install the approved energy upgrades



Thank You