



SUMMARY REPORT

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**Agenda Date:** 6/12/2023

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**To:** Sonoma County Board of Supervisors

**Department or Agency Name(s):** County Administrator Office and Auditor - Controller/Treasurer - Tax Collector

**Staff Name and Phone Number:** Terri Somers 707-565-6489

**Vote Requirement:** Majority

**Supervisorial District(s):** Fourth

**Title:**

Board authorization for the approval of Skylane LLC's Sonoma County Energy Independence Program (SCEIP) financing application in the amount of up to \$751,990.00

**Recommended Action:**

- A) Approve the Sonoma County Energy Independence Program (SCEIP) financing application for Skylane LLC in the amount of up to \$751,990.00 for the installation of multiple energy efficient improvements and a solar photovoltaic system.
- B) Authorize the Program Administrator to execute the SCEIP Assessment Contract and Implementation Agreement associated with this application and take all other actions to complete the transaction.

(Fourth District)

**Executive Summary:**

As required by the SCEIP Program Report and Administrative Guidelines, applications for SCEIP financing for amounts greater than \$500,000 require approval by the Sonoma County Board of Supervisors. The property located at 5770 Skylane Boulevard in Windsor applied for SCEIP financing for the installation of multiple energy efficient improvements and a roof mount solar photovoltaic system in the amount of up to \$751,990.00. If approved before July 1, 2023, this project will be financed at 6.99% interest.

**Discussion:**

In the past year, SCEIP staff have focused on increasing commercial SCEIP financing opportunities. As a result, staff are now seeing an increase in the number of commercial applications and requested financing amounts. The Skylane LLC project will implement energy efficiency and renewable energy improvements at a commercial office building at 5770 Skylane Blvd in Windsor.

The Skylane LLC project will install:

- 288 REC Alpha 430W solar panels,
- 1 SolarEdge 100kW inverter,
- 14,500sq ft of "Cool Roof Rated" Roofing materials, and
- 13 Highly Energy Efficient HVAC units - consisting of: (6) 5-ton package units, (6) Rooftop High Efficiency Heat Pumps, (1) 2-ton high efficiency rooftop Heat pump unit, and HVAC controls

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The SCEIP financing request \$751,990. This project is within the commercial property improvement guideline of not to exceed 10% of market value, and the lien on the property has recently been paid in full.

Through the solar improvement alone, the estimated annual electricity savings is \$51,245 and will result in the offset more than 2,000,000 kWh annually. This offset is equivalent to the annual energy use of 194 homes, or the annual emissions of 331 gasoline powered passenger vehicles or 3,390,456 pounds in carbon dioxide emissions.

On May 23, 2023, your Board approved an increase of 50 basis points in the interest rate charged for SCEIP financing. The new interest rate of 7.49% will apply to projects approved on or after July 1, 2023. If your Board approves the Skylane LLC project before July 1, 2023, the project will receive the current rate of 6.99%.

The application has been reviewed by technical, administrative, legal, and fiscal staff and found to be in conformance with SCEIP program requirements. Staff recommends your Board approve Skylane LLC's SCEIP financing application for \$751,990.

**Strategic Plan:**

This item directly supports the County's Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

**Pillar:** Climate Action and Resiliency

**Goal:** Goal 2: Invest in the community to enhance resiliency and become carbon neutral by 2030

**Objective:** Objective 1: Support carbon eliminating microgrid technology in communities and energy grid resilience to reduce impact of power loss during power shutdowns and natural disasters (floods, fires, earthquakes) through education and legislative advocacy, prioritizing critical infrastructure and vulnerable populations.

The SCEIP financing provides funding for energy efficiency, water conservation, renewable generation, seismic and wildfire safety improvements to residential and commercial property owners. This commercial applicant is installing a solar photovoltaic system in an effort to generate on-site power, thus reducing greenhouse gas emissions, electrical usage and their electric bill charges.

**Racial Equity:**

**Was this item identified as an opportunity to apply the Racial Equity Toolkit?**

No

**Prior Board Actions:**

**May 23, 2023** - Sonoma County Energy Independence Program Update, Approval of Program Operational Changes, and Annual Interest Rate Determination

**August 30, 2022** - Board authorization for the approval of GrapeVine Holding LLC SCEIP financing application for \$722,160

**FISCAL SUMMARY**

**Narrative Explanation of Fiscal Impacts:**

No Fiscal Impacts

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**Narrative Explanation of Staffing Impacts (If Required):**

No Staffing Impacts

**Attachments:**

Att 1: SCEIP Program Report and Administrative Guidelines Document

Att 2: SCEIP Application Packet - Skylane LLC

Att 3: SCEIP Assessment Contract - Skylane LLC

Att 4: SCEIP Implementation Agreement - Skylane LLC

**Related Items "On File" with the Clerk of the Board:**

NA