



**Contra
Costa
County**

To: Board of Supervisors
From: David Twa, County Administrator
Date: October 13, 2020

Subject: APPROVE Fourth Amendment to Power Purchase Agreement with MFP CO II, LLC, 5555 Giant Hwy, Richmond area

RECOMMENDATION(S):

APPROVE and AUTHORIZE the County Administrator, or designee, to execute on behalf of the County, an amendment to a power purchase agreement between the County and MFP CO II, LLC, and a related bill of sale, to pay MFP \$3,000,000 to purchase solar facilities at 5555 Giant Highway, Richmond and terminate the agreement as to those facilities, effective November 1, 2020.

AUTHORIZE the Auditor-Controller to make any arrangements necessary to remit payment to MFP CO II, LLC to facilitate the purchase of the solar facilities.

FISCAL IMPACT:

\$3,000,000; 100% General Fund upfront to purchase the panels from the existing Power Purchase Agreement. Accumulated expenditures paid by the County General Fund will be offset by future utility savings from owning the system outright over the next 11 years.

BACKGROUND:

In October 2010, the

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **10/13/2020** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: October 13, 2020

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Laura Cassell, Deputy

Contact: Timothy Ewell, (925)
655-2043

cc:

BACKGROUND: (CONT'D)

County's Board of Supervisors approved the Power Purchase Agreement with Main Street Power Company, Inc. ("Agreement") for the installation of photovoltaic panels at 13 County-owned sites, including 5555 Giant Highway, Richmond, and the sale of all electricity produced by the panels to the County. The Agreement was subsequently assigned to MFP CO II, LLC. The Agreement has a term of 20 years. The Agreement includes a Termination Option during the ninth year, which enables the County to evaluate the benefits of ownership. The County has the option to purchase the photovoltaic panels at fair market value, or at a pre-determined rate per watt, as identified in Exhibit 1A, Termination Price, of the Agreement. The Agreement is in its ninth year allowing for a buy-out of 899,990 kilowatts at a rate of \$3.44/kilowatts for a total buy-out price of \$3,095,965.60 for the 5555 Giant Highway, Richmond site effective January 1, 2021. Staff has negotiated a discounted buyout arrangement whereby the County would pay \$3,000,000 for the panels effective November 1, 2020. In addition to saving \$95,965 in purchase price the earlier effective date will result in two months of utility cost savings which would have been previously payable to AES.

The County is the owner of real property located at 5555 Giant Highway, Richmond and would benefit from reduced utility costs related to the purchase of the photovoltaic panels. In addition, the County Energy Manager has identified further benefits of ownership which have been taken into account:

1. The County receives full retail value of electricity produced, as previously stated;
2. The County can add energy storage without consent from MFP CO II, LLC reducing possible impact from power disruptions;
3. The County has the ability to add EV chargers physically to the structure of the parking lot arrays without consent from MFP CO II, LLC;
4. The County has the ability to shut down systems for whatever reason without paying a penalty to MFP CO II, LLC and to upgrade the system at any time to generate more power;
5. The County will have full ownership of the Renewable Energy Credits (REC). Currently there is no active market in California for RECs but this could change.

The Agreement will remain effective as to all of the remaining solar facilities.

CONSEQUENCE OF NEGATIVE ACTION:

Without approval from the Board of Supervisors, the County will not be able purchase the photovoltaic panels located at 5555 Giant Highway, Richmond and will not be able to benefit from the related utility cost savings.

CHILDREN'S IMPACT STATEMENT:

No impact.