Marin Energy Authority  
Technical Committee  
Monday, March 11, 2013  
9A.M.  

San Rafael Corporate Center  
Boro Room  
750 Lindaro Street, San Rafael, CA 94901  

Agenda – Page 1 of 1  

1. Board Announcements (Discussion)  

2. Public Open Time (Discussion)  

3. Report from Executive Officer (Discussion)  

4. SEED Program Overview (Discussion)  

5. MCE Qualifying Process on Local Projects (Discussion)  

6. Board Member & Staff Matters (Discussion)  

7. Adjourn
What is SEED Fund

• Model
  – A revolving fund to defer upfront costs for public sector solar PV or energy efficiency project analysis and procurement
  – Built on a proven collaborative approach

• Municipal Benefits
  – Realize 10-12% in total project cost savings
  – Reduce transaction costs by 50-70%
Who is SEED Fund

• SEED Fund NP LLC
  – Wholly owned subsidiary of Strategic Energy Innovations, a California 501c3
    • Founded in 1997, Strategic Energy Innovations (SEI) is a non-profit that develops and delivers solutions customized to help communities accomplish their sustainability goals.
  – Optony Inc.: SEED Fund Technical Service Provider
    • Optony Inc is a global research and consulting services firm focused on enabling government and commercial organizations to bridge the gap between solar energy goals and real-world results.
  – Established with California Solar Initiative Research Design and Development Business Innovation grant of $300,000
    • Grant is supported by PG&E and California Public Utilities Commission, and is implemented by Itron
Background
Silicon Valley Regional Project

- Included 43 sites
  - Collaboration across 9 jurisdictions
  - 14.4MW of combined solar PV

- Multiple Site Types:
  - Carports
  - Rooftops
  - Ground mounted

- Largest multi-agency effort to date
  - County of Santa Clara
  - 6 Cities
  - 2 Special Districts

- LESSONS:
  - Aggregated purchase discounts 12%+
  - Reduced admin and transactions costs 50%+
  - Better negotiated contract terms & conditions
Background: Major Solar Industry Changes

Recent Changes
- Dramatic Drop In Panel Prices
- Consolidation In The Industry
- New Financial Players In The Market
- Maturing Industry
- US Markets Are The New Focus
- Excess PV Capacity Coming Online
- Grid Parity Accelerating (without incentives)

Major Impact On:
- Better Project Economics
- Few, Stronger Players
- Lower Cost Of Capital
- Better Results For Clients
- PV Mfrs Must Lower Cost
- Must Seek Long-Term Stability
- Mass Adoption Of Solar
Background:
Solar Project Trends
Background:
Electricity Pricing Trends

Average PG&E prices per kWh for Commercial Facilities
Goals of SEED Fund

• Bring at least 5 MW of new public renewable energy on line
• Realize 10-12% in total project cost savings
• Reduce transaction costs and administrative effort by 50-70%
• Deliver collaboration & technical support for 1.5-2% of total contracted solar project costs
• Create an economically sustainable revolving fund
Timeline For North Bay Project

- **Start Outreach (Q2 2012)**
  - Engage public agencies
  - High level review of sites

- **Sign MOUs (Q1 2013)**
  - Conduct feasibility studies
  - Develop RFP
  - Issue RFP
  - Evaluation of responses

- **Implement Solar (Q1 2014)**
  - Council / Board approval
  - Build projects
  - Reimburse SEED Fund

- **Launch Round 2 (Q2 2014)**
Current Program Pipeline

Initial Outreach
~200 Agencies contacted in Marin, Sonoma, Napa County

Pre-Screening
32 Agencies with over 20 MW

MOUs *
16 Agencies anticipated with at least 10 MW

Solicitation
10 Agencies anticipated with at least 7 MW

Build and Reimbursement
5 MW expected, yielding between $300-$400,000

*Where we are currently
“What you are proposing is very creative and seems like a great opportunity for Mill Valley to be involved in. I like the fact that there are stopping points along the way, where we are actually making a specific decision on a specific project. What I like is this is getting us in the pipeline and getting us in that collaborative spirit without necessarily over committing…To me this feels like a no-brainer and it fits right within our city goals and values.”

Shawn Marshall, Vice Mayor City of Mill Valley

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<th>MOU in progress or received</th>
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<td><strong>Total</strong></td>
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Coordinating Agency

• City of San Rafael Role:
  – Serve as primary governmental point-of-contact for participants
  – Perform legal review of bid documents
  – Issue bid documents
  – Serve as primary governmental point-of-contact for potential bidders
  – Lead evaluation of proposals
  – Make bid award or notification of short-list
  – Lead contract negotiations

• All of the above responsibilities to be performed with significant SEED Fund support and guidance
MEA Role

• Support City of San Rafael (Coordinating Agency):
  – Legal and business review of procurement documents
  – Assistance with responses to Requests for Information from potential bidders
  – Evaluation of vendors and proposals
  – Reporting/compliance consultation and other professional services as needed

• Spread public knowledge of SEED Fund program
  – Maximize co-branding opportunities with collaborating agencies and participating municipalities

* MEA to provide initial pro bono support in a variety of consultancy roles; MEA will then remain in a support role to the City of San Rafael and bill hourly based on services rendered.
Questions & Discussion

Thank you!
Exploring Potential for MEA
Developed and Owned Local Project
• An MEA developed and owned project has always been a part of MEA’s long term goals and objectives

• MEA has grown and matured to a point where an Agency developed and owned site can be considered

• Credit-rating and Bond issuance process would add to finance opportunities

• MEA jurisdiction has a wide variety of potential site locations to consider

• MEA-owned, local distributed resources provide advantages to MEA rate payers, including:
  - MEA-owned assets lock in cost certainty
  - All installed distributed resources reduce MEA resource adequacy capacity requirements 1:1
  - Sizing of 1MW or less minimizes scheduling and CAISO charges
Step 1: Pre-screening

- Load data to evaluate annual kWh consumption.
- Available roof / parking area.
- Proximity to substation or existing generation.
Step 2: Permitting Process

Zoning & Use Permit
- Sizing PV to offset less than onsite kWh consumption should avoid triggering a Conditional Use Permit which is often required when exporting (selling) energy offsite.
- Zoning and Land Use considerations
- Disturbed sites / ancillary uses

Interconnection
- (Fast Track process) less than 1 MW avoids study fees, network upgrades, reduces development timeline, eliminates scheduling and CAISO fees.
Questions? Comments?