



City of Fort Bragg

Solar PV Project Development & Implementation



July 10, 2023

Who is Syserco Energy Solutions?



Energy Services Company (ESCO)

Syserco Energy Solutions is a design-build ESCO that helps public entities save money and reduce greenhouse gas emissions by implementing energy efficiency, solar PV, and battery storage systems.

Offices in Petaluma & Fremont, CA

~25MW of “active solar projects” 2023



Installing Solar PV Ahead of Net Energy Metering (NEM) 3.0

Why is This Important and What Does it Mean?

What is NEM 3.0?

On December 15, 2022, the California Public Utilities Commission (CPUC) unanimously voted to approve NEM 3.0

NEM 3.0 drastically alters the way solar system owners are compensated for the energy they generate and provide to the utility grid, lowering the value that owners are able to capture with their new solar systems.



What Does This Mean?



- ▶ The previous program (NEM 2.0) export rate was **\$0.30/kWh**
- ▶ Potential reduction in compensation ranges from 75 - 80%
- ▶ Under NEM 3.0, PG&E customers with solar systems will receive only **\$0.08/kWh** on average for the same energy they've been providing to the utility grid

The City of Fort Bragg has taken a huge step to lock in the lucrative NEM 2.0 tariff by successfully submitting Interconnection Applications ahead of the 4/14/23 deadline

In order to preserve NEM 2 status for at least 20 years, the systems must be built and connected to the grid by 4/15/2026

Lead Times on Materials are Long, so This is Going to Take Some Time

Some electrical components have lead times upwards of 70-90 weeks

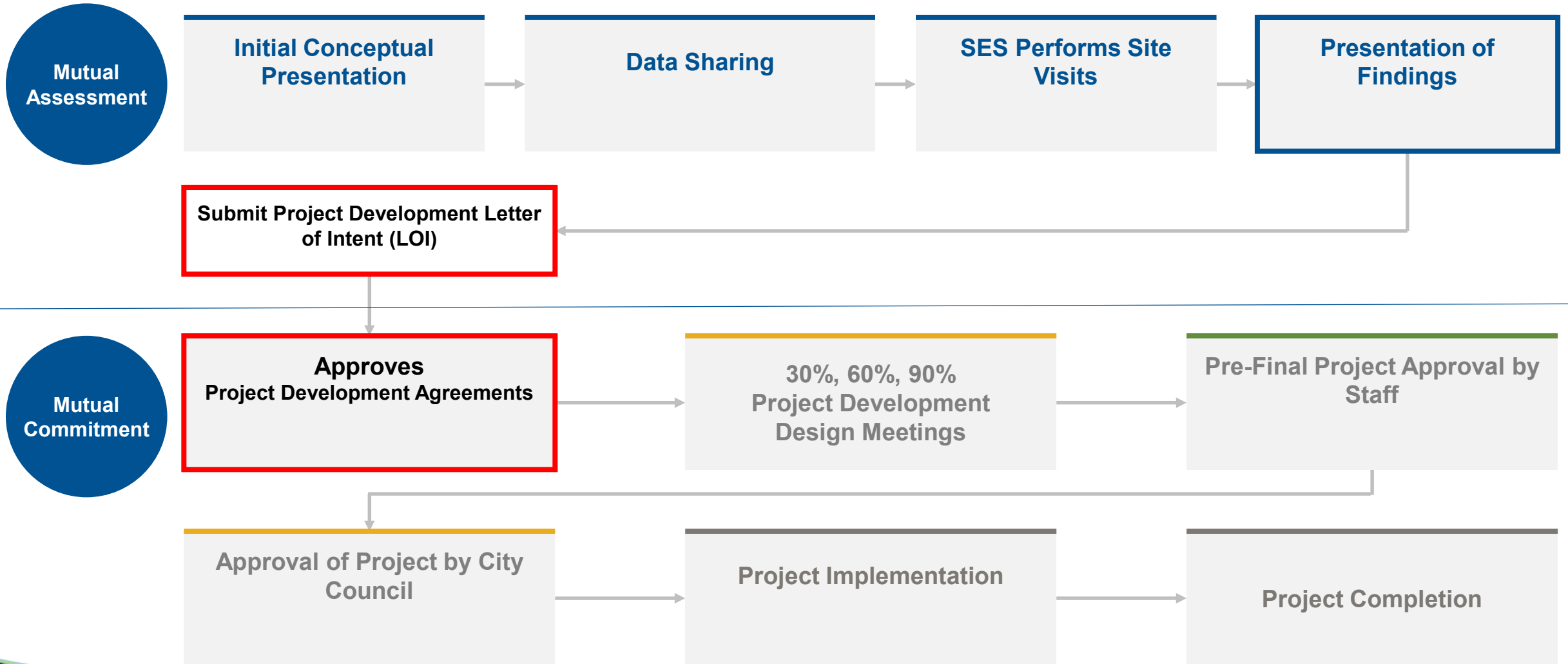
Preliminary design completed

Project Development is next

Then construction begins.



Project Development Process



Project Summary

Solar PV Installed @ 6 Sites =
1.037MW

- ▶ City Hall
- ▶ Corp Yard & Water Treatment Plant
- ▶ CV Starr Center
- ▶ Fire Department
- ▶ Police Station
- ▶ Waste Water Treatment Plant



City Hall – 40.7 kW



Corp Yard & Water Treatment Plant – 134.6 kW



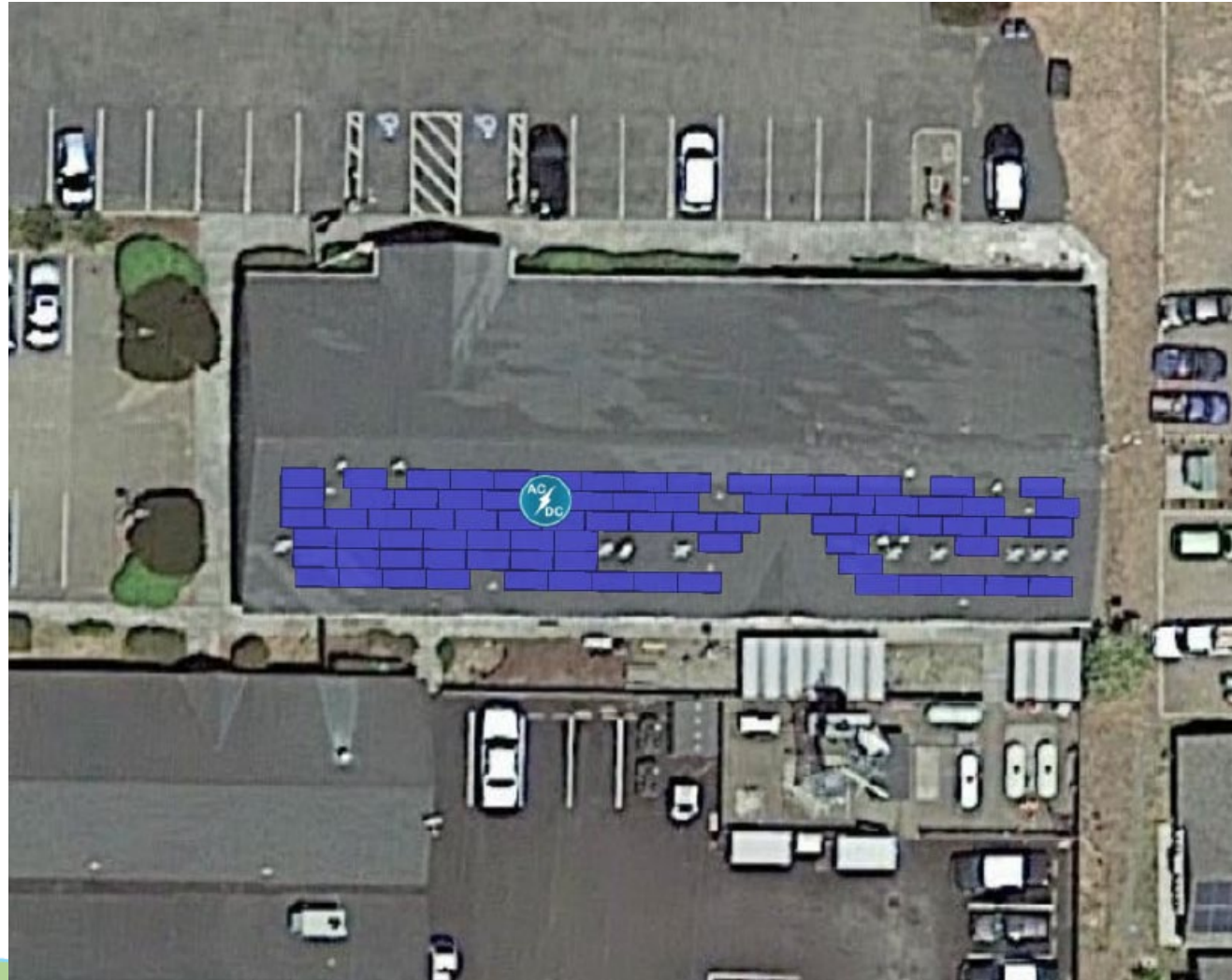
Cv Starr Center – 453.7 kW



Fire Station – 22.1 kW



Police Station – 46.0 kW



Waste Water Treatment Plant – 340.4 kW



Inflation Reduction Act (IRA)



- * Available through Bipartisan Infrastructure Law (BIL)
- * ~\$370B for Climate Legislation – not just solar
- * First come, first served
- * Called a “tax credit”, awarded as a grant/rebate
- * 30% Off Eligible Costs (Cash Purchase)
- * 25.5% Off Eligible Costs (Lease Purchase)
- * Not available as direct payment under PPA, but does benefit project

ESTIMATED Summary of Project Costs



(Actual costs finalized during Project Development phase)

Site Name	ROM Budget Price	ROM IRA Rebate
City Hall	\$195,000	\$49,725 - \$58,500
Corp Yard / Water Treatment	\$740,000	\$188,700 - \$222,000
CV Starr Center	\$2,495,000	\$636,225 - \$748,500
Fire Station	\$106,000	\$27,030 - \$31,800
Police Station	\$221,000	\$56,355 - \$66,300
Waste-Water Treatment Plant	\$1,872,000	\$477,360 - \$561,600

Financials

Life-Cycle Cash Flow Comparisons



	Tax Exempt Lease Purchase (TELP), 15-yr term	Cash Purchase	Power Purchase Agreement (PPA)
City Cost	None	\$3,847,270	None
Year 1 Cash Flow	\$15,406	\$368,660	\$19,496
NET Project Lifecycle Savings	\$ 16,918,772	\$ 20,495,927	\$ 8,983,688

Next steps



Approve LOI for Project Development,,, to Finalize:

1. Detailed Scope of Work
2. Project Price
3. Annual Energy Savings
4. Funding Source(s)

At the conclusion of the Project Development Phase, Final Recommended Project Shall be Presented to City Council for Consideration of Approval under CA Government Code 4217 to execute Energy Services Agreement and begin construction

Questions?

Please feel free to contact me.

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