

RESOLUTION NO. ____-2023

RESOLUTION OF THE FORT BRAGG CITY COUNCIL APPROVING THE LETTER OF INTENT (LOI) WITH SYSERCO ENERGY SOLUTIONS (SES) AND AUTHORIZING CITY MANAGER TO DO THE SAME FOR THE COMPLETION OF SOLAR PV PROJECT DEVELOPMENT WITH THE INTENT TO ENTER INTO A PROJECT IMPLEMENTATION AGREEMENT CONSISTENT WITH GOVT CODE §§4217.10-4217.18,

WHEREAS, City staff has pursued energy-saving solar PV projects to reduce operating costs and reduce greenhouse gas emissions at various facilities; and

WHEREAS, the California Public Utilities Commission (CPUC) unanimously voted to approve the transition of Net Energy Metering (NEM) from NEM 2.0 to NEM 3.0., which drastically alters the way solar system owners are compensated for the energy they generate and provide to the utility grid; and

WHEREAS, SES, an energy solutions company specializing in energy efficiency and solar PV, performed an analysis, at no cost to the City, to identify all viable site locations where solar PV installed under NEM 2.0 will provide the greatest financial value to the City; and

WHEREAS, SES completed preliminary designs for each of (6) City-owned site locations and worked with staff to successfully submit Interconnection Applications and gain acceptance by PG&E to preserve NEM 2.0 status for at least (20) years; and

WHEREAS, it is understood by the City that a pending deadline exists that requires all future solar PV systems to be designed, installed, and connected to the utility grid by April 15, 2026; and

WHEREAS, market conditions in the solar PV industry are hampered by long lead times for the procurement of certain required materials, thus creating a situation where delaying the process of completing the final development and implementation of the projects may jeopardize the opportunity for the City to secure NEM 2.0 status for future installed solar PV systems; and

WHEREAS, in accordance with California Government Code Section 4217.10-4217.18, renewable energy and energy efficiency projects may be sole-sourced or procured through either formal or informal procurement if the City Council is able to make findings at a regular meeting, following a public hearing, that the cost of the proposed project will be less than the anticipated cost of energy that would have been consumed by the City if the project is not completed (i.e., the energy cost savings exceed the project cost); and

WHEREAS, based on all the evidence presented, the City Council finds as follows:

1. This project is a positive step in the reduction of greenhouse gas and operating costs at various facilities owned and operated by the City.
2. It is expected and shall be determined during the subsequent Project Development phase that, the cost of the proposed Project will be less than the anticipated cost of energy that

would have been consumed by the City if the project is not completed in accordance with Govt Code §§4217.10-4217.18.

3. There are multiple project funding sources available to the City to utilize for this project that will not require capital outlay and will result in positive annual cash flow and significant NET savings to the City, over the useful life of the equipment being installed.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Fort Bragg does hereby approve the Letter of Intent with Syserco Energy Solutions for the Facilities Solar Project and authorizes the City Manager to execute the same.

The above and foregoing Resolution was introduced by Councilmember _____, seconded by Councilmember _____, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 10 day of July 2023, by the following vote:

**AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:**

BERNIE NORVELL
Mayor

ATTEST:

June Lemos, MMC
City Clerk