



Legislation Text

File #: 21-0800, **Version:** 1

Recommendation to adopt resolution authorizing City Manager, or designee, to execute all necessary interconnection agreements with Southern California Edison (SCE), to allow for connectivity between the new Photovoltaic (PV) solar systems implemented by PFMG Solar, LLC, and SCE's service panels. (Citywide)

The City of Long Beach (City) seeks to reduce its carbon footprint and reduce the City's cost to purchase energy by increasing the use of renewable energy. Therefore, at its June 6, 2017 meeting, the City Council authorized an agreement with PFMG Solar, LLC. (PFMG), as it was determined PFMG was best qualified and offered the best value in providing PV systems for parking lots at the following 11 potential municipal sites: Airport Garages (Lots A & B), Aquarium Parking Structure, City Place Lot A, City Place Lot B, City Place Lot C, East Division Police Substation, Main Health Building, Energy Resources Headquarters, Pike Parking Structure, and Fleet Services Headquarters.

While the agreement with PFMG has been executed and solar installations have begun at the proposed sites, interconnection agreements between the City and its electric utility provider, SCE, are required for each location. Each agreement will allow for the connection of the installed PV structures at each location to SCE's power grid. The previously approved and executed Power Purchase Agreement (PPA) is therefore not possible without these executed interconnection agreements. Authority for the City to execute the interconnection agreements with SCE was not granted at the original discussion and approval of this PPA. Therefore, City Council approval is requested only to enter into interconnection agreements to allow connectivity between the new PV solar systems and SCE's service panels. Such approval will allow for the PPA to proceed as scheduled. Anticipated benefits of fully executing and completing the PPA include projected present value savings of approximately \$4.5 million (approximately \$9.5 million over 25 years).

City Charter Section 1801 requires that contracts for City purchases be awarded to the lowest responsible bidder after a competitive bid process, but allows for awards without a competitive bid process, if accompanied by a Resolution adopted by the City Council. SCE is the City's only electric utility provider and, therefore, no competitive bid process is possible for an interconnection agreement. SCE is the sole entity able to sign the agreement and allow for interconnection of the proposed solar installations with their electric grid.

This matter was reviewed by Deputy City Attorney Erin Weesner-McKinley on July 26, 2021 and by Budget Management Officer Rhutu Amin Gharib on July 27, 2021.

SUSTAINABILITY

The installation of the proposed solar PV system will significantly reduce the carbon footprint of the affected facilities since their energy usage will be partially, or in some instances, entirely offset with renewable energy. To accommodate the PV system in the Main Health Center parking lot, a maximum of 11 trees may need to be removed; each tree removed will be replaced and relocated in the immediate vicinity at a 2:1 ratio. There will be no impact to trees at any other location. In accordance with City policy, any tree removal will take place only after a thorough tree inspection. While PFMG is under contract, the City will consider installing solar PV systems at additional City-owned sites to further leverage the environmental and fiscal benefits of renewable energy on the City's behalf.

City Council action is requested on August 17, 2021, to enter into the utility interconnection agreements expeditiously, which will keep solar installation projects already underway on track and on schedule.

The requested action will allow connectivity between the new PV solar systems and SCE's service panels, which will complete the execution of the PPA approved by City Council on June 6, 2017. The approval of this Resolution will have no additional fiscal impact, as all fiscal impacts were previously discussed within the City Council-approved PPA. The first year PPA rates are anticipated to be below SCE's current rate and, therefore, are anticipated to have an immediate positive impact to the City. The amount of savings will be credited to the fund paying the electricity bill by the respective facilities. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. Approval of this recommendation anticipates a positive impact on the local economy.

Approve recommendation.

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ERIC LOPEZ
DIRECTOR OF PUBLIC WORKS

APPROVED:

THOMAS B. MODICA
CITY MANAGER