STAFF REPORT
TOWN COUNCIL MEETING OF APRIL 14, 2015

To: Town Council

From: Rick Angelocci, Town Manager

Subject: Potential Power Purchase Agreement with Energy Saving Pros/Presentation

Date: April 2, 2015

RECOMMENDATION:
Direct staff to continue negotiations for a Power Purchase Agreement (PPA)with Energy Saving Pros.

DISCUSSION:
In 201_, while in discussions with the Superintendent of the Loomis Union School District, staff was informed that the school district was entering into a Power Purchase Agreement with a local Solar Company, Energy Saving Pros. Shortly thereafter, staff met with Energy Saving Pros to discuss the possibility and benefits of a PPA between Energy Saving Pros and the Town of Loomis. Over time staff has continued discussions of the PPA with additional parties who could also benefit from the potential PPA.

Specifically, staff has discussed the PPA with the South Placer Heritage Foundation Board (SPHF). Part of the proposed PPA would include the construction of a solar shade/parking structure on the Blue Goose parking lot. The proposed solar shade/parking structure has been contained in Town plans including the Shed to Shed and Downtown Master Plan for quite some time. SPHF has assigned Russ Kelly as their representative in discussions with Energy Saving Pros.

Attached is a presentation by Energy Saving Pros regarding the benefits of a PPA with them and the potential energy and cost savings to the Town. The proposed PPA is consistent with the recently approved Strategic Energy Resources Report. Energy Saving Pros is proposing to construct the solar shade/parking structure at the Blue Goose and also has proposed building a roof structure over the Peter Oakes stage. These would be built at no cost to the Town. Additional solar structures would be placed at the Town's Corporation Yard.

Total estimated cost savings to the Town would be approximately $245,000 over 25 years. Should the Town Council direct staff to move forward with the negotiations, staff would enlist the help of legal counsel to review the Power Purchase Agreement. Final approval of the PPA would be at the Town Council's discretion.

CEQA :
Not applicable.

FINANCIAL IMPLICATIONS:
Cost of legal counsel review of PPA.

GOING SOLAR AT

LOOMIS

A SMALL TOWN
IS LIKE A BIG FAMILY

Incorporated December 17, 1984

ENERGY SAVING PROS

Presented by: Brian Pierce, CEO
Energy Saving Pros Construction, Inc., & Energy Saving Pros, LLC.
3330 Swetzer Rd., Loomis, CA 95650
Tel: 916-259-2501 Cell: 760-473-1014
CSLB: #977147

Company Profile

- Energy Saving Pros (ESP) is an established PV developer and installer based in California, known as an Energy Procurement Contractor (EPC). We provide turnkey solar solutions for commercial, cold storage, supermarkets, agriculture, residential, industrial, and municipal clients. Originally established in 1994 as a general contractor, ESP has focused exclusively on renewable energy and solar since 2008.

- We are experts at making solar projects successful. From large Agriculture projects to large commercial, Energy Saving Pros offers exceptional experience for all roof types, ground mounts, solar trackers, and carport/canopy applications. Energy Saving Pros is licensed, bonded, and insured for all projects large and small.

- ESP is a licensed general and electrical contractor.

OBJECTIVE

- Enter into a Power Purchase Agreement (PPA) where ESP will provide solar power at a fixed price by installing Photovoltaic Solar (PV) power on Town of Loomis facilities.

With No Up-Front Costs!

Project is estimated to free up hundreds of thousands of dollars and give The Town of Loomis the ability to save on electricity costs today and lock in the price for electricity for a 25 year period.

Benefits of Going Solar

- Community Partnership
- Reduced Greenhouse Gas Emissions
- New Covered Community area
- Environmental Contributions
- Increased Public Awareness
- Purchase Electricity at Reduced/Fixed Rates
- Long-Term Energy Savings
- Savings Allows Budget Re-Allocation

Solar Power Purchase Agreement (SPPA)

- The Town of Loomis would purchase power from Energy Saving Pros (ESP) at reduced rates with limited rate increases.
- No capital investment
- "Turn Key" system
- Supports environmental awareness
- Improved Community area
- No operation, maintenance, or insurance responsibility
- No Town work force costs

SPPA In Summary

- There will not be any "Out Of Pocket" expenses for the Town.
- Our company will install, maintain, service and insure the systems.
- The Town can start paying less for power immediately.
- The Town of Loomis will have set electrical prices for the next 25 years.
- The Town of Loomis will save hundreds of thousands of dollars in electric bill savings.
- The Town of Loomis will not incur any debt, liability, or risk associated with this project.

Purchase Electricity at Reduced Rates

System Size	44,640 DC Watts
Productions Factor	1.50
Total Annual Production: YR 1	66,960 kWh
Current Cost	$0.195
Average Electric Inflation Rate	4%
PPA Rate Escalator	2%
Production Degrade Rate	0.3%
PPA Rate	$0.19
PPA Effective Rate	$0.16
Electric Bill Reduction - Year 1	15.8%

Long-Term Energy Savings

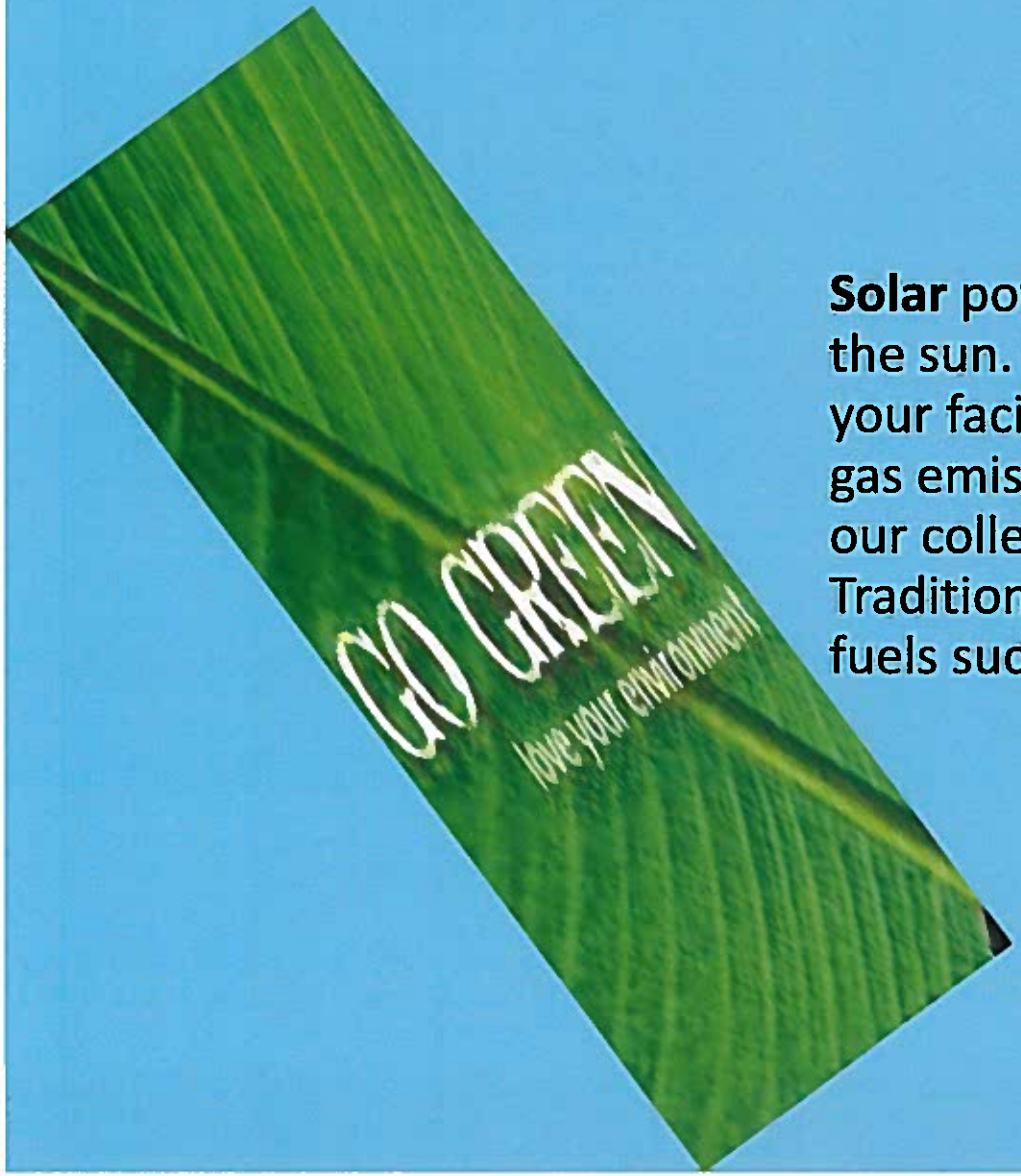
- **25 Year Savings = $245,022**

Note: California utility rate inflation has historically increased 6.7% annually since 1972. Department Of Energy Industry experts predict PG&E rates will surpass the average increases over the next five years due to the replacement of pipe lines and antiquated facilities.

YEAR	ELECTRIC COST W/O Solar	PPA & Electric PAYMENT	TOWN of LOOMIS SAVINGS
5	$19,032	$14,501	$4,531
10	$23,155	$16,072	7,083
15	$28,172	$17,822	10,350
20	$34,275	$19,773	$14,502
25	$41,701	$21,952	$19,749
25 Year TOTAL	**$677,516**	**$432,494**	**$245,022**

25 Years of Savings at a 4% Utility Inflation Rate

Environmental Contributions



Solar power creates clean, pure energy from the sun. When you install **solar** panels on your facility, you **help** to combat greenhouse gas emissions, global warming, and reduce our collective dependence on fossil fuels. Traditional electricity is sourced from fossil fuels such as coal and natural gas.

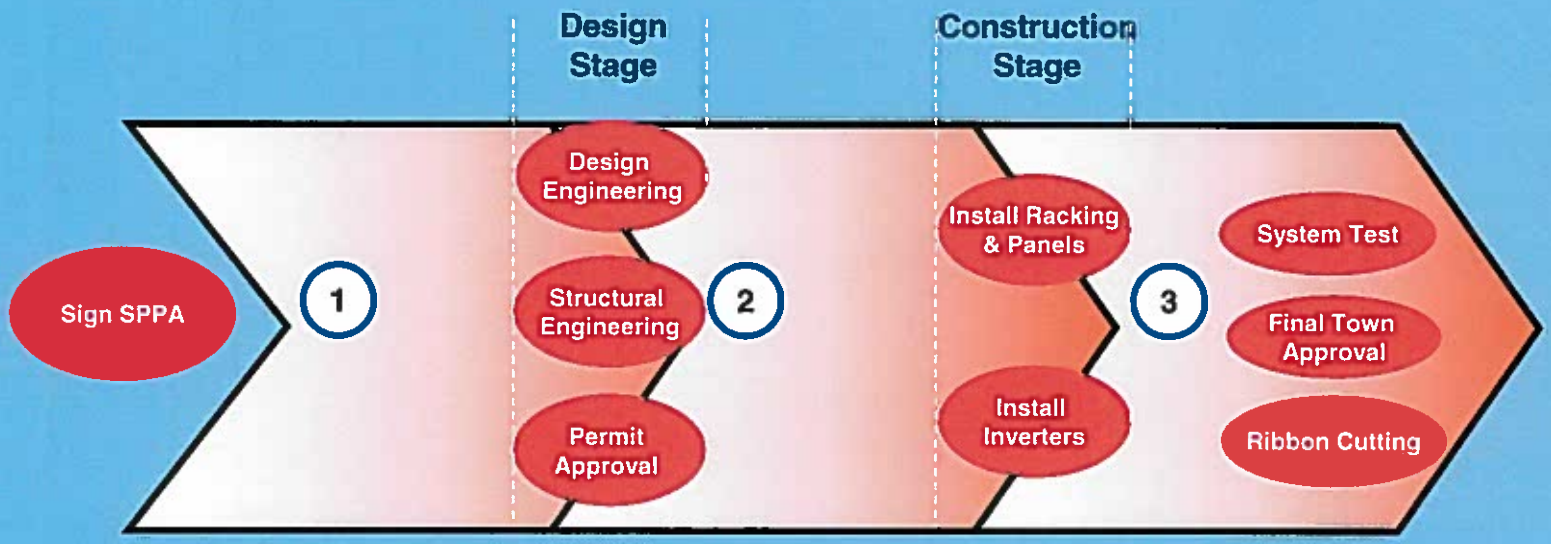
Reduced Greenhouse Gas Emissions

Lower Carbon Footprint Over 25 Years:

- Reduce Greenhouse Gas emissions by 1,602 tons of CO_2
- Equivalent CO_2 Reductions:

• Small Car:	5,436,627 miles
• Medium Car:	2,916,818 miles
• SUV:	2,043,060 miles
• Air Miles:	3,306,804 miles
• Trees Planted:	64,152 trees

SPPA Process



SOLAR PROPOSAL FOR

LOOMIS

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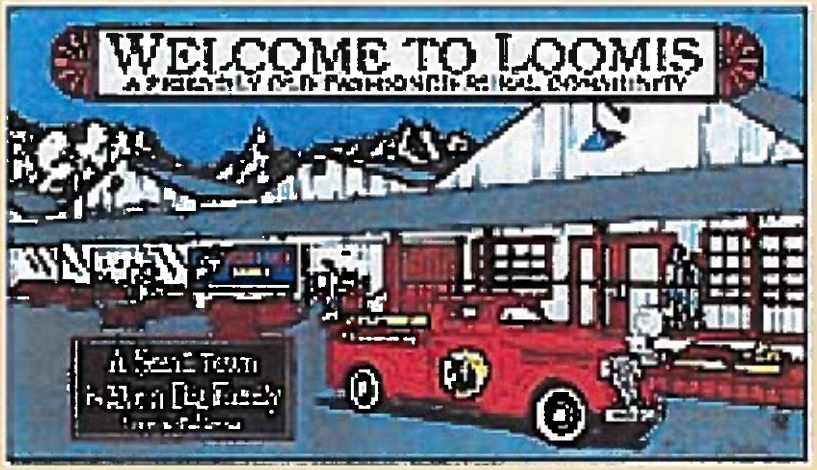

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GENERAL NOTES

CREATED BY:
JON A HAMMARI

ENERGY SAVING PROS
CONSTRUCTION, INC.

TOWN OF LOOMIS
& BLUE GOOSE
SOLAR CANOPY
TAYLOR ROAD,
LOOMIS, CA 95650

Project:

Sheet
PRE

Date
03/31/2015

Scale
1" = 50'