



MUNICIPAL SOLAR PROJECT

El Cerrito City Council

October 16, 2012

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RECOMMENDED SITES

- Community Center
- Swim Center
- Public Safety Building
- Fire Station 72
- Recycling Center
- Corp Yard

BACKGROUND

○ **Goals:**

- Help achieve City's GHG reduction goals
- Exercise financial responsibility

○ **Climate Showcase Communities Grant:**

- Small Cities Climate Action Partnership (ScCAP) Municipal Solar Feasibility Report (Aug 2011)
- ScCAP Joint Solicitation for Municipal Solar Power
 - Execute Cooperative Agreements with partner cities (August 2011)
 - Approval to use the Design-Build solicitation process (Sept 2011)

QUALIFICATION PROCESS

- RFQ/RFP released (Dec. 14, 2011)
- Qualifications due (Jan. 10, 2012)
- Pre-Qualified 4 out of 5 firms
 - RGS receives highest pre-qualification score
 - Over 30 years in California's solar industry
 - Extensive government experience

PROPOSAL PROCESS

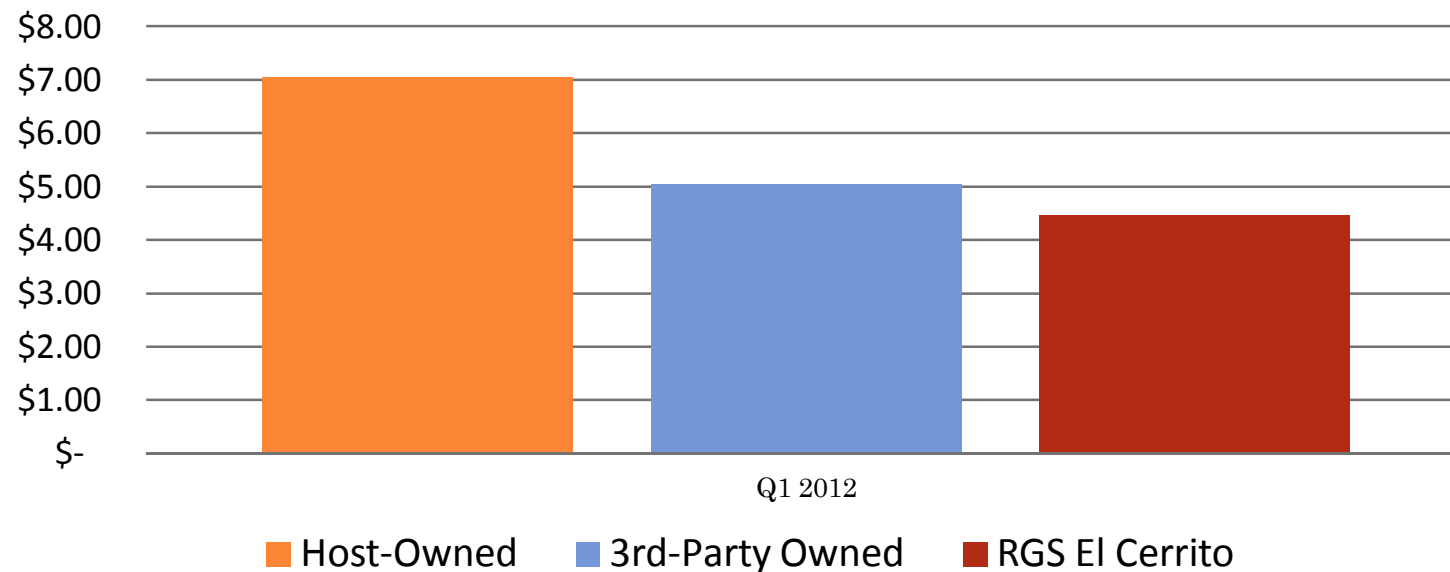
- Two proposals received (Feb. 23, 2012)
- RGS proposal scored highest
 - Realistic energy production estimates
 - High-quality equipment
 - Price 23% lower
 - Superior performance guarantees and warranties
- Non-binding Letter of Intent issued (March 19, 2012)
- Cost-effective portfolio negotiated (August 15, 2012)

RGS PROPOSAL

○ Competitive Pricing

Cost of Gov't. Solar Projects

source: CSI database



RGS PROPOSAL

○ El Cerrito's Standard Public Works Contract

- Performance and Payment Bonds

○ RGS Warranties

- 25-year manufacturer warranty on modules
- 10-year manufacturer warranty on inverter
- 10-year labor warranty on replacement of parts covered by manufacturer
- 10-year materials & labor warranty on electrical
- 5-year roof defects warranty

○ RGS PowerPledge Guarantee

- Reimbursement for loss in kWh production
- Remote monitoring of site through internet connection

FINAL CASH-POSITIVE PORTFOLIO

Index	Current Use	System Size, kWdc	Pre -Solar Rate Schedule	Post-Solar Rate Schedule	Annual Usage (kWh)	Annual PV kWhs	Year 1 Utility Savings	System Price
ELC01	All	356.01	E19SV	A6	722,158	483,881	\$99,888	\$1,586,662

\$119,529.64 2011 utility costs for all 6 facility
84% renewable offset of utility
electricity costs

System Degradation, %/yr 0.50%

PG&E Rate Escalator 4.75%

Percent Down Payment 0%

Down Payment \$0

Loan Principle \$1,595,300

Loan APR 2.75%

Loan Term, yrs 15

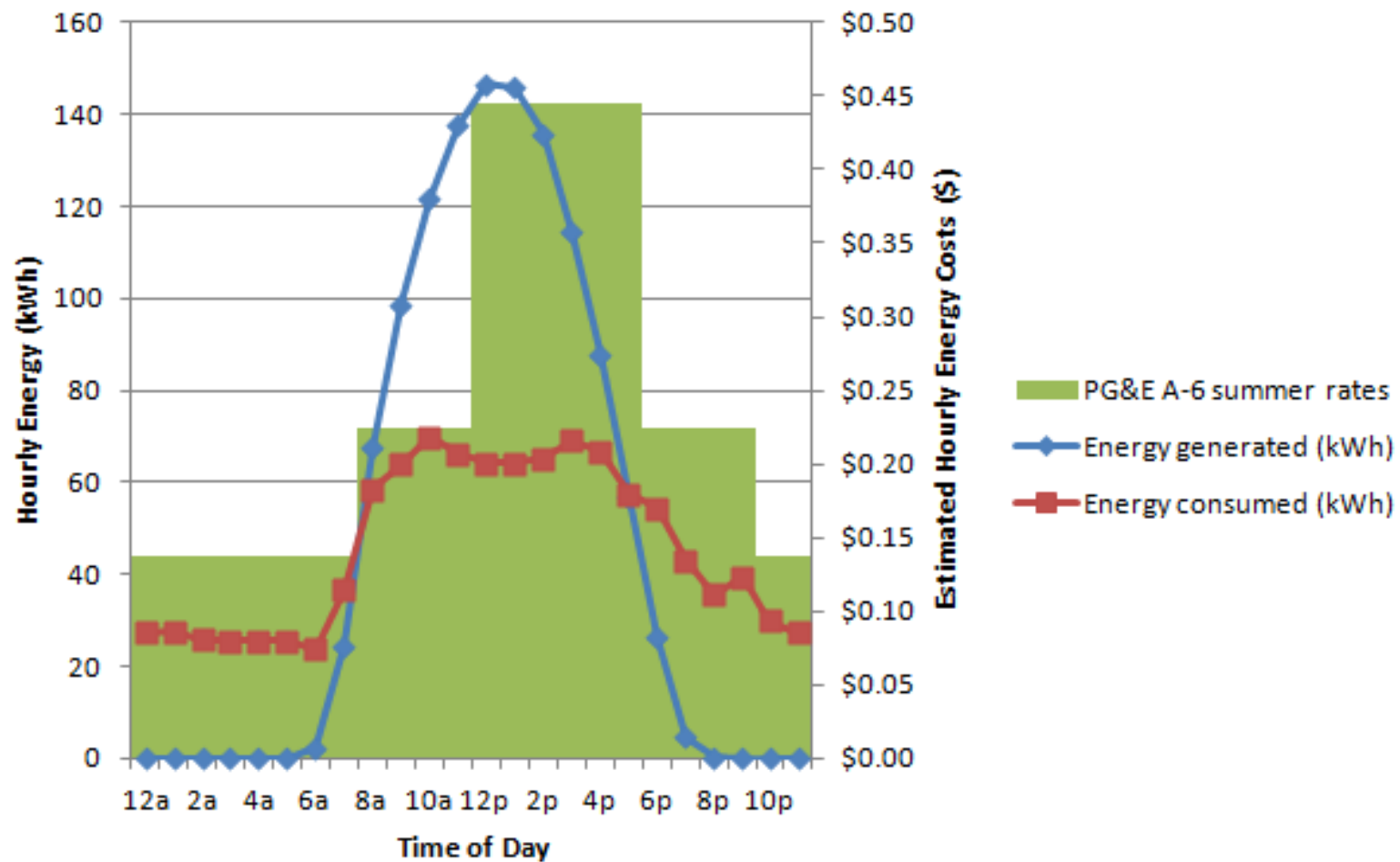
Total Rebate Amount \$210,866

67% Electricity production

Investment Snapshot		Indicators	
Total Revenues:	\$5,852,472	\$/kw	\$4,456.79
Total Expenses	(\$2,028,880)	\$/kwh	\$3.28
Total Profit	\$3,823,592	tons CO2e	135.24
kWhs over 30 years	13,511,487	% of City GHGs	5%

System Net Down Payment	Annual PV Generated kWhs	Federal Tax Credit + MACRS	CSI PBI Payments, \$0.088/kWh	O&M	Loan Principal Payments	Loan Interest Payments	Interest Tax Deduction	Net System Expenses	Utility Savings (After Tax)	Total Annual Cash Flow	Cumulative Cash Flow	Year
\$0	0									\$0	\$0	0
	483,881		\$49,715	(\$3,292)	(\$87,237)	(\$43,275)	\$0	(\$84,089)	\$99,888	\$15,799	\$15,799	1
	481,462		\$40,591	(\$3,415)	(\$89,652)	(\$40,860)	\$0	(\$93,336)	\$104,110	\$10,773	\$26,573	2
	479,054		\$40,388	(\$3,544)	(\$92,135)	(\$38,377)	\$0	(\$93,667)	\$108,509	\$14,842	\$41,415	3
	476,659		\$40,186	(\$3,676)	(\$94,686)	(\$35,826)	\$0	(\$94,002)	\$113,095	\$19,093	\$60,508	4
	474,276		\$39,985	(\$3,814)	(\$97,308)	(\$33,204)	\$0	(\$94,341)	\$117,875	\$23,534	\$84,042	5

TIME-OF-USE ELECTRICITY RATES



CONCLUSION

○ Why Now?

- Historic low interest rates
- Rebate phase out

○ Benefits

- Cash positive
- Increases solar throughout the City by 40%
- Provides clean energy for 28% of City's electricity
- Reduces our municipal GHG emissions by 5%

QUESTIONS

