



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: General Services
Department No.: 063
For Agenda Of: December 9, 2025
Placement: Administrative Agenda
Estimated Time: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors
FROM: General Services Kirk A. Lagerquist, Director
Contact Info: John Green, Assistant Director
SUBJECT: Haven Energy Battery Energy Storage System MOUs

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management; CEO

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve, and authorize the Chair of the Board to execute, a Memorandum of Understanding with Haven Energy, Inc. to memorialize the initial steps toward the installation of a battery energy storage system at the Santa Barbara Social Services Building (234 Camino del Remedio, Santa Barbara, CA 93110); and
- b) Approve, and authorize the Chair of the Board to execute, a Memorandum of Understanding with Haven Energy, Inc. to memorialize the initial steps toward the installation of a battery energy storage system at the Naomi Schwartz Building (130 E. Victoria St., Santa Barbara, CA 93101); and
- c) Determine that the proposed actions are not a “project” as defined by the California Environmental Quality Act (CEQA) Guidelines Section 15378(b) (5), as it is an administrative activity that will not result in direct or indirect changes in the environment.

Summary Text:

This item is before the Board to enter into a Memorandum of Understanding (MOU) with Haven Energy, Inc. (Haven Energy) at two locations. The County is pursuing the installation of a battery energy storage system (BESS) at the Santa Barbara Social Services (234 Camino del Remedio, Santa Barbara, CA 93110) and Naomi Schwartz (130 E. Victoria St., Santa Barbara, CA 93101) buildings.

Discussion:

As part of the County's Zero Net Energy efforts and Energy Assurance Plan, General Services is pursuing BESS infrastructure to eliminate the need for backup generators at County facilities. With the successful implementation of a BESS, staff can successfully improve building resilience and reduce operating expenses at no cost to the County. As a result, these facilities will be closer to achieving Zero-Net Energy (ZNE), less dependent on the local utility grid, lower the County's carbon footprint, and save money on demand charges.

Haven Energy will design and install state-of-the-art BESS to provide back-up power capabilities upon loss of normal power from Southern California Edison during weather events, planned Public Safety Power Shutoffs (PSPS) and other grid reliability issues. The duration (i.e., number of hours) of back-up power will depend on final system designs, average load and daily energy consumption. As part of the project design, Haven Energy will ensure that the facility's circuits that are backed up during an outage are isolated from the grid using an Automatic Transfer Switch (ATS). This is to ensure that during an outage, facility systems will still operate and power the circuits/appliances being backed up while not posing a safety risk to the utility. The duration of BESS power during a power outage will vary depending on consumption. The proposed project at each building is as follows:

Santa Barbara Social Services Building (Project 1)

- BESS Size: 176 kW / 352 kWh battery storage
- Operations and Warranty: Operated and Warranted by Haven Energy for 10 years
- Expected Client Average Annual Energy Savings: \$6,100
- Client Payment to Haven Energy: \$0

Naomi Schwartz Building (Project 2):

- BESS Size: 60 kW / 225 kWh battery storage
- Operations and Warranty: Operated and Warranted by Haven Energy for 10 years.
- Expected Client Average Annual Energy Savings: \$6,300
- Client Payment to Haven Energy: \$0

These two buildings were selected amongst many qualified facilities because they provide the greatest bill savings and present the most significant resiliency benefits to County buildings in "disadvantaged communities", as defined by the State of California. During a widespread power outage, it is important for our community that these buildings remain energized so essential services (primarily Social Services

and Public Works) will remain intact. These two buildings represent both opportunities to save energy and provide building runtime during an outage.

The new technology used for these BESS is Lithium Iron Phosphate (LFP). This chemistry is much safer than the Lithium-Ion batteries of the past and presents much lower environmental impacts. These projects will also be required to go through the traditional Plan Check process, receive approval by Planning and Development, and eventually pass County Fire inspection. Safety is a primary concern for the County and will be a primary focal point during the design, construction, and commissioning of these BESS projects.

Haven Energy will act as the County's Incentive Provider to facilitate qualifying the BESS for the Self Generation Incentive Program ("SGIP") rebate provided by California. Haven Energy shall submit a Refundable Deposit with the SGIP rebate application for this project in the amount of 5% of the calculated SGIP rebate or \$14,962.55 for Santa Barbara Social Services and \$10,757 for Naomi Schwartz, respectively.

Background:

General Services and Community Services have been working in collaboration to identify opportunities to support energy resilience at County facilities. Sustainability Staff researched the qualifications of Haven Energy and affirmed that Haven Energy is highly qualified to perform this work. Haven Energy has won several RFPs to partner with numerous Community Choice Aggregators (CCAs), including Peninsula Clean Energy (PCE), San Jose Clean Energy (SJCE), Clean Energy Alliance (CEA), and Clean Power Alliance (CPA).

The MOUs presented are a first and important step for Haven Energy to apply for and secure funding through the SGIP. These applications are first-come-first-serve and will no longer be available after calendar year 2025 ends. If the MOUs are approved for signature and SGIP funds successfully reserved, County Staff and Haven Energy will begin contract negotiations. During the contract negotiation, Haven Energy will be required to provide a statement of qualifications and County Staff will conduct a thorough investigation on their past projects and current partners to ensure that Haven Energy is the right contractor for these projects. Once those contracts are finalized, County Staff will return to the Board of Supervisors to approve and sign those agreements.

Fiscal and Facilities Impacts:

There is no fiscal or financial impact from these recommendations.

The total price for Haven Energy to complete the BESS Project shall be \$554,760 and the calculated California Self Generation Incentive Program (SGIP) rebate is \$299,251 for Project 1, and the total price for Haven Energy to complete the BESS Project 2 shall be \$346,725 with a calculated California Self Generation Incentive Program (SGIP) rebate of \$215,140. The Client payment to Haven Energy will be \$0 for both projects.

The SGIP incentive combined with other federal and state tax credits, and grid services benefits shall cover all project costs associated with the BESS including materials and labor for installation of the battery energy storage system, system sizing based on Client provided information, managing all aspects of the Self Generation Incentive Program (SGIP) incentive mechanism, design and engineering, interconnection, sales tax, capital financing, shipping and handling of all equipment and materials, site preparation,

construction, and clean up. The total price and SGIP rebate amount may change upon further site investigation. If the price and/or the SGIP rebate amount change and the total rebates do not cover 100% of the price, this MOU shall be voidable by either the County or Haven Energy.

Haven Energy is responsible for battery maintenance costs during the 10-year contract term, which is included in the no-cost offer. If County of Santa Barbara chooses to keep the batteries after the contracts end, General Services would be responsible for maintenance costs starting in year 11. If the County does not wish to keep the batteries after the contract term, Haven Energy will remove the batteries from each site at no cost to the County. Generally, annual bill savings are larger than maintenance costs before factoring in the value of the backup power and resiliency.

Special Instructions:

Please return a Minute Order to Brandon Kaysen, General Services, 260 N. San Antonio Road – Casa Nueva, Santa Barbara, CA 93110-1315, and email a copy to bkaysen@countyofsb.org.

Attachments:

1. Haven Energy Memorandum of Understanding - Santa Barbara Social Services
2. Haven Energy Memorandum of Understanding – Naomi Schwartz Building

Contact Information:

Brandon Kaysen

General Services Energy Manager

bkaysen@countyofsb.org