BOARD OF SUPERVISORS AGENDA LETTER

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

Agenda Number:

Department Name:	General Services
Department No.:	063
For Agenda Of:	January 13, 2026
Placement:	Departmental
Estimated Time:	20 minutes
Continued Item:	No
If Yes, date from:	N/A
Vote Required:	Majority

TO: Board of Supervisors

FROM: General Services Kirk Lagerquist, Director

DocuSigned by: Kirk Lagerquist 19AEDA90054E4CE...

Contact Info: John Green, Assistant Director

SUBJECT: **General Services Energy Program Update**

County Counsel Concurrence
As to form: Yes

Auditor-Controller Concurrence
As to form: N/A

Other Concurrence: CEO
As to form: Yes

Recommended Actions:

That the Board of Supervisors:

a) Receive and file the General Services Energy Program Update; and

b) 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 on the agenda for the Board of Supervisors to receive and file a presentation providing an update on the County of Santa Barbara's energy efficiency and renewable energy efforts (Attachment 1). The presentation will cover several topics as they relate to: utility rates and consumption trends, energy efficiency efforts, solar infrastructure, Net Zero Energy (ZNE) projects, electric vehicle charging infrastructure, and key considerations for the future of the General Services Energy Division.

Discussion:

The General Services Energy Division has achieved several notable milestones this past year, including grant awards, contracts for solar Power Purchase Agreements, retrofitting two existing buildings to ZNE standards, and other notable energy efficiency achievements.

While there are challenges that the County faces regarding rising utility costs and reduced annual revenues, there are ample opportunities to continue reducing energy use, developing new strategies for financing deep energy retrofits, and continuing supporting the transition of the County Fleet to electric vehicles. Below lists several of the primary areas of interest that are included in the Energy Program Update (presentation).

Key Achievements (FY 24–25)

- Awarded nine (9) solar Power Purchase Agreements (PPAs) projected to save $57M over 30 years. These solar projects will more than double the County's existing 3.1 MegaWatts of solar, further supporting the County's adoption of renewable energy and ZNE resolution.
- Staff successfully pursued and were awarded a California Energy Commission grant to support the installation of 150 Electric Vehicle charging stations throughout the County. These charging stations will support the electrification of the County's fleet, ease the challenges of meeting the Advanced Clean Fleet regulation, and provide public charging stations in critical areas throughout the County.
- Completed LED lighting retrofits at eleven (11) facilities on the Foster Road Campus in Santa Maria, CA. This project is expected to save $750K over 15 years and was funded through PG&E's On-Bill Financing mechanism.
- Facilitated new designs for HVAC equipment and Building Energy Management Systems for 8 facilities Countywide. Two of these projects, Santa Maria Admin Building and Casa Nueva, will have successfully removed all gas-powered equipment and will be the County's two largest existing building retrofits to achieve ZNE.

Energy Use & Cost Trends

- During FY 2024–25, the County saw a 4% drop in total energy use compared to the previous year, and 10% below the 4-year average. This is a continuation of a decade-long trend of reducing energy usage due to an expansion of renewable energy assets and implementation of energy efficiency programs.

  - Energy Use Intensity (EUI) describes the total energy used across all buildings in the County, divided by the total square footage. This figure has declined by over 15% since 2022, indicating improved building performance and new facilities with much lower EUI than the portfolio average.

- Cost Challenges:
  - Despite reduced electricity and natural gas consumption, total energy costs continue to rise. For example, utility costs were 50% higher in July of 2025 compared to July 2022.
  - Total utility costs reached $10.39M for FY 2024–25. This figure includes electricity ($6.1M), natural gas ($1M), water ($2.2M), refuse ($500k), fire protection ($215k) and other ($255k).
  - Wildfire mitigation, grid modernization, fixed infrastructure costs, natural gas volatility are all drivers of increased costs of utilities. Decarbonization will have short-term cost implications with long-term cost reductions.

Renewable Energy Highlights

- The Calle Real Campus solar array (1 MegaWatt) and developed in 2012 through a California Energy Commission 1% loan for $3.8M. The project has produced 23.3M kWh over 13 years and covers 41% of campus electricity needs. To date, the project has saved $4M and is expected to produce $8M in additional savings over the next 15 years.
- Through the recent Power Purchase Agreements at nine different countywide locations, total solar capacity will increase from 3.4 MegaWatts to 7.6 MegaWatts. Collectively, these assets will produce roughly 80% of the County's electricity needs and will represent roughly 50% of total energy consumption for the County's entire building portfolio.

Looking Forward: Strategic Priorities

- Complete solar projects at Northern Branch Jail and Foster Road Campus before end of 2027.
- Complete projects at Casa Nueva and Santa Maria Admin buildings to achieve ZNE.
- Execute 150 new Electric Vehicle Charging Stations at 13 locations countywide.
- Identify and replace aging gas-powered equipment with new and efficient electric alternatives.
- Continue to execute LED lighting retrofits via On-Bill Financing (utility program).

Final Takeaway

Santa Barbara County's Energy Division is making significant strides in sustainability, efficiency, and resiliency. With rising energy costs, the return on investment for these projects continues to grow, reinforcing the importance of strategic planning and leadership support. The successes we see today are a result of collaborative efforts with Facilities Maintenance, Capital Projects, Fleet, and Sustainability divisions. These partnerships are critical as we move forward and integrate state-of-the-art technology while reducing our footprint and improving on the working conditions of all County buildings.

Background:

Overview of County Energy Supply: The County of Santa Barbara has a long history of energy efficiency, energy conservation, and renewable energy programs. In addition to self-generation, the County of Santa Barbara procures electricity from five sources: Southern California Edison, Pacific Gas and Electric, Santa Barbara Clean Power, Central Coast Community Energy, and Lompoc Electric. Electricity is generated from a variety of sources with natural gas, hydroelectric, nuclear, wind, and solar making up the majority of the sources to the electric utility grid. In most cases, the County procures electricity from Community Choice Aggregators (CCAs) and pays for transmission and distribution fees directly to the Investor Owned Utilities (IOUs). The County currently procures power from Central Coast Community Energy (3CE) at the 31% renewable energy rate, and Santa Barbara Clean Power at the 100% renewable energy rate. Lompoc Electric also provides electricity with a portfolio of 35% renewable energy. In total, Santa Barbara County's electricity portfolio is made up of 60% renewable electricity, which includes 40% generated from County-owned solar arrays.

Zero Net Energy Efforts: General Services has worked diligently to develop a robust and successful (ZNE) program for all new ground-up construction projects. The Regional Fire Communications Center was built to meet ZNE and the new Probation Headquarters building in downtown Santa Barbara will also meet all its power needs from on-site renewable energy. Since its development as a County policy in 2014, General Services staff have been incorporating ZNE design principles into all new, ground-up projects. While staff have made some in-roads into retrofitting existing facilities during renovation and retrofit projects, securing funding for movement toward full ZNE status for these projects has been challenging. Replacing aging equipment and building infrastructure with more energy efficient alternatives is the next phase of the ZNE program. General Services intends to expand LED lighting upgrades; replace aging HVAC infrastructure with heat pumps and mini-split units; install equipment controls and Building Energy Management Systems (BEMS); and explore opportunities to transition gas-powered equipment to all-electric alternatives. Electrification of our buildings is the best mechanism to achieve ZNE and Climate Action Plan goals. The County's Decarbonization Roadmap was facilitated to develop a prioritizing list of buildings well-suited for electrification. Staff are developing a program to move forward with these projects on an annual basis.

Distributed Energy Resources: The County of Santa Barbara currently owns 3.4 Mega Watts (MW) of solar assets spread across eight locations. These systems have been purchased by leveraging grants and incentives, low-interest loans and some general fund dollars. The nine Power Purchase Agreements will more than double the existing capacity of solar at County facilities. With the expiration of the federal Investment Tax Credit and other incentive programs expiring, there are limited abilities to capitalize on programs to lower the cost of future projects. However, with the rapid increase in unit cost of electricity, it is expected that there will be new projects in the immediate future with will prove to show a positive return on investment. Battery Energy Storage Systems are being considered for projects, but Staff are pursuing these projects on a case-by-case basis to ensure that the technology is the appropriate fit and will provide the resiliency and controllability that the County needs. Staff are continuing to follow a comprehensive strategy for long-term capital investments in energy infrastructure; continued management of our current and future energy systems related to our facilities; and a roadmap for an efficient balance of various energy efficiency and resiliency efforts.

As Staff continue to build a strategy for energy efficiency and resiliency, they will work with the Board of Supervisors to assess and present the best fit solutions, balancing financial viability, environmental benefit, social benefit, speed of implementation, and support in achieving adopted policies.

Fiscal and Facilities Impacts:
NA

Fiscal Analysis:

There is no fiscal impact.

Narrative: Staff prioritize projects that have favorable payoff periods and positive net present value (NPV). For each energy project, a cost-benefit analysis is performed that evaluates capital costs, equipment lifespan, reduced energy consumption, cost of electricity, ongoing maintenance costs, occupant health and safety, ability to meet legal mandates, environmental benefits, aesthetic benefits, and functional benefits.

Special Instructions:
None

Attachments:

1. Presentation - Santa Barbara County Energy Program Update

Authored by:

Brandon Kaysen, General Services Energy Manager