



**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

**Submitted on:**  
**(COB Stamp)**

**Department Name:** General Services  
**Department No.:** 063  
**Agenda Date:** August 26<sup>th</sup>, 2025  
**Placement:** Administrative Agenda  
**Estimated Time:** NA  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

**TO:** Board of Supervisors

**FROM:** General Services: Kirk Lagerquist, Director  
Contact Info: John Green, Assistant Director

DocuSigned by:  
*Kirk Lagerquist*  
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**SUBJECT:** Solar Services Agreements for Northern Branch Jail and Foster Road Campus

**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management, CEO

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Find, in accordance with Government Code Section 4217.12, that the anticipated cost to the County for electricity provided by the Solar Services Agreement will be less than the anticipated marginal cost to the County of electrical or other energy that would have been consumed in the absence of the Contract, and that the terms of the Solar Services Agreement are in the best interests of the County;
- b) Approve and authorize the Chair to execute the Solar Services Agreement with SBC Northern Jail Renewable Energy, LLC (a wholly owned subsidiary of Solaris Energy, Inc.) to finance, design, construct, and maintain solar photovoltaic systems for the Northern Branch Jail, located at 2301 Black Road Santa Maria, CA 93455 (APN 113-210-024);
- c) Approve and authorize the Chair to execute the Solar Services Agreement which includes a License to utilize the parking lots, with SBC Foster Rd Campus Renewable Energy, LLC (a wholly owned subsidiary of Solaris Energy, Inc.) to finance, design, construct, and maintain solar photovoltaic systems for the Foster Road Campus, located at 812 W. Foster Road Santa Maria, CA 93455 (APN 111-231-004);
- d) Approve and authorize the Chair to execute a Lease Agreement with SBC Northern Jail Renewable Energy, LLC for a term of 20-years, with four five-year options to extend, allowing them access over the Northern Branch Jail solar site to install and site solar equipment in accordance with the Solar Services Agreement;

- e) Approve and authorize the Director of General Services or designee to execute a Memorandum of Lease with SBC Northern Jail Renewable Energy, LLC in a form substantially similar to that included as Exhibit A to the Solar Services Agreement, subject to review and approval of County Counsel;
- f) Approve and authorize the Director of General Services or designee to execute a Memorandum of License with SBC Foster Road Renewable Energy, LLC in a form substantially similar to that included as Exhibit A to the Solar Services Agreement, subject to review and approval of County Counsel; and
- g) Determine that the renewable energy project is statutorily exempt from the provisions of CEQA pursuant to California Public Resources Code Section 21080.35 (installing solar systems on existing roofs and existing parking lots), and it is further categorically exempt from the provisions of CEQA per sections 15301 (minor alterations to existing facilities) and 15303 (limited construction of small facilities) and 15304 (minor alterations of land) of Title 14 of the California Code of Regulations and a Notice of Exemption was filed on that basis, and that the recommended actions are within the scope of that Notice of Exemption.

**Summary Text:**

The County is pursuing the installation of solar photovoltaics systems via a Solar Services Agreement (SSA) at the Northern Branch Jail (1,078 kW ground mounted solar array) and Foster Road Campus (732 kW carport solar array).

**Discussion:**

The County is interested in expanding its renewable generation portfolio at multiple sites located throughout the County with the goal of decreasing annual electricity costs, reducing emissions, and continuing progress toward Board established sustainability goals. With that interest in mind, the County conducted a competitive RFQ/P process to identify turn-key developers to provide reduced electricity costs through reduced energy consumption by installing distributed renewable energy resources. At the conclusion of the competitive process, the County chose to partner with Engie Services U.S. to accomplish these goals at the Foster Road Campus, Lake Cachuma and Northern Branch Jail. Due to continued discussions with the Bureau of Reclamation and U.S. Department of the Interior, the Lake Cachuma project is still in development and will be presented to the Board of Supervisors at a later date.

Since the notice of intent to award to Engie, LS Power purchased Engie Services U.S. and is now operating as Opterra Energy Services, LLC (Opterra). Opterra has partnered with Solaris Energy Inc. (Solaris) to develop the Solar Services Agreements (SSA). Solaris provided a statement of qualifications that staff have reviewed and determined that they are qualified and will serve as great partners throughout these projects. A single-purpose entity, a wholly owned subsidiary of Solaris Energy Inc., is created for each project for tax purposes.

Per this Board Letter, staff are recommending a scope of work that includes installation of the following:

- 738.7 kW Photovoltaic Canopy system at Foster Road Campus
- 1079.0 kW Photovoltaic Ground Mount system at Northern Branch Jail

The Board of Supervisors is being asked to approve two SSAs with Solaris to facilitate the financing, design, construction, maintenance, and ongoing operations of two major solar arrays. Each SSA term is 25 years with an opportunity to extend the contract for up to three additional 5-year terms. At the expiration of each agreement, Solaris is required to decommission and remove the equipment unless the County elects to purchase the assets at fair market value.

These actions will support the County in moving forward with its energy, financial, and sustainability goals by implementing Zero-Net Energy (ZNE) strategies for existing buildings, reducing dependence on the utility grid, lowering the County's carbon footprint, improving predictability of future energy costs, and limiting the maintenance burden on County staff. Through several rounds of iteration, staff determined that adding a battery energy storage system at either of the proposed sites would not result in a positive financial return on investment, would have a minimal impact on resiliency, and is not essential in achieving ZNE. Thus, staff recommend not including batteries in the project scope for either SSA.

The County was able to secure Net Energy Metering 2.0 (NEM2) tariff for all locations. Net Energy Metering is a solar incentive that allows the customer to export renewable energy to the electric grid at the equivalent price of grid-purchased electricity. When the solar panels produce excess electricity, that energy is sent to the grid and offsets the equivalent amount of solar used once the arrays are no longer producing electricity. This will typically occur during the evening hours. Considering the California Public Utility Commission decision to phase-out NEM2 tariffs, the County must complete construction and pass electrical inspections for the Northern Branch Jail site before April 14<sup>th</sup>, 2026. Since the Foster Road Campus project is a NEM2-Aggregation site with multiple meters offset by the solar array, electrical inspections must be complete before February 14<sup>th</sup>, 2027 to retain the NEM2 tariff.

**Background:**

Beginning in late 2022, General Services staff began scoping out the most viable project locations for solar photovoltaic arrays and possible battery energy storage systems (BESS). In early 2023, the Energy Division provided a presentation to the Board of Supervisors and received direction to provide the costs and financial benefits of financing, developing, and owning renewable energy systems versus entering SSAs. With the NEM 2 tariff deadline approaching, staff successfully submitted interconnection applications for six out of the eight total projects identified.

In January 2024, staff hired Optony Inc. to support the development of the Solar PV and Battery Energy Storage Design, Installation, and Operation RFQ/RFP document. Critical information was collected and documented throughout 2024 to provide sufficient information to proposers. In October 2024, County staff solicited statements of qualifications and cost proposals (RFQ/P) from qualified entities to provide professional services for the County of Santa Barbara Facilities located at the identified sites across the County. Proposers provided responses that included the design and engineering, procurement of materials, permitting, installation, interconnection, and all associated documentation, maintenance, and warranties of turn-key Solar PV and BESS to be located at sites within the County. To provide the best value for the County, various financing options were sought in the Proposals so that the County can select from appropriate choices including, but not limited to, direct purchase, SSA, and other cost-effective options recommended by Proposers.

In March 2025, the Board of Supervisors directed staff to move forward with SSAs for all sites. The first three sites (those with NEM 2.0 interconnection agreements) were tentatively awarded to Engie (now Opterra). Opterra partnered with Solaris to acquire the financing to execute the projects. Thus, the County of Santa Barbara is negotiating directly with Solaris to facilitate the SSA.

**Fiscal and Facilities Impacts:**

Over the course of this 25-year agreement, there will be no net cost to the County. General Services staff will return to the Board with a Budget Amendment for the project management staff costs associated with this project, to be funded by Solaris through the Solar Services Agreement. All costs associated with the design, development, construction, project management, operations, and maintenance are included in the cost of electricity (\$/kWh). The cost for electricity will be paid for by the tenants at each building, similar to how current electricity bills are paid.

There is no capital expenditure required to execute the SSAs. The County will not own, operate, or maintain the assets, yet will have the opportunity to buy the systems at the end of the agreement term or at an earlier date once the assets have been depreciated. On-going ownership or replacement costs of each system will be addressed when the County determines whether or not to purchase the solar arrays after the 25-year SSA concludes.

Included in the SSA rate is \$75,000 per location for County project management services to administer these projects. These funds will be provided by Solaris, to the County, and are factored in the rate of electricity (cost per kWh delivered). Staff will be presenting a budget revision to account for this funding when an overall project schedule and project management costs are finalized.

**Northern Branch Jail:**

For the Northern Branch Jail site, the agreed upon cost for electricity (SSA Rate) is \$0.2415 per kWh. There is a 0% escalator, so this cost for electricity will remain consistent over the 25-year term. Total SSA Payments will be \$10,774,880 over the term with \$23,768,234 in electricity savings. Savings are calculated utilizing a 5% annual escalation for utility-provided electricity. Over the past decade, electricity costs have increased by 70% with a year-over-year average of 5.45%.

**Estimated Electrical Savings:**

Staff estimate that the County will realize net electricity savings of \$12,241,871 over a 30-year time horizon.

**Estimated Buy-Out Cost:**

The estimated buyout price after the 25-year term is \$156,353 and may be negotiated at an earlier date if the County elects to own the asset before the end of the term. The cash-flow analysis for the Northern Branch Jail site is shown below.

Santa Barbara County Solar PV Only Project									
NEM 2.0 PPA Cash Flow Analysis - Northern Branch Jail									
PPA Term in Years									25
First Year PPA Price									\$0.2415
Annual Escalation of PPA price									0.00%
First Year kWh Generation									1,894,064
Annual Escalation of Electricity Cost									5.00%
Annual Degradation of Solar Panels									0.50%
Annual Degradation of Battery Storage									2.00%
Annual Escalation of O&M Cost									5.00%
Year	Solar PV Electricity Savings	BESS Electricity Savings	REC Revenue	Total Program Savings	PPA Payments	Buyout Price	Solar O&M Cost	Total Program Costs	Net Savings
1	\$452,920	\$0	\$18,941	\$471,860	\$457,416	\$0	\$0	\$457,416	\$14,444
2	\$473,188	\$0	\$18,846	\$492,034	\$455,129	\$0	\$0	\$455,129	\$36,904
3	\$494,363	\$0	\$18,752	\$513,115	\$452,854	\$0	\$0	\$452,854	\$60,261
4	\$516,486	\$0	\$18,658	\$535,144	\$450,589	\$0	\$0	\$450,589	\$84,554
5	\$539,598	\$0	\$18,565	\$558,163	\$448,337	\$0	\$0	\$448,337	\$109,827
6	\$563,745	\$0	\$18,472	\$582,217	\$446,095	\$0	\$0	\$446,095	\$136,122
7	\$588,973	\$0	\$18,379	\$607,352	\$443,864	\$0	\$0	\$443,864	\$163,488
8	\$615,330	\$0	\$18,288	\$633,617	\$441,645	\$0	\$0	\$441,645	\$191,972
9	\$642,866	\$0	\$18,196	\$661,062	\$439,437	\$0	\$0	\$439,437	\$221,625
10	\$671,634	\$0	\$18,105	\$689,739	\$437,240	\$0	\$0	\$437,240	\$252,499
11	\$701,689	\$0	\$0	\$701,689	\$435,053	\$0	\$0	\$435,053	\$266,636
12	\$733,090	\$0	\$0	\$733,090	\$432,878	\$0	\$0	\$432,878	\$300,212
13	\$765,896	\$0	\$0	\$765,896	\$430,714	\$0	\$0	\$430,714	\$335,182
14	\$800,170	\$0	\$0	\$800,170	\$428,560	\$0	\$0	\$428,560	\$371,609
15	\$835,977	\$0	\$0	\$835,977	\$426,417	\$0	\$0	\$426,417	\$409,560
16	\$873,387	\$0	\$0	\$873,387	\$424,285	\$0	\$0	\$424,285	\$449,102
17	\$912,471	\$0	\$0	\$912,471	\$422,164	\$0	\$0	\$422,164	\$490,307
18	\$953,304	\$0	\$0	\$953,304	\$420,053	\$0	\$0	\$420,053	\$533,251
19	\$995,965	\$0	\$0	\$995,965	\$417,953	\$0	\$0	\$417,953	\$578,012
20	\$1,040,534	\$0	\$0	\$1,040,534	\$415,863	\$0	\$0	\$415,863	\$624,671
21	\$781,873	\$0	\$0	\$781,873	\$413,784	\$0	\$0	\$413,784	\$368,089
22	\$816,862	\$0	\$0	\$816,862	\$411,715	\$0	\$0	\$411,715	\$405,147
23	\$853,416	\$0	\$0	\$853,416	\$409,656	\$0	\$0	\$409,656	\$443,760
24	\$891,607	\$0	\$0	\$891,607	\$407,608	\$0	\$0	\$407,608	\$483,999
25	\$931,506	\$0	\$0	\$931,506	\$405,570	\$156,353	\$0	\$561,923	\$369,583
26	\$973,191	\$0	\$0	\$973,191	\$0	\$0	\$134,792	\$134,792	\$838,399
27	\$1,016,741	\$0	\$0	\$1,016,741	\$0	\$0	\$149,773	\$149,773	\$866,968
28	\$1,062,240	\$0	\$0	\$1,062,240	\$0	\$0	\$157,261	\$157,261	\$904,979
29	\$1,109,775	\$0	\$0	\$1,109,775	\$0	\$0	\$165,124	\$165,124	\$944,651
30	\$1,159,438	\$0	\$0	\$1,159,438	\$0	\$0	\$173,381	\$173,381	\$986,057
<b>Totals</b>	<b>\$23,768,234</b>	<b>\$0</b>	<b>\$185,201</b>	<b>\$23,953,435</b>	<b>\$10,774,880</b>	<b>\$156,353</b>	<b>\$780,331</b>	<b>\$11,711,564</b>	<b>\$12,241,871</b>

### Foster Road Campus:

For the Foster Road Campus, the agreed upon cost for electricity (SSA Rate) is \$0.2940 per kWh. There is a 0% escalator, so this cost for electricity will remain consistent over the 25-year term. Total SSA Payments will be \$8,535,589 over the term with \$15,398,012 in electricity savings. Savings are calculated utilizing a 5% annual escalation for utility-provided electricity. Over the past decade, electricity costs have increased by 70% with a year-over-year average of 5.45%.

### Estimated Electrical Savings:

Staff estimate that the County will realize net electricity savings of \$6,499,795 over a 30-year time horizon.

### Estimated Buy-Out Cost:

The buyout price after the 25-year term is \$148,458 and may be negotiated at an earlier date if the County elects to own the asset before the end of the term. The cash-flow analysis for the Foster Road Campus can be found below.

Santa Barbara County Solar PV Only Project									
NEM 2.0 PPA Cash Flow Analysis - Foster Road Complex									
PPA Term in Years									25
First Year PPA Price									\$0.2940
Annual Escalation of PPA price									0.00%
First Year kWh Generation									1,232,496
Annual Escalation of Electricity Cost									5.00%
Annual Degradation of Solar Panels									0.50%
Annual Degradation of Battery Storage									2.00%
Annual Escalation of O&M Cost									5.00%
Year	Solar PV Electricity Savings	BESS Electricity Savings	REC Revenue	Total Program Savings	PPA Payments	Buyout Price	Solar O&M Cost	Total Program Costs	Net Savings
1	\$363,421	\$0	\$12,325	\$375,746	\$362,354	\$0	\$0	\$362,354	\$13,392
2	\$379,684	\$0	\$12,263	\$391,947	\$360,542	\$0	\$0	\$360,542	\$31,405
3	\$396,675	\$0	\$12,202	\$408,877	\$358,739	\$0	\$0	\$358,739	\$50,137
4	\$414,426	\$0	\$12,141	\$426,567	\$356,946	\$0	\$0	\$356,946	\$69,621
5	\$432,971	\$0	\$12,080	\$445,052	\$355,161	\$0	\$0	\$355,161	\$89,891
6	\$452,347	\$0	\$12,020	\$464,367	\$353,385	\$0	\$0	\$353,385	\$110,982
7	\$472,589	\$0	\$11,960	\$484,549	\$351,618	\$0	\$0	\$351,618	\$132,931
8	\$493,738	\$0	\$11,900	\$505,638	\$349,860	\$0	\$0	\$349,860	\$155,778
9	\$515,833	\$0	\$11,841	\$527,673	\$348,111	\$0	\$0	\$348,111	\$179,562
10	\$538,916	\$0	\$11,781	\$550,697	\$346,370	\$0	\$0	\$346,370	\$204,327
11	\$563,033	\$0	\$0	\$563,033	\$344,638	\$0	\$0	\$344,638	\$218,394
12	\$588,228	\$0	\$0	\$588,228	\$342,915	\$0	\$0	\$342,915	\$245,313
13	\$614,551	\$0	\$0	\$614,551	\$341,201	\$0	\$0	\$341,201	\$273,351
14	\$642,053	\$0	\$0	\$642,053	\$339,495	\$0	\$0	\$339,495	\$302,558
15	\$670,785	\$0	\$0	\$670,785	\$337,797	\$0	\$0	\$337,797	\$332,987
16	\$700,802	\$0	\$0	\$700,802	\$336,108	\$0	\$0	\$336,108	\$364,694
17	\$732,163	\$0	\$0	\$732,163	\$334,428	\$0	\$0	\$334,428	\$397,735
18	\$764,927	\$0	\$0	\$764,927	\$332,755	\$0	\$0	\$332,755	\$432,172
19	\$799,158	\$0	\$0	\$799,158	\$331,092	\$0	\$0	\$331,092	\$468,066
20	\$834,920	\$0	\$0	\$834,920	\$329,436	\$0	\$0	\$329,436	\$505,484
21	\$328,077	\$0	\$0	\$328,077	\$327,789	\$0	\$0	\$327,789	\$288
22	\$342,758	\$0	\$0	\$342,758	\$326,150	\$0	\$0	\$326,150	\$16,608
23	\$358,097	\$0	\$0	\$358,097	\$324,519	\$0	\$0	\$324,519	\$33,578
24	\$374,122	\$0	\$0	\$374,122	\$322,897	\$0	\$0	\$322,897	\$51,225
25	\$390,864	\$0	\$0	\$390,864	\$321,282	\$148,458	\$0	\$469,740	-\$78,877
26	\$408,355	\$0	\$0	\$408,355	\$0	\$0	\$67,070	\$67,070	\$341,285
27	\$426,629	\$0	\$0	\$426,629	\$0	\$0	\$62,089	\$62,089	\$364,539
28	\$445,720	\$0	\$0	\$445,720	\$0	\$0	\$65,194	\$65,194	\$380,526
29	\$465,666	\$0	\$0	\$465,666	\$0	\$0	\$68,454	\$68,454	\$397,213
30	\$486,505	\$0	\$0	\$486,505	\$0	\$0	\$71,876	\$71,876	\$414,629
<b>Totals</b>	<b>\$15,398,012</b>	<b>\$0</b>	<b>\$120,513</b>	<b>\$15,518,525</b>	<b>\$8,535,589</b>	<b>\$148,458</b>	<b>\$334,683</b>	<b>\$9,018,730</b>	<b>\$6,499,795</b>

**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](mailto:bkaysen@countyofsb.org).

**Attachments:**

**Attachment A** – Solar Services Agreement – Northern Branch Jail

**Attachment B** – Solar Services Agreement – Foster Road Campus

**Attachment C** – Northern Branch Jail Site Lease Agreement

**Attachment D** – CEQA Notice of Exemption – Northern Branch Jail

**Attachment E** – CEQA Notice of Exemption – Foster Road Campus

**Contact Information:**

Brandon Kaysen

General Services Energy Manager

[bkaysen@countyofsb.org](mailto:bkaysen@countyofsb.org)