



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: Public Works
Department No.: 054
For Agenda Of: January 29, 2019
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Scott D. McGolpin, P.E. Director, ext. 3010
Director(s)
Contact Info: Leslie Wells, Deputy Director ext. 3611

SUBJECT: Southern California Edison Interconnection Agreements for the Tajiguas Resource Recovery Project, County Project No. 828368, Third Supervisorial District

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Chair to execute the Generator Interconnection Agreement and Wholesale Distribution Services Agreement in the amount of \$596,864.00 with Southern California Edison for the electrical interconnection between the Tajiguas Resource Recovery Project Anaerobic Digestion Facility; County Project No. 828368, and the Southern California Edison electricity grid;
- b) Approve and authorize the Chair to execute the Net Energy Metering and Generating Facility Interconnection Agreement and Facilities Financing and Ownership Agreement in the amount of \$522,436.00 with Southern California Edison for the electrical interconnection between the Tajiguas Resource Recovery Project Materials Recovery Facility; County Project No. 828368, and the Southern California Edison electricity grid;
- c) Determine that the previous Final Subsequent EIR 12EIR-00000-00002 (SCH #2012041068) and Subsequent EIR Revision Letter and Errata dated May 27, 2016 certified by the Board of Supervisors on July 12, 2016 and Final Subsequent EIR Addendum dated August 11, 2017 (revised October 26, 2017) considered by the Board of Supervisors on November 14, 2017 are adequate review pursuant to California Environmental Quality Act Guidelines Section 15162, no substantial

changes are proposed, and no new information of substantial importance has come to light regarding environmental effects of the project or of the sufficiency or feasibility of mitigation measures, and therefore the Generator Interconnection Agreement, the Wholesale Distribution Services Agreement, the Net Energy Metering and Generating Facility Interconnection Agreement, and the Facilities Financing and Ownership Agreement with Southern California Edison are within the scope of the project covered by the prior environmental review and no subsequent Environmental Impact Report or Negative Declaration shall be prepared for this action.

Summary Text:

This item is on the agenda to approve agreements necessary to interconnect the Tajiguas Resource Recovery Project with the Southern California Edison (SCE) electrical grid. Under the agreements, SCE is responsible for engineering, design, construction and installation of all transmission, distribution facilities and equipment required to interconnect the Tajiguas Resource Recovery Project electrical generation facilities with SCE's distribution system. Any necessary regulatory approvals for the connection to the SCE grid will be acquired prior to construction of the interconnection infrastructure. The costs for the SCE agreements were previously included in the fixed price contract between the County and MSB Investors, LLC as approved by the Board on September 18, 2018, therefore, approval of these agreements will not result in an additional cost to the County.

Background:

On September 18, 2018, the Board approved the Third Amendment to the Amended Contract between the County of Santa Barbara and MSB Investors, LLC (MSB) for Development and Operation of the Tajiguas Resource Recovery Project (TRRP). On October 16, 2018, the Board authorized the Treasurer-Tax Collector to finance the construction of the capital improvements associated with the TRRP. Public financing was completed on November 28, 2018, and the notice to proceed with construction was issued on December 3, 2018. The TRRP includes modifying operation of the existing Tajiguas Landfill to include the construction and operation of a Materials Recovery Facility (MRF), an Anaerobic Digestion Facility (ADF), and a Composting Management Unit. These facilities will allow the County to further recover recyclable materials, provide an alternative to burying organic waste, generate green energy, and significantly reduce greenhouse gas emissions.

The Contract between the County and MSB identifies the responsibilities of both the County and MSB related to the project's generation of renewable energy and the sale of that energy to SCE. The agreement identifies MSB as the party "solely responsible for all aspects of Construction, including managing and ensuring all work performed by the Construction Contractor is completed in accordance with Exhibit E: Project Design and Construction, Applicable Law, Good Industry Practice, Good and Accepted Construction Practice, and applicable Construction codes and standards." (Section 4.7). The agreement also provides for the biogas generated by the ADF to be converted into electricity (Section 7.4) and for that electricity to be sold to SCE pursuant to a Power Purchase Agreement (Section 8.5). The Board previously executed the Power Purchase Agreement with SCE that committed SCE to purchase up to 1.994 Mw of renewable electricity for a term of twenty (20) years at a price of \$0.127/kwh.

The agreements included in this Board Letter are the remaining documents required to complete the interconnection between the TRRP and the SCE grid for both the MRF and the ADF. The Generator Interconnection Agreement and the Wholesale Distribution Services Agreement provide the terms of the interconnection between the TRRP ADF and the SCE grid. The costs for the interconnection for the ADF to the SCE grid are anticipated to be approximately \$596,864.00. The Generating Facility Interconnection Agreement and the Facilities Financing and Ownership Agreement provide the terms for connecting the TRRP MRF to the SCE grid. Costs for the MRF interconnection are anticipated to be approximately \$522,436.00. These costs were included in the fixed price contract between the County and MSB that was executed by the Board on September 18, 2018. Therefore, there are no additional costs to the County by approving these agreements.

On July 12, 2016, the Board of Supervisors certified a Final SEIR (12EIR-00000-00002, SCH #2012041068 and EIR Revision Letter and Errata dated May 27, 2016) for the TRRP. An Addendum to the certified Final SEIR (dated August 11, 2017 and revised October 26, 2017) was considered by the Board of Supervisors on November 14, 2017. Copies of these documents are available at <https://santabarbara.legistar.com/LegislationDetail.aspx?ID=3208879&GUID=8FD06D70-FE83-4AA1-982A-2CA8EA03B506&Options=ID|Text|&Search=Tajiguas+Resource+Recovery+Project>. The Subsequent EIR and Addendum identified that the MRF and ADF would be connected to the existing SCE high voltage power transmission lines located immediately south of the Landfill and that existing transmission poles running along the eastern and western Landfill property boundaries would provide a suitable transmission line routing. SCE interconnection engineering has advised MSB Investors, LLC that the east side and west side poles and locations are likely satisfactory to support the anticipated conductor (line) upgrade. A field study and final determination will be made by SCE following execution of the agreements. Therefore, based on the expected suitability of the existing transmission line routing, the agreements are within the scope of the project covered by the prior environmental review and pursuant to CEQA Guidelines Section 15162, no subsequent Environmental Impact Report or Negative Declaration is required for the execution of the agreements.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

The costs for the SCE agreements were previously included in the fixed price contract between the County and MSB as approved by the Board on September 18, 2018.

Key Contract Risks:

Key risk factors for these agreements that contribute to an overall medium contract risk rating include: contract size, performance period, complexity and contract subject (significance of the contracts with respect to the TRRP construction).

These risk factors have been evaluated and staff believes the contract should be authorized, because SCE has significant interconnection and distribution experience with the County and has previously implemented the interconnection between the existing landfill gases to energy facility currently operating at the Tajiguas Landfill.

Subject: Southern California Edison Interconnection Agreements for the Tajiguas Resource Recovery Project, County Project No. 828368

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Special Instructions:

Please forward a certified, stamped Minute Order approving this action to Jeanette Gonzales-Knight and Joddi Leipner. Please forward two original executed contracts for each of the board contracts to Jeanette Gonzales-Knight in the Public Works Department, Resource Recovery and Waste Management Division, 130 E. Victoria Street, Suite 100, Santa Barbara, CA 93101.

Attachments:

Attachment A: County of Santa Barbara Generator Interconnection Agreement for County Project No. 828368 with Southern California Edison.

Attachment B: County of Santa Barbara Wholesale Distribution Services Agreement for County Project No. 828368 with Southern California Edison.

Attachment C: County of Santa Barbara Net Energy Metering and Generating Facility Interconnection Agreement and Facilities Financing and Ownership Agreement for County Project No. 828368 with Southern California Edison.

Authored by:

Joddi Leipner, Senior Engineering Environmental Planner, x3614