



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: Community Services
Department No.: 057
For Agenda Of: April 23, 2024
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: 4/5

TO: Board of Supervisors
FROM: Department Jesús Armas, Community Services Director 805-568-2467
Director(s)
Contact Info: Ashley Watkins, Division Chief 805-568-3514
SUBJECT: Funding for Grant Writing Expenses Supporting the Development of Solar, Storage and Microgrid projects

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: CEO Budget

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Authorize the Community Services Director to utilize up to \$50,000 from the Departmental Sustainability Fund Balance for the purpose of grant writing expenses.
- b) Approve Budget Revision Request #BJE 0009673 appropriating \$50,000 from the Departmental Sustainability Fund Balance; and
- c) Receive an update that the Community Services Director plans to submit grant applications to Federal, State and other funding opportunities that support the development of solar, storage and microgrid projects in Santa Barbara County that do not require a Board resolution and contingent upon approval from County Executive Office; and
- d) Determine that the above recommended actions are not the approval of a project that is subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), finding that the project is a creation of government funding mechanisms or other government fiscal activities, which does not involve any commitment to any specific project which may result in a potentially significant impact on the environment.

Summary Text:

This item is on the agenda to request that the Board of Supervisors authorize the Community Services Director to utilize up to \$50,000 from the Departmental Sustainability Fund Balance for the purpose of grant writing expenses and to submit grant applications to Federal, State and other funding opportunities that support the development of solar, storage and microgrid projects in Santa Barbara County. Before submittal of grant applications, staff will coordinate with the County Executive Office (CEO) to obtain approval. Any grant opportunity that requires the Board adopt a resolution will continue to be brought to the Board prior to submittal.

Staff have been evaluating a variety of funding opportunities that would support solar, storage and microgrid projects such as the Department of Energy's Grid Resilience and Innovation Partnerships (GRIP) Program and the California Energy Commission's (CEC) Distributed Electricity Backup Assets (DEBA) Program. Submittal of these types of grants align with the County's Strategic Energy Plan goals to improve local energy resilience and stimulate local renewable energy development.

If grant funds are received, staff estimate the need to hire one to two additional staff members for the duration of the grant(s). Alternatively, the County could choose to contract out some of the grant administration. Staff or consultant costs would be covered by the grant. Staff would return to the Board to approve any grant funding agreements prior to acceptance. If the County is the lead on these grants, it would be responsible for grant compliance and reporting requirements. This could include compliance with the Davis Bacon Act, Buy America Requirements, and any cost share requirements.

Background:

In 2019, the Board of Supervisors (Board) adopted the County's Strategic Energy Plan (SEP). The objective of the SEP was to outline strategies to improve local energy resilience and stimulate local renewable energy development. Improving resilience is critical in Santa Barbara County, particularly in the Goleta Load Pocket (GLP) which spans 70 miles of the Southern California coastline and is served by one set of transmission lines. These lines are routed through 40 miles of high-risk, fire-prone, landslide-prone, mountainous terrain. In the event of a transmission failure, roughly 220,000 residents could be without power.

Staff have been evaluating a variety of funding opportunities that would support solar, storage and microgrid projects such as the DOE GRIP Program and the CEC DEBA Program. Recently staff have been coordinating with a group of partners to develop project concepts that address whole-community resilience in Santa Barbara County and could be submitted for grant funding. An example of one of these concepts is included in Attachment A. These types of grant opportunities often have very short lead times and require significant resources to apply which makes successfully responding difficult. Staff is requesting that the Board authorize the Community Services Director to utilize up to \$50,000 from the Departmental Sustainability Fund Balance for the purpose of grant writing expenses and to submit grant applications to Federal, State and other funding opportunities that support the development of solar, storage and microgrid projects in Santa Barbara County. Before submittal of grant applications, staff will coordinate with the CEO's office to obtain approval. Any grant opportunity that requires the Board adopt a resolution will continue to be brought to the Board prior to submittal and staff would return to the Board to approve any grant funding agreements prior to acceptance.

Staff recently partnered with the City of Santa Barbara, Southern California Edison, Scale Microgrids, Clean Coalition and the Santa Barbara South Coast Chamber of Commerce to submit a concept paper to the DOE GRIP grant (Attachment A). While staff ultimately decided not to pursue this year’s DOE GRIP solicitation, staff anticipate applying to future state and Federal funding opportunities. For example, the CEC recently released draft DEBA program guidelines (Attachment B) which provides awards up to \$95 million specifically for virtual power plant projects. The CEC has indicated that the solicitation will be available in April 2024 and applications are estimated to be due in June 2024. Grant awardees would need to begin deployment of resources by Summer 2025. If there is Board support, staff plan to apply with the same group of partners and has released a Request for Qualifications to identify additional project partners. Staff will also continue to work to identify additional funding opportunities that would support project implementation as well as community engagement efforts needed to identify additional sites and gather input on community benefits.

Submitting grant applications of these type require significant additional resources and multiple project partners. The County would need to hire a grant writer to lead and develop grant applications. Staff estimates the costs for grant writing expenses could range from \$50,000-\$175,000 depending on the number of grants submitted. Staff requests the ability to utilize up to \$50,000 from the Departmental Sustainability Fund Balance for the purpose of grant writing expenses to support the development of solar, storage and microgrid projects in Santa Barbara County.

Fiscal and Facilities Impacts:

Budgeted: No

Budget Journal Entry ##BJE 0009673 recognizes the necessary appropriations for the requested grant writer services from the Departmental Sustainability Fund Balance (Attachment C).

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			\$50,000
State/Federal			
Other: Cost Share			
Total	\$ -	\$ -	\$ 50,000

The Sustainability Division separately received \$75,000 for grant writing services this fiscal year which has been utilized to write grant applications that have already secured approximately \$700,000 dollars for work related to EV charging stations at multifamily homes, residential energy upgrades in Cuyama, and the Guadalupe Lompoc initiative.

Key Contract Risks: Buy America Requirements, and any cost share requirements. Of note, although cost share requirements apply to the project as a whole, including work performed by members of the project team other than the prime recipient, the prime recipient is typically responsible for reporting on the entire cost share.

Staffing Impacts:

If grant funds were to be awarded staff anticipates the need to hire 1-2 additional staff for the duration of

the grant. Alternatively, the County could choose to contract out some of the grant administration. Costs would be covered by grant funding through the duration of the grant.

Legal Positions: 1-2

FTEs: 1-2

Attachments:

Attachment A: DOE GRIP Concept Paper

Attachment B: CEC DEBA Draft Guidelines

Attachment C: Budget Revision Request ##BJE 0009673

Special Instructions:

After Board action, please distribute one copy of the Minute Order to Ashley Watkins, Community Services Department.