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

BOARD OF SUPERVISORS AGENDA LETTER

Department Name:
General Services
Department Number:
063
Agenda Date:
August 18th, 2026
Placement:
Administrative Agenda

Estimated Time:
NA
Continued Item:
No
If Yes, date from:
NA
Vote Required:
Majority

TO: Board of Supervisors

FROM: General Services: Kirk Lagerquist, Director

CONTACT: Jeffrey Patton, Assistant Director

SUBJECT: Amendment 1 to the Calle Real Campus Solar Power Purchase Agreement to Add Battery Energy Storage System (BESS)

Concurrences:

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) Find, in accordance with Government Code Section 4217.12, that the anticipated cost to the County for electricity provided under the amended Power Purchase Agreement, including the addition of a battery energy storage system, 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 amended contract, and that the terms of the Amendment are in the best interests of the County; and

b) Approve and authorize the Chair to execute an Amendment to the Power Purchase Agreement with SL Mission Solar I, LLC to add a 5.64 MWh battery energy storage system to the previously approved 1.4 megawatt direct current (MWdc) ground-mounted solar photovoltaic system at the Calle Real Campus, located at 439 N. San Antonio Rd., Santa Barbara, CA 93110; and

c) Affirm that all California Environmental Quality Act (CEQA) determinations previously made for the Calle Real solar project remain applicable because the battery system is installed within the same previously analyzed footprint and qualifies under CEQA exemptions for minor alterations to existing facilities, small structures, and renewable energy installations.

Summary Text:

General Services requests Board of Supervisors (Board) approval of an Amendment to the previously approved Calle Real Campus Solar Power Purchase Agreement (PPA), adding a 5.64 MWh battery energy storage system (BESS) to the previously approved 1.4 MWdc ground-mounted solar facility. The BESS addition maintains the value of the existing Calle Real solar facility by preserving its Net Energy Metering 1.0 (NEM 1) status through a no-export configuration, increases energy resiliency, and enhances the financial performance of the project by shifting solar generation into higher-value time-of-use windows.

Discussion:

The Calle Real Campus solar PPA was approved by the Board on September 16, 2025, as part of a broader portfolio of seven countywide solar projects with SL Mission Solar I, LLC. The original solar-only system for Calle Real was sized at 1.4 MWdc, designed to significantly offset daytime electricity use. However, Southern California Edison notified the County and project developers that interconnection of this new system would trigger a loss of NEM 1.0 status for the existing behind-the-meter solar facility at Calle Real. Preserving NEM 1.0 is essential due to its high financial value. To address this, the SL Mission Solar I, LLC development team proposed a no-export system configuration, enabled by adding a 1.4 MW solar array paired with a 5.64 MWh BESS to the project.

This BESS solution:

1. Eliminates export risk, preserving NEM 1.0 on the existing system.
2. Provides energy resiliency and the ability to power the campus for up to 24 hours during utility outages.
3. Maximizes onsite solar consumption and reduces annual solar curtailment to approximately 7%.
4. Improves financial performance through time-of-use rate optimization and peak demand shaving.

The Amendment retains the original PPA structure: the County pays only for actual solar kilowatt hour (kWh) delivered at the flat contractual rate established in Attachment C – Original Approved PPA (September 16, 2025). Solar energy curtailed due to system design or BESS operation is not billed, and all battery maintenance, replacement (including module replacement in Year 11), and operational costs are borne by the SL Mission Solar I, LLC.

The addition of the BESS does not change the County's ownership structure, environmental attribute allocations, or term length of the agreement. All Environmental Attributes continue accruing to the County, and Environmental Incentives remain with SL Mission Solar I, LLC. The Amendment strengthens the project's long-term benefits while aligning with Board-established sustainability, resiliency, and financial performance priorities.

This Amendment aligns with County Zero-Net Energy goals, reduces carbon emissions, and significantly enhances operational reliability at a mission-critical campus.

Background:

Beginning in late 2022, General Services evaluated County facilities for solar photovoltaic and battery storage feasibility. The Calle Real Campus was identified as a highly suitable location due to its critical operations, high load profile, and existing solar infrastructure. The Board previously directed staff to pursue PPAs for these projects, and the original nine-site portfolio was awarded following a competitive Request for Qualifications/Proposals (RFQ/P) process. Calle Real was included in this portfolio and approved on September 16, 2025.

During interconnection coordination in 2025–2026, utilities notified the County that a solar-only expansion would disqualify the existing NEM 1.0 system. The SL Mission Solar I, LLC team proposed the battery-augmented microgrid (no-export configuration) now before the Board. This is the most cost-effective, operationally reliable method for expanding renewable generation at Calle Real without compromising existing value.

Fiscal and Facilities Impacts:

The Amendment maintains the underlying PPA pricing structure for the solar-generated electricity. The addition of battery storage increases the PPA rate modestly; however, overall net savings are projected to exceed $12 million over a 30-year time horizon (25-year contract term) including an estimated (optional) termination payment (buyout value) of $852,937 in year 25. The County has no obligation to buy the system. The contract term may be extended, otherwise SL Mission Solar I, LLC is obligated to demolish the assets and return the site to its original condition.

Like the original agreement, there is no capital expenditure required by the County. The facility will continue to be financed, owned, operated, and maintained by SL Mission Solar I, LLC. The County will continue to pay only for solar electricity delivered. Battery operation and maintenance costs remain the responsibility of the Seller, providing predictable, long-term budgeting. Below is a table summarizing both the costs and benefits of the microgrid with a 5% annual escalator applied to the anticipated utility rate.

30-Year - Assumes PPA Extension at same terms

Year	Calle Real Campus - Savings Analysis with BESS - 1.4MWdc, BESS 1.3MW/5.6MWh					
	PPA Rate ($/kWh)	Utility Rate ($/kWh)	Solar Production (kWh)	Program Savings ($)	PPA Payments ($)	Savings ($ Total)
1	0.3300	0.2600	2,030,868	$ 528,026	$ 670,186	$ (142,161)
2	0.3300	0.2730	1,996,140	$ 544,946	$ 658,726	$ (113,780)
3	0.3300	0.2867	1,961,412	$ 562,239	$ 647,266	$ (85,027)
4	0.3300	0.3010	1,926,685	$ 579,898	$ 635,806	$ (55,908)
5	0.3300	0.3160	1,891,957	$ 597,918	$ 624,346	$ (26,428)
6	0.3300	0.3318	1,857,229	$ 616,290	$ 612,886	$ 3,405
7	0.3300	0.3484	1,822,501	$ 635,005	$ 601,425	$ 33,579
8	0.3300	0.3658	1,787,773	$ 654,050	$ 589,965	$ 64,085
9	0.3300	0.3841	1,753,045	$ 673,412	$ 578,505	$ 94,907
10	0.3300	0.4033	1,718,318	$ 693,075	$ 567,045	$ 126,031
11	0.3300	0.4235	1,929,325	$ 817,093	$ 636,677	$ 180,416
12	0.3300	0.4447	1,894,597	$ 842,505	$ 625,217	$ 217,288
13	0.3300	0.4669	1,859,869	$ 868,415	$ 613,757	$ 254,658
14	0.3300	0.4903	1,825,141	$ 894,810	$ 602,297	$ 292,513
15	0.3300	0.5148	1,790,413	$ 921,673	$ 590,836	$ 330,837
16	0.3300	0.5405	1,755,685	$ 948,985	$ 579,376	$ 369,609
17	0.3300	0.5675	1,720,958	$ 976,725	$ 567,916	$ 408,809
18	0.3300	0.5959	1,686,230	$ 1,004,866	$ 556,456	$ 448,410
19	0.3300	0.6257	1,651,502	$ 1,033,379	$ 544,996	$ 488,384
20	0.3300	0.6570	1,616,774	$ 1,062,232	$ 533,535	$ 528,697
21	0.3300	0.6899	1,582,046	$ 1,091,386	$ 522,075	$ 569,311
22	0.3300	0.7244	1,547,318	$ 1,120,801	$ 510,615	$ 610,185
23	0.3300	0.7606	1,512,591	$ 1,150,428	$ 499,155	$ 651,273
24	0.3300	0.7986	1,477,863	$ 1,180,216	$ 487,695	$ 692,521
25	0.3300	0.8385	1,443,135	$ 1,210,106	$ 476,235	$ 733,872
26	0.3300	0.8805	1,408,407	$ 1,240,035	**$ 852,937**	$ 387,098
27	0.3300	0.9245	1,373,679	$ 1,269,932		$ 1,269,932
28	0.3300	0.9707	1,338,951	$ 1,299,718		$ 1,299,718
29	0.3300	1.0192	1,304,224	$ 1,329,308		$ 1,329,308
30	0.3300	1.0702	1,269,496	$ 1,358,608		$ 1,358,608
TOTAL:						$ 12,320,151

Special Instructions:

Please provide a Minute Order and a copy of the signed First Amended and Restated Solar Power Purchase Agreement 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:

Attachment A - First Amended and Restated Solar Power Purchase Agreement (Calle Real Campus) – Signatures Required
Attachment B - REDLINE First Amended and Restated Solar Power Purchase Agreement (Calle Real Campus)
Attachment C - CEQA Notice of Exemption – Calle Real Campus (previously filed)

Contact Information:

Brandon Kaysen
General Services Energy Manager
bkaysen@countyofsb.org