



Photovoltaic Systems Design & Installation

Proposed Funding	\$ 6,300,000
City Funding	\$ 6,300,000
External Funding	\$ 0
Funding Source, Approved Plan	CR, CAP
Project Category	Facilities
Project Type	Design and Construction
Location	Various
Dept. Priority	High
Origin of Request	Public Works



Project Description

In 2023 PG&E announced a rate decrease for electricity generated by photovoltaic (PV) systems (NEM 3), but provided a window to allow grandfathering the more economically-attractive NEM 2.0 rates if interconnection applications were successfully submitted and corresponding systems operational by 2026. NEM 2.0 Interconnection Applications were successfully submitted to PG&E for five Cupertino facilities: Blackberry Farm, Civic Center, Library, Quinlan Community Center & Senior Center, and Sports Center. This project aims to design and build PV systems at all five locations. This project proposes design/build of these systems, pending design development reviews for each facility.

Project Justification

The City must connect the proposed photovoltaic systems to the grid by 4/15/2026 in order to take advantage of the NEM 2.0 applications, which provides 75 – 80% greater compensation than NEM 3 rates for electricity that is fed back into the electrical system. The savings in utility costs are projected to be \$500,000 annually, and \$17.8M over a 30yr lifespan.

Prioritization

Installation of the PV systems is projected to save \$500,000 annually. The use of cleaner energy sources is a CAP goal. CA Government code allows for streamlined sourcing of Energy Service Companies (ESCO) for design/build implementation to facilitate these types of projects. It is projected that this project will qualify for \$1.9M in Inflation Reduction Act credits.

Projected Schedule

Conceptual Design development and cost analysis: Summer 2024
Design-Build: Winter 2024 to April 2026

Funding Information

The proposed budget will enable design and construction of the systems. Inflation Reduction Act credits projected for this project are approximately \$1.9M. Staff will also pursue other grant funding opportunities.

Operating Budget Impacts

Installation of the PV systems is projected to save \$500,000 annually in utility costs. Additional staffing will not be required for ongoing operations and maintenance.