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December 19, 2011

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

STATUS OF SOLAR ROOFTOP PROGRAM (ITEM NO. 16, AGENDA OF AUGUST 23, 2011)

On August 23, 2011, your Board directed my office to provide a status report of the solar roof projects that your Board had previously approved for financing through the issuance of Qualified Energy Conservation Bonds (QECBs). Solar rooftop projects at nine County-owned facilities were recommended, at that time, as the best opportunities to satisfy the financial requirements of the QECBs while contributing to the achievement of the County's renewable energy goals.

To date, we have completed feasibility investigations for the nine rooftop projects. Our analysis indicates that four projects should continue to be pursued and five should be abandoned, as they are infeasible. Two additional sites have subsequently been identified as feasible alternatives to those recommended for deletion. We will return with the Department of Public Works and the Treasurer and Tax Collector to your Board with final recommendations for project scopes, costs, and a QECB financing structure prior to June 30, 2012.

Background

On August 10, 2010, your Board approved the allocation of $24.6 million in QECBs to finance the installation of solar arrays on the rooftops of the following County-owned facilities:

- Hubert Humphrey Comprehensive Health Center;
- Barry Nidorf Juvenile Hall;
- Los Padrinos Juvenile Hall;
- Century Regional Detention Facility;
- Sheriff STARS Training Center;
- Palmdale Sheriff Station;
- Miller/Kilpatrick Probation Camps;
- El Monte Comprehensive Health Center; and
- LAC+USC Medical Center.

QECBs were authorized under the American Recovery and Reinvestment Act of 2009 to finance public capital improvements that reduce energy consumption by 20 percent or more in governmental buildings. A direct federal subsidy of 70 percent of the interest costs on the bonds is provided for the QECBs and there is no deadline for their issuance.

The federal interest cost subsidy, when combined with financial incentives available through Southern California Edison under the California Solar Initiative, substantially offset debt service and ongoing maintenance costs on the solar rooftop arrays. In conjunction with these incentives, our analysis has concluded that projects financed with QECBs must also generate a minimum of 300 kilowatts to produce sufficient savings to fully offset all project financing costs.

Proposed Revisions to the Recommended Projects

Of the nine project sites originally recommended for solar rooftop arrays, it was determined that existing obstructions on the roofs at the Palmdale Sheriff Station, STARS Training Center, and Probation camps would severely impair the effectiveness of the solar equipment and reduce power generation below the 300 kilowatt threshold. It is now recommended that these three facilities be deleted from the QECB program.

It is further recommended that the El Monte Comprehensive Health Center and LAC+USC Medical Center also be deleted. Inspections of the roof structure at the El Monte facility determined that replacement and reinforcement would be necessary to support the weight of the solar equipment, thus making such a project economically infeasible. The primary concern surrounding the LAC+USC Medical Center is the potential impact of equipment installation on hospital operations and patient services.

We will continue to review alternative financing mechanisms for the projects that were determined to be infeasible under the QECB program. One such alternative, Power Purchase Agreements, is being developed by the Internal Services Department for use on smaller energy projects.

The remaining projects at the Humphrey Comprehensive Health Center, Los Padrinos and Barry Nidorf Juvenile Halls, and Century Regional Detention Facility continue to be feasible and viable. In addition, we have identified the Twin Towers Correctional Facility and North County Correctional Facility at the Pitchess Detention Center as feasible sites for solar rooftop projects.

We are now working with Public Works to finalize project scope and cost recommendations and energy savings estimates on these six projects. The department is scheduled to complete the analysis by the end of March. We will return to your Board with Public Works and the Treasurer and Tax Collector prior to June 30, 2012 with final program and financing recommendations. We anticipate that all six projects can be completed by the end of 2014.

Should you have further questions regarding the QECB program, please contact Peter Burgis at (213) 974-1417.

WTF:RLR
DJT:PB:zu

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Internal Services
Public Works
Treasurer and Tax Collector

ATTACHMENT

TO SOLAR ROOF PROGRAM MEMO

SOLAR ROOF PROGRAM					
Facility / Street Address	**Department**	**City**	**Sup Dist**	**Status**	**Comments**
RECOMMENDED FACILITIES PER AUGUST 10, 2010 BOARD LETTER:					
STARS Training Center, 11515 S. Colima Rd.	Sheriff	Whittier	4th	Do not pursue	Structural modifications impact usable roof area and reduce load capacity
Palmdale Sheriff Station 750 E. Avenue Q	Sheriff	Palmdale	5th	Do not pursue	Excess shading from utility equipment on roof.
Century Regional Detention Ctr 11705 S. Alameda St.	Sheriff	Los Angeles	2nd	Proceed with project	
Humphrey Comp Health Ctr, 5850 South Main St.	DHS	Los Angeles	2nd	Proceed with project	Roof being replaced as part of separate project
LAC+USC Medical Center, 2051 Marengo St.	DHS	Los Angeles	1st	Do not pursue	Potential interference with hospital operations (nearby helipad)
El Monte Comp Health Ctr., 10953 Ramona Blvd.	DHS	El Monte	1st	Do not pursue	Current roofing material and structure incompatible with rooftop panel installation.
Miller/Kilpatrick Probation Camps 433/427 S. Encinal Canyon Rd	Probation	Malibu	3rd	Do not pursue	Available installation area limited by narrow roofs; buildings could be replaced if SB 81 State grants approved.
Nidorf Juvenile Hall, 16350 Filbert St	Probation	Sylmar	3rd	Proceed with project	Recommending to consider roof replacements in conjunction with rooftop panel installations
Los Padrinos Juvenile Hall, 7285 Quill Dr.	Probation	Downey	4th	Proceed with project	
RECOMMENDED REPLACEMENT FACILITIES FOR ROOFTOP PROGRAM					
Twin Towers Correctional Facility 450 Bauchet St, E-892	Sheriff	Los Angeles	1st	Add to program	Significant rooftop area available for solar
North County Correctional Facility 29340 The Old Road	Sheriff	Castaic	5th	Add to program	Large usable rooftop space; combine with roofing replacement