



## Board Summary Report

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**File #:** 26-296

**Agenda Date:** 6/8/2026

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**To:** Board of County Commissioners

**Through:** Michelle Halstead, Acting Director, Facilities and Fleet Management

**Prepared By:**  
Cedar Blazek, Energy Program Manager, Facilities and Fleet Management

**Presenter:** Cedar Blazek, Energy Program Manager, Facilities and Fleet Management

**Subject:**  
2:30 PM \*On-Site Solar PV Project Proposal

### **Purpose and Request:**

The purpose of this study session is to present the evaluation of a rooftop solar photovoltaic (PV) opportunity across six County facilities including the Administration Building, ACJC Courthouse facilities, Centrepont Plaza, Sheriff/Coroner Building, and Fairgrounds. Staff are requesting Board direction to continue advancing project feasibility and approval to authorize an initial material procurement payment of \$393,674 by July 3, 2026, to preserve eligibility for a time-sensitive federal Clean Energy Investment Tax Credit (ITC) opportunity with a potential direct payment value of approximately \$2 million.

**Alignment with Strategic Plan:** Sustainable Growth and Infrastructure - Support environmentally responsible development and energy efficiency in county operations.

**Background and Discussion:** Facilities Management is evaluating an opportunity to install rooftop solar photovoltaic (PV) systems on up to six County facilities: Administration Building, ACJC Courthouse facilities, Centrepont Plaza, Sheriff/Coroner Building, and Fairgrounds. The proposed project would serve as a potential Phase 1 of the Energy Performance Contract (EPC) initiative focused on reducing utility costs, improving long-term operational sustainability, and lowering greenhouse gas emissions from County operations. The proposed solar systems would total approximately 1.33 MWdc of installed capacity and are projected to generate approximately 1.97 million kWh of electricity annually.

Estimated impacts include:

- Approximately **16% of total County facility electricity usage offset**
- Approximately **14% reduction in electricity costs** across participating facilities
- Approximately **20% reduction in total County facility greenhouse gas emissions**

The estimated total project cost is approximately \$4.92 million. Over an anticipated 35-year project lifespan, the project is projected to generate between \$3.7 million and \$10.5 million in cumulative net savings, depending on financing approach and utility rate escalation.

A key driver for timing is the federal Section 48E Clean Energy Investment Tax Credit (ITC). Under current federal provisions, government entities may receive the credit through a direct payment mechanism. The project may qualify for a 30% tax credit, with a potential additional 10% “Clean Energy Community” designation bonus, for a total potential value of approximately \$1.97 million.

To preserve eligibility under federal “safe harbor” provisions, the County must demonstrate commencement of construction before July 4, 2026. This requirement may be met through a qualifying materials procurement payment equal to approximately 5% of total project cost, requiring Board authorization of the proposed advance payment prior to the deadline.

Implementation risks and considerations include:

- Project cancellation or scope changes following initial approval
- Potential changes in project costs, electricity pricing, or maintenance assumptions affecting projected savings
- Uncertainty related to future utility programs, incentives, and rate structures
- Long-term facility lifecycle considerations, including potential building decommissioning before full payback realization
- Pending confirmation of structural feasibility and final project design assumptions.

#### **Alternatives: Alternative 1 - Delay Action Pending Additional Evaluation**

Postpone authorization while continuing project analysis, refining project scope, and evaluating financing, operational, and technical considerations.

**Benefits:** Allows additional due diligence and refinement of project assumptions, costs, financing options, and facility suitability. Provides additional time to confirm structural feasibility and final design considerations.

**Consequences:** Likely forfeits the federal **safe harbor deadline** and associated ITC direct payment opportunity. Could materially reduce project financial viability and delay implementation of on-site solar improvements.

#### **Alternative 2 - Take No Action**

Do not proceed with the proposed solar project or associated material procurement authorization.

**Benefits:** Avoids upfront expenditure, implementation risk, and project management requirements.

**Consequences:** County would forego projected utility savings, greenhouse gas reductions, and federal incentive opportunities. Continued exposure to long-term utility cost escalation and reduced progress toward County sustainability and energy management objectives.

**Fiscal Impact:** The estimated total project cost is approximately \$4,920,919. The immediate fiscal request is authorization of a \$393,674 advanced payment for material procurement to meet federal safe harbor timing requirements.

Projected long-term financial performance includes:

Estimated \$11.2 million in energy savings over a 35-year project lifespan.

Estimated \$2.18 million in cumulative operations and maintenance costs.

Potential Investment Tax Credit direct payment value of approximately \$1.97 million. Estimated cumulative net savings of approximately \$10.5 million without financing or \$3.7 million under a financed scenario.

**Alignment with Strategic Implementation Strategies:** N/A

**Staff Recommendation:** Advance initial investment of \$393,674 to purchase equipment and continue with solar project feasibility assessment.

**Concurrence:** N/A