

TO: Andrew P. Powers, City Manager

FROM: Clifford G. Finley, Public Works Director

DATE: April 29, 2025

SUBJECT: **Municipal Service Center Microgrid and Backup Power (CI 5585)**

RECOMMENDATION:

1. Authorize staff to issue a Request for Proposals/Qualifications (RFP/Q) for procurement of design and construction of Municipal Service Center (MSC) Microgrid (CI 5585).
2. Find that this action is not a project as defined under the California Environmental Quality Act.

LEVINE ACT ITEM: No

FINANCIAL IMPACT:

No Additional Funding Requested. \$2,500,000 is available in carryover budget in the Adopted FY 2024-25 CIP Budget for various funds. Minimal staff time and costs to prepare this report and the RFP/Q are included in the Adopted FY 2024-25 General Fund Budget.

BACKGROUND:

On June 19, 2018, City Council adopted the Sustainability Plan for Municipal Operations (Plan), which includes recommended strategies for managing the City's energy resources. One key goal in the Energy section of the Plan is "Distributed Energy Resources: Increase clean, local and resilient energy supply," which includes Strategy C.2. Implement a microgrid at the MSC.

On December 15, 2020, City Council approved an agreement for design and construction of solar carports at the MSC. The 283 kW-AC solar system was completed on September 8, 2022, and is operating successfully.

On March 28, 2023, the City applied for a Federal Emergency Management Agency (FEMA) Grant to fund an energy resiliency project containing a battery

MSC Microgrid and Backup Power (CI 5585)

April 29, 2025

Page 2

energy storage system, generator, and microgrid at the MSC. On December 9, 2024, FEMA awarded \$1,853,625 in grant funding to the City for this project.

DISCUSSION/ANALYSIS:

The proposed project will result in an electrical microgrid integrating an existing solar photovoltaic (PV) system, a new battery energy storage system (BESS), and a new natural gas generator at the MSC (Attachment #1). In normal operations, the solar PV system will power the facility during the daytime, with excess generated energy being stored in the BESS. The BESS will power the facility when solar power is insufficient or unavailable. While the solar PV system is sized to provide 100 percent of the facility's electricity usage over a one-year period, there are times when solar energy generation is low due to weather. During such times, energy from Southern California Edison (SCE) will power the facility and charge the BESS as needed. SCE energy will be used during lower-cost time-of-use periods, and the BESS will power the facility during higher-cost time-of-use periods, thereby minimizing energy costs. In the event of an SCE power outage, the microgrid will disconnect from the utility grid and autonomously power the facility (island mode). In island mode, the natural gas generator will charge the BESS when solar power is insufficient.

This project will utilize the procurement method authorized in Government Code sections 4217.10-4217.18, specifically for Energy Conservation projects, which allows for one entity to do both the design and construction of the project. This project delivery process is the preferred procurement method for energy projects and was utilized successfully for recent solar projects at various facilities. This procurement strategy allows the City to factor in both cost competitiveness and qualifications when selecting a designer/contractor as opposed to only considering the lowest bid.

The tentative schedule for completion of the project is as follows:

RFP/Q issue and process	May 2025
Award of design-build agreement	August 2025
Design of microgrid complete	April 2026
Project completion	August 2027

Community Outreach: The project is contained at the MSC and therefore is not expected to impact any residents or motorists.

Upon completion, the project will provide the City with a resilient energy supply, a key component of the City's Sustainability Plan.

This action is not a project as defined under the California Environmental Quality

MSC Microgrid and Backup Power (CI 5585)

April 29, 2025

Page 3

Act because this action will not result in a direct or foreseeable indirect physical change in the environment [14 CC 15060(c)].

This project meets City Council's Top Ten Priorities #6 and #7, "Environmental Sustainability" and "Public Works and Infrastructure Investments."

CIP PROJECT PRIORITY (as outlined in FY 2023-24 & FY 2024-25 CIP Program Budget)

Priority Two – Necessary, but not essential, and there could be consequences if deferred.

COUNCIL GOAL COMPLIANCE:

Meets the following City Council goals:

C. Operate City government in a fiscally and managerially responsible and prudent manner to ensure that the City of Thousand Oaks remains one of California's most desirable places to live, work, visit, recreate, and raise a family.

F. Provide and enhance essential infrastructure to ensure that the goals and policies of the Thousand Oaks General Plan are carried out and the City retains its role and reputation as a leader in protecting the environment and preserving limited natural resources.

PREPARED BY: Kenneth Wang, Senior Analyst

Attachments:

Attachment #1 – Vicinity and Location Maps