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April 8, 2025

County of Ventura Board of Supervisors

**Subject: Direction to the General Services Director Regarding Continued Operation or Non-Operation of the County's One-Megawatt Solar System at the Government Center Through the Anticipated 20-Year Life of the Additional Solar System Currently Under Construction. (Levine Act Item)**

**Recommendations:**

1. Approve recommendation by the General Services Director to proceed with Option #1 as detailed in this Board Letter and continue operation of the existing one-megawatt solar system at the Government Center resulting in a lower estimated savings of \$13m over 20 years compared to Option #2 and non-operation of the existing one-megawatt system at an estimated savings of \$20m over 20 years.
2. Provide further direction to staff if your Board does not want to proceed with Recommendation No. 1

**Fiscal Impact:**

There are no costs associated with the Board item.

**Discussion:**

On July 12, 2022, agenda item no. 53, your Board approved an Energy Services Agreement/Power Purchase Agreement with FFP BTM Solar LLC (Forefront Power) under which Forefront Power would build and operate a 5.8 megawatt (MW) photovoltaic solar array covering most of the parking at the Government Center. That project recently began construction with the anticipated completion in the summer of 2026.

Net Energy Metering (NEM) rates set the value of excess power produced by the solar panels and are used to determine the County's avoided costs, or savings, for electricity. When the existing 1 MW solar array was installed at the County of Ventura Government Center in 2016,

the County was billed at the existing (at that time) NEM rate. Since that time the NEM rates, and the associated savings, have gone down. Accordingly, what was NEM at the time has become NEM Version 1, or NEM1. The changes to the NEM rates have eroded the value of excess solar produced by systems such as the one currently being constructed by Forefront Power. The current default NEM rate is version NEM3, which is significantly less favorable than NEM1 and NEM2.

When the original 1 MW system was built, the County's agreement with the electricity provider, Southern California Edison (SCE), was guaranteed to remain in place for 20 years from completion of construction (permission to operate) allowing the County to keep NEM1 until June of 2036, unless significant modifications to the system were made.

When the decision to add the additional 5.8 MW solar system was approved by your Board, the default NEM had become NEM2, and NEM3 had been introduced by SCE. The County was under some pressure to complete the project so to default to NEM2 before NEM3 became the default, and only available, NEM rate. Staff understood that the County could keep NEM2 for 20 years from completion for the new 5.8 MW solar system without any impact on the existing 1 MW solar under NEM1. Eventually, both solar arrays would default to NEM3 unless other changes occur in the NEM rates in the future. However, recently SCE and the Public Utilities Commission have interpreted the applicability of the NEM rate changes differently than staff had understood.

The current interpretation by SCE is that the County will, upon completion of the new 5.8 MW solar system project, have two choices for receiving NEM rates for both systems:

- 1) Receive 10 years of NEM2 before defaulting to NEM3 for both the existing 1 MW system and the new 5.8 MW system with an estimated savings of \$13m
- 2) Disconnect the existing 1 MW of solar and receive 20 years of NEM2 only for the new 5.8 MW solar system currently under construction with an estimated savings of \$20m

If the County disconnects the existing 1 MW solar system, it will be required by SCE to remain physically in place in order to retain the 20 years of NEM2 rates on the new solar.

The current projected savings for operating both solar systems under Option #1 is \$270,000 for the first year and \$13 million over the twenty-year life of the project. The projected savings for disconnecting the existing 1 MW system and operating just the new 5.8 MW solar system is \$500,000 for the first year and \$20 million over the life of the project.

Staff recommend keeping the 1 MW system operational for the full 20 years and proceeding with Option #1 as detailed above. While this option does not maximize potential savings, this option does still address fiscal responsibility and achieve significant estimated savings to the County for energy. This option also provides for greater capacity of the County's existing renewable energy program by continuing to produce the existing 1 MW of solar power plus the additional 5.8 MW of solar power to the Government Center campus, rather than turn off a functioning solar system. Option #1 is also consistent with your Board's priorities for sourcing renewable energy

for the County, such as the County opting in to the 100% renewable rate through the Clean Power alliance.

**Strategic Plan:**

This project is in conformance with the Board's Five-Year Strategic Plan as it Supports Reliable Infrastructure and Sustainability by investing in sustainable infrastructure and renewable energy.

This item has been reviewed by the County Executive Office, the Auditor Controller's Office, and County Counsel.

If you have any questions regarding this item, please contact Craig Clutts, Chief Deputy Director, GSA at (805) 654-3806.



for  
David J. Sasek, P.E.  
Director