

MEETING REPORT
FINANCE COMMITTEE
WEDNESDAY, SEPTEMBER 28, 2022
8:00 A.M.

Chair: Director Kerns
Member: Director Boatright
Observers: Director Balen, Director Ringen

Staff: Don Perkins
Erik Johnson
Eric Hall
Steve Sheffield
Elizabeth Merchant-Wells
Melissa McMullen

1. Discussion Regarding the SitelogIQ Letter of Agreement

Erik Johnson and Elizabeth Merchant-Wells began discussion and reviewed the following information with the Committee:

- TUD Staff has conducted a high-level triple bottom line analysis of installing and operating photovoltaic systems on some of its lands and facilities.
- Environmental benefits are well documented and are consistent with State policies to reduce greenhouse gas emissions; unfortunately, subject matter experts also cite as fact that, at least for the near future, the electric grid will still need carbon dependent technologies to generate electricity for peak loads and on cloudy days.
- The economics of installing solar are complex, especially for an agency like TUD which receives electricity at below market rates through the Tuolumne Public Power Authority (TPPA), which does not allow any excess power generated to be sold back at a lower subsidized rate or for stored credits to offset energy costs during times of low solar production (night or winter).
- TUD spends approximately \$500,000-\$600,000 per year on electricity. This represents the 2nd largest individual operating expense and represents about 2.5% of the District's overall O&M budget.
- For calendar year 2021, \$350,831, or 81% of TUD's annual electricity expenses were associated with TPPA accounts.
- Unless TPPA is able to change its rules and regulations, TUD would have to switch accounts from TPPA to PG&E in order to get stored energy credits for energy exported to the grid.
- Funding Options: Multiple grant opportunities for solar generation, Tax Exempt Municipal Lease (TEML), Energy Conservation Assistance (ECCA) loan and a Power Purchase Agreement (PPA)
- Had a brief discussion about executing a Letter of Agreement with SitelogIQ to produce plans and cost estimates that could be used to seek grants.

Committee Recommendation: To present this item to the Board of Directors for discussion and possible approval at an upcoming Board meeting.