



Los Gatos USD

Solar Project Update
December 7th, 2021





Timeline Update

Item	Timing	Comment
Contract Execution	12/30/2020	
Interconnection		
Submitted PG&E Interconnection Applications	3/1/2021	
PG&E System Impact Studies		No Impact studies required
PG&E Timeline for Interconnection Work	4/1/2022	PG&E Mitigation work required for Blossom Hill, Daves, and Fisher sites
Planned Steps		
DSA Approval	12/15/2021	CGS review in parallel with DSA
Procurement	1/3/2022	Current steel lead time is 8-12 weeks
Construction Start	3/7/2022	Daves Ave to start in June '22
Mechanical Completion	5/7/2022	
Commercial Operation	7/1/2022	Daves Ave COD in August '22



Steel Price Index

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U.S. MIDWEST DOMESTIC HOT-ROLLED COIL STEEL (CRU) INDEX FUTURES (CONTINUOUS: CURRENT CONTRACT IN FRONT), 1D, COMEX 1902 +2 (+0.11%)
Vol 6

■ Steel Pricing

- The United States is experiencing extreme increases in steel prices
- Since Contract Execution: 4th quarter of 2020, steel prices increased 240% from \$800 to \$1900 per unit, demonstrated by CRU Index
- Steel conservatively represents around 30% of total costs for the project

■ ForeFront Power's Offering:

- FFP is offering to bear 65% of the cost impact as a sign of the value of our partnership with the District



TradingView



PPA Increase Calculator – Steel Costs

Site	Total Steel Costs (\$)	Proposed LGUSD Steel Costs \$/W	Contractual PPA Increase (\$/kWh)	PPA Rate Increase (\$/kWh)	Contractual Max PPA Rate Increase		
						Base PPA	New PPA
Blossom Hill ES	\$43,638	\$15,784	\$0.000469	\$0.0028	\$0.0088	\$0.1600	\$0.1628
Daves Avenue ES	\$74,093	\$26,801	\$0.000462	\$0.0065	\$0.0094	\$0.1944	\$0.2009
Fisher MS	\$84,933	\$30,722	\$0.000450	\$0.0037	\$0.0108	\$0.1517	\$0.1554
Lexington ES	\$0	\$0	\$0.000501	\$0.0000	\$0.0015	\$0.1650	\$0.1650
Louise Van Meter ES	\$46,147	\$16,692	\$0.000466	\$0.0042	\$0.0039	\$0.1648	\$0.1690
Total	\$248,811	\$90,000	\$0.000463	\$0.0038	\$0.0082	\$0.1644	\$0.1682



Pricing and Savings – With Steel Costs

1. FFP offers to absorb 65% of the costs
2. Portfolio PPA rate to increase from \$0.1644/kWh to \$0.1682/kWh via ITC-Eligible Contract Slider
3. Begin construction in Spring 2022

Site	PPA Rate	PPA Escalator	Solar System Size	Y1 Production (kWh)	% Energy Offset	Utility Bill	Year 1 Savings	Year 1 Savings (%)	20 Year Savings
Blossom Hill ES	\$0.1628	0%	266	435,609	76%	\$141,885	\$13,003	9%	\$883,335
Daves Avenue ES	\$0.2009	0%	192	316,382	53%	\$142,509	-\$1,090	-1%	\$447,818
Fisher MS	\$0.1554	0%	369	607,754	88%	\$170,720	\$21,517	13%	\$1,263,529
Lexington ES	\$0.1650	0%	94	146,683	101%	\$50,574	-\$142	0%	\$154,399
Louise Van Meter ES	\$0.1690	0%	185	297,043	80%	\$104,912	\$2,627	3%	\$424,611
Total	\$0.1682	0%	1,105	1,803,471	76%	\$610,601	\$35,916	6%	\$3,173,691

Conclusions & Next Steps

- **Conclusions**
 - Costs have increased since signing
 - FFP to cost share with the District
- **Next Steps**
 - Feedback
 - Contract Amendments
 - Construction Start





FOREFRONT
POWER

Rate Scenario	NEM 2.0
Solutions	Solar Only
Project	Total
Year 1 Savings	\$35,916
Cumulative Savings	\$3,173,691
Cumulative NPV Savings	\$1,787,686
Payback Period	Immediate
Solar System Size (KW)	1,105
Storage System Size (KW)	0

Financial Assumptions

Parameter	Value
Year 1 PPA Rate (\$/kWh)	\$0.1682
PPA Rate Escalator (%/yr)	0.0%
Utility Energy Escalator (%/yr)	2.7%
Utility Demand Escalator (%/yr)	5.0%
PPA Term (Years)	20
Discount Rate (%)	5.0%
Solar Degradation Rate (%)	0.50%

Year	PPA Rate (\$/KWH)	KWH Generated	Historic Utility Bill (without solar)	PPA Payment	New Utility Bill (with solar)	Total Electricity Costs (PPA + Utility)	Net Savings	Cumulative Savings
1	0.1682	1,803,471	610,601	303,338	271,347	574,685	35,916	35,916
2	0.1682	1,794,454	630,919	301,822	282,117	583,939	46,980	82,895
3	0.1682	1,785,481	651,977	300,313	293,350	593,663	58,314	141,209
4	0.1682	1,776,554	673,804	298,811	305,068	603,879	69,926	211,135
5	0.1682	1,767,671	696,433	297,317	317,291	614,608	81,824	292,959
6	0.1682	1,758,833	719,893	295,830	330,044	625,874	94,019	386,978
7	0.1682	1,750,039	744,221	294,351	343,350	637,702	106,519	493,497
8	0.1682	1,741,288	769,449	292,880	357,236	650,116	119,334	612,831
9	0.1682	1,732,582	795,616	291,415	371,727	663,142	132,474	745,304
10	0.1682	1,723,919	822,759	289,958	386,852	676,810	145,948	891,253
11	0.1682	1,715,300	850,917	288,508	402,640	691,148	159,769	1,051,022
12	0.1682	1,706,723	880,133	287,066	419,120	706,186	173,947	1,224,969
13	0.1682	1,698,189	910,450	285,630	436,327	721,957	188,493	1,413,461
14	0.1682	1,689,698	941,913	284,202	454,292	738,495	203,418	1,616,880
15	0.1682	1,681,250	974,570	282,781	473,052	755,833	218,736	1,835,616
16	0.1682	1,672,844	1,008,469	281,367	492,643	774,011	234,459	2,070,074
17	0.1682	1,664,480	1,043,663	279,961	513,104	793,065	250,599	2,320,673
18	0.1682	1,656,157	1,080,206	278,561	534,475	813,036	267,170	2,587,843
19	0.1682	1,647,876	1,118,154	277,168	556,800	833,967	284,186	2,872,030
20	0.1682	1,639,637	1,157,565	275,782	580,121	855,903	301,662	3,173,691
Total		34,406,447	\$17,081,711	\$5,787,062	\$8,120,957	\$13,908,019	\$3,173,691	\$3,173,691