



# Los Gatos USD

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Solar Project Update

January 11<sup>th</sup>, 2021





# Timeline Update

Item	Timing	Comment
<b>Contract Execution</b>	12/30/2020	
<b>Interconnection</b>		
Submitted PG&E Interconnection Applications	3/1/2021	Secured Net Energy Metering (NEM) 2.0
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
<b>Planned Steps</b>		
DSA Approval	1/14/2021	CGS review in parallel with DSA
Procurement	2/4/2022	Current steel lead time is 8-12 weeks
Construction Start	4/7/2022	Daves Ave to start in July '22
Mechanical Completion	6/7/2022	
Commercial Operation	8/1/2022	Daves Ave COD in September '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: 4<sup>th</sup> 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

Signing



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
<b>Total</b>	<b>\$248,811</b>	<b>\$90,000</b>	<b>\$0.000463</b>	<b>\$0.0038</b>	<b>\$0.0082</b>	<b>\$0.1644</b>	<b>\$0.1682</b>



# 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%	\$152,673	\$17,434	11%	\$1,008,920
Daves Avenue ES	\$0.2009	0%	192	316,382	53%	\$153,502	\$2,418	2%	\$546,434
Fisher MS	\$0.1554	0%	369	607,754	88%	\$183,789	\$27,125	15%	\$1,419,790
Lexington ES	\$0.1650	0%	94	146,683	101%	\$55,952	\$703	1%	\$176,075
Louise Van Meter ES	\$0.1690	0%	185	297,043	80%	\$114,697	\$4,877	4%	\$485,723
<b>Total</b>	<b>\$0.1682</b>	<b>0%</b>	<b>1,105</b>	<b>1,803,471</b>	<b>76%</b>	<b>\$660,613</b>	<b>\$52,558</b>	<b>8%</b>	<b>\$3,636,942</b>



# 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	\$52,558
Cumulative Savings	\$3,636,942
Cumulative NPV Savings	\$2,074,995
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	660,613	303,338	304,716	608,055	52,558	52,558
2	0.1682	1,794,454	682,950	301,822	316,960	618,782	64,168	116,726
3	0.1682	1,785,481	706,115	300,313	329,735	630,047	76,068	192,794
4	0.1682	1,776,554	730,142	298,811	343,065	641,877	88,266	281,060
5	0.1682	1,767,671	755,066	297,317	356,977	654,294	100,772	381,832
6	0.1682	1,758,833	780,924	295,830	371,497	667,328	113,596	495,427
7	0.1682	1,750,039	807,753	294,351	386,654	681,005	126,748	622,175
8	0.1682	1,741,288	835,593	292,880	402,475	695,355	140,239	762,414
9	0.1682	1,732,582	864,487	291,415	418,993	710,408	154,079	916,493
10	0.1682	1,723,919	894,478	289,958	436,240	726,198	168,280	1,084,773
11	0.1682	1,715,300	925,611	288,508	454,249	742,757	182,854	1,267,627
12	0.1682	1,706,723	957,934	287,066	473,055	760,121	197,813	1,465,440
13	0.1682	1,698,189	991,495	285,630	492,697	778,327	213,168	1,678,608
14	0.1682	1,689,698	1,026,348	284,202	513,212	797,414	228,934	1,907,542
15	0.1682	1,681,250	1,062,546	282,781	534,642	817,423	245,124	2,152,666
16	0.1682	1,672,844	1,100,146	281,367	557,029	838,396	261,750	2,414,416
17	0.1682	1,664,480	1,139,207	279,961	580,418	860,378	278,829	2,693,245
18	0.1682	1,656,157	1,179,790	278,561	604,856	883,416	296,373	2,989,618
19	0.1682	1,647,876	1,221,960	277,168	630,392	907,560	314,400	3,304,018
20	0.1682	1,639,637	1,265,784	275,782	657,078	932,860	332,924	3,636,942
Total		34,406,447	\$18,588,942	\$5,787,062	\$9,164,939	\$14,952,001	\$3,636,942	\$3,636,942