

LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT

MEMORANDUM

DATE: NOVEMBER 8, 2022

TO: BOARD OF DIRECTORS
Lake Arrowhead Community Services District

FROM: SCOTT SCHRODER, Engineering Manager

CATHERINE CERRI, General Manager

SUBJECT: CONSIDER ACCEPTING THE BATTERY STORAGE SYSTEM PROJECT NO. 216

A. RECOMMENDATION

It is recommended that the Board of Directors accept the work performed by Stem Inc. and Stockman's as complete under the construction contract for the Battery Storage Project No.216.

B. REASON FOR RECOMMENDATION

The project is complete.

C. BACKGROUND INFORMATION

On May 26, 2022, the Board of Directors awarded the Battery Storage System contract for the project to Stem Inc. and Stockman's for their proposal of \$1,856,000. The California Public Utilities Commission (CPUC) provided a Self-Generation Incentive Program (SGIP) for the installation of energy storage systems with a preference for high fire risk areas to assist when Public Safety Power Shutoffs occur. Battery storage technology is utilized to smooth electrical consumption so peaks don't occur during higher cost time periods and can provide emergency power when the wastewater plant is deenergized.

D. FISCAL IMPACT

The cost of the batteries and their installation was \$1,856,000. The SGIP incentive will reimburse the District for the entire cost over 5 years. The incentive is earmarked money that cannot be redirected or reduced. In addition, conservative estimates indicate that the District will save \$277,000 in electricity costs over 10 years. Stem provides a performance guarantee of 55%. This technology may also increase the rebates the District receives for complying with time of use requests.

E. ENVIRONMENTAL IMPACT

The acceptance of this project is an administrative action; therefore, it is not subject to the California Environmental Quality Act (“CEQA”).

F. ATTACHMENTS

None