

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
November 17, 2010
Staff Report

**REQUEST FOR A RE-ALLOCATION OF QUALIFIED ENERGY CONSERVATION BOND ALLOCATION
FOR A QUALIFIED ENERGY CONSERVATION BOND PROJECT/PROGRAM**

Prepared by: Brady Hill

Eligible QECB Reallocation Applicant:	County of Santa Clara
Eligible QECB Reallocation Issuer:	County of Santa Clara
Allocation Amount Requested:	
Governmental Use:	\$24,366,000

Project/Program Information:	Name: Santa Clara County Photovoltaic Project
	Project/Program Address: Various (please see below)
	Project/Program City, County, Zip Code: Various (please see below)

Site A: 1555 Berger Drive, San Jose, Santa Clara County, 95112
Site B: 55 W. Younger Avenue, San Jose, Santa Clara County, 95110
Site C: 1993 McKee Road, San Jose, Santa Clara County, 95133
Site C: 701 S. Abel Street, Milpitas, Santa Clara County, 95035

Project Financing Information:	Bond Counsel: Orrick, Herrington & Sutcliffe LLP
	Underwriter: Not Applicable
	Public Sale: Investor grade rating of AA

QECB Reallocation Category and Type:	
Qualified Facility Type:	Solar
Mass Commuting Type:	Not Applicable
Renewable Resource Type (Rural Development):	Not Applicable
Publicly Owned Building Type:	Not Applicable
Research Investment Type:	Not Applicable
Demonstration Project Type:	Not Applicable
Public Education Campaign Type:	Not Applicable
Loan/Grant Type:	Not Applicable

Qualified Conservation Purpose Requirement:

The Applicant has provided a legal memo from bond counsel confirming that the project/program meets the "qualified conservation purpose" requirement as defined by IRS Notice 2009-29.

Readiness Requirement:

The Applicant has provided a thorough and complete time schedule for the project/program, and the Applicant has certified that the time schedule is a realistic estimate of their project's/program's timeline.

Description of Public Benefits:

Estimated Production of Kilowatt Hours of Electricity = 6,892,438 kWh per year

Comments:

The Santa Clara County Photovoltaic Project took first place in the Qualified Facility Category based on their total estimated electricity production.

Details of Project Financing:

Estimated Total Project/ Program Cost:	\$24,366,000
Sources of Funds:	
Qualified Energy Conservation Bond Proceeds	\$ <u>24,366,000</u>
Total Sources	\$ 24,366,000
Uses of Funds:	
	<u>QECCB Proceeds</u>
Engineering & Design Costs	\$ 426,405
Permitting Costs	\$ 243,660
PV Equipment Costs	
(a) PV Modules	\$ 12,061,170
(b) Inverter	\$ 1,218,300
Construction & Installation (labor & materials)	\$ 6,030,585
Interconnection Costs - Electric	\$ 2,314,770
Sales Tax	\$ 1,157,385
Metering Costs	\$ 426,405
Costs of Issuance	\$ <u>487,320</u>
Total Uses	\$ 24,366,000

Legal Questionnaire:

The Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the application. No information was disclosed to question the financial viability or legal integrity of the Applicant.

Total Points: 10 out of 22

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$24,366,000 in Qualified Energy Conservation Bond Re-Allocation.

ATTACHMENT A

EVALUATION SCORING:

Qualified Conservation Purpose Points	Maximum Points Allowed	Points Scored
Qualified Facilities	10	10
Mass Commuting Facilities	12	N/A
Rural Development	12	N/A
Publicly Owned Building(s) (also show bonus points here)	10	0
Research Investments	10	N/A
Demonstration Project(s)	10	N/A
Public Education Campaign(s)	10	N/A
Loan/Grant Program	10	N/A
Total Points	22	10

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.