# Clean Coalition

## Solar-driven resilience for the SB region

**Community Microgrids & Solar Microgrids** 

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Making Clean Local Energy Accessible Now

2 December 2020



### <u>Mission</u>

To accelerate the transition to renewable energy and a modern grid through technical, policy, and project development expertise.

### **100% renewable energy end-game**

- 25% local, interconnected within the distribution grid and facilitating resilience without dependence on the transmission grid.
- 75% remote, dependent on the transmission grid for serving loads.



# Goleta Load Pocket (GLP) Community Microgrid

### Goleta Load Pocket (GLP) and attaining resilience

#### The GLP is the perfect opportunity for a comprehensive Community Microgrid Buellton Mountain Valley Sania Ynez Mountains 101 Goleta Substation goleta ta Barpara Gaviota Lake Casitas **Point Conception** Cilipint UCSB Goleta Santa Barbara Carpinteria

- GLP spans 70 miles of California coastline, from Point Conception to Lake Casitas, encompassing the cities of Goleta, Santa Barbara (including Montecito), and Carpinteria.
- GLP is highly transmission-vulnerable and disaster-prone (fire, landslide, earthquake).
- 200 megawatts (MW) of solar and 400 megawatt-hours (MWh) of energy storage will provide 100% protection to GLP against a complete transmission outage ("N-2 event").
  - 200 MW of solar is equivalent to about 5 times the amount of solar currently deployed in the GLP and represents about 25% of the energy mix.
  - Multi-GWs of solar siting opportunity exists on commercial-scale built environments like parking lots, parking structures, and rooftops; and 200 MW represents about 7% of the technical siting potential.
  - Other resources like energy efficiency, demand response, and offshore wind can significantly reduce solar+storage requirements.

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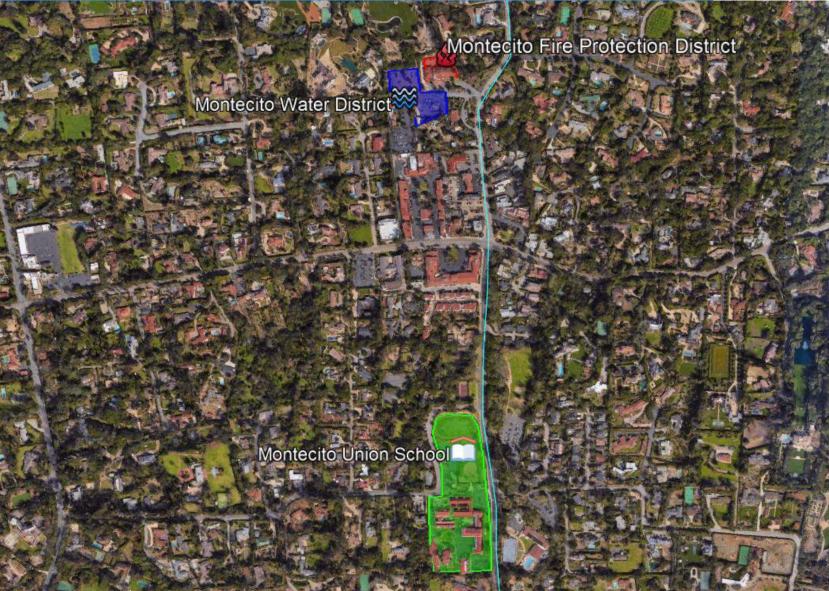
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### Montecito Community Microgrid Initiative

# Upper Village Emergency Response and Emergency Sheltering Clusters

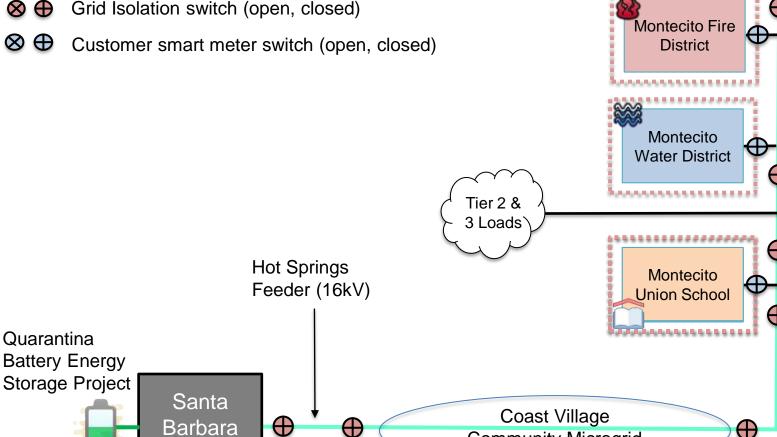
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#### Montecito Community Microgrid block diagram

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**Community Microgrid** 

Substation

#### **Montecito Residential Solar Microgrid Showcase**

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- Emergent Microgrid as the developer
- 33.74 kW solar PV ground-mount
- 60 kWh battery energy storage system
- Tier 1-3 prioritization via the **Clean Coalition's VOR123 methodology**
- Electric Vehicle Chargers
- Expected completion date End of November 2020



# Santa Barbara Unified School District (SBUSD) Solar Microgrids

### Santa Barbara Unified School District (SBUSD)



- The entire Santa Barbara region is surrounded by extreme fire risk (earthquake & landslide risk too) and is extremely vulnerable to electricity grid outages.
- The SBUSD is a major school district that increasingly recognizes the value-of-resilience (VOR) and has embraced the Clean Coalition's vision to implement Solar Microgrids at a number of its key schools and other critical facilities.
- SMHS is in the middle of the extensive SBUSD service area.

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#### **Six SBUSD Solar Microgrid sites**





San Marcos High School

District Food Warehouse & District Office

Santa Barbara High School

#### **Guaranteed SBUSD bill savings and free VOR**



Lifetime (28-year) Bill Savings and Added Value of Resiliency

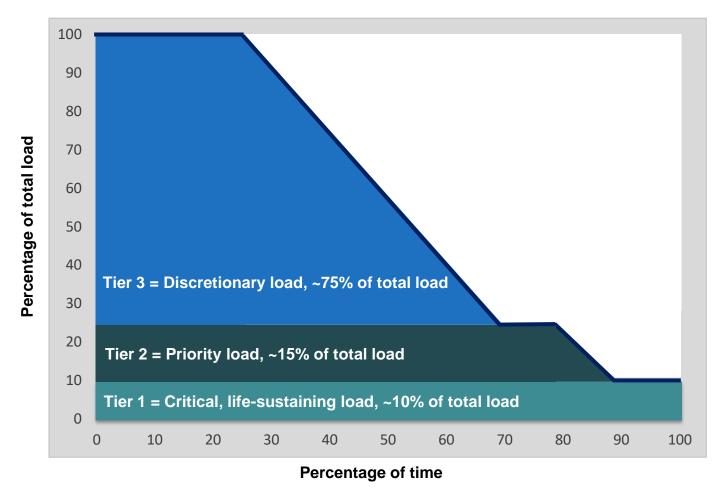




# Key Solar Microgrid & Community Microgrid concepts

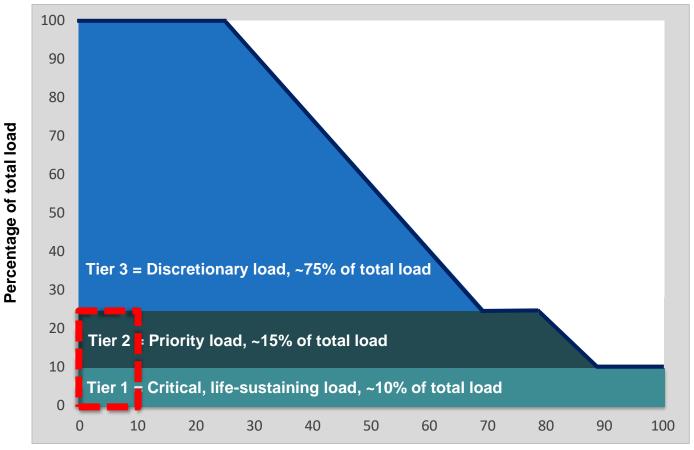
#### **Typical load tier resilience from a Solar Microgrid**





Percentage of time online for Tier 1, 2, and 3 loads for a Solar Microgrid designed for the University of California Santa Barbara (UCSB) with enough solar to achieve net zero and 200 kWh of energy storage per 100 kW solar.

#### **Diesel generators are designed for limited resilience**



#### Percentage of time

A typical diesel generator is configured to maintain 25% of the normal load for two days. If diesel fuel cannot be resupplied within two days, goodbye. This is hardly a solution for increasingly necessary long-term resilience. In California, Solar Microgrids provide a vastly superior trifecta of economic, environmental, and resilience benefits.

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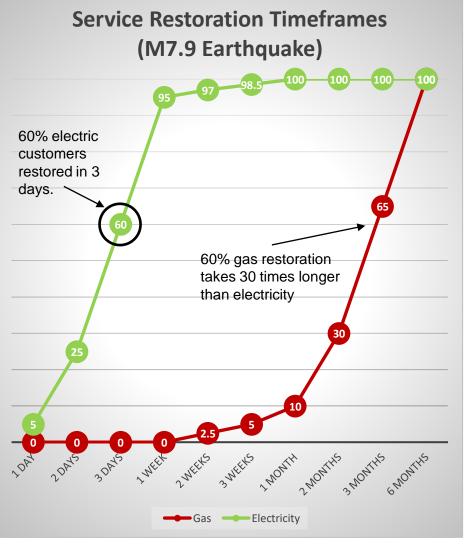
#### Natural gas infrastructure is not resilient



- Assertion: Gas-driven generation is often claimed to be resilient.
- **Reality:** Gas infrastructure is not resilient and takes much longer to restore than electricity infrastructure.
- **Threats:** Gas infrastructure can be flatout dangerous and is highly vulnerable to earthquakes, fires, landslides, and terrorism.



2010 San Bruno Pipeline Explosion



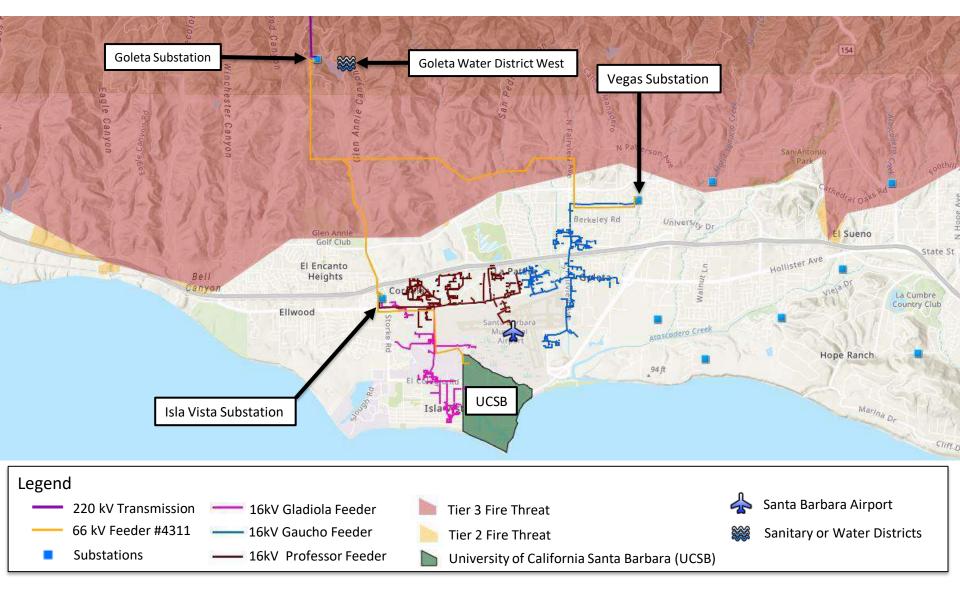
Source: The City and County of San Francisco Lifelines Study



# GLP Core 66 kV Feeder Community Microgrid (perfect comprehensive pilot)

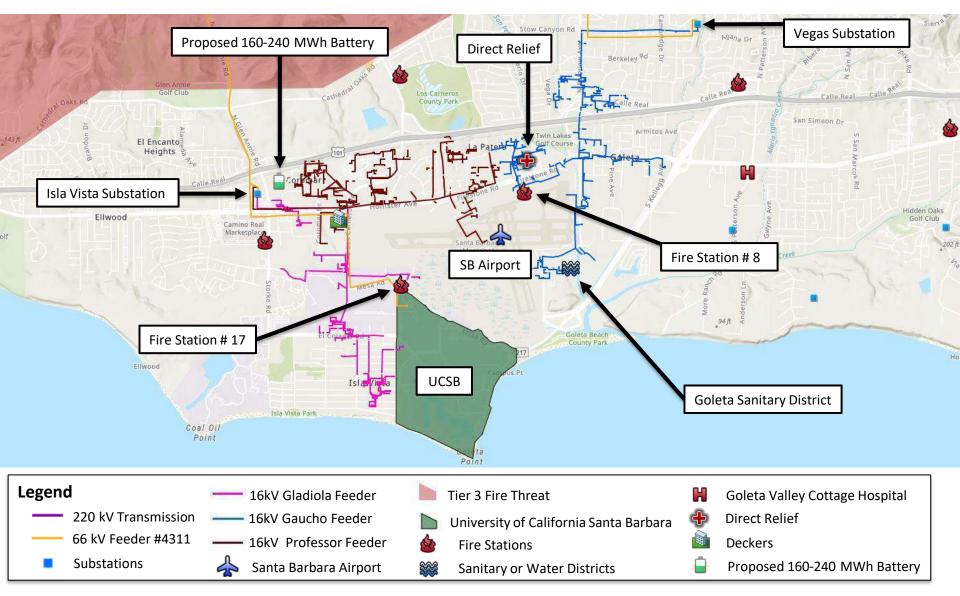
#### Target 66kV feeder at the core of the GLP

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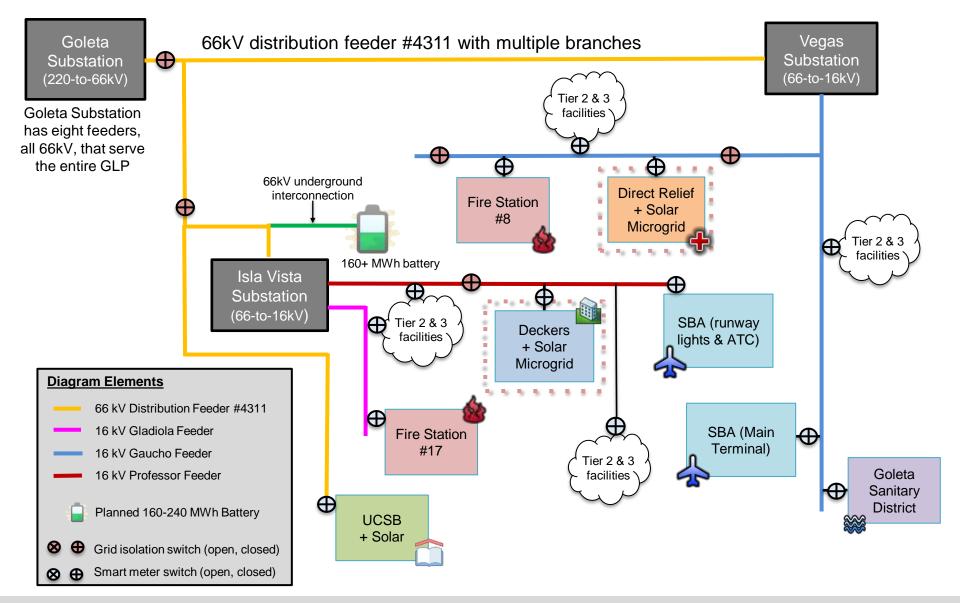
#### Target 66kV feeder serves critical GLP loads

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#### Target 66kV feeder grid area block diagram







### Key VOR123 concepts

### Value-of-resilience (VOR) depends on tier of load

- Everyone understands there is significant value to resilience provided by indefinite renewables-driven backup power, especially for the most critical loads
  - But, nobody has quantified this value of unparalleled resilience.
  - Hence, there is a substantial economic gap for renewables-driven microgrids.
- The Clean Coalition aims to establish a standardized <u>value-of-resilience</u> (VOR) for critical, priority, and discretionary loads that will help everyone understand that premiums are appropriate for indefinite renewables-driven backup power to critical loads and almost constant backup power to priority loads, which yields a configuration that delivers backup power to all loads a lot of the time
- The Clean Coalition's VOR approach aims to standardize resilience values for three tiers of loads:
- Tier 1 are mission-critical & life-sustaining loads and warrant 100% resilience. Tier 1 loads usually represent about 10% of the total load.
- Tier 2 are priority loads that should be maintained as long as long as doing so does not threaten the ability to maintain Tier 1 loads. Tier 2 loads usually represent about 15% of the total load.
- Tier 3 are discretionary loads make up the remaining loads, usually about 75% of the total load. Maintained when doing so does not threaten Tier 1 & 2 resilience.



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There are different VOR multipliers for each of the three load tiers. The following valuation ranges are typical for most sites:

- **Tier 1**: 100% resilience is worth 3 times the average price paid for electricity. In other words, indefinite energy resilience for critical loads is worth 3 times the average price paid for electricity. Given that the typical facility has a Tier 1 load that is about 10% of the total load, applying the 3x VOR Tier 1 multiplier warrants a 20% adder to the electricity bill.
- **Tier 2**: 80% resilience is worth 1.5 times the normal price paid for electricity. In other words, energy resilience that is provisioned at least 80% of the time for priority loads is worth 1.5 times the average price paid for electricity. Given that the typical facility has a Tier 2 load that is about 15% of the total load, applying the 1.5x VOR Tier 2 multiplier warrants a 7.5% adder to the electricity bill.
- **Tier 3**: Although a standard-size Solar Microgrid can provide backup power to Tier 3 loads a substantial percentage of the time, Tier 3 loads are by definition discretionary, and therefore, a Tier 3 VOR multiplier is negligible and assumed to be zero.

Taken together, the Tier 1 and Tier 2 premiums for a standard load tiering situation yields an effective VOR of between 25% and 30%. Hence, the **Clean Coalition uses 25% as the typical VOR123 adder that a site should be willing to pay**, including for indefinite renewables-driven backup power to critical loads — along with renewables-driven backup for the rest of the loads for significant percentages of time.

### Validating VOR123 – four confirming approaches



Importantly, the Clean Coalition has resolved on the general 25% premium figure after conducting numerous analytical approaches, including the following three primary methodologies:

- 1. **Cost-of-service (COS):** This is the cost that suppliers will charge in order to offer the Solar Microgrid VOR across the Tier 1, 2, and 3 loads (VOR123). As evidenced by a case study of the Santa Barbara Unified School District (SBUSD), a COS that reflects a 25% resilience adder is sufficient to attract economically viable Solar Microgrids at the larger school sites.
- 2. Department of Energy (DOE) Multiplier: The DOE researched VOR and determined that the overall value of critical load that is missed due to grid outages over an annual period is \$117/kWh. While the Clean Coalition stages Solar Microgrids to provide indefinite solar-driven backup power to critical loads, and considers 30 consecutive days to be a proxy for indefinite, the Clean Coalition assumed a conservative annual cumulative outage time of 3 days for the DOE Multiplier VOR analysis. The SBUSD case study yielded an overall 30% VOR adder to the 2019 electricity spend, as indicated in the table below.

Prototypical	Average Tier 1	Tier 1 kWh/year missed	VOR	Total 2019	DOE-derived VOR
School	Load (kW)	(72 hours/year)	(\$117/kWh)	electricity spend	% of 2019 spend
Franklin ES	4.7	336	\$39,256	\$70,000	56%
La Cumbre JHS	2.8	202	\$23,587	\$78,000	30%
San Marcos HS	4.4	314	\$36,729	\$188,000	20%
Totals	11.8	851	\$99,572	\$336,000	30%

#### DOE Multiplier results for SBUSD prototype schools

### Validating VOR123 – four confirming approaches



**3. Market-Based:** This is essentially the market price, where supply meets demand, and the Direct Relief Solar Microgrid provides a local case study. Direct Relief has deployed a 320 kW PV and 676 kWh BESS Solar Microgrid, and while the PV is purchased via a roughly breakeven PPA, the BESS is leased at an annual cost of \$37,500. While the size of the Direct Relief BESS (676 kWh) is a bit smaller than the size of the San Marcos Solar Microgrid BESS (710 kWh), Direct Relief is paying a bit more (\$37,500/year) than the DOE Multiplier would value the San Marcos BESS (\$36,729/year, as shown in Table 2-2).



Direct Relief Solar Microgrid

### Validating VOR123 – four confirming approaches

4. Avoided Diesel Generator Cost: This approach is analogous to the previous cost-of-service (COS) approach, except it calculates the adder needed for a diesel generator to fulfill the VOR123 level of resilience. For this calculation, we equate "indefinite backup" to 30 days, and assume such a grid outage occurs once per year, during which the loads need to be maintained according to the standard VOR123 profile. The result, for a diesel backup system sized for a 1 million kWh/year site in Santa Barbara, is a 21 % adder to the electricity bill.

#### Site Load Inputs

1,000,000
30
1
\$0.18
114
\$180,000

#### **VOR123** Parameters

Tier 1 % of time	100%
Tier 2 % of time	80%
Tier 3 % of time	30%
Tier 1 % of load	10%
Tier 2 % of load	15%
Tier 3 % of load	75%

TCLR (kWh)	36,575
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#### **Diesel Genset Size Check**

Diesel genset size (kW)	200
Peak load (kW)	171

#### **Diesel Tank Capacity Check**

Diesel genset tank capacity (gallons)	3,000
Diesel used for TCLR (gallons)	3,040

#### **Financials**

Diesel Genset Depreciation Life (years)	15
Diesel Genset Capex	\$350,000
Diesel Genset Opex (\$/year)	\$14,694
Diesel Genset Depreciated Capex (\$/year)	\$23,333
Diesel Genset Total Yearly Cost	\$38,027

Cost of Diesel Genset backup energy	
(\$/kWh)	\$1.04
% adder of Diesel backup cost on top of	
utility-purchased electricity	21%

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#### **Diesel generator cost analysis**



Input Variables		
Diesel Genset Size	kW	200
Diesel Tank Capacity	Gallons	3000

Capex Costs		
Genset equipment cost	\$/kW	\$270
Genset "Balance of Plant"	\$/kW	\$250
Variable Capex Subtotal	\$/kW	\$520
Structural design	\$	\$20,000
Installation	\$	\$25,000
Fixed Capex Subtotal	\$	\$45,000
Fuel tank cost	\$/gal	\$61
Fuel tank installation	\$/gal	\$6
Fuel Tank Variable Subtotal	\$/gal	\$67

Opex Costs		
Fuel		
Fuel cost	\$/gal	\$3.498
Number of tanks burned per year	integer	1
Maintenance		
Annual contract	\$/year	\$1,000
Annual parts	\$/year	\$2,000
Monthly run time	Hours/month	2
Annual staff hours	Hours/year	24
Labor cost/hr	\$/Hour	\$50
Labor cost	\$/year	\$1,200
Annual Maintenance Subtotal	\$/year	4,200

Totals for given Genset Size		
Total Genset CapEx	\$	\$350,000
Total Genset OpEx	\$/year	\$14,694

#### **Diesel generator efficiency data**

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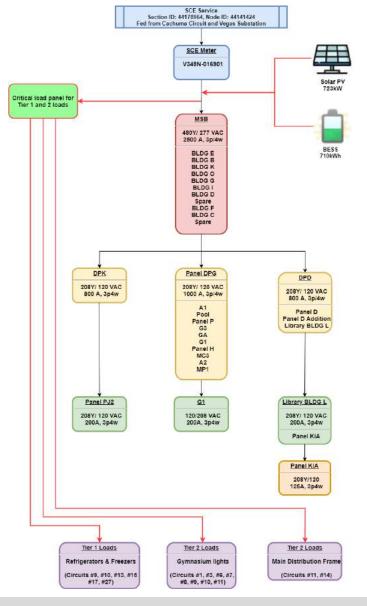
Generator 1/4 Load	1/2 Load		Full Load					
Size (kW) (gal/hr)	(gal/hr)		(gal/hr)			/2 load 3/4		
	0.6 0.9				120	0.090	0.087	0.080
	1.3 1.8				173	0.120	0.107	0.097
	1.6 2.3				160	0.115	0.107	0.100
	1.8 2.9				120	0.097	0.084	0.080
	2.4 3.4				128	0.091	0.082	0.081
	<b>2.6 4.</b> 1				104	0.082	0.077	0.074
	3.1 5.0				099	0.080	0.076	0.073
	3.3 5.4				098	0.080	0.075	0.073
	3.6 5.9				096	0.079	0.075	0.073
	4.1 6.8				094	0.078	0.074	0.073
	4.7 7.7				094	0.077	0.073	0.072
	5.3 8.8				092	0.077	0.072	0.072
	5.7 9.5				091	0.076	0.073	0.072
	6.8 11.3				091	0.075	0.072	0.072
	<b>7.9 13.</b> 1			0.	090	0.075	0.071	0.072
	8.9 14.9				089	0.075	0.071	0.072
500 1	1.0 18.5	5 26.4	35.7	0.	088	0.074	0.070	0.071
	3.2 22.0	) 31.5	42.8		088	0.073	0.070	0.071
750 1	6.3 27.4			0.	087	0.073	0.070	0.071
	1.6 36.4			0.	086	0.073	0.069	0.071
	6.9 45.3				086	0.072	0.069	0.071
<b>1500</b> 32	2.2 54.3	3 77.8	106.5	0.	086	0.072	0.069	0.071
1750 3	7.5 63.2				086	0.072	0.069	0.071
2000 42	2.8 72.2	2 103.5	141.9	0.	086	0.072	0.069	0.071
<b>2250</b> 4	<b>8.1 81.</b> 1	116.4	159.6	0.	086	0.072	0.069	0.071
				Average over generator size				
				Gallons/kWh) 0.	101	0.081	0.076	0.075
			г	I	1			
				Average over load (Gallons/kWh) 0.	083			

#### Load Management is fundamental to VOR123

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Although there are multiple potential Load Management configurations, the minimal functionality anticipated to be cost-effectively implemented is referred to as **the Critical Load Panel (CLP) approach**.

The CLP name reflects the requirement for a smart critical load panel that maintains Tier 1 loads indefinitely and toggles Tier 2 loads. In the CLP approach, Tier 3 loads will be toggled as a group by toggling power to the Main Service Board (MSB). Figure 9 illustrates the CLP approach for SMHS, with Tier 1 and Tier 2 loads being served by new dedicated wire runs that connect to a new smart critical load panel.



Owner reserve

SOCr = the minimum state-of-charge (SOC) that is reserved for provisioning resilience. The SOCr can be dynamic and/or resized to between 0% and 100% of the contracted BESS energy capacity. A lower SOCr facilitates BESS operations that optimize daily economic performance, while a higher SOCr facilitates the provisioning of greater resilience.

cycling energy capacity.

Top owner reserve is often in place to absorb battery energy storage system (BESS) degradation over time, while still delivering the contracted daily

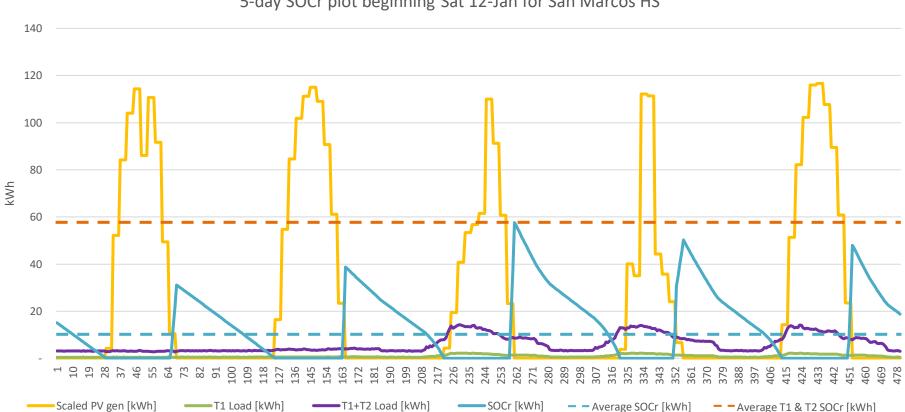
Bottom owner reserve is often required to meet BESS warranty requirements that are imposed by BESS vendors. SOCr

**Owner reserve** 

Contracted BESS energy capacity (kWh) that must be available for daily cycling over the contract duration for achieving specified economic & resilience performance.

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5-day SOCr plot beginning Sat 12-Jan for San Marcos HS

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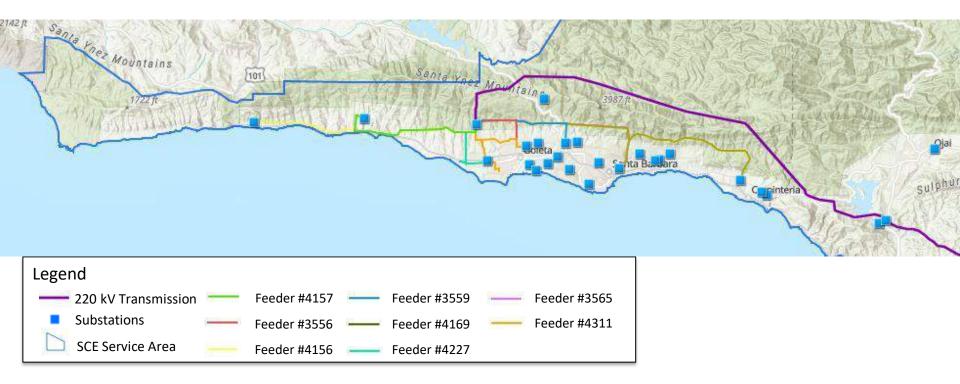
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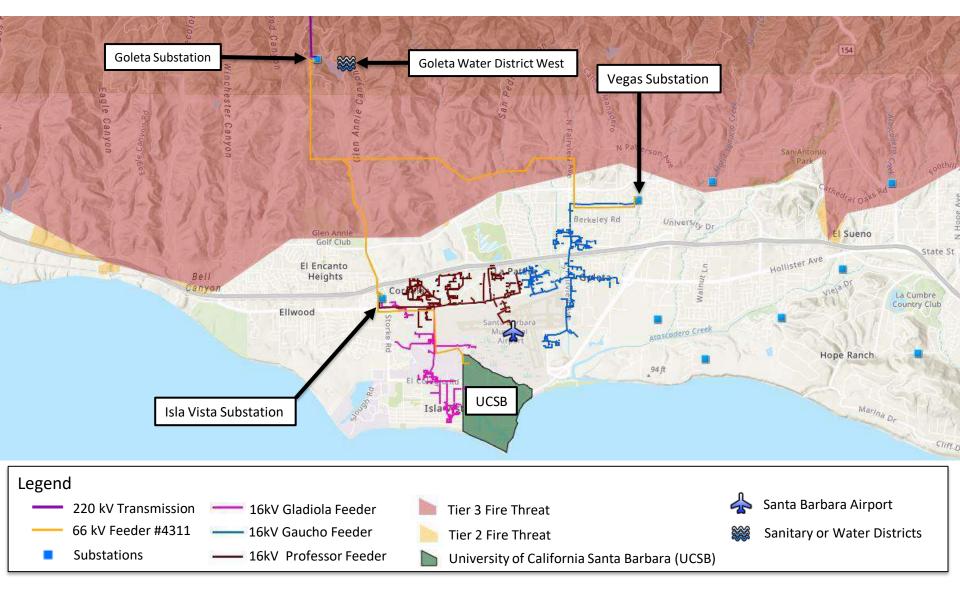


#### Goleta Substation serves eight 66kV feeders that in turn serve the entire GLP



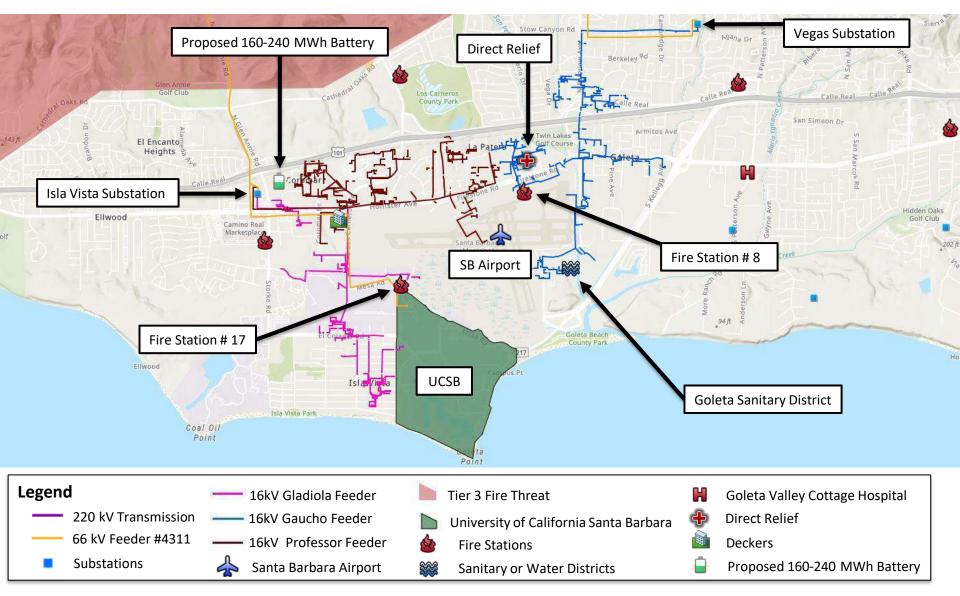
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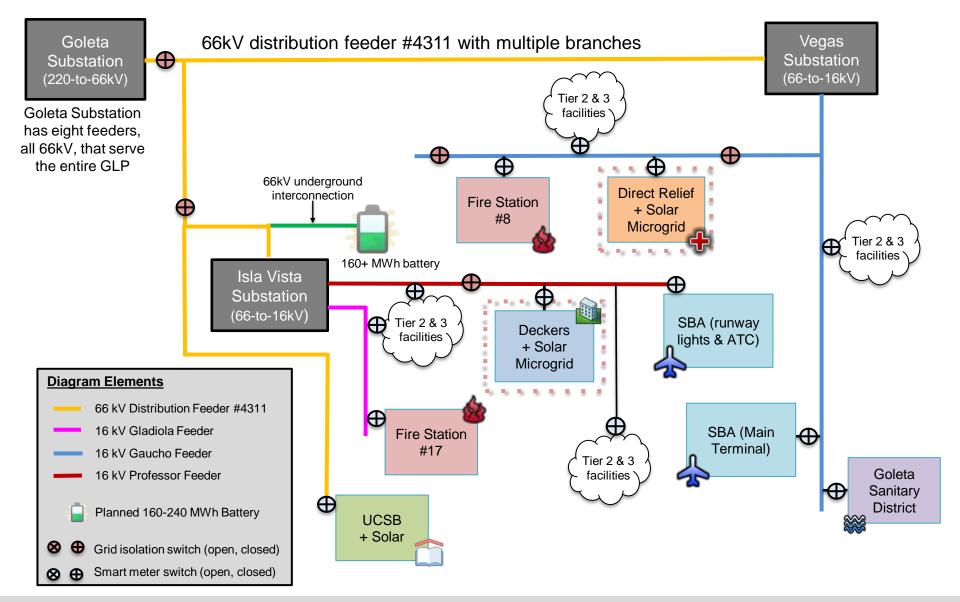
#### **Target 66kV feeder serves critical GLP loads**

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#### Target 66kV feeder grid area block diagram



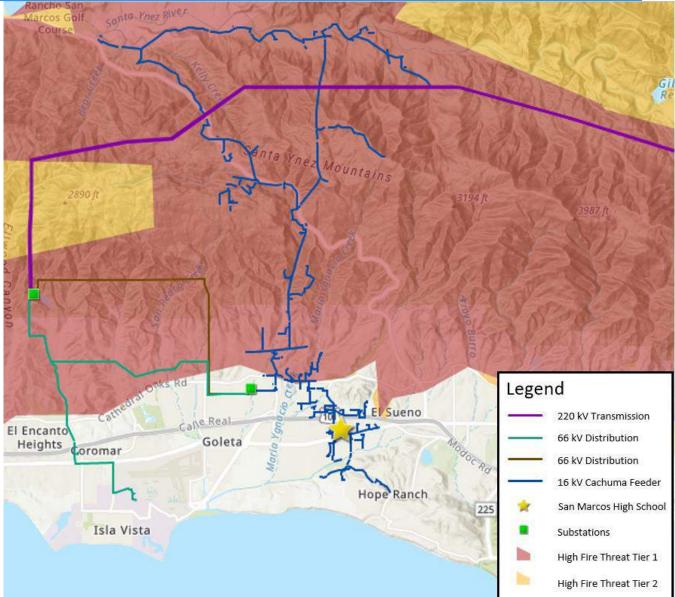




# San Marcos High School (SMHS) case study

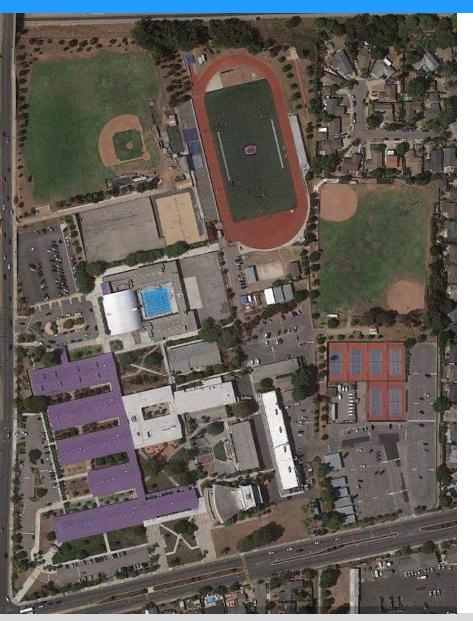
#### SMHS is vulnerable to distribution outages too

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#### San Marcos High School (SMHS)





- SMHS is a large public high school serving 2,000+ students in grades 9 through 12.
- Red Cross designated facility.
- School features include:
  - Array of classroom buildings
  - Large pool
  - o Gymnasium
  - Football stadium
  - Multiple baseball fields
  - Cafeteria
  - Outdoor Greek theater
  - $_{\circ}$  Auditorium
  - Numerous tennis & basketball courts
- Craig Lewis in the Class of 1981.



The SMHS Solar Microgrid is intended to enable the school to operate independently during grid outages of any duration with **indefinite resilience for the most critical loads** and **resilience for all loads for significant percentages of time**.

- Solar
  - 725 kWp
  - Solar is entirely in the form of solar parking canopies
  - Net Zero Energy (NZE) is exceeded at 101%
- Battery Energy Storage System (BESS)
  - 700 kWh energy capacity
  - 350 kW power capacity
- Critical (Tier 1) loads
  - Food service refrigerators & freezers, maintained indefinitely
  - 4.36 kW of average load
  - 3.44% of total average load
- Priority (Tier 2) loads
  - Gym lights and Main Distribution Frame, maintained at least 80% of the time
  - 4.32 kW of average load
  - 3.41% of total average load

#### SBUSD 2019 electricity costs & breakeven values



	2019 Cost & Values (¢/kWh)				
Site Name	Annual Cost/kWh	PV Value	PV+BESS Value	PV+BESS+ Resilience Value	
Adams ES	17.8	12.7	14.5	19.0	
Cleveland ES	18	12.2	13.4	17.9	
Facilities & Maintenance Warehouse	15.8	11.6	16.4	20.4	
SBUSD Office & La Cuesta HS	17.7	13.7	13.8	18.2	
Dos Pueblos HS	14.9	10	12.2	15.9	
Franklin ES (& Adelante Charter)	16.8	12	13.7	17.9	
Goleta Valley JHS	16	11.5	12.5	16.5	
La Colina JHS	16.2	12.1	13.1	17.2	
La Cumbre JHS (& SB Community Academy)	15.6	12.2	12.9	16.8	
Monroe ES	16.8	12.7	14.7	18.9	
Roosevelt ES	17.8	12.6	16.1	20.6	
Santa Barbara HS	14 5	11.9	14.6	18.2	
Santa Barbara JHS	16.1	12.5	15.7	19.7	
San Marcos HS	15.3	11.7	12.9	16.7	
Washington ES	17.5	12.6	14 1	18.5	
Weighted Average Total	16.1	11.6	13.5	17.5	

#### **SBUSD 2020 costs & PPA estimates**



	Year-1 PPA pricing, 3% escalator (¢/kWh)					
Site Name	Annual Cost/kWh	PV	PV+BESS	PV+BESS+ MLM	PV+BESS+ CLP	PV+BESS+F AM
Adams ES	17.8	13.0	15.5	18.5	22.5	23.5
Cleveland ES	18	14.0	15.5	22.0	29.0	31.0
Facilities & Maintenance Warehouse	14.9	13.5	13.5	13.5	19.0	20.5
SBUSD Office & La Cuesta HS	15.8	13.0	13.0	15.0	21.0	24.0
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Washington ES	17.5	13.5	15.0	19.0	23.5	24 5
Weighted Average Totar	16.1	11.7	12.8	14.1	16.0	17.0

Notes

- Analyses estimated Power Purchase Agreement (PPA) pricing for three Load Management configurations, assuming 25-year PPAs starting in 2020 with 3% SCE electricity cost escalators.
- Solar Microgrid PPA prices in green are less than breakeven values, including 25% VOR123 adder.
- SCE raised its electricity costs by about 7% in 2019 and is proposing similar increases in each of the next three years.