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**Hayes, Kathy**

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**From:** Larry Goldberg <larry@northcoastca.org>  
**Sent:** Monday, February 6, 2023 4:32 PM  
**To:** Hayes, Kathy  
**Subject:** Comments on Cannabis Renewable Energy Grant  
**Attachments:** 2-23 Comments to Board of Supervisors regarding Renewable Energy Grants.docx

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Clerk of the Board,

Attached are my comments on the agenda item addressing the Cannabis Renewable Energy grant for discussion on Feb 6th Board meeting.

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# Comments on Cannabis Renewable Energy grant

- Six months ago, we interviewed over 30 cannabis growers and prepared over 20 applications or quotes for qualifying clients to submit for the Renewable Energy Grant program .
- Unfortunately, it wasn't until we were deeply involved in preparing applications that we realized the limitations and possible complications of different methodologies for calculating savings that, we believe, may lead to potential fraud and scams.
- In the official NOFA, no methodology was mentioned and throughout the online information on the county's website there was no mention of methodology for computing savings.
- Within the actual application (as per the sample DCC Renewable Energy Mock-up) the only mention of methodology was as follows:

“Scope of work providing details of who will be doing which tasks, when the tasks will begin and end, and what are the expected outcomes including the methodology and calculations used to estimate the project's quantified reduction in gallons of fuel used each year by generators to provide electricity for the applicant's cannabis cultivation .”

- During the grant application window, we had numerous commercial growers contact us simply looking for a quote for a \$30k solar system, not even considering whether it would meet their needs, yet alone yield \*any\* significant savings.
- We had numerous growers tell us they were working with local consultants (most of whom we have never heard of, at least in the energy industry) who were preparing their applications and only wanted equipment quotes, to which we provided quotes without providing any energy analysis (although we sized the systems based on their estimated load conditions) but we assumed the consultants would perform their own calculations to demonstrate savings.
- Humboldt Co. Planning dept. does not have sufficient expertise to evaluate these proposals, because this is entirely different than your typical solar PV permit application.
- We provided a copy of our methodology statement and our energy & fuel savings calculations to demonstrate to the planning dept the complexity of determining solar gain, load analysis, generator fuel efficiency & consumption and projected GHG reduction.
- We were assured that the Planning Department went back to re-evaluate the proposals based on our concerns and that effort took approximately 3 months. A revised approval list was issued from the Planning Dept., but we had no idea how they came up with their conclusions.



- Our calculations were based on actual energy load calculations, projected operational hours, implementation of efficiency measures, solar radiation data for a given location, generator efficiency & losses and real-world fuel savings projections.
- We believe that many, if not most, of the applicants simply pulled numbers out of the air and have no supporting documentation to demonstrate their savings, while proposals from professional and reputable companies were ranked lower *because we did our homework!*
- Furthermore, the Planning Dept has no plans to inspect ALL the systems that are being proposed. This could lead to potential fraud and a significant reduction of projected GHG savings that the county credits against they're GHG reduction goals.
- Finally, we are concerned that many of the proposed grantees may not survive as licensed cannabis producers.

# Recommendations

- We would encourage the county to contract with RCEA or the Schatz Energy Center at Cal Poly Humboldt to conduct a sample of installed projects to analyze the installed systems to determine actual savings and Greenhouse gas reduction. This could create a benchmark for future grant programs.
- We recommend that an additional stipulation be made that if the grantee should terminate their commercial cannabis license or sell their property as a non-cannabis operation, then the county should be reimbursed a pro-rated amount for the grant portion of the equipment purchase.
- If any grantee is unable to install their renewable energy equipment in a reasonable time (12-24 months) then the grant award should be passed on to the next eligible grantee who did not receive funding in this round of grants.

Thank you.