



COUNCIL REPORT

DATE: June 23, 2026

CATEGORY: Consent

DEPT.: City Manager's Office

TITLE: **Amendment to the Agreement with Optony Inc. for Technical Support on Solar Energy and Battery Storage Projects**

RECOMMENDATION

Adopt a Resolution of the City Council of the City of Mountain View Authorizing the City Manager or Designee to Amend the Professional Services Agreement with Optony Inc. to Increase Compensation by \$32,950 for Technical and Financial Advisory Support Services for Municipal Solar and Battery Storage Projects, for a Total Not-to-Exceed Amount of \$285,950, to be read in title only, further reading waived (Attachment 1 to the Council report).

BACKGROUND

Solar Energy and Battery Storage System Projects

The City is evaluating the potential installation of solar energy and battery storage systems at Mountain View City Hall, the Mountain View Public Library, and the Rengstorff Park Aquatics Center. These projects are intended to reduce long-term utility costs, lower greenhouse gas emissions, and leverage federal clean energy incentives available through the Inflation Reduction Act (IRA) of 2022 (P.L. 117-169), including the Direct Pay provisions available to public agencies. The Direct Pay provisions offer clean energy tax credits that amount to 30% of eligible costs related to qualifying solar and battery storage projects.

Recent federal actions, including the "One Big Beautiful Bill Act" signed into law on July 4, 2025 (P.L. 119-21), have accelerated the phaseout or elimination of certain clean energy tax incentives earlier than previously anticipated, creating uncertainty regarding the future availability of these funding opportunities. Under current federal requirements, eligible projects must be completed and placed into service by December 31, 2027, to qualify for applicable incentives. Prior to these federal actions, the Direct Pay incentives were anticipated to remain available through 2032.

The City recently completed solar energy installations at the Mountain View Senior Center, Mountain View Sports Pavilion, and Whisman Sports Center in April 2026. These projects had an estimated total project cost of approximately \$6 million and are projected to generate nearly \$10

million in utility cost savings over the next 20 years. The City expects to receive approximately \$1.5 million to \$1.8 million in Direct Pay funding associated with these projects, depending on final project costs.

Following recent announcements regarding the accelerated phaseout of Direct Pay incentives, staff promptly began evaluating additional solar energy and battery storage opportunities at other City facilities.

Procurement Process and Consultant Support

The City issued a competitive Request for Proposals (RFP) on February 13, 2026, for the design and installation of solar energy systems, with an option for battery storage, at Mountain View City Hall, the Mountain View Public Library, and the Rengstorff Park Aquatics Center. The procurement process is currently in the final stages of evaluation to identify a recommended design-build vendor to begin contract negotiations.

Optony Inc. (Optony) specializes in distributed energy resources, including solar energy, battery storage, fleet electrification, and clean energy incentive programs for public agencies. Optony has been supporting the City under an existing agreement originally executed on December 15, 2022, to provide technical assistance for municipal decarbonization initiatives, including fleet electrification planning, grant applications, and participation in PG&E fleet electrification programs. Most recently, Optony has supported the City's solar energy and battery storage procurement effort through development of the design-build RFP, assistance with solicitation activities, and evaluation of proposals.

As the City advances toward contract negotiations with the recommended vendor for the solar energy and battery storage projects at City Hall, the Library, and the Rengstorff Park Aquatics Center, additional consultant support is needed to assist with technical negotiations and provide information to assist staff on key contract terms. Optony is uniquely positioned to provide continuity and technical expertise during the contract negotiation phase.

City Council Approval Required

Staff recommends increasing the Optony agreement amount by \$32,950 to provide technical assistance during contract negotiations with the solar energy and battery storage vendor selected through the current procurement process. The contract with the chosen vendor is expected to be presented to the City Council for approval in September 2026.

City Council approval is required to amend the agreement with Optony because the total agreement amount resulting from the proposed amendment would exceed the City Manager's

signing authority under Council Policy A-10. Continuing services with Optony will provide continuity and technical expertise during a time-sensitive phase of the project and support the City's efforts to maintain eligibility for available federal Direct Pay incentives, which require project completion by the end of 2027.

ANALYSIS

Optony Scope of Work

The proposed amendment would provide continued technical and financial advisory support during the contract negotiation phase of the City's proposed solar energy and battery storage projects at City Hall, the Library, and the Rengstorff Park Aquatics Center. This support would assist staff in securing the most advantageous vendor agreement for the City through evaluation of contract terms, financial assumptions, financing structures, and implementation strategies that align with the City's operational and financial objectives. The scope of work also includes evaluating financing approaches that could allow the City to pursue these projects with no upfront capital cost while maximizing available federal and state incentives and long-term utility savings.

Optony has supported the project through the solicitation and proposal evaluation process and is well-positioned to assist the City during contract negotiations, given their familiarity with the project scope, financial assumptions, and procurement history. Continuing these services will support timely project implementation and coordination as the City advances the proposed solar and battery storage projects toward Council consideration.

The proposed amendment would increase the agreement amount by \$32,950, resulting in a total not-to-exceed contract amount of \$285,950.

Project Schedule

If approved, the amended agreement with Optony will be executed and contract negotiations with the selected solar contractor will continue through the summer of 2026. Staff anticipates returning to the City Council in September 2026 with the proposed solar energy and battery storage projects for consideration. If the project is approved, construction is expected to begin in late 2026 or early 2027, with completion anticipated by the end of 2027.

FISCAL IMPACT

The proposed amendment to the agreement with Optony Inc. would increase the existing contract by \$32,950, resulting in a revised total not-to-exceed amount of \$285,950. Sufficient funding for this amendment is available in the Sustainability Project Capital Improvement Program (CIP), Project 20-99. No additional appropriation is required at this time.

LEVINE ACT

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a “license, permit, or other entitlement for use” if the official has received a campaign contribution exceeding \$500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

SUBJECT TO THE LEVINE ACT

Material contract modification or amendment

ALTERNATIVES

1. Do not authorize the City Manager or designee to execute an amendment to the existing professional services agreement with Optony Inc. for contract negotiation and financial advisory support services for the City’s municipal solar projects, and direct staff to proceed with a competitive procurement process for these services. It should be noted that this approach may result in project delays and could jeopardize eligibility for Direct Pay funding.
2. Provide other direction.

PUBLIC NOTICING—Agenda Posting.

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Attachment: 1. Resolution