



Staff Report Item XX

TO: East Bay Community Energy Board of Directors
FROM: Howard Chang, Chief Operating Officer
SUBJECT: sPower and Terra-Gen Contract Approvals (Action Item)
DATE: September 18, 2019

Recommendation

- A. Adopt two Resolutions authorizing the Chief Executive Officer to execute agreements with CA renewables Energy RFP awardees Raceway North, LLC and Edwards Solar II, LLC. Each agreement is expected to be operational in December 2022 and deliver all associated output, which includes energy, RECs and RA with pnode settled pricing:
 - a. 20-year 125MWac solar PV + 80MW/160MWh battery storage project based in Kern County with Raceway North, LLC, developed by sPower (“sPower Contract”); and
 - b. 15-year 100MWac solar PV + virtual storage project in Kern County with Edwards Solar II, LLC, developed by Terra-Gen (“Terra-Gen Contract”).
- B. Discuss a memorandum of understanding (MOU) signed with Brookfield Renewable Partners to further discussions regarding an 80MW wind project located in Alameda County. The project was proposed into Southern California Public Power Authority’s (SCPPA) recent 2019 RFP as a competitive solicitation.

Background

The CA Renewable Energy RFP is EBCE’s first long-term renewable energy contract solicitation that was launched in June 2018. The RFP sought several hundred MWs of contracts with renewable energy projects located in CA, with a minimum of 20MWs located in Alameda County. EBCE’s objective was to drive investments in new renewable energy projects in Alameda and CA, while securing affordable resources to manage future power price risk. EBCE received a very healthy response to its first RFP both in volume and quality of projects and proposals. EBCE worked with Edison Energy to administer the RFP and complete robust analytics to determine the optimal portfolio to meet its objectives. EBCE recently received approval for three separate long-term PPAs from this RFP. sPower and Terra-Gen were both awarded as part of the CA Renewable Energy RFP and these contracts being brought forth are the 5th and 6th utility scale renewable energy projects.

The sPower Contract is for all output from a 125MWac solar PV + 80MW/160MWh battery storage project based in Kern County. It is a 20-year p-node settled contract and expected to be operational in Dec 2022. Staff is recommending a battery storage unit with a capacity of 80MW, which represents approximately 2/3 of the nameplate generation with a 2-hour duration. Under the current RA rules this would qualify the storage unit to provide 40MW of local RA in the LA Basin region. Staff is recommending a 2-hour duration with a larger capacity size because it provides optionality in the future to extend the duration. This was found to be more optimal for energy load shifting purposes. sPower is an experienced renewable energy developer with 1,650MWs of capacity operational and has extensive experience working with CCAs. The contracting entity under sPower is Raceway Solar North, LLC.

The Terra-Gen Contract is for all output from a 100MWac solar PV + virtual storage project based in Kern County. It is a 20-year p-node settled contract and expected to be operational in Dec 2022. This contract is deemed a virtual storage contract based on a unique first of its kind contract structure. EBCE will receive price protection related to negative pricing and Seller has the right to install storage and retain the charge and discharge rights. This will provide a proportion of the benefits of the storage project to EBCE and to CAISO. As part of the contract, EBCE will also have a right to procure the incremental RA associated with the storage unit. sPower is an experienced renewable energy developer with over 1,300MWs of capacity operational and has extensive experience working with CCAs. The contracting entity under Terra-Gen is Edwards Solar II, LLC.

EBCE is also bringing forward a Memorandum of Understanding (MOU) with Brookfield Renewable Partners regarding an 80MW wind project in Alameda County. The project is located in Livermore and is a repower of a former wind project that has been fully decommissioned. This was not submitted into EBCE's RFP but was separately submitted into Southern California Public Power Authority's (SCPPA) 2019 RFP. EBCE proposes utilizing SCPPA's 2019 solicitation combined with EBCE's recent RFP results to evaluate the project and feels confident it can properly assess the proposed terms. The MOU is a non-binding arrangement, which sets forth an evaluation and negotiation period. The project is awaiting additional interconnection study results for a portion of the project and anticipates submitting conditional use permit this fall. The expected Commercial Operation Date is December 2021. EBCE anticipates a potential joint procurement effort on the output.

Conclusion

EBCE staff recommends approving the 125MW solar PV plus 80MW/160MWh battery storage contract with sPower and the 100MW solar plus virtual storage contract with Terra-Gen. These two solar projects will further support EBCE to satisfy its SB350 long-term contracting requirements. EBCE will continue to move forward in evaluating additional projects and proposes moving forward in evaluating the 80MW wind project in Alameda County with Brookfield Renewable Partners.

Attachments:

- A. Resolution Approving Edwards Solar Renewable Solar Power Purchase Agreement;
- B. Resolution Approving Raceway Solar Power Purchase Agreement;
- C. sPower and Terra-Gen Overview presentation
- D. Raceway North Contract_Sept19_redacted

E. Edwards Solar II Contract_Sept19_redacted