



Staff Report Item 6

TO: East Bay Community Energy Board of Directors
FROM: Howard Chang, Chief Operating Officer
SUBJECT: **Vistra and Solar Frontier America Contract Approvals (Action Item)**
DATE: June 5, 2019

Recommendation

Approve two resolutions authorizing the CEO to execute a 10-year 20MW/80MWh Local Greater Bay Area Resource Adequacy contract (“RA contract”) with Vistra Energy and a 15-year 55.83Mwac Solar PV Power Purchase Agreement (“Solar PPA”) with Solar Frontier Americas.

The RA contract is expected to begin delivering resource adequacy in January 2022 for a period of 10 years and the Solar PPA is expected to begin to deliver all associated output, which includes energy, RECs, and RA in Dec 2021 for a period of 15 years with hub-settlement pricing. Both counterparties were awarded as part of competitive solicitations.

Vistra Energy was awarded as part of the Oakland Clean Energy Initiative RFP and the contracting entity under Vistra Energy is Dynegy Marketing and Trade, LLC. Solar Frontier was awarded as part of the CA Renewable Energy RFP and the contracting entity under Solar Frontier is Tulare Solar Center, LLC. We anticipate bringing forward additional projects for approval from both RFPs in the future.

Background

The Oakland Clean Energy Initiative is a first-of-its-kind joint RFP that was issued with PG&E, where EBCE solicited resource adequacy from clean resources in downtown Oakland and PG&E sought local transmission related reliability needs. EBCE’s primary goal of this RFP is to bring local investment into the clean virtual transmission solutions in specific load pockets within downtown Oakland and drive the closure of the peaker plant currently located in Jack London Square. In doing so, EBCE can also secure valuable local Greater Bay Area Resource Adequacy in an affordable and reliable manner. The RFP was launched in June 2018 and targeted a minimum of 20MWs of resource adequacy located within two specific load pockets in downtown Oakland. While this initial contract allows EBCE to meet its minimum target in the RFP, EBCE may bring forward additional contracts to exceed this volume. Those contracts are currently in negotiations. We have expedited this contract ahead of others because of the long lead time that is necessary to negotiate the cancellation of the existing RMR contract that is in place for the peaker plant. By executing this contract with Vistra Energy, the owner

of the peaker plant, staff believes that EBCE can best ensure that the peaker plant comes offline and is properly decommissioned in the most expeditious manner since the current site of the peaker plant would be utilized to house the new clean battery storage system. We believe it will also help to facilitate the necessary dialogue and approvals with CAISO and PG&E to continue driving progress in what could be a lengthy process.

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. This contract with Solar Frontier Americas is the first contract come to the board for approval. Staff anticipates bringing over 500MWs of renewable energy projects to the board for further approval in the June and July board meetings. The project is structured as a PG&E DLAP settled project, which allows EBCE to most effectively mitigate the pnode forward price risk that typical solar projects have. It is a 55.83Mwac 15-year contract in which EBCE is procuring all energy, RECs, and RA that is generated from it. The project is located in Tulare County, CA and although it is located outside of Alameda County, Solar Frontier has agreed to invest directly into Alameda County and create EBCE's first developer driven community investment fund.

Conclusion

EBCE is thrilled to play a crucial role in securing the necessary clean virtual transmission solutions in downtown Oakland and to help drive the closing of the existing fossil fuel peaker plant through the efforts of the Oakland Clean Energy Initiative. Staff is seeking approval to execute the 10-year 20MW/80MWh local Greater Bay Area Resource Adequacy contract with Vistra Energy as the first contract resulting from the OCEI RFP. EBCE is also excited to initiate its long-term renewable energy contracting. Staff is seeking approval of the 55.8Mwac solar PV PPA with Solar Frontier Americas as the first contract resulting from the CA Renewable Energy RFP.

Attachments:

- A. OCEI and CA Renewable Energy RFP overview presentation
- B. Vistra RA Contract_May19
- C. SFA PPA_May19
- D. EBCE - Reso Approving Tulare Solar Center Agreement
- E. EBCE - Reso Approving Vistra Energy Agreement