



Staff Report Item 16

TO: East Bay Community Energy Board of Directors

FROM: Howard Chang, Chief Operating Officer

SUBJECT: California Renewable Energy RFP Power Purchase Agreement Review and Update (Informational Item)

DATE: February 20, 2019

Recommendation:

Review a summary of EBCE's form Power Purchase Agreement (PPA) for renewable energy procurement and receive a status update on the California Renewable Energy Request for Proposals.

Background

EBCE issued a competitive solicitation in June 2018 for long-term renewable energy procurement contracts for a minimum of 10 years in contract duration. EBCE is targeting a total of 600-700MW of capacity from new renewable energy projects, with a minimum of 20MWs located within Alameda County. EBCE received a very robust response to the RFP from many suppliers.

EBCE is currently in the process of negotiating long-term power purchase agreements (PPA) with a number of counterparties to procure renewable energy from projects located within California. EBCE intends to procure energy through these contracts for durations of 15-20 years. Contracts were developed working in partnership with specialized outside counsel. Two types of contracts were developed for use with this Request for Proposals (RFP): 1) A standalone renewable energy contract and 2) A renewable energy plus battery storage contract.

To assist the Board with its review and approval of the PPAs, EBCE has prepared a report summarizing the main provisions of these contracts. PPAs are complicated documents with over 90 pages of legal provisions and technical exhibits, so this overview should be considered a high-level summary and is organized around certain topics rather than a page-by-page summary.

Contracts include items such as (this list is not comprehensive):

- Major project development milestones, which include dates for Evidence of Site Control, Executed Interconnection Agreement, Permits Received, Construction Start, and Commercial Operation
- Contract Price (to be redacted to remain confidential)
- Contract Capacity
- Contract Duration
- Settlement details
- Performance Guarantee
- Storage Operating Parameters
- Seller Development Security
- Prevailing Wage Requirements
- Indemnities

EBCE anticipates bringing forward contracts for board approval during the April and May board meetings. EBCE will complete individual contract negotiations with each counterparty and intends to bring forward contracts that are in form and substance consistent with the developed form PPA.

EBCE evaluated projects and counterparties based on 1) Competitiveness of PPA redlines that counterparties provided for favorable terms; 2) Price, which includes an assessment of economic value and risk; 3) Workforce development and community investment; 4) Project location; 5) Project execution risk; 6) Project delivery timing; and 7) Developer experience.

Attachments:

- A. EBCE Pro Forma PPAs Contract Overview
- B. EBCE Pro Forma Renewable Energy PPA Template
- C. EBCE Pro Forma Renewable Energy + Storage PPA Template