



2020 RPS & Storage Resource RFO - Project Approvals

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Solicitation Overview

Goals & Objectives

- Secure a portfolio of contracts to provide EBCE customers with affordable renewable and clean energy sources
- Meet a significant percent of SB350 long-term contracting requirements, equal to 65% of RPS obligations
- Meet IRP Near- and Mid-Term Resource Adequacy Reliability Procurement mandates
- Create new renewable energy projects to deliver PCC1 RECs
- Contract low-cost energy hedges to complement existing portfolio

Project Characteristics

Facilities:

- Location: Projects may be within or outside of California. All energy must be deliverable to CAISO.
- Construction Status: Energy and related products may come from new or existing resources.

Capacity:

- Minimum Contract Capacity: 10 MW
- Maximum Contract Capacity: 200 MW

Delivery Date:

- Energy and RPS attribute delivery must be within calendar years 2021, 2022, 2023, or 2024, with a preference for projects that begin delivery earlier within this window.

Contract Duration:

- 5-20 year durations

Technology:

- Renewables, Storage, and Large Hydro

Actions

- Issued a broad, open, competitive solicitation to ensure wide array of opportunities considered
- Evaluated exhaustive combinations of projects to achieve desired volume targets, while optimizing project risk, location, workforce development, economics, and other characteristics
- Encouraged RFO participants to be creative and provide proposal variations on individual projects and include battery storage

Participation

- **Robust project offering with over 70 unique project sites and over 400 contract variations**
- **All 6 products that were solicited were offered**
- **Offers included solar, wind, geothermal, hydro, and storage**
- **Projects based in 6 different states, predominantly CA**
 - **Only 2 projects in EBCE service territory. 1 project is speculative without site control, the other other project in Tracy is shortlisted.*

Evaluation Process

- **Evaluation Rubric scored 3 areas:**
 - Counterparty Execution, Offer Competitiveness, and Project Development Status
 - Multiple items under each area
- **Two reviewers were assigned to each project.**
- **Staff reviewed all submitted information and provided scores for all categories except for Term Sheet Markups and NPV.**
 - Each item has 10 point max. at its own weighting.
 - Term Sheet Markups were scored by one assigned reviewer.
 - NPV scores were directly incorporated into overall project score with a weighting of 45%.
 - The Net Present Value was calculated based on simulations on 3 different forward curves
 - For each forward curve we took a weighted average of the P5 (50%), P50 (25%), and P95 (25%) and then took a simple average across the 3 curves
 - We normalized this number on a \$/MW basis and the projects were then assigned a 0-10 score based on the NPV distribution
- **Scoring and rubric were consistent with the selection process for the 2018 California Renewables RFP.**

Projects Proposed for Execution

Seeking approval for one contract: one fixed price, shaped energy RPS Power Purchase Agreement (PPA) submitted into EBCE's 2020 Renewable Energy & Storage Resource RFO

- Geothermal PPA, facility sited in Nevada. 15-year term with option to extend to 20 years. Structured as a fixed price energy agreement. Developed by Fervo Energy. Expected to be operational in May, 2026.
 - Project will meet CPUC mandate for “long lead time resources”, as required under CPUC D.21-06-035

Fervo Project Details



- Selected via the 2020 Renewable Energy & Storage RFO
- 40 MW geothermal project based in Churchill County, Nevada
 - Total project size is anticipated to be 115 MW
- 15-year contract; EBCE has option but not obligation to extend to 20 years
- Expected Commercial Operation Date is May 1, 2026
- Project has an executed facility study and system interconnection agreements and site control.
- Fervo will make a financial or time contribution to EBCE's Community Investment fund as part of this contract.
- Committed toward utilizing union labor where possible and prevailing wages in Nevada.
- The contracting entity under Fervo is FEC Nevada I, LLC.

Fervo Company Overview



- Fervo Energy is a developer of geothermal energy resources.
- Founded in 2017, Fervo's team is comprised of reservoir engineers, geophysicists, data scientist, and renewable power developers.
- Fervo has combined advanced drilling techniques, fiber-optic sensing, and cloud-based analytics to unlock new geothermal resources.
- FEC Nevada I represents the first resource Fervo will develop and operationalize, however the Fervo team has developed over 1 GW of generation projects including the Hudson Ranch Geothermal Plant, completed in 2012.

RPS Portfolio Summary

Contracted RPS Portfolio:							
Developer	Technology	Nameplate MW	Storage MW	County	Actual or Expected COD	Term	Settlement
Clearway Energy Group	Solar	112	n/a	Kern	12/22/2020	15	DLAP
Salka Energy Group	Wind	57.5	n/a	Alameda	6/30/2021	20	Pnode
Pattern Energy	Wind	100	n/a	Torrance & Guadalupe, NM	12/22/2021	10	Pnode
Idemitsu Solar	Solar	55.8	n/a	Tulare	2/1/2022	15	DLAP
EDP Renewables North America	Solar+Storage	100	30MW/120MWh	Fresno	12/31/2022	20	Pnode
sPower / AES	Solar+Storage	125	80MW/160MWh	Kern	12/31/2022	20	Pnode
Terra-Gen	Solar+Virtual Storage	100	TBD	Kern	12/31/2022	15	Pnode
Intersect	Solar+Storage	125	125MW	Riverside	1/1/2024	15	Index

Next Steps

- Complete negotiations of Fervo contract; execute by early-February
- Assess projects as they hit key milestones and mature further.
- Update filing to CPUC on status of 2023-2026 Medi-Term Reliability due August 1, 2022.
- Release next RFO for Long-Term Resources in Q1 2022.