



Staff Report Item 9

TO: East Bay Community Energy Board of Directors

FROM: Jim Dorrance, Power Resources Manager

SUBJECT: Energy Storage Agreement Amendment (Action)

DATE: November 16, 2022

Recommendation

Adopt a Resolution authorizing the Chief Executive Officer (CEO) to negotiate and execute an Amendment to an existing Energy Storage Agreement (ESA) with Tumbleweed Energy Storage LLC.

Background and Discussion

East Bay Community Energy (EBCE) executed an ESA with Tumbleweed Energy Storage LLC on September 20th, 2021. This project was evaluated during EBCE's 2020 Renewable Energy and Storage Request for Offers (RFO) and was approved for execution during EBCE's Board of Directors meeting on June 16th, 2021. The details of the Tumbleweed project are below:

15-year 50MW/200MWh lithium-ion battery storage project based in Kern County, June 2024 online date with Tumbleweed Energy Storage (Seller), LLC, developed by REV Renewables, a subsidiary of LS Power.

At the time of contract execution, Tumbleweed was only able to provide 46 MW of Resource Adequacy value. EBCE is negotiating two changes to the contract: first, additional RA from the project that will benefit EBCE's RA obligation during the contract term; Second, EBCE is negotiating an option right to increase the battery's duration from 4-hour duration to 8-hour duration, making the resource eligible to meet compliance obligations for the procurement of long-duration energy storage. The price for the option right to increase battery duration would be tied to actual cost to build and install the battery, to be calculated at time of component ordering.

EBCE is asking the Board to Authorize the CEO to continue these negotiations and when complete execute an amendment that is beneficial to EBCE but allows for sufficient cost relief to the Seller to allow the project to be built by the online date.

Fiscal Impact

Part 1, Increasing RA Capacity: The amendment will increase project cost by approximately 6%.

Part 2, Option to Increase Battery Duration: The fiscal impact of the amendment cannot be calculated at this time. Prior to triggering of the option, EBCE staff will have access to publicly available component indices to inform the timing and decision of whether or not to act upon the option.

Attachments

- A. Resolution Authorizing the CEO to Negotiate and Execute an Amendment to an Existing Energy Storage Agreement with Tumbleweed Energy Storage LLC

RESOLUTION NO. R-2022-XX

A RESOLUTION OF THE BOARD OF DIRECTORS

**OF THE EAST BAY COMMUNITY ENERGY AUTHORITY AUTHORIZING THE CEO TO
NEGOTIATE AND EXECUTE AN AMENDMENT TO AN ENERGY STORAGE AGREEMENT
THAT HAS BEEN EXECUTED WITH TUMBLEWEED ENERGY STORAGE LLC**

WHEREAS The East Bay Community Energy Authority (“EBCE”) was formed as a community choice aggregation agency (“CCA”) on December 1, 2016, Under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy-related climate change programs in all of the member jurisdictions. The cities of Newark and Pleasanton, located in Alameda County, along with the City of Tracy, located in San Joaquin County, were added as members of EBCE and parties to the JPA in March of 2020.

WHEREAS EBCE has executed an Energy Storage Agreement with Tumbleweed Energy Storage LLC, on September 20th, 2021, for an energy storage project; and

WHEREAS, the project is a 50MW/200MWh lithium-ion battery storage project based in Kern County; and

WHEREAS, the project is expected to be operational by June 1, 2024, for a term of 15-years; and

WHEREAS, EBCE has negotiated with the Seller to find an equitable path to allow the project to come online by the agreed to date.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The CEO is hereby authorized to negotiate and execute an Amendment to an existing Energy Storage Agreement with Tumbleweed Energy Storage LLC.

ADOPTED AND APPROVED this 16th day of November, 2022.

Dianne Martinez, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board