



Consent Item 10

TO: East Bay Community Energy Board of Directors

FROM: Marie Fontenot, Vice President of Power Resources

SUBJECT: Amcor Storage Contract Approval (Action)

DATE: May 17, 2023

Recommendation

Adopt a Resolution authorizing the Chief Executive Officer to execute an Agreement with Amcor Storage LLC for a battery energy storage project in Solano County, developed by Nexus Renewables. The project operation dates are listed below:

- a. Amcor Storage: 10-year, 9.499 MW battery project located in Fairfield, CA. March 2024 online date. Developed by Nexus Renewables.

Background and Discussion

The 2022 Long-Term Resource Request for Offers (RFO) is EBCE's third long-term contract solicitation. The RFO was launched in February 2022. The RFO sought several hundred megawatts (MW) of contracts with renewable energy and battery storage projects with a preference for projects located in California, and more preferentially, those located in Alameda County. EBCE's objective was to drive investments in new renewable and energy storage projects in Alameda County and California, while securing affordable resources to manage future power price risk. EBCE received a very healthy response to its RFO both in volume and quality of projects and proposals. EBCE administered the RFO and completed robust analytics using internal tools and the cQuant valuation platform to calculate the net present value of proposed projects and determine the optimal portfolio to meet its objectives. All of these contracts will be utilized to hedge EBCE against price fluctuation in the CAISO energy markets and they will also contribute to procurement mandates issued by the California Public Utilities Commission (CPUC). The 2021-2023 Electric Reliability Requirements procurement mandate identified volumes of Resource Adequacy (RA) capacity each

CPUC-jurisdictional load serving entity must procure and have online in the years 2021, 2022 and 2023.¹ The second mandate requires additional volumes of RA come online in years 2023, 2024, 2025, and 2026. That mandate is the “Decision Requirement Procurement to Address Mid-Term Reliability 2023-2026”.²

The Amcor Storage project was offered to EBCE bilaterally, concurrent to ongoing negotiations underway in EBCE’s 2022 Long-Term Resource RFO and was evaluated against offers submitted to the RFO.

The Amcor Storage contract is for RA from a 9.499 MW/37.996 MWh battery storage project. The contracted project is located in Solano County. The contract is for 10 years with a guaranteed commercial operation date of March 1, 2024. Nexus is a developer having 410 MW of solar and energy storage projects in development. The contracting entity is Amcor Storage LLC.

Attachments

- A. Resolution Authorizing the CEO to Negotiate and Execute a Ten-Year Resource Adequacy Agreement with Amcor Storage LLC for a battery energy storage project in Solano County, developed by Nexus Renewables, U.S. Inc; and
- B. PowerPoint Presentation.

¹ <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M319/K825/319825388.PDF>

² <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M389/K603/389603637.PDF>

RESOLUTION NO. R-2023-XX

A RESOLUTION OF THE BOARD OF DIRECTORS

**OF THE EAST BAY COMMUNITY ENERGY AUTHORITY AUTHORIZING THE CEO TO
NEGOTIATE AND EXECUTE A RESOURCE ADEQUACY AGREEMENT WITH AMCOR
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, Amcor Storage, LLC proposed 9.499 MW of Resource Adequacy (RA) from a 9.499 MW/37.996 MWh battery energy storage project in Solano County, developed by Nexus Renewables, U.S. Inc (“Project”);

WHEREAS, the Project is expected to be operational by March 1, 2024 and will deliver RA for a term of ten years; and

WHEREAS, EBCE staff considers this is a competitive proposal based on submissions to the 2022 Long-Term Resources Request For Offers (RFO).

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 a ten-year RA agreement with Amcor Storage LLC for a 9.499 MW RA-only battery energy storage project in Solano County. The final agreement shall include the key terms outlined in the staff report recommendation associated with this Resolution.

ADOPTED AND APPROVED this 17th day of May, 2023.

Elisa Márquez, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board



2022 Long-Term Resource RFO: Project Update

PRESENTED BY: Marie Fontenot

DATE: May 17, 2023



Agenda

- Solicitation Overview
- Participation
- Evaluation Process
- Current RFO Portfolio Characteristics
- Challenges in Marketplace
- Next Steps
- Appendix: Portfolio Summary

Solicitation Overview

Goals & Objectives

- Secure a portfolio of contracts to provide EBCE customers with affordable renewable and clean energy sources
- Meet IRP Near- and Mid-Term Resource Adequacy Reliability Procurement mandates
- Meet a significant percent of SB350 long-term contracting requirements, equal to 65% of RPS obligations
- Create new renewable energy projects to deliver PCC1 RECs
- Contract low-cost energy hedges to compliment existing portfolio
- Partner with SJCE for efficiency, to minimize expenses, and lead the market in contract terms

Project Characteristics

Facilities:

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

Capacity:

- Minimum Contract Capacity: 5 MW
- Maximum Contract Capacity: none

Delivery Date:

- Energy and RPS attribute delivery must be within calendar years 2023, 2024, 2025, or 2026 with a preference for projects that begin delivery earlier within this window.

Contract Duration:

- 10-20 year durations

Technology:

- Renewables, Large Hydro
- Storage – short or long duration; any technology

Actions

- Issued a broad, open, competitive solicitation to ensure wide array of opportunities considered
- Evaluated combinations of projects to achieve desired volume targets
- Typically prioritize project risk, location, workforce development, economics, and other characteristics; limited ability to do so in this RFO due to limited offers in earlier years
- Encouraged RFO participants to be creative and provide proposal variations on individual projects and include battery storage

Solicitation Overview – Eligible Products

Product #	Product Name	Description	Example
Product 1	As-Available RPS Product	New or incremental capacity to an existing stand-alone PCC1-eligible generating resource	solar, wind, geothermal, small hydro or ocean (thermal, wave, or current)
Product 2	As-Available RPS plus Energy Storage	New or incremental capacity to an existing stand-alone PCC1-eligible generating resource with co-located energy storage	Same as above plus storage with 2-hr, 4-hr, or 4-hr+ duration capability
Product 3	Firm or Shaped RPS Product	New PCC1-eligible generating resources; likely paired with energy storage	Energy delivered during specific hours
Product 4	High Capacity Factor, No On-Site Emissions RPS Energy	New stand-alone PCC1-eligible generating resource	Geothermal or Biomass
Product 5	Stand-Alone Energy Storage Toll or RA-Only offer	Energy storage may offer a full product “tolling” structure contract or and RA-only offer	Any storage technology with 2-hr, 4-hr, or 4-hr+ duration capability
Product 6	Zero-Emitting Capacity Resources	Must be available every day from 5pm to 10pm (hours ending 17 through 22); must be able to deliver <u>at least 5 MWh of energy for every 1 MW of incremental capacity</u>	Emission-free generation resources, emissions-free generation paired with storage, or demand response



Participation

- **Less robust project offering than 2020 RFO. 44 unique project sites; 185 contract variations (as compared to 70 sites; 400 project variations in 2020 RFO)**
- **All 6 products that were solicited were offered**
- **Offers included solar, wind, geothermal, pumped hydro, and storage**
- **Projects based in 6 different states (CA, AZ, ID, NM, NV, OR); predominantly CA**
 - **Only 1 projects in EBCE service territory.*

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 and 2020 RPS and Storage RFO.**

Projects Proposed for Execution

Seeking approval for one contract:

- Amcor Storage: 10-year, 9.499 MW RA-only from battery storage project in Solano County. Expected to be operational March 2024. Developed by Nexus Renewables.

Nexus Renewables - Amcor Storage Project Details



- Originated and negotiated bilaterally
- Contract for 9.499 MW Resource Adequacy from energy storage project in Solano County
- 10-year contract
- Expected Commercial Operation Date is March 1, 2024
- Project has executed site control and interconnection agreement.
- Committed toward utilizing local and union labor and paying prevailing wages.
- The contracting entity under is Amcor Storage LLC.

Nexus Renewables Company Overview



- Nexus Renewables is a renewable developer focused on solar and energy storage technologies.
- Nexus was established in 2020 and has 410 MW of projects in various stages of development, including 14 MW of solar under construction in the U.S.
- The Nexus management team draws upon 60+ years of experience in the Power and Utility sector.

Portfolio Characteristics

	Developer	Project	Location	Product	Offtake	COD	Nameplate	Sept NQC
Generation	Longroad	Sun Pond	Maricopa County, AZ	PV and ESA	EBCE	4/1/2025	85 MW	34.4
Storage	NextEra Energy	Kola Energy Storage	San Joaquin County (Tracy), CA	ESA	EBCE	6/1/2025	125 MW	116.75
RA Only	Nexus	Amcor Storage	Solano County, CA	RA only	EBCE	3/1/2024	9.499 MW	9.499
	ConEd	Alpaugh BESS	Tulare County, CA	RA only	EBCE	6/1/2024	5 MW	4.5
	Vitol	Ocotillo Solar	San Diego County, CA	RA only	EBCE	8/1/2023	50 MW	50
	Broad Reach Power	Noosa Energy Storage	San Joaquin County, CA	RA only	EBCE & SJCE	6/1/2024	30 MW	27
	Broad Reach Power	Cascade Energy Storage	San Joaquin County, CA	RA only	EBCE & SJCE	6/1/2024	5 MW	4.5

Next Steps

- Finalize the contract and execute agreement.
- Assess projects as they hit key milestones and mature further.
- Update filing to CPUC on status of 2021-2023 and 2023-2026 Electric Reliability Requirements due June 1, 2023.

Appendix

Portfolio Summary

DEVELOPER	PROJECT NAME	TECHNOLOGY	NAMEPLATE MW	STORAGE MW/MWH	COUNTY	ONLINE	TERM (YEARS)
Clearway Energy Group	Golden Fields Solar	Solar	112	N/A	Kern	December 2020	15
Greenbacker Capital	Scott Haggerty Wind Energy Center	Wind	57.5	N/A	Alameda	July 2021	20
Convergent Energy and Power	Henrietta D Energy Storage	Storage	0	10/40	Kings	January 2022	15
Pattern Energy	Tecolote Wind	Wind	100	N/A	Torrance and Guadalupe (NM)	December 2021	10
Idemitsu Renewables	Tulare Solar Center	Solar	56	N/A	Tulare	May 2022	15
Terra-Gen	Sanborn Storage	Storage	0	47/188	Kern	December 2022	12
EDP Renewables	EDPR Solar Park	Solar + Storage	100	30/120	Fresno	December 2022	20
Terra-Gen	Edwards Solar	Solar + Virtual Storage	100	TBD	Kern	December 2022	15
Clearway Energy Group	Daggett 3	Solar+ Storage	50	12.5/50	San Bernadino	April 2023	15
Intersect Power	Oberon	Solar+ Storage	125	125	Riverside	January 2024	10+
LS Power	Tumbleweed Energy Storage	Storage	0	50/200	Kern	June 2024	15