



Consent Item 10

TO: Ava Community Energy Board of Directors

FROM: Joanie Brooke – Power Resources Manager

SUBJECT: Tulare Solar Center, LLC Amendment (Action Item)

DATE: March 20, 2024

Recommendation

Adopt a Resolution authorizing the Chief Executive Officer (CEO) to negotiate and execute an Amendment to a Power Purchase Agreement (PPA) with Tulare Solar Center, LLC (Seller).

Background and Discussion

Ava Community Energy (Ava) executed a Solar PPA with Tulare Solar Center, LLC (Seller) on June 10, 2019. The original project was evaluated during Ava's CA Renewable Energy Request for Proposals that was launched in June 2018, and the PPA was approved for execution during Ava's Board of Directors meeting on June 5, 2019.

The Tulare Project is a 56-megawatt (MW) solar project located in Tulare County with a 15-year delivery term. The project came online in April 2022, and the developer for the project was Solar Frontier Americas.

The Seller approached Ava in 2023, requesting an adjustment to the way that the energy from the project settles and requested this change to be in place for the remaining contract years. Ava spent several months working with the Seller to ensure that any amendment to the PPA keeps the project's current value to Ava customers intact. The result of these negotiations is an Amendment that adjusts the project's

energy settlement to mitigate the current financial impacts to the Seller, and in return has extended the project's delivery term by three years and increased the amount that Ava is holding as performance security throughout the delivery term.

The amended PPA would remain very competitive in today's market, have stronger protections against future risks, and will continue to benefit Ava customers with a reliable, renewable energy resource.

Ava is asking the Board to Authorize the CEO to continue these negotiations and when complete, execute an Amendment that is beneficial to Ava customers.

Fiscal Impact

Exact costs are challenging to quantify, since there are multiple "if/then" scenarios in motion. The settlement adjustment will reduce the project's expected net present value over time. However, some of this cost is mitigated by the benefits of extending the contract term and preventing an early termination of the PPA contract.

Attachments

- A. Resolution Authorizing the CEO to Negotiate and Execute an Amendment to a Power Purchase Agreement with Tulare Solar Center, LLC.

RESOLUTION NO. R-2024-XX

A RESOLUTION OF THE BOARD OF DIRECTORS

**OF THE AVA COMMUNITY ENERGY AUTHORITY AUTHORIZING THE
CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE AN
AMENDMENT TO A POWER PURCHASE AGREEMENT WITH TULARE
SOLAR CENTER, LLC**

WHEREAS on October 24, 2023, the East Bay Community Energy Authority legally adopted the name Ava Community Energy Authority (“Ava”);

WHEREAS Ava 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 Ava and parties to the JPA in March of 2020. The City of Stockton, located in San Joaquin County was added as a member of Ava and party to the JPA in September of 2022. The City of Lathrop, located in San Joaquin County, was added as a member to Ava and party to the JPA in October of 2023.

WHEREAS Ava has executed a Power Purchase Agreement with Tulare Solar Center LLC, on June 10, 2019, for a solar project; and

WHEREAS the project is a 56-megawatt (MW) solar project based in Tulare County; and

WHEREAS the project began operations on April 29, 2022 and has a contracted delivery term of 15 years; and

WHEREAS Ava has negotiated with Tulare Solar Center LLC over amendments to the Power Purchase Agreement to find an equitable path to allow a settlement adjustment, a three year term extension, and an increased Performance Security.

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

Section 1. The Chief Executive Officer is hereby authorized to negotiate and execute an Amendment to a Power Purchase Agreement with Tulare Solar Center, LLC.

ADOPTED AND APPROVED this 20th day of March, 2024.

Jack Balch, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board