



Consent Item 9

TO: Ava Community Energy Authority

FROM: Joanie Brooke – Power Resources Manager

SUBJECT: **Alpaugh BESS, LLC Energy Storage Resource Adequacy Agreement Amendment (Action Item)**

DATE: April 17, 2024

Recommendation

Adopt a Resolution authorizing the Chief Executive Officer (CEO) to negotiate and execute an Amendment to an Energy Storage Resource Adequacy Agreement with Alpaugh BESS, LLC (Seller).

Background and Discussion

Ava Community Energy (Ava) executed an Energy Storage Resource Adequacy Agreement (Agreement) with the Seller on February 28, 2023, for Resource Adequacy for a 5 mega-watt (MW) share of a 10 MW battery energy storage facility (BESS), located in Tulare County, California. The Agreement was approved for execution during Ava's Board of Directors Meeting on February 15, 2023.

The Seller has stated that they are unable to bring the project online by the June 2024 date in the Agreement due to challenges during the development of the project impacting the facility's utility interconnection. The Seller has asked Ava to amend the Agreement and extend the online date of the project by up to two years. In return, the Seller has agreed to compensate Ava for the loss of Resource Adequacy caused by the delay.

Ava is asking the Board to authorize the CEO to continue these negotiations, and when complete, execute an Amendment extending the project's guaranteed commercial operation date in the Agreement.

Fiscal Impact

The fiscal impact of the delay to the commercial operation date would be substantially offset by the Seller's compensation payment.

Attachments

- A. Resolution authorizing the CEO to negotiate and execute an Amendment to an Energy Storage Resource Adequacy Agreement with Alpaugh BESS, LLC.

RESOLUTION NO. R-2024-XX
A RESOLUTION OF THE BOARD OF DIRECTORS
OF AVA COMMUNITY ENERGY AUTHORITY AUTHORIZING THE CEO TO
NEGOTIATE AND EXECUTE AN AMENDMENT TO THE ENERGY STORAGE
RESOURCE ADEQUACY AGREEMENT WITH ALPAUGH BESS, LLC

WHEREAS The Ava Community Energy Authority (“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. On October 24, 2023, the Authority legally adopted the name Ava Community Energy Authority, where it had previously used the name East Bay Community Energy Authority since its inception.

WHEREAS Ava has executed an Energy Storage Resource Adequacy Agreement (Agreement) with Alpaugh BESS, LLC on February 28, 2023; and

WHEREAS the Agreement is for 5 mega-watts (MW) of Resource Adequacy (RA) from a 10 MW battery energy storage project in Tulare County, developed by Consolidated Edison Development, LLC, and will deliver RA for a term of twelve years; and

WHEREAS Ava has negotiated an amendment to the Agreement, which will delay the operational date by up to two years and include a payment to compensate Ava for the loss of RA caused by the delay.

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, in consultation with staff and legal counsel, to negotiate and execute an Amendment to an Energy Storage Resource Adequacy Agreement with Alpaugh BESS, LLC.

ADOPTED AND APPROVED this 17th day of April, 2024.

Jack Balch, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board