VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 13

TO: Board of Directors

FROM: Chad Curran, Director of Power Services

SUBJECT: Authorize VCE's Chief Executive Officer to execute agreements to enable Gibson negotiations

DATE: November 12, 2026

RECOMMENDATION

1) Authorize the Executive Officer to execute any agreements with Emeren US, LLC that may be necessary to enable conducting due diligence and negotiations to acquire the Gibson Solar and Battery Storage Project.
2) Approve a 2026 Budget Increase of $100,000 for Commercial Legal Support annual budget expenses from $24,000 annually to $124,000 and a decrease in contingency from $240,000 to $140,000 for a net-neutral 2026 Budget impact.Authorize

SUMMARY

On April 9, 2026, the Board approved the Second Amended and Restated Power Purchase Agreement (the "PPA) for the 13 MW Gibson Solar and Battery Storage Project (the "Gibson project") owned by Emeren US, LLC ("Emeren"). Emeren sought, but did not secure a buyer for the project, and Emeren approached VCE about potentially purchasing the project. At the September 10, 2026, meeting, the Board authorized[1] Staff to proceed with due diligence and negotiation of a potential acquisition of the Gibson project, subject to returning to the Board for final approval of any transaction.

Since that meeting, Staff have been conducting due diligence in earnest and have discussed with Emeren possible terms for the acquisition of the project. However, both Emeren and Staff recognized that certain interim agreements may be necessary to enable due diligence and negotiation. Since the Board's September 10, 2026, authorization to conduct due diligence and negotiation did not explicitly authorize Staff to execute such enabling agreements, Staff are now seeking such approval.

Staff request Board authorization for the Executive Officer to execute any agreements necessary to enable due diligence and negotiations with Emeren for purchase of the Gibson project (the "enabling agreements"). Enabling agreements may be necessary to give each party comfort that it is protecting its rights during negotiations and not exposing itself to additional risk. Such enabling agreements may include but not be limited to topics such as confidentiality, exclusivity, permission to communicate

[1] https://valleycleanenergy.org/wp-content/uploads/Item-14-Gibson-Solar-Project-9-10-26-1.pdf

with third party consultants and service providers, reservation of rights under the PPA, temporary suspension of rights or obligations under the PPA, intent to negotiate, or limits of liability.

Since time is of the essence during due diligence and negotiations, and new concerns may arise at any time during discussions, Staff are not seeking approval of specific enabling agreements, but Staff are seeking authority to execute any enabling agreements that may be necessary without returning to the Board for approval of each enabling agreement.

Staff are not seeking authorization at this time to permanently waive or modify rights or obligations under the PPA or make commitments to purchase the Gibson project. Staff will return to the Board separately for approval of any agreements Staff recommend to permanently waive or modify rights or obligations under the PPA or commit to purchase the Gibson project.

FISCAL IMPACT

The negotiations are anticipated to have a net-neutral effect on VCE's budget by using budgeted contingency funds. Legal and due diligence fees will be included in the acquisition finances if a successful agreement is reached.

CONCLUSION

Staff are proceeding in earnest with due diligence and negotiation. To preserve the rights and limit the risk of both parties, enabling agreements may be necessary during the course of due diligence and negotiations. Staff recommend that the Board authorize the Executive Officer to execute any such enabling agreements that may be necessary to enable due diligence and negotiations.