



**Valley Clean Energy Board Meeting – October 14, 2021  
via video/teleconference  
Item 13 – Approve Long Term Renewable Power Purchase  
Agreement (PPA) with Willow Springs Solar 3, LLC**



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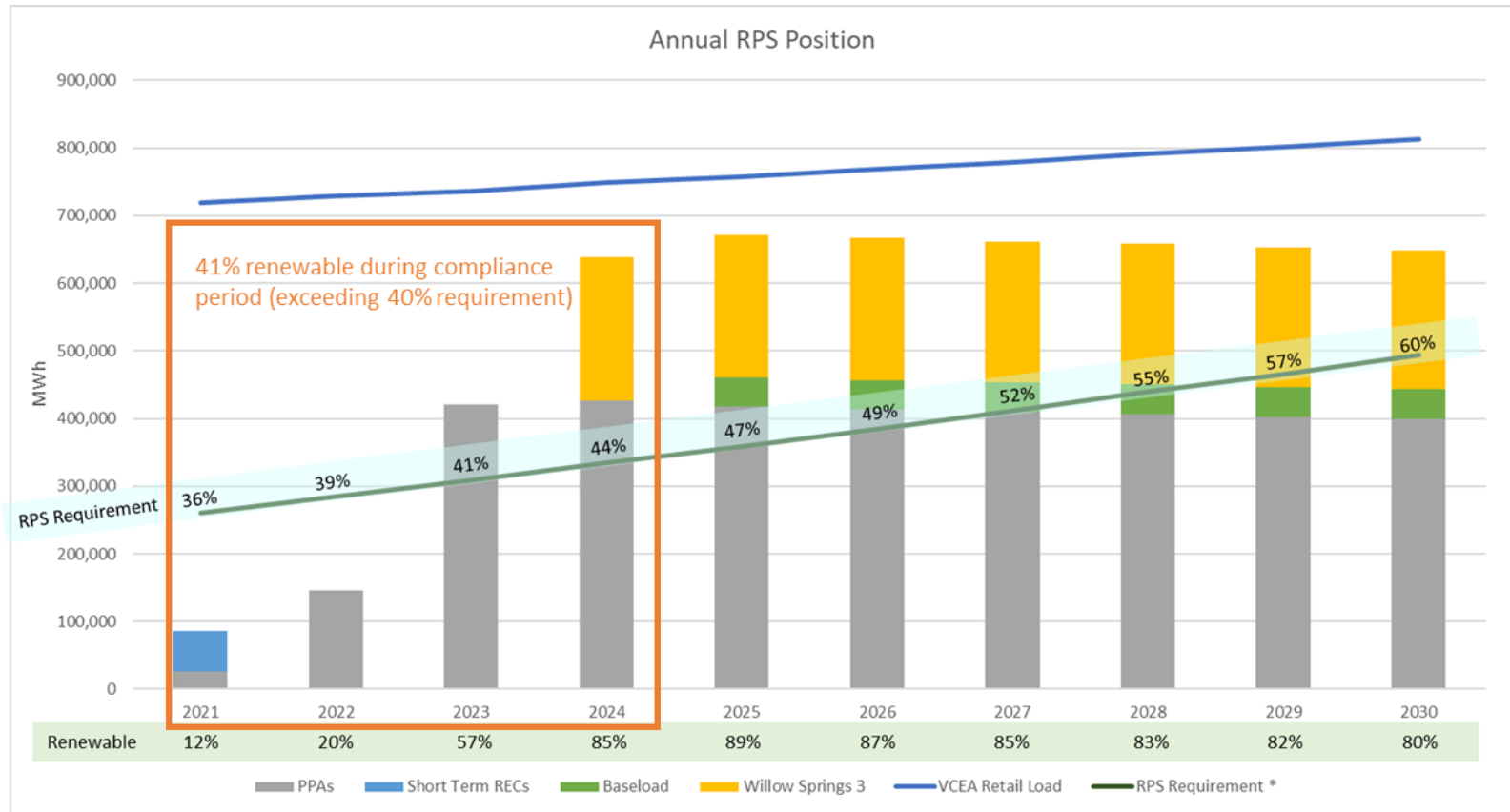
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# Item 13 – PPA with Willow Springs Solar 3, LLC: Background

## Background

- June 2021 VCE Board adopted a budget that was based on a plan to transition from short-term power purchases into longer term PPAs
  - Provides near-term budget relief and long-term fiscal stability, considers a lower renewable portfolio content in years 2021 and 2022 followed by higher content beginning in year 2023 and beyond
- CPUC Decision 21-06-035 has obligated load serving entities to procure 11.5GW of new generation
  - Demand has increased thus putting buyers at a disadvantage
- Global supply chain pressures
- On a bilateral basis, staff engaged reputable developers that focus on renewable development in and out of state
- PPA negotiations commenced which ultimately resulted in the finalized PPA with an indirect subsidiary of Leeward Renewable Energy (Leeward)

# Item 13 – PPA with Willow Springs Solar 3, LLC: RPS Compliance



- 1) RPS requirement includes small margin for load uncertainty and UltraGreen
- 2) Willow Springs 3 would serve 27% of VCE's retail load
- 3) Future known procurements, a) CC Power procurement for baseload resource(s), b) Local RFO to meet Board goal, c) others to be determined from carbon neutral study



# Item 13 – PPA with Willow Springs Solar 3, LLC: Key Terms

## Key Contract Terms

- Term = 15 yrs.<sup>1</sup>
- Guaranteed Commercial Operation Date: 12/31/2023
- Capacity:
  - 72 MW PV
  - 36 MW battery (lithium-ion) energy storage system (4 hrs, 144 MWhs)
- Competitively priced energy (\$/MWh) and capacity (\$/Kw-mo)
- SMUD will perform scheduling coordinator services
- The agreement outlines the creation of a workforce development and local sustainability fund that will be paid for by Leeward and will be distributed as directed by the VCE Board (\$200K)<sup>2</sup>
- The project uses solar modules that are not exposed to any forced labor concerns with regards to the Xinjiang Province of China



- 1) 15 yrs aligns with portfolio as this staggers the contract roll-off with other PPAs
- 2) \$20,000/yr for 10 yrs

# Item 13 – PPA with Willow Springs Solar 3, LLC: Counterparty

## Counterparty

- Leeward Renewable Energy will develop, own and operate the Willow Springs Solar 3 project<sup>1</sup>
- Leeward is a developer, owner, and operator of renewable projects
- 21 operating renewable facilities across nine states
  - In California, Leeward owns and operates two wind assets and has three solar-plus-storage projects in development across three counties
  - Leeward has executed long-term contracts for renewable energy supply with several of California Community Choice Aggregators (CCAs) including SVCE, PCE, and CCCE for solar and storage
- Nearly 20 GW of new wind, solar, and energy storage projects under development across 100 projects
- Portfolio company of OMERS Infrastructure<sup>2</sup>

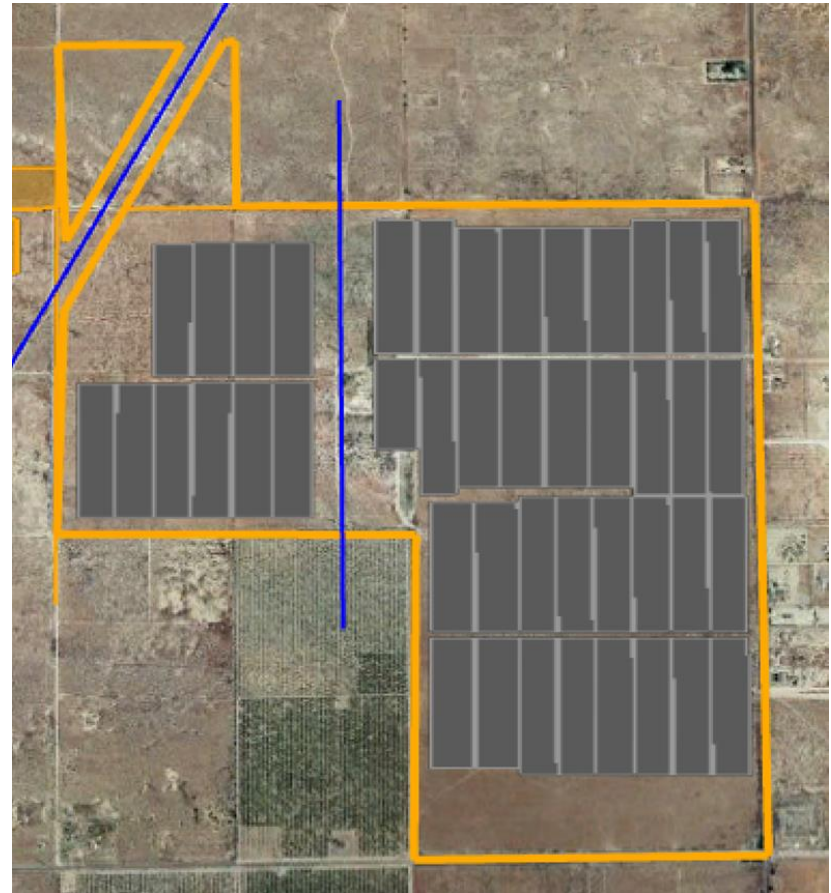


- 1) Willow Springs Solar 3, LLC is the project company formed by Leeward for this project
- 2) OMERS = Ontario Municipal Employees Retirement System

# Item 13 – PPA with Willow Springs Solar 3, LLC: Project Site

## Project Description

- 72 MW PV | 36 MW 4 hour battery located in Kern County
- 485 acres of land<sup>1</sup>
  - Abandoned and fallowed ag land
- Interconnection at Desertflower substation; POI = Whirlwind 220kV substation (SCE)<sup>2</sup>
- Project has received its Conditional Use Permit
- Project will be constructed utilizing union labor including IBEW, Ironworkers, Laborers, and Operating Engineers



1) The site has not been actively farmed since 2009 due in part to a lack of availability of groundwater in the Antelope Valley.

2) Project has a signed interconnection agreement and will be using existing transmission infrastructure

# Item 13 – PPA with Willow Springs Solar 3, LLC: Portfolio



## Renewable Energy Contracts

- 1 Aquamarine Solar Facility**  
Kings County  
50 MW PV-only  
*Online Now*
- 2 Putah Creek**  
Yolo County  
3 MW/3 MW BESS\*  
*anticipated online end of 2021*
- 3 Gibson**  
Yolo County  
20MW/6.5 MW BESS\*  
*Fall 2022*
- 4 Tierra Buena Battery Storage Facility**  
Sutter County  
VCE Share is 2.5 MW  
*Anticipated online Summer 2022*
- 5 Aggregated Demand Response: Statewide Resources**  
VCE share is 7MW  
*online now*
- 6 Resurgence Solar I**  
San Bernardino County  
Solar PV + Storage Project  
90 MW (PV)/75 MW BESS\*  
(approx. 250,000+ MWhs)  
*anticipated online end of 2022*
- 7 Willow Springs Solar 3**  
Kern County  
Solar PV + Storage Project  
72 MW (PV)/36 MW (BESS)\*\*  
(approx. 215,000+ MWhs)  
*anticipated online end of 2023*

\*Battery Energy Storage System  
\*\*Pending VCE Board approval





# Item 13 – PPA with Willow Springs Solar 3, LLC: Recommendation

## Staff Recommendation

- Approve the Power Purchase Agreement (PPA) by VCEA for 100% of the output for 15 years of the Willow Springs Solar 3 project under development by Leeward Renewable Energy
- Authorize the Interim General Manager to execute the PPA and authorize the Interim General Manager, in consultation with General Counsel, to make minor changes to the PPA so long as the term and price are not changed



# Valley Clean Energy Board Meeting – October 14, 2021 via video/teleconference



## Item 15 – CAC At-Large Recruitment and Selection Guidelines

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# Item 15 – CAC At-Large Recruitment and Selection Guidelines

## Recruitment/Selection Guidelines

Ideal candidates for At-Large CAC seats possess subject matter expertise/experience related to the goals contained in the VCE Strategic Plan, including:

- Energy Sector (e.g. procurement)
- Community engagement
- Environmental justice
- Agricultural Sector
- Grid reliability and sustainability
- Decarbonization

Professional Sectors that tend to intersect with VCE activities include but are not limited to those listed below. Ideal candidates for At-Large CAC seats possess professional experience in one or more of the following sectors:

- Legal (specialties in energy sector/regulatory)
- Financial (banking, accounting, auditing)
- Energy (procurement, regulatory, planning, engineering)
- Agricultural
- Community Engagement/Outreach/Customer Service (community organizing, legislative, public relations, marketing)
- Research (energy sector, decarbonization)





**Valley Clean Energy Board Meeting - Thursday, October 14, 2021**  
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**Item 16 – Change in Accounting Year**



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# Item 16 – Accounting Year Change - Discussion

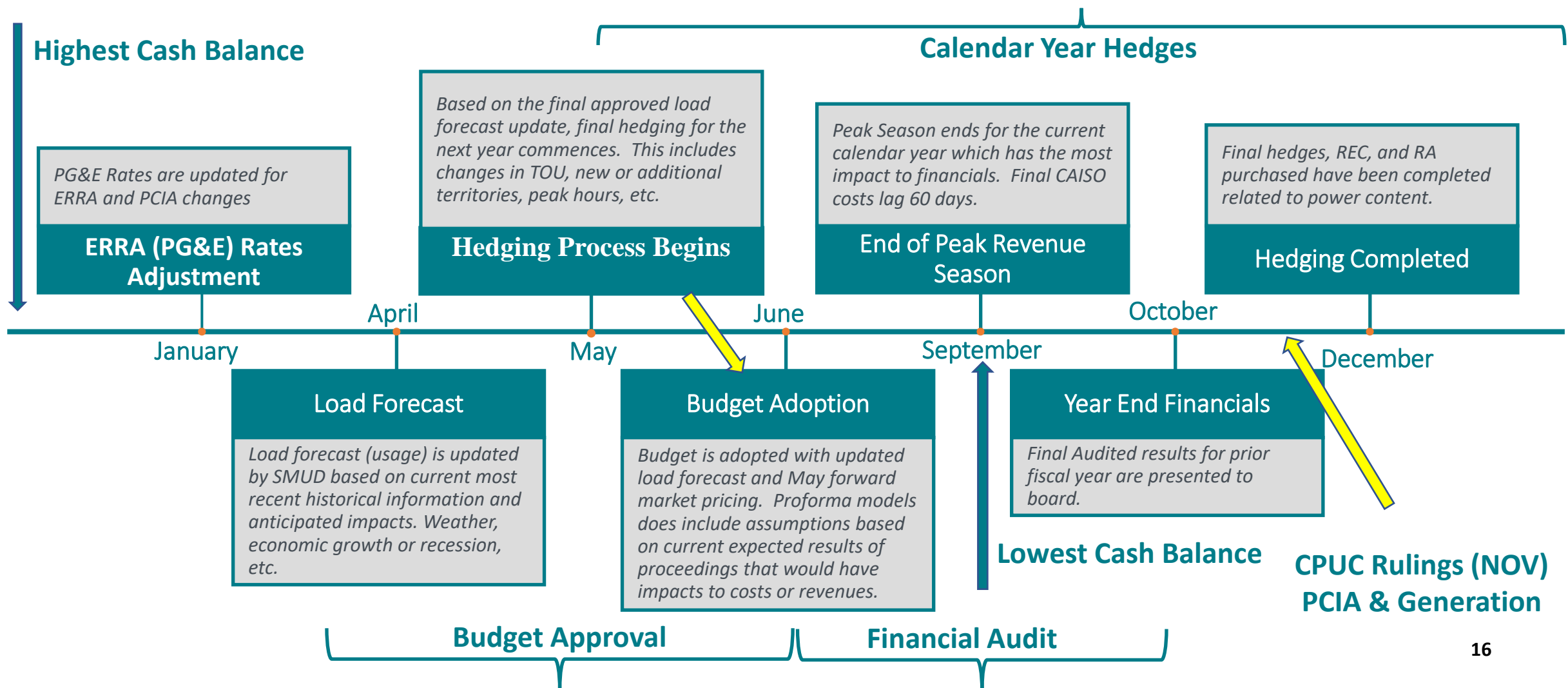
## **Overview**

- VCE Formation – Fiscal Accounting Year ending June 30
  - Current Timeline View
- Comparison of Fiscal Year Timeline and Calendar Year Timeline
  - Updated Calendar Year Timeline View
- Decision Options and Impacts
- Recommendations and Discussion



# Item 16 - Current Annual Timeline (Fiscal Year)

## Annual Financial Decision Milestones





# Item 16 - Annual Timeline Comparison (FY vs CY)

## Fiscal Year

- No additional staff resources required for transition to CY
- Aligns with Member Agencies budget process

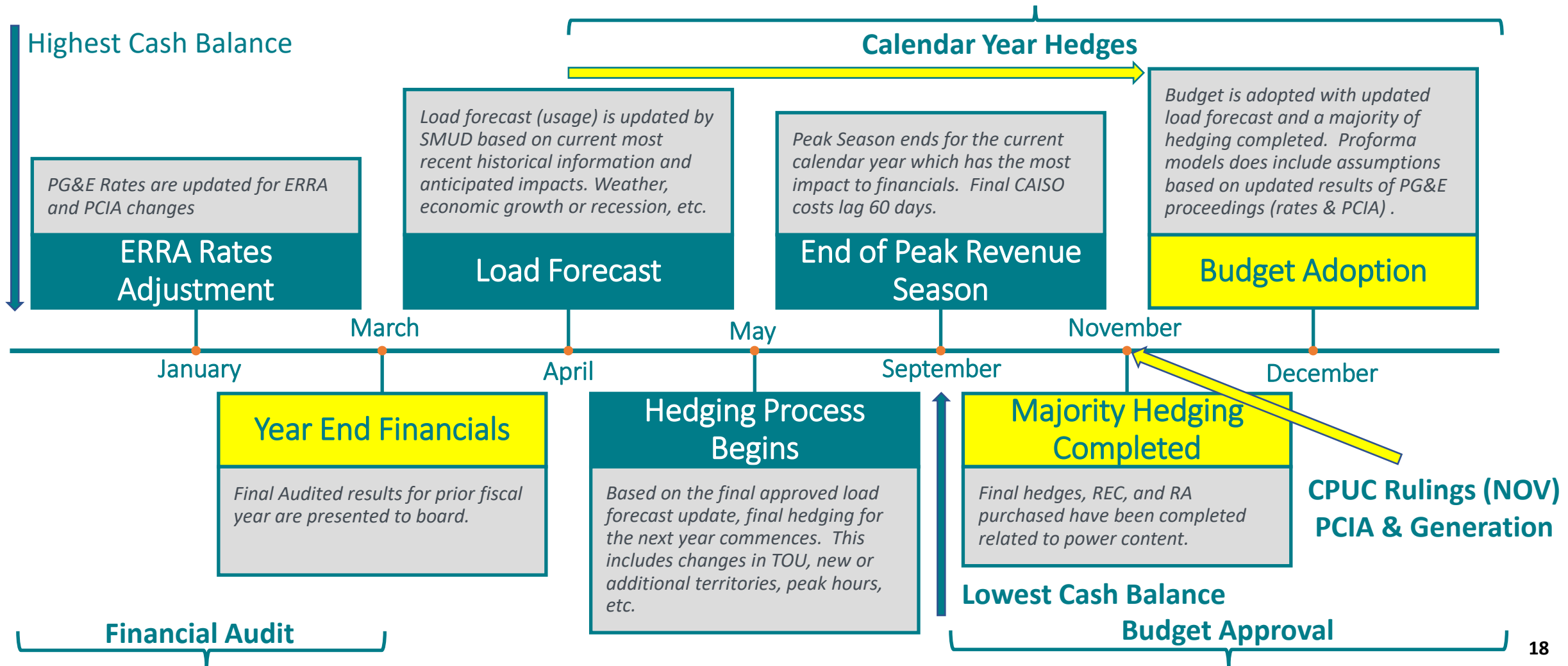
## Calendar Year

- Power Contracts are CY
- Regulatory Compliance CY basis
- Peak Revenue season – Not split
- Increased fixed Power Costs (hedging)
- Accuracy of Customer Rates (PG&E filings and VCE costs)
- Load Update - Additional Review Time
- Reduced Risks of uncontrollable or variable financial impacts

Note: No standardized accounting year throughout California CCA and power community.

# Item 16 – Updated Annual Timeline (Calendar)

## Annual Financial Decision Milestones



# Item 16 – Decision Options

## Option 1 (Current Process)

- Maintain Existing FY Accounting Year
- Amend Current FY Budget for financial changes
- Updated Reserve and Rate Policy
- Option to solicit new audit firm

## Option 2

- Amend Current FY Budget (6 Month)
- Budget for CY 2022 (12 Month) – Nov & Dec.
- Updated Reserve and Rate Policy
- Extend current Audit firm during the transition

## Option 3

- Adopt a 6 Month FY Budget Jul. 22- Dec. 22 (June 22)
- Adopt a CY 2023 Budget (Dec. 22)
- Updated Reserve and Rate Policy
- Option to solicit new audit firms

# Item 16 – Accounting Year Change

## **Discussion - Calendar Year Transition**

- Calendar Accounting Year starting on December 31, 2021
  - Board Resolution for accounting year change in November 2021
  - Draft Calendar Year 2022 Budget – November 21
  - Budget Adoption December 2021