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Valley Clean Energy Board of Directors Meeting – Thursday, April 9, 2026

Item 14 – Gibson Solar + Storage 2nd Amended and Restated PPA



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Item 14 – Gibson Solar + Storage 2nd Amended and Restated PPA Agenda

Agenda:

- Background
- Overview
- Key Contract Terms
- Other Details
- Microgrid Incentive Program
- Project Economics
- Strategic Plan Goals
- Conclusion and Recommendation

Item 14 – Gibson Solar + Storage 2nd Amended and Restated PPA Background

Background

- PPA signed Gibson solar + BESS PPA in 2020 out of VCE local RFO, along with Putah Creek solar + BESS project.
- Initial project resized to reduce interconnection delays, facilitate permitting, and support California Department of Food and Agriculture microgrid grant application.
- 1st amended and restated PPA signed April 2023; increased price, changed size (decreased storage and increased PV) and extended development timeline.
- In 2023 to 2025 Gibson faced delays in procuring gen-tie easements and securing mitigating lands for Williamson Act.
- Market changes increased costs – One Big Beautiful Bill Act imposed restrictions on panel sourcing, and tariffs and overall inflation increased costs.

Item 14 – Gibson Solar + Storage 2nd Amended and Restated PPA Overview

Counterparty	Gibson Renewables, LLC
Developer	Emeren US, LLC
Location	Yolo County, near Madison, CA, just SW of Hwy 16 and Hwy 89
PV Capacity	26 MWdc, 13 MWac
Storage Capacity	65 MWh (13 MWac x 5 hours)
Term	20 years
Guaranteed Construction Start Date	12/31/26
Guaranteed Commercial Operation Date	6/30/2028
Expected Energy	Approx. 52,000 MWh, or approx. 5.8% of 2029 load



Item 14 – Gibson Solar + Storage 2nd Amended and Restated PPA

Key Contract Terms

Key Contract Terms of the Second Amended and Restated PPA

- Extends contract milestones by approximately 2 years:
 - Guaranteed Construction Start Date to December 31, 2026
 - Guaranteed Commercial Operation Date June 30, 2026.
- Increases the installed PV capacity from 25.2 MWdc to 26 MWdc.
- Increases the price of renewable energy and storage capacity.
- Price adjustment mechanisms for equipment cost, property taxes, and microgrid funding.
- Increased penalties for failure to provide resource adequacy.
- Support for VCE's Microgrid Incentive Program grant application.
- VCE right of first offer (ROFO) to purchase the Gibson project.

Item 14 – Gibson Solar + Storage 2nd Amended and Restated PPA

Other Details

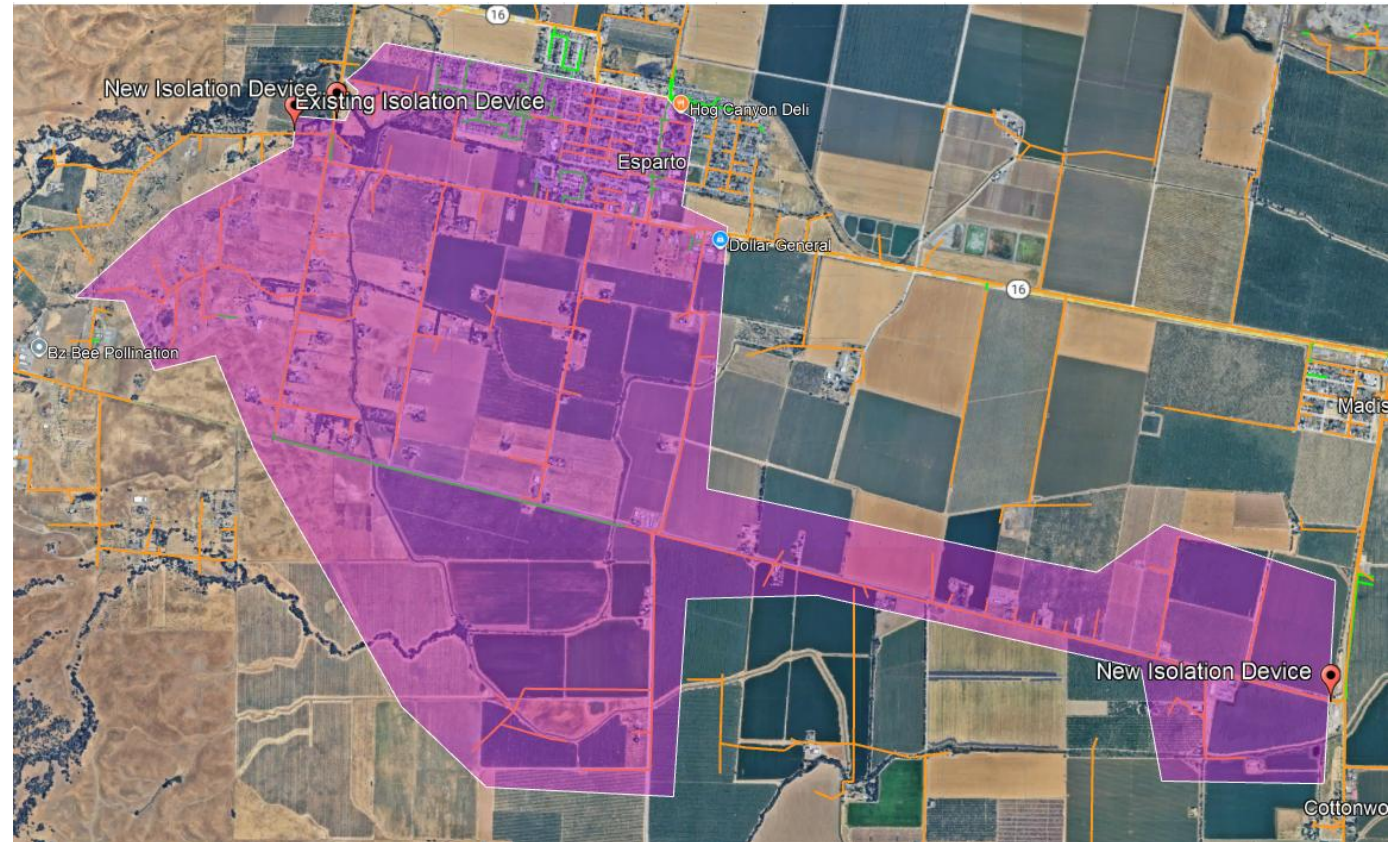
Other Details

- 101-acre conservation easement to mitigate taking Williamson Act land out of production; just north of Woodland
- Recently received CAISO allocation of 100% full capacity deliverability status, so will count toward resource adequacy requirements
- Gibson intends to qualify for the Investment Tax Credit by safe harboring equipment in 2026

Item 14 – Gibson Solar + Storage 2nd Amended and Restated PPA Microgrid Incentive Program

Microgrid Incentive Program:

- PG&E's CPUC-funded Microgrid Incentive Program provides funds to support the development of microgrids to increase resiliency.
- On December 17, 2025, VCE applied for a \$14 million MIP grant for the Gibson project to provide microgrid services to the Capay Valley.
- The 2nd A&R PPA requires Gibson to support the microgrid application and implementation and reduces the PPA price if MIP funds can be applied to the project.
- Decision on MIP funding expected June 2026.



Item 14 – Gibson Solar + Storage 2nd Amended and Restated PPA Project Economics

Project Economics

- PPA prices have increased steadily in the last 5 years.
- Supply chain shocks, tariffs and changes in federal law and policy have increased costs.
- Amended Gibson PPA price is competitive with market prices.

Uncertainty looms as solar PPA prices climb for second straight quarter

A report from LevelTen Energy finds solar PPA prices in North America rose 3.2% in Q4 2025, marking a nearly 9% year-over-year increase as developers and buyers navigate a complex “post-OBBA” regulatory environment.

JANUARY 30, 2026 RYAN KENNEDY

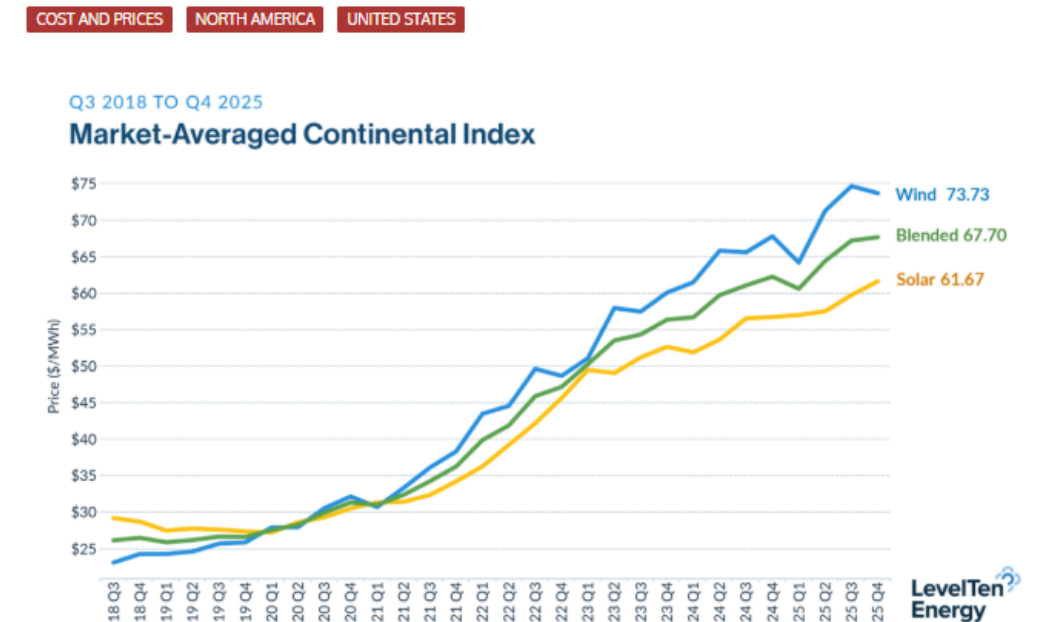


Image: LevelTen Energy

<https://pv-magazine-usa.com/2026/01/30/uncertainty-looms-as-solar-ppa-prices-climb-for-second-straight-quarter/>

Item 14 – Gibson Solar + Storage 2nd Amended and Restated PPA

Strategic Plan Goals

Goal 2: Manage power supply resources to consistently exceed California’s Renewable Portfolio Standard (RPS) while working toward a resilient resource portfolio that is 100% Carbon Free and a minimum of 90% Renewable by 2030.

2.1 Objective: Continue to identify and pursue cost effective local renewable energy and storage resources.

2.2 Objective: Through strategic procurement acquire sufficient clean energy and renewable resources including storage and other resource adequacy products to achieve VCE’s greenhouse gas reduction targets and regulatory requirements.

2.3 Develop strategies to identify and pursue cost-effective, local distributed energy resources. Strategies could include, but are not limited to, an allocation of resource portfolio investment in cost-effective local energy and storage resources even though such local investment may affect achievement of overall resource portfolio goals.

2.4 Evaluate and pursue opportunities for shared investment and procurement strategies with other CCAs.

2.6 Objective: Optimize the hedging strategy to mitigate risk in accordance with the energy risk guidelines and procurement plan.

Goal 4. Promote and deploy local decarbonization and energy resilience programs to improve grid stability, reliability, and safety.

4.1 Objective: Work with a variety of local, regional and state partners, to develop strategies and initiatives to pressure state policy makers to remove barriers to technical feasibility and economic viability of local renewable and storage resources, both FOM and BTM.

4.2 Objective: Work with member jurisdictions (e.g., city and school district planning staff) to help plan and implement local energy resilience, decarbonization and electrification initiatives and where practical, powered by local supply resources.

4.3 Objective: Increase participation in VCE’s UltraGreen 100% renewable product.

4.4. Objective: Identify external funding sources to support decarbonization, community energy resilience and grid-related programs and initiatives.

4.5 Objective: Identify and pursue cost effective, local distributed energy (e.g., behind the meter opportunities) resources to help meet reliability needs.

Item 14 – Gibson Solar + Storage 2nd Amended and Restated PPA Conclusion and Recommendation

Conclusion

- The initial Gibson project was higher cost and delayed due to development issues outside of the developer's control
- The 2nd A&R PPA is competitively priced, contributes toward regulatory mandates, and supports VCE's strategic plan goals for local procurement and resiliency

Staff Recommendation

- Approve resolution authorizing the Executive Officer to execute the 2nd amended power purchase agreement (PPA) and any necessary ancillary documents for the Gibson renewable photovoltaic (PV) plus battery storage (BESS) project



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Item 15 - Ratify VCE Positions on Three Legislative Bills



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Item 15: Ratify VCE Positions on Three Legislative Bills

1. Support: AB 1761 (Rogers). Improving PCIA Transparency.

- VCE Position: Support
 - *VCE Legislative and Regulatory Platform: Power Cost Indifference Adjustment (PCIA)*
- CalCCA Position: Sponsor
- Summary: Seeks to increase the transparency of IOU electricity contracts and any other factors that provide the basis for PCIA charges that VCE (and its customers) and other CCAs must pay.

2. Support: SB 1138 (Padilla). RA Transactability

- VCE Position: Support
 - *VCE Legislative and Regulatory Platform: Resource Adequacy*
- CalCCA Position: Sponsor
- Summary: Allows load serving entities like VCE to transact RA load obligations on an hourly basis to align with the new slice-of-day Resource Adequacy (RA) program.

Item 15: Ratify VCE Positions on Three Legislative Bills

3. AB 2383 (Zbur). Large Load Rate Setting Authority.

- VCE Position: Oppose Unless Amended
 - *VCE Legislative and Regulatory Platform: Governance and Statutory Authority*
- CalCCA Position: Oppose Unless Amended
- Summary: Gives rate setting authority to the CPUC for large loads for all load serving entities, including CCAs.
 - *Requested amendment: delete CPUC authority to set large load rate criteria that applies to CCAs*