



AGENDA

Special Meeting of the Board of Directors of San Diego Community Power (SDCP)

June 22, 2023
6:30 p.m.

(The special meeting is scheduled to begin at approximately 6:30 p.m.
or at the conclusion of the 5 p.m. June 22, 2023 regular meeting)

City of San Diego Metropolitan Operations Complex (MOC II) Auditorium
9192 Topaz Way, San Diego, CA 92123

The meeting will be held in person at the above date, time and location. Board of Directors Members and members of the public may attend in person. Under certain circumstances, Directors may also attend and participate in the meeting virtually pursuant to the Brown Act (Gov. Code § 54953). As a convenience to the public, SDGP provides a call-in option and internet-based option for members of the public to virtually observe and provide public comments at its meetings. Additional details on in-person and virtual public participation are below. Please note that, in the event of a technical issue causing a disruption in the call-in option or internet-based option, the meeting will continue unless otherwise required by law, such as when a Board Member is attending the meeting virtually pursuant to certain provisions of the Brown Act.

Note: Any member of the public may provide comments to the Board of Directors on any agenda item. When providing comments to the Board, it is requested that you provide your name and city of residence for the record. Commenters are requested to address their comments to the Board of Directors as a whole through the Chair. Comments may be provided in one of the following manners:

1. Providing Oral Comments During Meeting. Anyone attending in person desiring to address the Board of Directors is asked to fill out a speaker's slip and present it to the Clerk of the Board or the Secretary. To provide remote comments during the meeting, join the Zoom meeting by computer, mobile phone, or dial-in number. On Zoom video conference by computer or mobile phone, use the "Raise Hand" feature. This will notify the moderator that you wish to speak during a specific item on the agenda or during non-agenda Public Comment. Members of the public will not be shown on video but will be able to speak when called upon. If joining the meeting using the Zoom dial-in number, you can raise your hand by pressing *9. Comments will be limited to three (3) minutes.
2. Written Comments. Written public comments must be submitted prior to the start of the meeting by using this [Web Comment Form](#). Please indicate a specific agenda item when submitting your comment. All written comments received prior to the meeting will be provided

to the Board members in writing. In the discretion of the Chair, the first ten (10) submitted comments shall be stated into the record of the meeting. Comments read at the meeting will be limited to the first 400 words. Comments received after the start of the meeting will be collected, sent to the Board members in writing, and be part of the public record.

If you have anything that you wish to be distributed to the Board, please provide it via info@sdcommunitypower.org and it will be distributed to the Members.

The public may participate using the following remote options:

Teleconference Meeting Webinar <https://zoom.us/j/94794075133>

Telephone (Audio Only) (669) 900-6833 or (346) 248-7799 | Webinar ID: 947 9407 5133

WELCOME

CALL TO ORDER

ROLL CALL

SPECIAL MEETING AGENDA

The following items call for discussion or action by the Board of Directors. The Board may discuss and/or take action on any item listed below if the Board is so inclined.

1. Approve the Renewable Power Purchase Agreement with ORNI 30, LLC

Recommendation: Approve the Renewable Power Purchase Agreement with ORNI 30 LLC for a term of 20 years and authorize the CEO to execute the agreement.

PUBLIC COMMENTS

Opportunity for members of the public to address the Board on any items not on the agenda but within the jurisdiction of the Board. Members of the public may provide a comment in either manner described above.

REPORTS BY CHIEF EXECUTIVE OFFICER AND GENERAL COUNSEL

SDCP Management and General Counsel may briefly provide information to the Board and the public. The Board may engage in discussion if the specific subject matter of the report is identified below, but the Board may not take any action other than to place the matter on a future agenda. Otherwise, there is to be no discussion or action taken unless authorized by law.

DIRECTOR COMMENTS

Board Members may briefly provide information to other members of the Board and the public, ask questions of staff, request an item to be placed on a future agenda, or report on conferences, events, or activities related to SDCP business. There is to be no discussion or action taken on comments made by Directors unless authorized by law.

ADJOURNMENT

Compliance with the Americans with Disabilities Act

SDCP Board of Directors meetings comply with the protections and prohibitions of the Americans with Disabilities Act. Individuals with a disability who require a modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may contact (888) 382-0169 or info@sdcommunitypower.org. Requests for disability-related modifications or accommodations require different lead times and should be provided at least 72-hours in advance of the public meeting.

Availability of Board Documents

Copies of the agenda and agenda packet are available at <https://sdcommunitypower.org/resources/meeting-notes/>. Late-arriving documents related to a Board meeting item which are distributed to a majority of the Members prior to or during the Board meeting are available for public review as required by law. Public records, including agenda-related documents, can be requested electronically at info@sdcommunitypower.org or by mail to SDCP, PO BOX 12716, San Diego, CA 92112. The documents may also be posted at the above website. Such public records are also available for inspection, by appointment, at San Diego Community Power, 2488 Historic Decatur Road, Suite 250, San Diego, CA 92106. Please contact info@sdcommunitypower.org to arrange an appointment.



SAN DIEGO COMMUNITY POWER Staff Report – Item 1

To: San Diego Community Power Board of Directors

From: Byron Vosburg, Managing Director and Andrea Torres, Senior Portfolio Manager

Via: Karin Burns, Chief Executive Officer

Subject: Renewable Power Purchase Agreement with ORNI 30 LLC

Date: June 22, 2023

RECOMMENDATION

Approve Renewable Power Purchase Agreement with ORNI 30 LLC for a term of 20 years and authorize the CEO to execute the agreement.

BACKGROUND

As San Diego Community Power (SDCP) strives to meet its environmental, financial, and regulatory compliance goals and requirements, long-term power purchase agreements (PPAs) of at least 10 years in duration are integral components of its energy supply portfolio. Long-term PPAs provide renewable generation facility developers with the certain revenue stream against which they can finance up-front capital requirements, so each long-term PPA that SDCP signs with a developing facility will underpin a new, incremental renewable energy project. In addition, long-term PPAs lock in renewable energy supply around which SDCP can build its power supply portfolio while also providing power supply cost certainty around which SDCP can develop its pro forma financial model.

Moreover, the California Renewable Portfolio Standard (RPS), as modified in 2015 by Senate Bill 350, requires that SDCP provide 65% of its RPS-required renewable energy from contracts of at least ten years in length. Finally, in D.21-06-025, the California Public Utilities Commission (CPUC) required each Load Serving Entity (LSE) in California to make significant long-term purchase commitments for resource adequacy from new, incremental generation facilities that will achieve commercial operation during 2023 through 2026.

The proposed PPA is for capacity and renewable energy benefits from a 42 MW solar and 35 MW, 4-hour battery energy storage facility (currently referred to as the “Brawley

Solar and Storage Project”) with ORNI 30 LLC, a subsidiary of Ormat Technologies, Inc. (Ormat) and wholly owned by Ormat Nevada Inc. The PPA originated from an offer SDCP received in 2020 via its Request for Proposals (RFP) For Long Term California RPS-Eligible Renewable Energy solicitation. After initial negotiations on terms, negotiations were paused due to pandemic-related supply chain impacts. This year SDCP reengaged with Ormat and have reached terms mutually agreeable to both parties.

ANALYSIS AND DISCUSSION

Staff negotiated the attached PPA for the purchase of renewable energy and resource adequacy from the Brawley Solar and Storage Project, which is a solar-plus-battery-storage project to be developed in the City of Brawley in Imperial County by Ormat.

The project is located on land previously designated as non-prime agricultural land and is located adjacent to Ormat’s existing geothermal facility and to the City of Brawley’s wastewater treatment plant. The project will have a guaranteed capacity of 42 MW of solar production and 35 MW of battery storage capacity. The capacity will be determined by the Import Allocation that SDCP is able to secure via an annual CAISO process that will allow SDCP to claim the capacity as Resource Adequacy and toward the CPUC’s mid-term reliability (“MTR”) requirements for SDCP. As previously reviewed with the Ad Hoc Energy Contracts Working Group, the contract offers competitive energy and capacity prices.

The draft PPA specifies that the Seller commits to making reasonable efforts to ensure at least 80% of all employees hired by Seller, its contractor and subcontractors are local to Imperial County and/or union labor and will provide reporting to SDCP to demonstrate such efforts. Ormat was recently able to achieve a 90% benchmark at the nearby Wister Solar project in Imperial County.

Ormat is also committed to the development of a workforce clean energy or battery storage workforce training program, or science, technology, engineering, and math (STEM) educational program, located within 20 miles of the project. These dollars go to Ormat’s vendor, and curriculum is provided to SDCP.

Renewable energy produced by the facility will be an important ~120 GWh/year foundation of long-term, locally sourced renewable energy deliveries within SDCP’s power supply portfolio.

Below is additional information regarding Ormat and the draft PPA.

Background on Ormat.

- Ormat Technologies Inc was established in 1965.



- Ormat has a current generating portfolio of over 1 GW spread globally in the U.S., Kenya, Guatemala, Indonesia, Honduras, and Guadeloupe. This is comprised of geothermal, solar, and waste heat recovery plants.
- Ormat has a current operational battery energy storage portfolio of 107 MW in the U.S. with an additional 204 MW / 464 MWh of BESS currently under construction in CA, TX, NJ, and OH.
- Notable projects in Imperial Valley include:
 - Ormesa Complex (36MW) – Imperial Valley (geothermal) – Oldest unit brought online in 1985, Newest in 2007
 - Heber Complex (81MW) – Imperial Valley (geothermal) – Oldest Unit brought online in 1985, Newest in 2008
 - Brawley (7MW) – Imperial Valley (geothermal) – online in 2010
 - Wister Solar (20MW) – Imperial Valley (solar PV) – online in 2022

Contract Overview – ORNI 30 LLC

- Project: 42 MW Solar, 35 MW/140 MWh lithium-ion battery energy system
- Project location: Brawley, Imperial Co, CA
- Guaranteed commercial operation date: April 15, 2025
- Contract term: 20 years
- Expected annual energy production: approximately 122,000 MWhs
- Guaranteed energy production: 85% of projected annual deliveries
- Energy price:
 - Solar – Fixed energy price applicable to the full term of the agreement
 - BESS – Fixed capacity price adjusted for availability and verified capacity
- No credit or collateral obligations for SDCP
- Allows for the parties to source bridge capacity product for MTR compliance purposes
- Committed to at least 80% local hire and/or union labor
- Committed to hiring union-employed c-10 electrical contractors with certified electrical technicians
- Committed to a 20% journeyman/apprenticeship ratio for the Qualifying contractor's work in a joint labor/management electrical apprenticeship
- SDCP would receive financial compensation in the event of seller's failure to successfully achieve certain development milestones as well as seller's failure to meet the guaranteed energy production from the solar facility and failure to meet guaranteed efficiency from the storage facility once the project is operational.

COMMITTEE REVIEW

Key terms of this PPA were reviewed with the Energy Contract Working Group (ECWG) on June 12, 2023, and the ECWG recommended to move forward with the execution of this PPA.

FISCAL IMPACT



The competitive energy and capacity pricing of the PPA are confidential, but the long-term purchase of renewable energy and capacity will provide SDCP with significant value and cost certainty over the term of this PPA.

ATTACHMENTS

Attachment A: Renewable Power Purchase Agreement with ORNI 30 LLC (redacted public version due to confidential market sensitive information)

