



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: DECEMBER 8, 2025

SUBJECT: AUTHORIZE AN INCREASE IN EXPENDITURES BY \$300,000, \$150,000 EACH FOR FY 25/26 AND FY 26/27, TO CONTINUE TO RETAIN HOLLAND AND HART LLP TO REPRESENT THE CITY IN NEGOTIATIONS OF POWER PURCHASE AND RESOURCE ADEQUACY PURCHASE AGREEMENTS

ISSUE:

Authorize an increase in expenditures by \$300,000, \$150,000 each for FY 25/26 and FY 26/27, to continue to retain Holland and Hart LLP to represent the City in negotiations of power purchase and resource adequacy purchase agreements.

RECOMMENDATIONS:

That the Board of Public Utilities recommend that the City Council:

1. Approve an increase in expenditures by \$300,000, \$150,000 each for FY 25/26 and FY 26/27, to continue to retain Holland and Hart LLP to represent the City for the negotiation of power purchase and resource adequacy purchase agreements.
2. Authorize the City Attorney to execute Engagement Letters to retain Holland and Hart LLP for the negotiation of power purchase agreements or resource adequacy purchase agreements.

BACKGROUND:

City Charter section 702, "Eligibility, powers and duties of City Attorney," provides, in part, that "the City Council shall have control of all legal business and proceedings and may employ other attorneys to take charge of any litigation or matter or to assist the City Attorney therein." However, City Charter section 1202(b) requires Board of Public Utilities approval for utilities expenditures over \$50,000.

City Charter Section 1202, "- Same—Powers and duties", subsection (b) provides that the Board has the power and duty to "[a]uthorize . . . , within the limits of the budget of the Department of Public Utilities, any purchase of equipment, materials, supplies, goods or services, or any acquisition, construction, improvement, extension, enlargement, diminution, or curtailment of all or any part of any public utility system when the amount exceeds \$50,000"

On March 2, 2021, the City Council authorized the addition of the law firm Holland and Hart LLP to the approved attorney panel and authorized an initial expenditure of \$50,000 to assist with the negotiation and drafting of power purchase agreements. On May 9, 2022 and May 10, 2022, the

Board and City Council, respectively, authorized an increase in expenditures for a total authorization of \$200,000.

RPU has utilized the legal services of Holland and Hart for the negotiation of multiple Power Purchase and Resource Adequacy Agreements. The prior expenditure authorization resulted in the successful negotiation of a Power Purchase Agreement with the SunZia Wind project for 125 MW of wind power for fifteen years and the successful negotiation of two Resource Adequacy Purchase Agreements for Battery Energy Storage projects in California. These long-term agreements have enabled RPU to effectively plan for increased future costs of resource adequacy and power resources and enabled the inclusion of additional renewable resources in the City's power source portfolio.

DISCUSSION:

The City has worked productively with Holland and Hart on the negotiation of multiple Power Purchase and Resource Adequacy Purchase Agreements. These types of agreements are highly technical, long-term contracts for the procurement of power resources. The use of legal counsel with specialized expertise can help ensure that the City negotiates for and obtains favorable contract terms. Holland and Hart has extensive experience in the negotiation and drafting of power purchase and resource adequacy purchase agreements for various types of projects, including wind, solar, and power storage agreements.

RPU has identified multiple opportunities for the negotiation of new power purchase and resource adequacy purchase agreements in the coming calendar year. The City Attorney would like to continue to retain Holland and Hart for the completion of a power purchase agreement for a solar project in California, a resource adequacy purchase agreement for a project in Southern California, and for additional power purchase or resource adequacy purchase agreements as they arise. Holland and Hart was initially engaged for these matters in an amount not to exceed \$25,000 pursuant to the City's Attorney's outside counsel authority. The City Attorney requests the approval of an expenditure amount of \$300,000 to retain Holland and Hart to assist with the negotiation and completion of power purchase and resource adequacy purchase agreements services as necessary. The expenditure will be allocated evenly between fiscal years 2025/26 and 2026/27.

FISCAL IMPACT:

The total fiscal impact of this action is \$300,000. Funds for FY 2025/26 are budgeted and available in the Electric Fund, PU Electric Power Supply Operation, Outside Legal Services account number 6120000-421100. For Fiscal Year 2025/26 the total impact will be \$150,000 and there are sufficient funds in the Power Supply Operation Account. The remaining expenditure will be allocated for Fiscal Year 2026/27.

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