

Grant Application and Agreements to Install and Operate Battery Storage System at John W North Treatment Plant Location

Riverside Public Utilities

City Council
July 20, 2021

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BACKGROUND

- SCE provides power to RPU facilities outside of City of Riverside limits.
- Public Safety Power Shutoff (PSPS) are:
 - Called when fire risk is elevated due to winds
 - Continuing to increase over time
 - Impacting RPU's water facilities more often
- Self Generation Incentive Program (SGIP)
 - \$1 Billion set aside by CPUC
 - Funds Battery Energy Storage Systems (BESS) installations



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BACKGROUND (CONT'D.)

- Equity Resiliency Incentive Program (ERIP)
 - Subset of SGIP
 - Provides highest incentive of up to \$1,000/kWh
 - Three Criteria:
 - Facilities located in High Fire Threat District (HFTD)
 - Facilities are critical
 - Facilities serve disadvantaged or low-income community in a HFTD
- John W. North Treatment Plant site potentially qualify for SGIP-ERIP

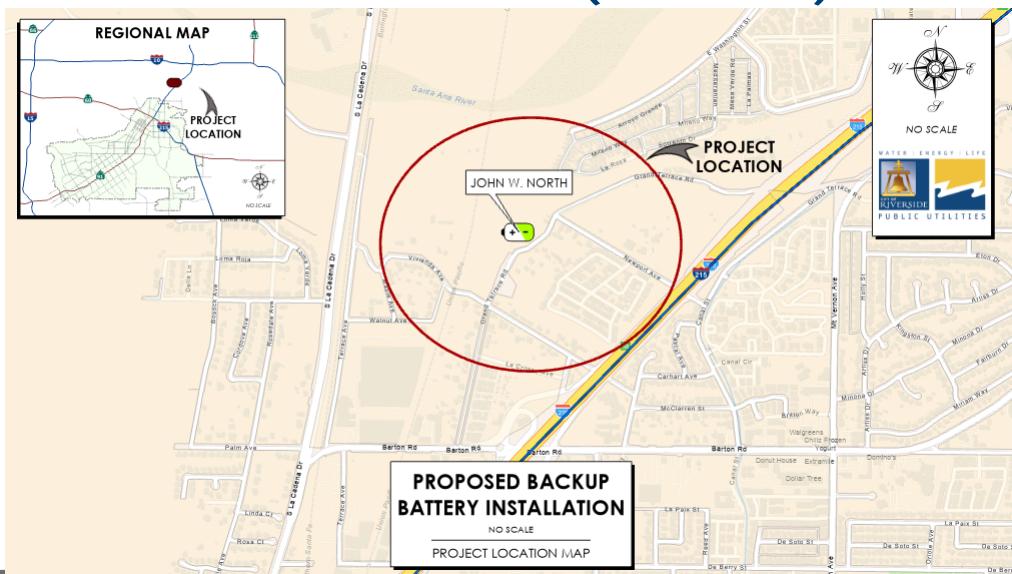


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BACKGROUND (CONT'D.)



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PROJECT DESCRIPTION

1. Tesla is proposing to install batteries at the John W North Treatment Plant.
 - John W North Water Treatment Plant – 572kW/3080kWh battery to provide 13 hours of operation when fully charged and 6.5 hours of operation on an average charge.
2. Tesla will pay application and reservation fees to CPUC.



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PROJECT DESCRIPTION (CONT'D.)

3. Tesla will receive \$2,342,100 in incentives from CPUC for the installation.
4. RPU will own the battery system.
5. Tesla will operate and maintain the battery system for 10 years at zero cost to RPU.



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PROJECT BREAKDOWN

Facility	Output Rating (kW)	Battery Size (kWh)	Fully Charged Backup Duration (hrs)	Project Construction Cost	SGIP Incentive
John W North Treatment Plant	572	3,080	13	\$1,683,058	\$2,342,100
Totals:	572	3,080	13	\$1,683,058	\$2,342,100



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RECOMMENDATIONS

That the City Council:

1. Authorize application for a grant from the California Public Utilities Commission's Self-Generation Incentive Program for a battery storage system in the estimated amount of \$2,342,100;
2. Authorize the City Manager, or his designee, to accept the amount awarded, including amounts lesser or greater than the amount applied for, and execute all grant documents including making minor and non-substantive changes to the documents associated with the grant;



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RECOMMENDATIONS (CONT'D.)

3. Upon receipt of the grant award, with at least five affirmative votes of the members of the City Council, authorize the Chief Financial Officer, or his designee, to record and increase expenditures in the amount equal to the grant award, into the Public Utilities Water Fund, revenue and expenditure accounts;
4. Approve Energy Products Purchase Agreement, and Energy Products Operation and Maintenance Agreement for a battery storage system with Tesla, Inc. for John W North Treatment Plant; and
5. Authorize the City Manager, or his designee, to execute the agreements with Tesla Inc., including any amendments required for purchase, installation, and continued operation of the battery storage system.

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