



Mobility and Infrastructure Memorandum

City of Arts & Innovation

**TO: MOBILITY AND INFRASTRUCTURE
COMMITTEE**

DATE: SEPTEMBER 8, 2022

FROM: COUNCILMEMBER CONDER

WARDS: ALL

SUBJECT: TERRA-GEN PPA POST-MORTEM

ISSUE:

Receive an updated report on the cancellation of the PPA with TERRA-GEN, LLC for 79MW of solar power.

RECOMMENDATIONS:

That the Mobility and Infrastructure Committee:

1. Receive a report out on the failure to secure a PPA with Terra Gen for 90,000 MWh of wind for a twelve-year term; and
2. Discuss the practice of having a monthly report out and update from Riverside Public Utilities on all Unsolicited Offers, RFPs, Term Sheets and PPAs pertaining to electrical procurements in RPU to this committee.

BACKGROUND:

Over the last century the City of Riverside has had its own municipal run electrical department that provides reliable and low-cost electricity to its ratepayers. This is done strategically and intentionally with the guiding document being the Integrated Resource Plan (IRP 2018). It is essential at this time that RPU navigate the many changes encountered over the last few years and plan for future reliability, sustainability, procurement, and redundancy to ensure continued electrical service to the ratepayers of Riverside.

DISCUSSION:

The Riverside Public Utility ratepayers are facing an extremely volatile environment with many changes and stressors to procuring and conveying electricity into the City. Riverside Public Utility ratepayers, both residences and the business community, currently enjoy reliable and affordable power through key procurements and a robust internal grid. Unfortunately, there are many changes in the electrical world that will have a profound impact on how RPU serves its ratepayers and unless skillfully navigated, could create an unstable environment. A few notable items of concern include;

1. The timing of the Riverside Transmission Reliability Project (RTRP)
2. Governor Newsom's mandate- for all new vehicle sales to be 100% electric by 2035
3. The City of Riverside Decarbonization Reach Code proposal
4. Challenges in continuing to use SCPPA as the main resource for electrical procurement through the RFP process
5. RPU must discontinue accepting its coal power allotment which leaves a deficit of 700,000 MWh out of a total of 2.8 million MWh for RPU's annual load by 2025
6. CAISO recently issued a statewide alert for the grid due to soaring demand, thus increasing reliance on identifying and procuring tier 1 energy with storage
7. The recently signed Federal legislation contains several features that may have benefits to RPU ratepayers in terms of tax credits and prevailing wage components
8. SoCal Edison's mandatory power cut-offs during extreme weather events
Changing weather patterns that have a direct impact ratepayer's usage of electricity

STRATEGIC PLAN ALIGNMENT:

1. **Community Trust-** Riverside residents deserve to know that their best interests are being considered on executed contracts.
2. **Sustainability & Resiliency** - Riverside residents desire clean renewable power for their daily lives

FISCAL IMPACT:

There is no fiscal impact associated with this report.

Prepared by: Chuck Conder, Councilmember Ward 4

Approved as to form: Phaedra A. Norton, City Attorney