



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL                      DATE: NOVEMBER 1, 2016**

**FROM: PUBLIC UTILITIES DEPARTMENT                      WARDS: ALL**

**SUBJECT: APPROVE THE LETTER AGREEMENT TO ACT AS SCHEDULING  
COORDINATOR/AGENT FOR ANTELOPE DSR 2 SOLAR PV PROJECT WITH  
THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AND CITY OF  
RIVERSIDE - \$36,000 ANNUAL REVENUES**

## **ISSUE:**

Approve the Letter Agreement to act as Scheduling Coordinator/Agent for the Antelope DSR 2 Solar Photovoltaic Project with the Southern California Public Power Authority and the City of Riverside.

## **RECOMMENDATIONS:**

That the City Council:

1. Approve the Letter Agreement to act as Scheduling Coordinator/Agent for the Antelope DSR 2 Solar Photovoltaic Project between the Southern California Public Power Authority and the City of Riverside;
2. Authorize the City Manager, or his designee, to execute any documents necessary to administer this Letter Agreement;
3. Authorize the City Manager or his designee to terminate the Letter Agreement(s) for circumstances provided in the Agreement; and
4. Authorize the City Manager or his designee to execute documents necessary for future requests for Riverside to provide similar services to joint projects at the Southern California Public Power Authority, under similar terms and conditions as recommended herein.

## **BOARD RECOMMENDATION:**

On September 26, 2016, the Board of Public Utilities unanimously approved the Letter Agreement to Act as Scheduling Coordinator/Agent for Antelope DSR 2 Solar PV Project with the Southern California Public Power Authority and City of Riverside.

## **BACKGROUND:**

Southern California Public Power Authority (SCPPA) is a joint powers agency comprised of 11 municipal utilities, including the City of Riverside (Riverside), and one irrigation district. SCPPA members serve over 2 million metered customers in the Southern California basin. SCPPA was formed in 1980 with the purpose of providing joint financing, construction, operation and maintenance of transmission and generation projects.

SCPPA entered into a 20-year Power Sales Agreement (PSA) with sPower for the Antelope DSR 2 Solar Photovoltaic Project (Project). SCPPA member participants consist of the Cities of Azusa (Azusa) and Colton (Colton). Riverside is not a participant in this sPower DSR 2 solar project, but is a participant in other sPower Projects.

### **Project Location Within California Independent System Operator's Footprint**

Because the project and its participants are located within the California Independent System Operator (CAISO) territory, the PSA requires SCPPA to provide a Scheduling Coordinator/Agent (SC) for the Project. As the SC for SCPPA, Riverside will schedule the energy from the project into the CAISO, and insure the accuracy of the associated charges from the CAISO.

Riverside is a participant (through SCPPA) in three other sPower solar projects proximate to this project. Riverside serves as the SC for 2 of these 3 projects.

At the request of Colton and Azusa, SCPPA approached Riverside to provide the SC services for the Project under the following terms and conditions of the Letter Agreement:

1. Riverside to receive one-time fee of \$5,000 for the initial Project implementation services.
2. Riverside to receive \$3,000/month as of Commercial Operation Date (COD).
3. COD anticipated by December 31, 2016.
4. Annual escalation of 1.5% annually on COD anniversary.
5. Terminated with 90 calendar days' notice by either Riverside or SCPPA.

### **Riverside Already Provides Similar Services to Others:**

Riverside has provided similar services under Utilities Service Agreements to the Cities of Banning and Rancho Cucamonga, and others over the last 25 years. Riverside is qualified to perform similar services to SCPPA for the sPower project, with existing staff (at no additional costs), using the capabilities it has developed over the last twenty-five years of operating in California's wholesale power markets. By providing these services to other municipal utilities, RPU is able to leverage the capabilities it has developed over the last twenty-five years of wholesale power marketing and share its personnel and infrastructure costs with others.

### **Future SC Services by Riverside**

SCPPA has a number of other renewable projects, many within the CAISO footprint. Riverside may receive future opportunities to receive this additional revenue source by providing similar services.

## **FISCAL IMPACT:**

Revenues during the initial year of service under the SC Agreement are anticipated to be \$36,000 (\$3,000 per month) plus a one-time fee of \$5,000 and will be recorded in account number

0000510-344513 Non-Energy Receipts. This monthly revenue will increase 1.5% annually on the COD anniversary.

Prepared by: Girish Balachandran, Public Utilities General Manager  
Certified as to  
availability of funds: Scott G. Miller PhD, Chief Financial Officer/City Treasurer  
Approved by: John A. Russo, City Manager  
Approved as to form: Gary G. Geuss, City Attorney

Attachments: Letter Agreement