



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 12, 2017

FROM: PUBLIC UTILITIES DEPARTMENT WARDS: ALL

SUBJECT: SCHEDULING COORDINATOR SERVICE AGREEMENT WITH WINTEC ENERGY, LTD. FOR AN INITIAL TERM OF TWO YEARS WITH THE OPTION FOR FUTURE EXTENSIONS, TO DESIGNATE RIVERSIDE PUBLIC UTILITIES AS THE SCHEDULING COORDINATOR/AGENT TO PERFORM SCHEDULING SERVICES WITH THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR FOR UP TO 5.93 MW OF THE WINTEC PALM WIND, INITIAL TWO YEAR AGREEMENT REVENUE IN THE AMOUNT OF \$67,000 – SUPPLEMENTAL APPROPRIATION

ISSUES:

Approve the Scheduling Coordinator Service Agreement with Wintec Energy, Ltd., to designate Riverside Public Utilities as the Scheduling Coordinator/Agent to perform scheduling services with the California Independent System Operator for up to 5.93 MW of the Wintec Palm Wind Project for an initial term of two years with the option for future extensions, for an initial two year agreement revenue in the amount of \$67,000.

RECOMMENDATIONS:

That the City Council:

1. Approve the Scheduling Coordinator Service Agreement with Wintec Energy, Ltd. to designate Riverside Public Utilities as the Scheduling Coordinator/Agent to perform scheduling services with the California Independent System Operator for up to 5.93 MW of the Wintec Palm Wind Project for an initial term of two years with the option for future extensions, for an initial two year agreement revenue in the amount of \$67,000;
2. Authorize the City Manager, or his designee, to execute the Scheduling Coordinator Service Agreement with Wintec Energy, Ltd. , including any documents necessary to enter into the Agreement; any documents necessary to administer the Agreement, including termination, as applicable; and execute any future extensions and amendments to the Agreement under terms and conditions substantially similar or superior to the existing contract provisions; and
3. Authorize an increase in estimated revenues in the amount of \$67,000.

BOARD RECOMMENDATION:

On August 28, 2017, the Board of Public Utilities with all eight members unanimously voted to recommend that City Council approve the Scheduling Coordinator Service Agreement with Wintec Energy, Ltd. to designate Riverside Public Utilities as the Scheduling Coordinator/Agent to perform scheduling services with the California Independent System Operator for up to 5.93 MW of the Wintec Palm Wind Project for an initial term of two years with the option for future extensions.

BACKGROUND:

Wintec Energy, Ltd. ("Wintec") headquartered in Palm Springs, California has been in the clean energy business since 1985. Currently, Riverside Public Utilities ("RPU") has a 15 year Power Purchase Agreement with Wintec for energy output generated by the Wintec-Pacific Solar Wind Project.

In July 2017, Wintec requested RPU be designated as its Scheduling Coordinator ("SC") and perform scheduling services for its 5.93 MW Wintec Palm Wind Project ("Project"). As the Scheduling Coordinator, RPU will schedule the energy from the Project into the California Independent System Operator ("CAISO"), and insure the accuracy of the associated revenues and charges from the CAISO.

RPU is providing similar services under multiple Scheduling Coordinator Letter Agreements with the Southern California Public Power Authority for five renewable resources. With the experience and capabilities it has developed over the last thirty-five years operating in California's wholesale power market, Riverside is well-qualified to perform the Scheduling Coordinator services requested by Wintec using existing staff at no additional costs.

Providing Scheduling Coordinator service to Wintec will effectively generate additional non-rate revenue for RPU, which is consistent with one of the key strategies developed under the Affordability Goal within the Utilities 2.0 framework.

DISCUSSION:

At the request of Wintec, Riverside will provide the Scheduling Coordinator services for the Project under the following terms and conditions:

1. Riverside to receive one-time fee of \$4,000 for the initial Project implementation services.
2. Riverside to receive \$2,625/month for each month Scheduling Coordinator services are provided.
3. Riverside shall commence Scheduling Coordinator services upon execution of the Agreement (expected date of mid-September).
4. The Agreement shall remain in effect for 2 years.
5. Parties may mutually agree to extend the term of this Agreement not less than ninety (90) days prior to the expiration date.
6. Either Party may terminate this Agreement with a ninety (90) day advanced notice.
7. Any future extensions and amendments to the Agreement shall be under terms and conditions substantially similar or superior to the existing contract provisions.



FISCAL IMPACT:

Revenues during the initial term of two years, in the amount of \$67,000, will be recorded in account number 0000510-344513 Non-Energy Receipts.

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

Attachments:

1. Scheduling Coordinator Service Agreement
2. Draft Board Minutes
3. Presentation