

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JANUARY 28, 2019

ITEM NO: 6

SUBJECT: **AMENDMENT NUMBER ONE TO THE AMENDED AND RESTATED POWER PURCHASE AGREEMENT WITH WINTEC-PACIFIC SOLAR, LLC TO EXTEND THE TERM AN ADDITIONAL FIVE YEARS FOR A REDUCED PRICE OF \$35.77 PER MEGAWATT-HOUR, OR APPROXIMATELY \$150,000 PER YEAR**

ISSUE:

Recommend that the City Council approve Amendment Number One to the Amended and Restated Power Purchase Agreement with Wintec-Pacific Solar, LLC to extend the term for an additional five years for a reduced price of \$35.77 per megawatt-hour, or approximately \$150,000 per year.

RECOMMENDATIONS:

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

1. Approve Amendment Number One to the Amended and Restated Power Purchase Agreement with Wintec-Pacific Solar, LLC to provide renewable wind energy and renewable energy credits to the City for an additional five years at a reduced price of \$35.77 per megawatt-hour;
2. Authorize the City Manager, or his designee, to execute this Amendment Number One to the Amended and Restated Power Purchase Agreement under the terms and conditions set forth within the Amendment;
3. Authorize the City Manager, or his designee, to execute any documents necessary to administer Amendment Number One to the Amended and Restated Power Purchase Agreement; and
4. Authorize the City Manager, or his designee, to terminate Amendment Number One to the Amended and Restated Power Purchase Agreement for circumstances provided in the Amendment.

BACKGROUND:

On January 28, 2003, in an effort to increase Riverside's portfolio share of renewable energy, the City Council approved a 15-year Power Purchase Agreement with Wintec-Pacific Solar, LLC ("Wintec") for all of the energy generated by its wind-powered electric generating units located in the San Geronio Pass. The expected generation capacity was up to five (5) megawatts (MW); however, Wintec was only able to construct 1.32 MW of wind generation capability due to a competing wind project that diluted wind availability at the proposed site.

On November 15, 2005, the City Council approved an Amended and Restated Power Purchase Agreement for the 1.32 MW capacity which Wintec was able to construct. The term of the Amended and Restated Power Purchase Agreement expired on December 30, 2018.

DISCUSSION:

Wintec has provided Riverside with clean renewable wind energy for 15 years. In October 2018, with the Agreement set to expire on December 30, 2018, Wintec approached Riverside and proposed to extend the Agreement for an additional five years. The price under the Amendment Number One would be lowered from \$58.37 per megawatt-hour (MWh) to \$35.77 per MWh.

The Amendment maintains all of the following terms and conditions:

Seller's Experience: Wintec has owned and operated the existing facility and has delivered energy to Riverside for the past 15 years.

Project Site Location: The project is located in the San Geronio Pass.

Project Characteristics and Size: Consists of two 660-kW wind turbine generators totaling 1.32 MW of clean, renewable energy.

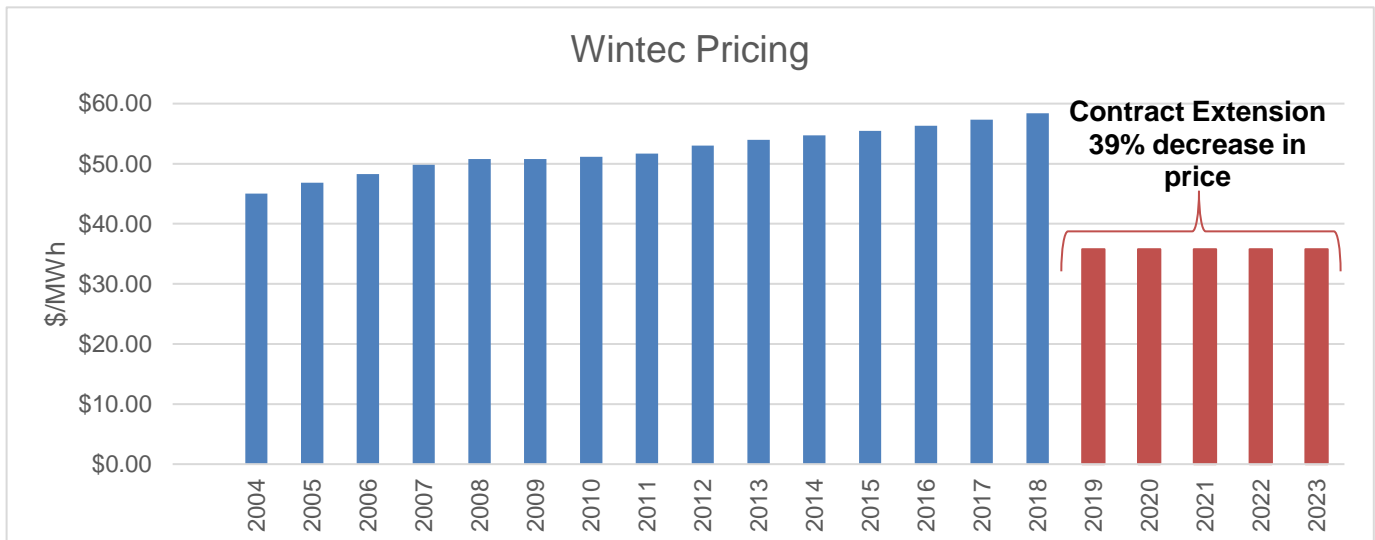
Interconnection and California Energy Commission (CEC) Certification: The project has been in commercial operation since 2003. The project currently has all interconnection agreements and is fully certified with the CEC for Renewable Portfolio Standard (RPS).

Contribution toward RPU's RPS Goal: Riverside is the sole participant in the project, which will generate approximately 4,300 MWh of renewable energy each year, helping Riverside to achieve its RPS goals.

The Amendment maintains all of the terms and conditions of the expiring Amended and Restated Power Purchase Agreement with the following exceptions:

Term: Five-year term commencing upon the approval and execution of this Amendment Number One.

Pricing: The all-in price for the energy, capacity, and environmental attributes is \$35.77 per megawatt hour, a 39% decrease in pricing, fixed for the extension term.



FISCAL IMPACT:

The annual cost of power under the Power Purchase Agreement is estimated at approximately \$150,000 annually. Sufficient funds are available in the Public Utilities' Power Resources Energy Account No. 6120100-422914 for Fiscal Years 2018-19 and 2019-20. Funding for subsequent years will be included as part of the biennial budget process.

Prepared by: Daniel E. Garcia, Utilities Assistant General Manager/Resources
Approved by: Todd M. Corbin, Utilities General Manager
Approved by: Al Zelinka, FAICP, City Manager
Approved as to form: Gary G. Geuss, City Attorney

Certifies availability
of funds: Aileen Ma, Interim Utilities Assistant General Manager/Finance & Administration

Attachments:

1. Amendment No. 1 to the Amended and Restated Power Purchase Agreement
2. Amended and Restated Power Purchase Agreement
3. Presentation