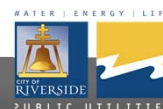


POWER SALES AGREEMENT WITH SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY FOR COSO GEOTHERMAL ENERGY PROJECT

Riverside Public Utilities

City Council
January 5, 2021

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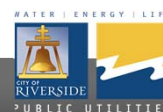
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LEGISLATIVE HISTORY

- 1. SB X 1-2 "California Renewable Energy Resources Act" (2011)**
 - 33% Renewable Portfolio Standard (RPS) Target by 2020
- 2. SB 350 "Clean Energy and Pollution Reduction Act" (2015)**
 - Amends RPS target to 50% by 2030
- 3. SB 32 "Global Warming Solutions Act" (2016)**
 - Greenhouse gas emissions reduced to 40% below the 1990 level by 2030
- 4. SB 100 "100 Percent Clean Energy Act" (2018)**
 - Amends RPS target to 60% by 2030

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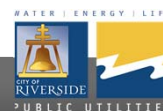
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RPU 2019 POWER CONTENT LABEL

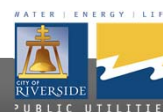
ENERGY RESOURCES	RPU General Power Mix	RPU 100% Renewable Energy Mix	2019 CA Power Mix
Eligible Renewable¹	37.6%	100.0%	31.7%
Biomass & Biowaste	0.1%	0.0%	2.4%
Geothermal	22.5%	50.7%	4.8%
Eligible Hydroelectric	0.0%	0.0%	2.0%
Solar	11.8%	29.3%	12.3%
Wind	3.2%	20.0%	10.2%
Coal	29.2%	0.0%	3.0%
Large Hydroelectric	1.3%	0.0%	14.6%
Natural Gas	4.1%	0.0%	34.2%
Nuclear	4.9%	0.0%	9.0%
Other	0.0%	0.0%	0.2%
Unspecified sources of power ²	22.9%	0.0%	7.3%
TOTAL	100%	100%	100%
Percentage of Retail Sales Covered by Retired Unbundled RECs ³	0.0%		

Riverside reached 37.6% renewables in 2019 and is on target to reach 44% by 2020 – far exceeding the 33% by 2020 RPS mandate. **Riverside anticipates achieving 50% RPS by 2023**



RPU RENEWABLE CONTRACTS

1. Board and Council have approved over 270 MW of renewable contracts/extensions:
 - a) Geothermal – 86 MW
 - b) Wind- 46 MW
 - c) Solar- > 140 MW
2. 90% of RPU’s Renewable Resources is Development Risk Free;
3. All Existing Renewable Contracts are In-state Portfolio Content Category 1; and
4. All Existing Renewable Contracts Qualify as Long-term.



COSO GEOTHERMAL PROJECT



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PROJECT CAPACITY AND PRICING

	SCPPA Capacity	City of Riverside	City of Banning	City of Pasadena
Contract Years 1-5 (2022 through 2026)	18 MW	10 MW	8 MW	0 MW
Contract Years 6-15 (2027 through 2036)	48 MW	30 MW	8 MW	10 MW
Contract Years 16-20 (2037 through 2041)	58 MW	30 MW	8 MW	20 MW

1. 20 year term – anticipated to start January 1, 2022
2. Renewable Capacity and Price
 - a. Contract Years 1-5 10 MW at \$69.00 per MWh
 - b. Contract Years 6-20 30 MW at \$69.00 per MWh

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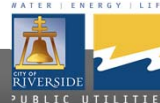
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ADDITIONAL PPA CHARACTERISTICS

1. Performance Guarantees
2. RA Guarantee
3. Congestion Risk Mitigation
4. Performance Security
5. Automatic Price Reduction
6. RPS Provisions



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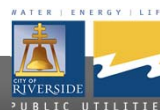
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ALIGNMENT WITH IRP & CITY GOALS

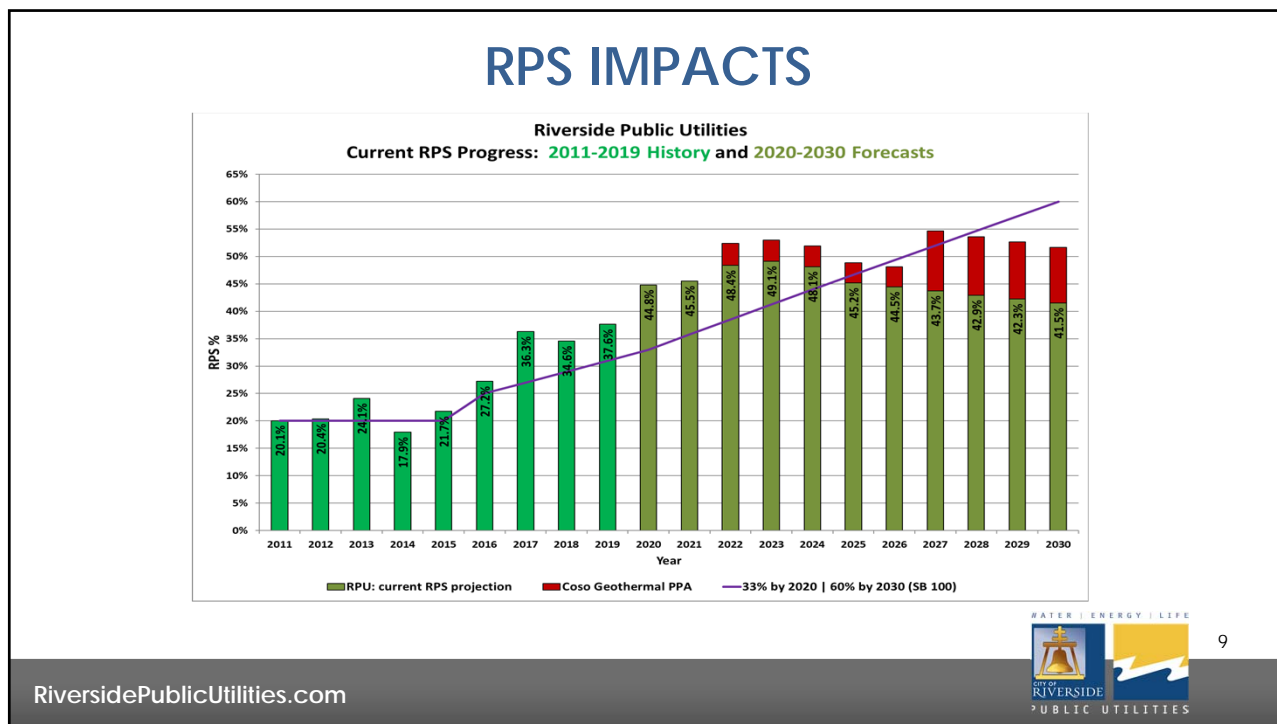
1. The 2018 Integrated Resource Plan (IRP) calls for a 30-40MW baseload renewable resource as a key addition to RRU's portfolio;
2. Minimal cost impacts to RPU's power supply budget if the resource costs less than \$71.70/MWh;
3. Increased capacity in 2027 aligns well with the expiration of existing non-renewable baseload resource;
4. Procurement meets the renewable energy sustainability and resiliency goals identified in both RPU's 2018 IRP and recent City Council actions; and
5. Allows RPU to significantly reduce its carbon footprint, consistent with the State's GHG reduction mandates.

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RECOMENDATIONS

That the City Council:

1. Approve the Power Sales Agreement with Southern California Public Power Authority for the Coso Geothermal Energy Project for a term of twenty years for an estimated average annual cost of \$6,000,000 for contract years one through five and \$18,000,000 for contract years six through twenty; and
2. Authorize the City Manager, or designee, to execute the Power Sales Agreement and all documents necessary to administer the Agreement including the ability to make non substantive changes, as well as to execute future amendments to the Power Sales Agreement under terms and conditions substantially similar or superior to the Power Sales Agreement or, if needed, to terminate the Power Sales Agreement in accordance with Agreement terms and conditions.


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