



CARB/RPU GREEN POWER PURCHASE AGREEMENT

Riverside Public Utilities

City Council
May 25, 2021

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BACKGROUND

1. March 2016: CARB announced intent to build their new \$419 million, 380,000 sq-ft headquarters & research facility in Riverside, near UCR campus.
2. Campus will feature one of the largest, state-of-the-art vehicle emissions testing & research facilities in the world.
3. Facility is expected to bring nearly 460 high paying jobs into our immediate area.



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BACKGROUND



1. Construction of the new CARB facility began in early 2020; campus site is now nearing completion.
2. Campus buildings will all be LEED Platinum certified; overall facility has been designed to be "carbon-neutral".
3. Facility total electrical load: expected to be about 21,900 to 26,300 MWh/year, with a potential peak demand of 6 to 8 MW.



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CARBON NEUTRALITY

1. To achieve carbon neutrality, the facility must generate or purchase enough renewable energy to meet its annual energy needs:
 - ☀ 3.0 MW on-site solar PV
 - ☀ 0.75 MW / 1.5 MWh on-site BESS
2. Remaining net energy renewable needs will be met by partnering with RPU, using a time extended version of our 100% Renewable Energy Tariff (100% RET).



(Note: As the facility nears completion in the next few months, RPU staff will bring to the Board and Council a modified NEM agreement to support the on-site solar PV.)



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100% RENEWABLE ENERGY TARIFF

1. 100% RET was launched in 2019 and is open to all RPU customers. Customers who opt into this rate receive credit for purchasing CEC certified, PCC-1 renewable energy at \$0.0179/kWh above their otherwise applicable tariff (OAT), for all their on-site energy usage. Rate adder is guaranteed not to increase for five years.
2. CARB wishes to opt into our 100% RET but requires a 20-year commitment and price guarantee to meet the state's sustainability goals and LEED energy certification requirements.



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STAFF ASSESSMENT

1. Staff currently forecast the cost differential between RPU renewable and non-renewable resources to be \$0.0161/kWh over the next 10 years. (FY21-FY30: based on all PPAs within RPU's portfolio of resources.)
2. Over the next decade, staff expects this cost differential to decrease, due to continued decreasing costs of new and existing renewable resources and increasing costs of carbon emissions.
3. Staff believe that a modified version of our 100% RET can be offered to CARB without impacting other RPU ratepayers.



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CARB/RPU GREEN POWER PURCHASE AGREEMENT

Under the proposed CARB/RPU GPP Agreement:

1. The CARB campus facility at 4001 Iowa Ave will receive 100% certified renewable energy from RPU to serve all their net on-site energy needs for a term of 20 years, at a cost of \$0.0179/kWh above their OAT.
2. RPU will commit to retiring all the RECs associated with these purchases on CARB's behalf within WREGIS.
3. RPU and CARB will jointly collaborate on publicity and marketing programs to promote the multiple benefits of using renewable energy resources to serve CARB's facility.



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RECOMMENDATIONS

That the City Council:

1. Approve the Green Power Purchase Agreement with the California Air Resources Board to serve the net energy needs of their new Southern California Headquarters facility with 100% renewable energy for a term of 20 years, at a fixed cost of \$0.0179/kWh above the facility's otherwise applicable tariff; and
2. Authorize the City Manager, or designee, to execute the Green Power Purchase Agreement and all documents necessary to administer the Agreement including the ability to make non substantive changes, or if needed, to terminate the Green Power Purchase Agreement in accordance with Agreement terms and conditions.



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