



NEM AGREEMENT FOR RENEWABLE ELECTRIC GENERATION FACILITIES AND \$100,000 REBATE FOR PV SYSTEM FOR CARB

Riverside Public Utilities

City Council
September 21, 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:
 - ☀ 3.75 MW on-site solar PV
 - ☀ 0.5 MW / 1.2 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: A 20-year agreement for the renewable energy tariff was approved by the Board (April 26, 2021) and City Council (May 25, 2021).



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NET ENERGY METERING INTERCONNECTION AGREEMENT

1. RPU requires all customers interconnecting a solar photovoltaic (PV) system to enter a Net Energy Metering (NEM) agreement outlining interconnection requirements
2. RPU's current NEM agreement limits PV systems to a maximum size of one megawatt (MW)
3. ARB's PV system is currently 3.75 MW with a planned expansion to 5.0 MW – larger than allowed under the current NEM program



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NEED FOR APPROVAL

1. Staff determined that RPU would be able to accommodate the interconnection of up to 5.0 MW
 - a. Supported ARB's requirement to include on-site renewable generation and the requirement for the facility to be carbon neutral
2. Staff anticipated that RPU's second phase NEM rules would have been adopted by the time the facility opened
 - a. New NEM rule was anticipated to increase the maximum PV system size to 5.0 MW
3. Because the new rules have not yet been approved, Board and Council approval for the NEM agreement is needed to accommodate the ARB facility's PV system size



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SOLAR PV REBATE

1. In 2017, when ARB submitted the plans for their building and solar PV system, RPU offered a rebate to support solar PV
 - a. RPU reserved rebates for customers who had submitted plans for solar PV that would then be disbursed to the customer once construction was completed
 - b. Staff reserved solar PV rebate funds (\$100,000) for ARB's facility at that time and has kept the funds reserved since that time
2. RPU has since ended its Solar PV program.
 - a. ARB is the last customer with a rebate reserved
3. Because the Solar PV Program ended, staff is seeking Board and Council to release the reserved \$100,000 rebate to ARB



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STRATEGIC PLAN ALIGNMENT

This item contributes to Strategic Priority No. 4 Environmental Stewardship and supports the following:

Goal No. 4.1 - Rapidly decrease Riverside's carbon footprint by acting urgently to reach a zero-carbon electric grid with the goal of reaching 100% renewable energy production by 2040 while continuing to ensure safe, reliable, and affordable energy for all residents.

Goal No. 4.6 – Implement the requisite measures to achieve citywide carbon neutrality no later than 2040.



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STRATEGIC PLAN ALIGNMENT

1. **Community Trust** – This item demonstrates the City's ability to support all customers as they seek to achieve their sustainability goals which results in greater public good.
2. **Equity** – RPU provides equitable opportunities for all customers to become more sustainable which benefits the entire community, while helping ARB meet their state mandates.
3. **Fiscal Responsibility** – RPU ensured that this project would not impact other customers and did not negatively impact the electric infrastructure ensuring prudent use of public resources.
4. **Innovation** – This item supports innovative building design because the ARB headquarters is the largest net-zero building developed to date in Riverside. Further, it supports the integration of this type of building into the electric grid and demonstrates RPU's ability to accommodate new, cutting-edge development.
1. **Sustainability & Resiliency** – This item supports new construction minimizing greenhouse gas emissions and is designed to utilize renewable electricity generation.



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RECOMMENDATIONS

That the City Council:

1. Approve the Net Energy Metering Agreement with the California Air Resources Board for the interconnection at the Southern California Headquarters facility of 3.75 megawatts of photovoltaic systems with the RPU grid;
2. Authorize the City Manager, or his designee, to execute a future amendment to the Net Energy Metering Agreement with the California Air Resources Board to increase that interconnection to a maximum of 5.0 megawatts to the RPU grid;



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RECOMMENDATIONS

3. Approve the payment of \$100,000 rebate to the California Air Resources Board for the installation of a photovoltaic system at the Southern California Headquarters facility under RPU's solar rebate program, from the Electric Public Benefits Fund, Photovoltaic Incentives Program account, as reserved at the time of their commitment to relocate to Riverside; and
4. Authorize the City Manager, or designee, to execute the Net Energy Metering Agreement and all documents necessary to administer the Agreement including the ability to add the final utility account numbers to the agreement and to make non-substantive changes.



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