



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: February 24, 2026

FROM: CITY ATTORNEY'S OFFICE WARDS: ALL

SUBJECT: AUTHORIZE EXECUTION OF RECIPROCAL CONFLICT OF INTEREST WAIVERS FOR LAW FIRM HOLLAND AND HART IN ORDER FOR HOLLAND AND HART TO REPRESENT THE CITY IN POWER PURCHASE AGREEMENTS WITH NEXTERA ENERGY RESOURCES DEVELOPMENT OR ITS SUBSIDIARIES.

ISSUE:

Authorize the City Attorney to execute reciprocal conflict of interest waivers for the law firm Holland and Hart, in order for Holland and Hart to represent the City in Power Purchase Agreements with NextEra Energy Resources Development or its subsidiaries.

RECOMMENDATION:

That the City Council authorize the City Attorney to execute reciprocal conflict of interest waivers for the law firm Holland and Hart, in order for Holland and Hart to represent the City in Power Purchase Agreements with NextEra Energy Resources Development or its subsidiaries.

BACKGROUND:

City Charter section 702, "Eligibility, powers and duties of City Attorney," provides, in part, that "the City Council shall have control of all legal business and proceedings and may employ other attorneys to take charge of any litigation or matter or to assist the City Attorney therein."

On March 2, 2021, the City Council authorized the addition of the law firm Holland and Hart LLP to the approved attorney panel. On January 6, 2026, the City Council authorized an increased legal budget to be used for the negotiation of various power purchase and resource adequacy purchase agreements.

RPU has utilized the legal services of Holland and Hart for the negotiation of multiple Power Purchase and Resource Adequacy Agreements. The prior expenditure authorization resulted in the successful negotiation of a Power Purchase Agreement with the SunZia Wind project for 125 MW of wind power for fifteen years and the successful negotiation of two Resource Adequacy Purchase Agreements for Battery Energy Storage projects in California. These long-term agreements have enabled RPU to effectively plan for increased future costs of resource

adequacy and power resources and enabled the inclusion of additional renewable resources in the City's power source portfolio.

DISCUSSION:

The City has worked productively with Holland and Hart on the negotiation of multiple Power Purchase and Resource Adequacy Purchase Agreements. These types of agreements are highly technical, long-term contracts for the procurement of power resources. The use of legal counsel with specialized expertise can help ensure that the City negotiates for and obtains favorable contract terms. Holland and Hart has extensive experience in the negotiation and drafting of power purchase and resource adequacy purchase agreements for various types of projects, including wind, solar, and power storage agreements. Holland and Hart's previous representation of Riverside has been effective and provided high value RPU's Power Resources division.

RPU has identified an opportunity to negotiate with NextEra Energy Resources Development for a potential Power Purchase Agreement for a new solar plus energy storage project in Southern California. Holland and Hart has previously provided legal services to NextEra or its subsidiaries which are unrelated to the current matter. California Rules of Professional Conduct, rule 1.7 prohibit concurrent representation where even a potential adverse issue could arise, unless the client provides informed written consent. In an abundance of caution, Holland and Hart has requested the City execute a reciprocal conflict of interest wavier for this matter. Holland and Hart is a large law firm with multiple divisions. Divisions not related to energy resource contracts have previously represented NextEra or its subsidiaries on unrelated matters. None of the attorneys representing the City have worked with NextEra and NextEra is not represented by Holland and Hart for this transaction. Additionally, Holland and Hart has agreed to implement an ethical wall within their firm to prevent attorneys who have worked with NextEra from having access to any files related to the City of Riverside. NextEra has also agreed to sign a conflict of interest waiver for Holland and Hart to represent the City. The City Attorney's Office has reviewed the facts with Holland and Hart and is confident the law firm can provide quality legal services for the City. Holland and Hart is the only law firm on the City's outside counsel panel with the expertise to assist with Power Purchase Agreements.

Additional opportunities may arise to negotiate other power purchase agreements with NextEra or one of its subsidiaries. The City Attorney's Office has requested authority to execute conflict of interest waivers for those future matters when they arise, so long as the City Attorney's Office has reviewed the facts and remains confident that Holland and Hart will provide effective and efficient representation for the City.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

Prepared by: Rebecca McKee-Reimbold, Interim City Attorney