



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: APRIL 14, 2025

SUBJECT: UPDATE ON TIMING OF CERTAIN GENERATION SECTION PROJECTS FOR 2025

ISSUE:

Consider receiving and filing an update on the anticipated timing of upcoming Board agenda items for the Generation section.

RECOMMENDATION:

That the Board of Public Utilities receive and file an update on the anticipated timing of upcoming Board agenda items for the Generation section.

BACKGROUND:

The City of Riverside owns and operates the Riverside Energy Resource Center (RERC), the Springs generation facility and the Clearwater power plant. These three power generation facilities collectively produce 260 megawatts of electricity, which represents 30 percent of the City's summer peak demands for electricity. As the equipment at these plants has aged, maintenance efforts have shifted to ensure that each power plant operates reliably until its projected retirement date. Staff carefully manage the various maintenance needs to align with the approved budgets for each facility.

At the Board meeting held on January 13, 2025, staff gave a presentation on ten proposed 2025 Generation projects that will require Board approval. This overview described and discussed four routine Maintenance projects, four routine Operational Support projects, and two extensive Maintenance projects (one of which will be funded as a Capital Improvement Project). In addition to providing a summary of each project, staff also provided their tentative Board approval dates, as shown in Table 1. Three projects have already been approved by the Board, these projects are shown in blue font in Table 1. However, the request for proposals (RFP's) and/or contracts for six other projects are now taking longer than expected to finalize, which in turn has impacted their expected Board approval dates.

DISCUSSION:

The purpose of this Memo is to inform the Board of Public Utilities that the anticipated approval timelines for six of the projects listed in Table 1 are now expected to be delayed. Brief explanations concerning these anticipated delays are presented below.

Table 1. Project Summary information with revised, anticipated Board approval timelines.

Project	Facility	Previously Anticipated Board Approval	Revised Board Approval
Routine Maintenance			
Gas Turbine Instrument Calibrations	RERC CW	2 nd Qtr. 2025	3 rd Qtr. 2025
Gas Turbine Borescope Inspections	RERC CW	2 nd Qtr. 2025	3 rd Qtr. 2025
Gas Compressor Maintenance	RERC	2 nd Qtr. 2025	3 rd Qtr. 2025
Air Compressor Maintenance	RERC Springs	1 st Qtr. 2025	2 nd Qtr. 2025
Routine Operational Support			
DAS Software Support	All Plants	Approved on 2/10/2025	
Supply of Ammonia	All Plants	1 st Qtr. 2025	2 nd Qtr. 2025
Water Treatment Chemicals	RERC CW	2 nd Qtr. 2025	No change
Balance of Plant Controls Software Support	RERC Springs	Approved on 2/24/2025	
Extensive Maintenance			
Clearwater Cooling Tower Maintenance	CW	Approved on 1/27/2025	
Clearwater Controls Upgrade (CIP Funded)	CW	2 nd Qtr. 2025	4 th Qtr. 2025

Routine Maintenance Projects

- Gas Turbine Instrumentation Calibration at RERC and Clearwater**
 This routine maintenance is performed annually each fall as part of the preparation for next year's summer peak operations. The RFP release date for this project has been delayed, which has in turn impacted the expected project timeline.
- Gas Turbine Borescope Inspections at RERC and Clearwater**
 Every November, an Authorized Service Provider performs routine borescope inspections on each turbine to assess its current condition and serviceability. Staff are currently negotiating terms and multi-year pricing options with General Electric to conduct this work, but these negotiations are taking longer than expected. Hence, staff now anticipate bringing the contract for this service to Board in the 3rd quarter of 2025.

- **Gas Compressor Maintenance at RERC**
Routine annual maintenance is performed on the gas compressors at RERC to ensure reliable operation. Like the instrument calibration work, the RFP release date for this project has been delayed, in turn impacting the project timeline.
- **Air Compressor Maintenance at RERC and Springs**
Each plant was constructed to include air compressors that operate daily to provide pressurized air to various plant systems. The current service agreement for air compressor maintenance expires in July 2025, and staff have already issued and closed RFP No. 2427 to ensure continued maintenance. Staff are currently negotiating pricing and terms with the selected vendor but now anticipate bringing the contract for this service to Board in the 2nd quarter of 2025.

Routine Operational Support Projects

- **Supply of Aqueous Ammonia at All Plants**
Aqueous ammonia is an essential component of the emissions control systems at all our power plants, since it helps reduce nitrogen oxide emission to levels below the allowable limits specified in each facility's air permit. The RFP for this contract was issued on schedule, but the vendor submitting the lowest bid would not agree to certain City mandated contractual terms and conditions. Staff have elected to rebid this project (this new RFP closed on 3/06), since the one other vendor who bid in the original RFP did not offer pricing for a multi-year contract structure. Staff now anticipate bringing the contract for this ammonia supply to the Board late in the 2nd quarter of 2025.

Extensive Maintenance Projects

- **Clearwater Controls System Upgrade – Capital Improvement Project**
The existing Clearwater Balance of Plant (BOP) control system is outdated, with many components that are obsolete and no longer supported. Staff had been evaluating the option to either upgrade the existing system or to replace this system entirely. Generation staff have now asked the original company that designed the BOP control system to finalize a detailed proposal for upgrading the existing system, since this approach is expected to yield the greatest cost savings. However, extra time will be required to accommodate this approach and thus staff now anticipate that the contract for this project will not be brought to the Board for approval until either the 3rd or 4th quarter of 2025.

STRATEGIC PLAN ALIGNMENT:

This item contributes to the following strategic priorities and goals from the Envision Riverside 2025 Strategic Plan:

Strategic Priority 4, Environmental Stewardship

Goal 4.3. Implement local and support regional proactive policies and inclusive decision-making processes to deliver environmental justice and ensure that all residents breathe healthy and clean air with the goal of having zero days of unhealthy air quality per the South Coast Air Quality District's Air Quality Index (AQI).

Strategic Priority 5, High Performing Government

Goal 5.4. Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

Strategic Priority 6, Infrastructure, Mobility & Connectivity

Goal 6.2. Maintain, protect, and improve assets and infrastructure within the City’s built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

This item also aligns with EACH of the five cross-cutting threads as follows:

1. **Community Trust** – Ensuring that Riverside’s power plants comply with all environmental regulations and provide electricity to the entire City demonstrates a commitment to environmental stewardship and serves the greater public good.
2. **Equity** – This item ensures that RPU’s power plants can safely and effectively operate and provide reliable electricity benefitting the entire City and all customers.
3. **Fiscal Responsibility** – Staff plans to use the competitive process and obtain the lowest price possible for the projects identified in this report.
4. **Innovation** – Staff manage the various maintenance needs to ensure plant reliability at the lowest possible cost.
5. **Sustainability & Resiliency** – Riverside’s three power plants routinely operate under critical high-load conditions and provide the City with nearly \$60M of summer Resource Adequacy (RA) benefits. The projects in this report support the goal of environmental stewardship while sustaining highly reliable power plant operations.

FISCAL IMPACT:

There is no fiscal impact associated with this report. Sufficient funds will be made available during each project’s formal Board approval process.

Prepared by:	Scott M. Lesch, Utilities Assistant General Manager/Power Resources
Approved by:	David A. Garcia, Utilities General Manager
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Jack Liu, Interim City Attorney
Attachment:	Presentation