Approval of Tumbleweed Long Duration Storage Project

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Request

Approval of Tumbleweed Long Duration Storage (LDS) Agreements

Background:

 On October 8, 2021, CC Power Board approved notice of intent to negotiate an Energy Storage Service Agreement (ESSA) with LS Power for Tumbleweed Energy Storage Project ("Tumbleweed")

Request:

 Board approve Resolution 22-01-02 approving Tumbleweed Project and delegating authority to the General Manager to execute the Tumbleweed ESSA, Buyer Liability Pass Through Agreement (BLPTA) and the Project Participation Share Agreement (PPSA) with Participating Members

Tumbleweed Project

Tumbleweed is the first LDS project out of the Joint RFO issued in October 2020

- Seller Tumbleweed Energy Storage, LLC
- Developer LS Power/Rev Renewables
- Technology –Lithium-ion, 8 hours discharge duration
- Project size 69 MW/552 MWh
- Product Tolling Agreement w/full capacity rights
- Location Rosamond, Kern County
- Expected COD April 2026
- Price fixed \$/kw-mo, no escalation
- **Term** 15 years



Tumbleweed Participating Members

















Member	% Entitlement Share in ESSA/PPSA	Entitlement Share MW
CPSF	16.06%	11.08
PCE	19.69%	13.59
RCEA	3.62%	2.50
SJCE	22.28%	15.37
SVCE	21.25%	14.66
SCPA	12.95%	8.94
VCE	4.15%	2.86
Total	100.00%	69

Each Participating Member will seek authority to cover 1) contingency should not all CCA's gain board authority; and 2) 25% step-up

Mid-term Reliability Procurement Order

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- D.21-06-035 adopted by CPUC on June 24, 2021 to address mid-term reliability needs
- 1,000 MW of LDS by June 2026
- 8-hour minimum discharge
- Resource Adequacy
- Minimum 10-year term
- Adjusted for Effective Load Carrying Capacity (ELCC)

Tumbleweed meets 55% of Participating Members LDS Obligation adjusted for ELCC

CCA	NQC MW	Nameplate MW (2026 ELCC)
CleanPowerSF	15.5	19.8
Peninsula Clean Energy	19.0	24.3
Redwood Coast Energy	3.5	4.5
San Jose Clean Energy	21.5	27.5
Silicon Valley Clean Energy	20.5	26.2
Sonoma Clean Power	12.5	16.0
Valley Clean Energy	4.0	5.1
Total	96.5	123.4

Energy Storage Service Agreement

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- LS Power and CC Power
- 15 year-term at COD
- Development and Performance Deposits
- Buyer's Liability Pass Through Agreement (BLPTA) guaranty performance by each Participating Member to CC Power & Tumbleweed (Exhibit L)
- Step-up provision capped at 125% of Entitlement Share per Participating Member
- Meets Board specified labor environmental, and environmental justice preferences
- Provided in substantively final form
- Approved by LS Power's management and board
- 90 days from execution for Participating Members to approve agreements

Project Participation Share Agreement

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- CC Power and Participating Members
- Agreement to fund Project obligations deposits & payments
- Sharing of Project revenue and benefits
- Step-up provision capped at 125% of Entitlement Share per Participating Member
- Liability and insurance
- Establishes need for an Operating Agreement
 - Retain a Scheduling Coordinator
 - Establish scheduling strategy
- Governance & Voting structure for operating PPSA:
 - Each Participating Member gets one vote
 - Non participating members abstain

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Approval Process

Step 1: CC Power Board issues 60-day notice to consider ESSA for approval – October 8, 2021

Step 2: CC Power Board approves Tumbleweed Agreements

Step 3: General Manager & Tumbleweed execute agreements – "effective date"

Step 4: Participating Members seek respective Board Approvals of PPSA and BLPTA within 90 Days

November January 19th January 2022 – March 2022 October **CC Power Board** Finalize Participating CCAs Tumbleweed ESSA CC Power & issues 60-day notice CC Power Approves Approve to consider ESSA for Tumbleweed and CC Power/CCA LS Power Participation | Supporting **Tumbleweed Execute Agreements** approval in Agreements December Agreements Step 1 Step 4 Step 3 Step 2

Project Oversight Committee

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Role: solicit, evaluate, direct negotiations and recommend projects

CCA	POC Member	Other Staff
CleanPowerSF	Michael Hyams	Erin Mulberg
Peninsula Clean Energy	Siobhan Doherty	
Redwood Coast Energy	Richard Engel	Jocelyn Gwynn
San Jose Clean Energy	Jeanne Sole	Phil Cornish
Silicon Valley Clean Energy	Monica Padilla	Oren Weiner and Maren Wenzel
Sonoma Clean Power	Deb Emerson	Ryan Tracey and Hannah Rennie
Valley Clean Energy	Gordon Samuel	

ESSA Negotiation Team:

Carrie Bentley, Gridwell Consulting

Kevin Fox, Keyes & Fox

PPSA & Other Legal Support:

BBSW – Tony Braun, Justin Wynne, Brittany Iles, Kris Kirkegaard

General Manager:

Timothy Haines















Request

APPROVE RESOLUTION NO 22-02-01

APPROVAL OF TUMBLEWEED LDS PROJECT AND AUTHORIZATION TO EXECUTE ASSOCIATED AGREEMENTS



Members





















Request

Background: On September 15, 2021, the CC Power Board approved Request for Offers for Firm Clean Energy Resources ("FCR").

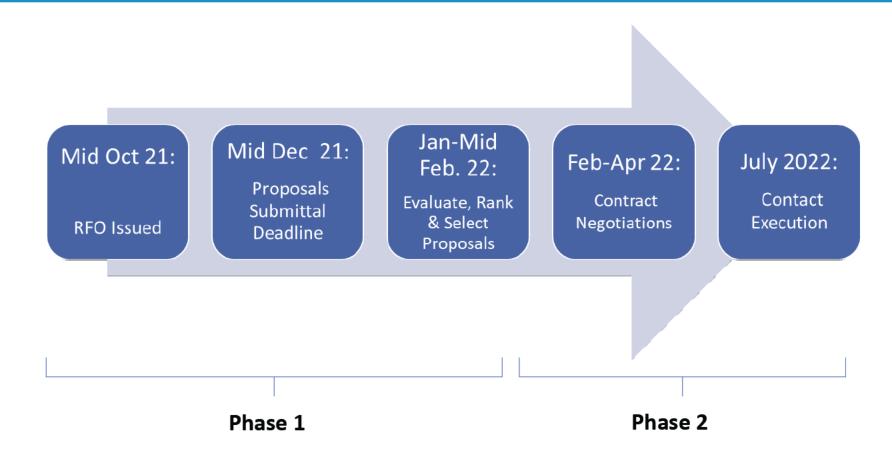
Request: Board delegate authority to the GM to finalize shortlisting of the FCR Projects and execute the Non-Disclosure Agreement, Exclusivity Agreement and Cost Sharing Agreement.

Agenda

- Budget and Schedule
- Roles & Responsibilities
- Status and Next Steps

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Schedule and Budget



Budget: \$150,000 for CC Power plus Sweat Equity from Participants

Roles and Responsibilities

Project Charter (included for information)

- SJCE: Project Lead, project schedule
- SCP: Lead Negotiator, co-lead
- GM: Coordinate with Board, budget controls
- **Participants:** Each participant with one or more assigned tasks

Project Status

- Weekly coordination meeting of POC
- Frequent meetings of project teams
- Evaluating proposals based on Evaluation Criteria
- Consultant scope of work being finalized
- Shortlist decisions next major milestone