

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 10

TO: Board of Directors

FROM: Gordon Samuel, Assistant General Manager & Director of Power Services

SUBJECT: CC Power Tumbleweed Energy Storage Project Increased Capacity

DATE: November 10, 2022

Recommendation

Contingent on the CC Power Board approval of the increased capacity in the Tumbleweed project, authorize the Executive Officer to execute on behalf of Valley Clean Energy as a member of CC Power the necessary agreements for the Tumbleweed long duration storage project resulting in a slight increase in capacity and cost for VCE.

Background

In February 2022, the VCE Board approved VCE's participation in the Tumbleweed long duration storage (LDS) project. This project was a result of a CC Power solicitation conducted 2020 and 2021. VCE is one of seven participating CCAs in this project.

Overview of Project

Project Name	Tumbleweed Energy Storage, LLC
Technology	Li-Ion Storage
Storage Capacity	69 MW / 552 MWh (orig); 75 MW / 600 MWh (proposed)
Commercial Operation Date	6/1/2026
Developer	REV Renewables, a subsidiary of LS Power
Location	Kern County, CA

The project is being developed by REV Renewables, which is a subsidiary of LS Power. The developer has an opportunity to slightly increase the size of the project from 69 MW to 75 MW. The participating CCAs have expressed interest in this additional capacity, including VCE. The slight increase amounts to 0.25 MW for VCE bringing VCE's project share to 3.11 MW.

Participating CCAs

Seven of the CC Power CCAs are participating in this contract. The CCAs and their incremental shares of the project are identified in the table below. This table represents the capacity amounts for each entity based on their original shares (note: some entities may elect to take a different amount of the proposed capacity, but VCE will elect 0.25 MW keeping consistent with the 4% of project size).

CCA	Orig. Entitlement Share	Orig. Tumbleweed Allocation (MW)	New MW Allocation (based on orig. share)	Incremental Increase (MW)
CPSF	16.06%	11.08	12.05	0.97
PCE	19.69%	13.59	14.77	1.18
RCEA	3.62%	2.50	2.72	0.22
SJCE	22.28%	15.37	16.71	1.34
SVCE	21.25%	14.66	15.94	1.28
SCPA	12.95%	8.94	9.71	0.77
VCE	4.15%	2.86	3.11	0.25
Total	100.00%	69.00	75.00	6.00

Discussion/Conclusion

VCE’s expected share of the Tumbleweed project is approximately 4% of the project which is equivalent to 3.11 MW nameplate capacity. The original project size, which was presented to the Board and subsequently approved in February 2022 was for 2.86 MW.

Staff is asking the Board to approve VCE’s incremental MW portion of this project. Staff is also recognizing that the CC Power Board will vote on this increased project size at an upcoming meeting and has written the Resolution to be contingent on the CC Power Board decision.

Attachment

1. Resolution

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2022- _____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CLEAN ENERGY ALLIANCE
AFFIRMING THE INCREASED CAPACITY AND PARTICIPATION IN THE TUMBLEWEED LONG
DURATION STORAGE PROJECT AND AUTHORIZING THE EXECUTIVE OFFICER IN
CONSULTATION WITH LEGAL COUNSEL TO FINALIZE AND EXECUTE THE NECESSARY
AGREEMENTS.**

WHEREAS, VCE is a member of California Community Power (CC Power) joint powers authority; and

WHEREAS, VCE in coordination with CC Power conducted a request for offers for long duration storage (LDS) projects and engaged in negotiations for the Tumbleweed project; and

WHEREAS, CC Power seeks to execute agreements to effectuate its purchase of its storage resource from the Tumbleweed storage project based on the project's desirable offering of products, pricing and terms; and

WHEREAS, the Tumbleweed project will contribute to the regulatory requirement to procure LDS for each of the CCAs that are participating in this project through CC Power by providing energy storage resources for a term of fifteen years starting on or about June 1, 2026; and

WHEREAS, on February 10, 2022 staff presented to the Board for its review the Energy Storage Services Agreement, Buyer Liability Pass Through Agreement and the Project Participation Share Agreement the Board approved authorization to participate; and

WHEREAS, the May 12, 2022 Resolution reaffirmed the Board's February 10, 2022 action approving participation in the CC Power Tumbleweed project and authorizing its Executive Officer to execute Agreements and any ancillary documents associated with its action; and

WHEREAS, the Tumbleweed project is able to increase the overall size from 69 MW to 75 MW resulting in additional capacity for the participating CCAs which equates 0.25 MW for VCE.

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance reaffirms the following:

1. Contingent on the CC Power Board approval of the increased capacity in the Tumbleweed Long Duration Storage project, the Executive Officer is authorized to execute the Agreements and any ancillary documents with the Tumbleweed Energy Storage LLC, California Community Power and participating CCAs with the terms generally consistent with those presented, in a form approved by legal counsel

PASSED, APPROVED AND ADOPTED, at a regular meeting of the Valley Clean Energy Alliance, held on the ____ day of _____, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jesse Loren, VCE Chair

Alisa M. Lembke, VCE Board Secretary