

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 13

TO: Board of Directors

FROM: Gordon Samuel, Chief Operating Officer

SUBJECT: Strategic Growth Council Grant Application – Esparto-Capay Microgrid

DATE: September 14, 2023

RECOMMENDATION

Approve Resolution permitting VCE to receive funds from the Strategic Growth Council’s Community Resilience Centers grant program.

BACKGROUND

In April 2023 the Board approved a 20-year term amended power purchase agreement (PPA) for the Gibson renewable photovoltaic (PV) plus battery storage (BESS) project located in Yolo County. This project consists of 13MWac PV with 13MW DC coupled BESS with an up to five (5) hour duration – 65MWh. Staff informed the Board that in March 2023, VCE submitted a grant application to the California Department of Food and Agriculture (CDFA) for \$5.7M to enable the Gibson project to have the capability to operate in a microgrid state. The grant opportunity is part of the CDFA’s Community Resilience Centers Program. The project would utilize the proposed Gibson project as well as additional electrical infrastructure (grant funds would support this additional infrastructure) to serve the Capay valley in times of electrical outages. The overall project would be called the Esparto Capay Multi-Customer Microgrid project. The grant application received support from Senator Dodd, Assembly Member Aguiar-Curry, The Climate Center and PG&E. The results of the CDFA grant have not been released as of this September Board meeting.

ANALYSIS

As staff awaits the results of the CDFA grant opportunity, staff believes it is prudent to pursue other grant opportunities as a back-up.. California’s Strategic Growth Council (SGC) has issued a grant related to their Community Resilience Centers (CRC) program and VCE submitted a preliminary application in August. The final application is due September 19, 2023. A component of the final application is a Resolution from the applicant (VCE) stating the entity is approving the acceptance of any awards that may result from this grant.

CONCLUSION

The Gibson project provides VCE’s customers with clean, affordable renewable energy and in addition the project satisfies several regulatory mandates. The microgrid capability makes this project even more attractive as power could still be supplied during times of electrical outages to Esparto and the

Capay Valley. Staff will continue to seek funding sources for the costs associated to enable the microgrid aspects of this project.

ATTACHMENT

1. Resolution

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2023 - _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CLEAN ENERGY ALLIANCE AUTHORIZING THE EXECUTIVE OFFICER OR THE EXECUTIVE OFFICERS DESIGNEE, IN CONSULTATION WITH LEGAL COUNSEL, TO APPLY FOR AND ACCEPT GRANT FUNDS FROM THE CALIFORNIA STRATEGIC GROWTH COUNCIL FOR THE COMMUNITY RESILIENCE CENTERS GRANT PROGRAM IN THE AMOUNT OF \$6,000,000, OR IN ANY OTHER AMOUNT AWARDED, AND NEGOTIATE AND EXECUTE ANY RELATED DOCUMENTS NECESSARY TO ACCEPT THESE GRANT FUNDS

WHEREAS, on April 13, 2023 Board of Directors of the Valley Clean Energy Alliance approved a power purchase agreement (“PPA”) for a 20 year term with Gibson Renewables, LLC (“Gibson”); and

WHEREAS, the Gibson project is a 13MW photovoltaic (PV) facility combined with 13 MW/65 MWh (5-hour) battery energy storage system (BESS) in Madison, Yolo County, California; and

WHEREAS, the Gibson project can be converted into a community microgrid with modifications to the electrical interconnection for an estimated cost of nearly \$6,000,000; and

WHEREAS, the California Strategic Growth Council issued grant guidelines for the Community Resilience Center program on April 26, 2023; and

WHEREAS, the Valley Clean Energy Alliance submitted a preliminary grant application in August 2023 and plans to submit a final application in September 2023.

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance resolves as follows:

1. The Executive Officer, or the Executive Officer’s designee, is authorized to apply for and accept funds from the California Strategic Growth Council’s Community Resilience Centers Program in the amount of \$6,000,000, or in any other amount awarded, and negotiate and execute the necessary documents to accept these funds. These funds will be used to enable the Gibson solar plus storage project to operate in microgrid mode when necessary to benefit the local community.

PASSED, APPROVED AND ADOPTED, at a regular meeting of the Valley Clean Energy Alliance, held on the 14th day of September 2023, by the following vote:

AYES:

NOES:

ABSENT:
ABSTAIN:

Tom Stallard, VCE Chair

Alisa M. Lembke, VCE Board Secretary