

SILICON VALLEY CLEAN ENERGY AUTHORITY

RESOLUTION NO. 2023-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO FINALIZE NEGOTIATIONS AND EXECUTE POWER PURCHASE AGREEMENT WITH MIDDLE RIVER POWER FOR THE HANFORD HYBRID NATURAL GAS POWER PLANT AND BATTERY ENERGY STORAGE SYSTEM; ALLOWING FOR AN EXCEPTION TO THE BOARD-ADOPTED ENERGY RISK MANAGEMENT POLICY; AND DIRECTING STAFF TO RETURN WITH A POLICY AND GUIDELINES FOR ESTABLISHING A FUND TO MITIGATE IMPACTS OF EMISSIONS ASSOCIATED WITH THE HANFORD PPA

THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY HEREBY RESOLVES AS FOLLOWS:

WHEREAS, the Silicon Valley Clean Energy Authority (“SVCE”) was formed on March 31, 2016, pursuant to a Joint Powers Agreement to promote, develop, conduct, operate, and manage energy programs in Santa Clara County;

WHEREAS, launch of service for Phase I occurred in April 2017, and launch of service for the remaining Phases occurred in July 2017;

WHEREAS, the SVCE Board of Directors wishes to delegate authority to the Chief Executive Officer (“CEO”) to finalize negotiations and execute a Power Purchase Agreement (“PPA”) with Middle River Power, or its affiliate MRP Pacifica Marketing LLC, for Resource Adequacy with Dispatchable Energy from its Hanford Hybrid Natural Gas Power Plant and Battery Energy Storage System for a term not to exceed twelve years and in an amount not to exceed \$280,000,000 over the life of the PPA with the following parameters:

- a. Resource Adequacy (RA) capacity from existing Hanford Natural Gas Power Plant of 99.4 megawatts (MW)
- b. Additional RA capacity from a new Battery Energy Storage System (BESS) of 16 MW sited adjacent to Hanford with an expected 13.97 MW to count towards the Mid-term Reliability Procurement Order and with expected commercial on-line date of April 1, 2024 date and delivery through April 30, 2036
- c. Dispatchable energy from the Natural Gas Peaker Power Plant subject to operating constraints and to meet demand under certain market and grid conditions;

WHEREAS, SVCE first adopted an Energy Risk Management Policy in February 2017, which allowed SVCE to transact in the California Independent System Operator (CAISO) congestion market;

WHEREAS, in 2017, 2019, and 2021, the Board approved revisions to the Policy;

WHEREAS, Staff has identified that by authorizing the CEO to execute the Hanford Hybrid Natural Gas Power Plant and Battery Energy Storage System, the Board will be authorizing a gas tolling transaction which is not explicitly called out in the existing Policy;

WHEREAS, the Board will need to make an exception to the Policy to enable the procurement of natural gas to effectively manage the Hanford PPA;

WHEREAS, the Board wishes to direct staff to develop a policy and/or guidelines to set aside funds to be used for programs and/or projects to mitigate emissions associated with energy produced by the Hanford project resulting from this PPA and return to the Board by the December 2023 Board meeting with a recommendation.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1. The Board hereby delegates authority to the Chief Executive Officer (CEO) to finalize negotiations and execute a Power Purchase Agreement (PPA) with Middle River Power, or its affiliate MRP Pacifica Marketing LLC, for Resource Adequacy with Dispatchable Energy from its Hanford Hybrid Natural Gas Power Plant and Battery Energy Storage System (“Hanford”) for a term not to exceed twelve years and in an amount not to exceed \$280,000,000 over the life of the PPA with the following parameters:

- a. Resource Adequacy (RA) capacity from existing Hanford Natural Gas Power Plant of 99.4 megawatts (MW)
- b. Additional RA capacity from a new Battery Energy Storage System (BESS) of 16 MW sited adjacent to Hanford with an expected 13.97 MW to count towards the Mid-term Reliability Procurement Order and with expected commercial on-line date of April 1, 2024 date and delivery through April 30, 2036
- c. Dispatchable energy from the Natural Gas Peaker Power Plant subject to operating constraints and to meet demand under certain market and grid conditions;

Section 2. The Board provides for an exception to the Board-approved Policy to allow for procurement of natural gas to manage risk associated with the Natural Gas Peaker Plant toll portion of the Hanford project, if necessary; and

Section 3. The Board directs staff to develop a policy and/or guidelines to set aside funds to be used for programs and/or projects to mitigate emissions associated with energy produced by the Hanford project resulting from this PPA and return to the Board by the December 2023 Board meeting with a recommendation.

ADOPTED AND APPROVED this 12th day of April 2023, by the following vote:

JURISDICTION	NAME	AYE	NO	ABSTAIN	ABSENT
City of Campbell	Director Scozzola				✓
City of Cupertino	Director Mohan	✓			
City of Gilroy	Director Hilton	✓			
City of Los Altos	Director Meadows	✓			
Town of Los Altos Hills	Director Tyson	✓			
Town of Los Gatos	Director Rennie	✓			
City of Milpitas	Director Chua	✓			
City of Monte Sereno	Director Mekechuk	✓			
City of Morgan Hill	Alternate Director Carothers	✓			
City of Mountain View	Director Abe-Koga	✓			
County of Santa Clara	Director Lee	✓			
City of Saratoga	Director Walia	✓			
City of Sunnyvale	Alternate Director Srinivasan	✓			

DocuSigned by:
George Tyson
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Chair

ATTEST:

DocuSigned by:
Andrea Pizano
 8BC3564ACEA848D...

Andrea Pizano, Board Clerk