

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE USE OF UP TO \$1,000,000 FROM THE SAN JOSE CLEAN ENERGY FUND FOR THE PUBLIC WORKS DEPARTMENT TO HIRE A CONSULTANT(S) TO CONDUCT HIGH-LEVEL STUDIES AND PRELIMINARY DESIGN PLANS FOR A SUITE OF MUNICIPAL MICROGRIDS AT CITY FACILITIES, IN PREPARATION FOR DEVELOPMENT OF A POWER PURCHASE AGREEMENT BID SCOPE

WHEREAS, microgrids are a group of buildings and distributed energy resources, such as solar and battery storage, that can connect and disconnect from the power grid and allow buildings to “island” from the power grid and be powered by the connected distributed energy resources during power outages; and

WHEREAS, on October 2, 2023, the City of San José’s (“City”) Public Works Department received direction from the Transportation & Environment Committee to move forward with the development of a power purchase agreement (“PPA”) for a suite of municipal microgrids at approximately thirty City facilities; and

WHEREAS, staff also committed to seek City Council approval to spend up to \$1,000,000 from the San José Clean Energy Fund to hire consultants to conduct high-level studies, including site feasibility, electrical sizing, and lifetime cost estimates, and develop preliminary design plans to provide a refined scope and pricing structure for the PPA prior to the Request for Offers (“RFO”) process; and

WHEREAS, San José Clean Energy will be the offtaker of any resulting PPA, and the San José Clean Energy Fund may be reimbursed over time through a fee included in the monthly PPA payments paid by departments over the PPA agreement term; and

WHEREAS, the Public Works Department will manage the consulting contract(s) and provide design and project review; and

WHEREAS, staff recommends that the City Council authorize the use of up to \$1,000,000 from the San José Clean Energy Fund to hire consultants to perform high-level studies and develop preliminary design plans for the installation of solar and energy storage facilities to inform the final scope and pricing structure of the PPA prior to the RFO process; and

WHEREAS, staff will obtain City Council approval prior to executing the PPA between the City and the selected developer to implement the microgrids if the City Council approves staff's proposed recommendation;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The use of up to \$1,000,000 from the San José Clean Energy Fund for the Public Works Department to hire a consultant(s) to conduct high-level studies and preliminary design plans for a suite of municipal microgrids at City facilities, in preparation for development of a power purchase agreement (PPA) bid scope, is hereby authorized.

ADOPTED this _____ day of _____, 2023, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk