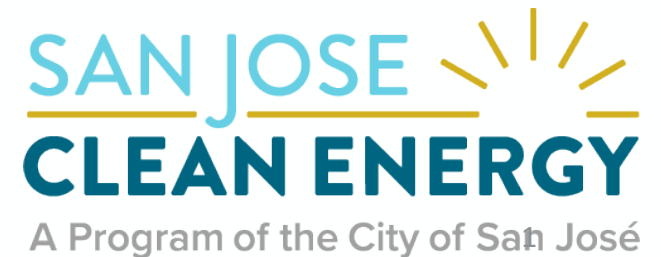


# LONG TERM RENEWABLE ENERGY AND RESOURCE ADEQUACY CONTRACTS

San José City Council

January 24, 2023

Lori Mitchell, Director of Community Energy  
Jeanne Solé, Deputy Director of Power Resources  
Phil Cornish, Senior Power Resources Specialist  
Prachi Avasthy, Division Manager of Risk Management, Contracts & Administration





# NEW RENEWABLE AND RELIABILITY PROJECTS

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Since 2019, SJCE has contracted for over 500 MW of new renewable energy and storage resources

- 62 MW solar + storage in Kern County; fixed delivery (online)
- 225 MW wind in New Mexico (online)
- 100 MW solar + 10 MW storage in Fresno (not yet online)
- 102 MW renewable energy in Kern County; fixed delivery (not yet online)
- 45 MW of long-duration storage in San Diego County (not yet online)
- 34 MW of geothermal in CA & NV (not yet online)



# MID TERM RELIABILITY REGULATORY REQUIREMENTS

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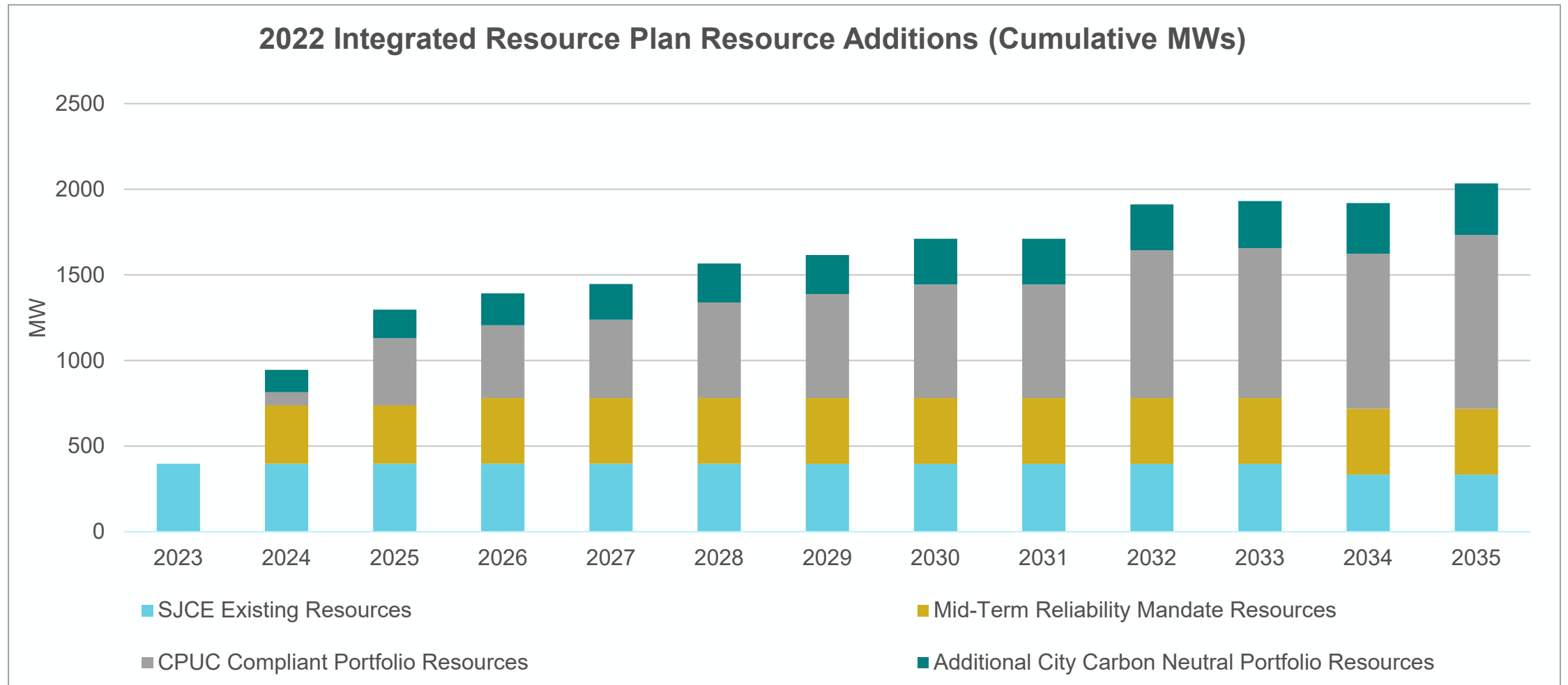
CPUC *D.21-06-035* requires SJCE to buy 247 MW of Net Qualifying Capacity (NQC), which is capacity that can be delivered during September peak load:

- **43 MW in 2023:** already procured
- **129 MW in 2024:** 85 MW signed; today's recommendations and past approvals will allow SJCE to meet requirement
- **32 MW in 2025:** 14 MW signed; today's recommendations and past approvals will allow SJCE To meet requirement
- **21.5 MW Long Duration Storage:** already procured
- **21.5 MW Firm Clean Resources:** already procured

## Penalties:

- If SJCE does not procure resources needed ahead of time, PG&E will be required to undertake procurement and the costs will be allocated to SJCE, and penalties may apply

# SJCE RESOURCE BUILDOUT (CUMULATIVE)



# NEXTERA: YELLOW PINE SOLAR II

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**Seller:** Yellow Pine Solar II, LLC

**Developer:** NextEra Energy Resources Development, LLC

**Technology:** Solar plus storage

**Products:** Renewable energy, resource adequacy, renewable energy credits, battery tolling, and attributes

**Location:** Clark County, NV (but in CAISO boundary, so not an import)

**COD:** June 1, 2024 for battery, December 1, 2024 for solar

**Terms:** Solar 20 years; battery through the end of solar term but no more than 25 years

**Annual Cost:** \$15,400,000 (~3.7% Annual Portfolio Power Costs)

**Total Cost:** \$332,000,000

**Community Investment:** \$250,000

**Homes Powered Annually:** ~40,000



Source: NextEra website



# NEXTERA: YELLOW PINE SOLAR III

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**Seller:** Yellow Pine Solar III, LLC

**Developer:** NextEra Energy Resources Development, LLC

**Technology:** Battery storage

**Products:** Resource adequacy, tolling rights (ability to charge/discharge)

**Location:** Clark County, NV (but in CAISO boundary, not an import)

**COD:** June 1, 2025

**Terms:** 20 years

**Annual Cost:** \$3,870,000 (~0.9% Annual Portfolio Power Costs)

**Total Cost:** \$77,400,000

**Community Investment:** \$50,000

**Homes Powered, 4-hour period:** ~40,000



Source: NextEra website

# NEXTERA ENERGY RESOURCES DEVELOPMENT, LLC

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- NextEra is the world's largest generator of renewable energy from the wind and sun
- Owns and operates over 25 GW of projects
- NextEra Energy Resources Development, LLC is not a publicly traded company, but its indirect corporate parent, NextEra Energy, Inc. (NYSE: NEE) is a publicly traded company



Source: NextEra website

# LONGROAD: SUN POND

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**Seller:** Sun Pond, LLC

**Developer:** Longroad Development Company, LLC

**Technology:** Solar plus storage

**Products:** Renewable energy, resource adequacy, renewable energy credits, battery tolling, and attributes

**Location:** Maricopa County, AZ

**COD:** April 1, 2025

**Terms:** 20 years

**Annual Cost:** \$11,260,000 (~2.7% Annual Portfolio Power Costs)

**Total Cost:** \$225,200,000

**Community Investment:** Contribution expected but still being negotiated

**Home Powered Annually:** ~24,000



Source: Longroad website



# LONGROAD DEVELOPMENT COMPANY

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- Founded in 2016 and focuses primarily the development and operation of utility-scale wind, solar and battery energy storage projects throughout the United States
- Operating since 2016 with over 1.9 GW of operating projects
- Longroad is not a publicly traded company



Source: Longroad website

# ConEd: ALPAUGH

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**Seller:** Alpaugh BESS, LLC

**Developer:** Con Edison Clean Energy Businesses, Inc.

**Technology:** Battery storage

**Products:** Resource adequacy

**Location:** Tulare County, CA

**COD:** June 1, 2024

**Terms:** 12 years

**Annual Cost:** \$450,000 (0.1% Annual Portfolio Power Costs)

**Total Cost:** \$5,400,000

**Homes Powered, ~8,400  
4-hour period:**



Source: ConEd website

# CON EDISON CLEAN ENERGY BUSINESSES, INC.

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- ConEd has developed, acquired or operated over 4 GW of renewable energy projects to date since inception
- ConEd is not a publicly traded company, but its indirect parent, Consolidated Edison, Inc. is a publicly traded company (NYSE: ED)
- The core business of parent company is regulated electric and gas utility services in New York and adjacent areas



Source: ConEd website



# QUESTIONS?

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## Recommendations:

Authorize the Director of the Community Energy Department or designee to negotiate and execute:

- i. Agreement with Yellow Pine Solar II for renewable energy plus battery storage
- ii. Agreement with Yellow Pine Solar III for battery storage tolling and RA
- iii. Agreement with Sun Pond for renewable energy plus battery storage
- iv. Agreement with Alpaugh BESS for RA from battery storage

## Staff:

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Source: NextEra website