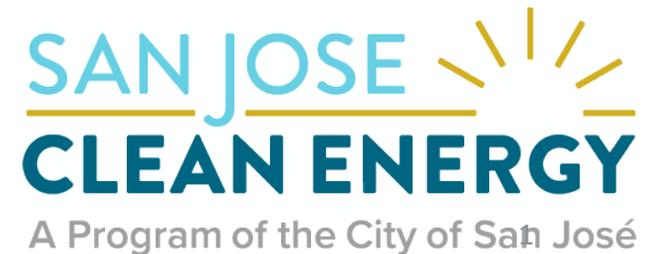


LONG TERM RENEWABLE ENERGY AND RESOURCE ADEQUACY CONTRACTS

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

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

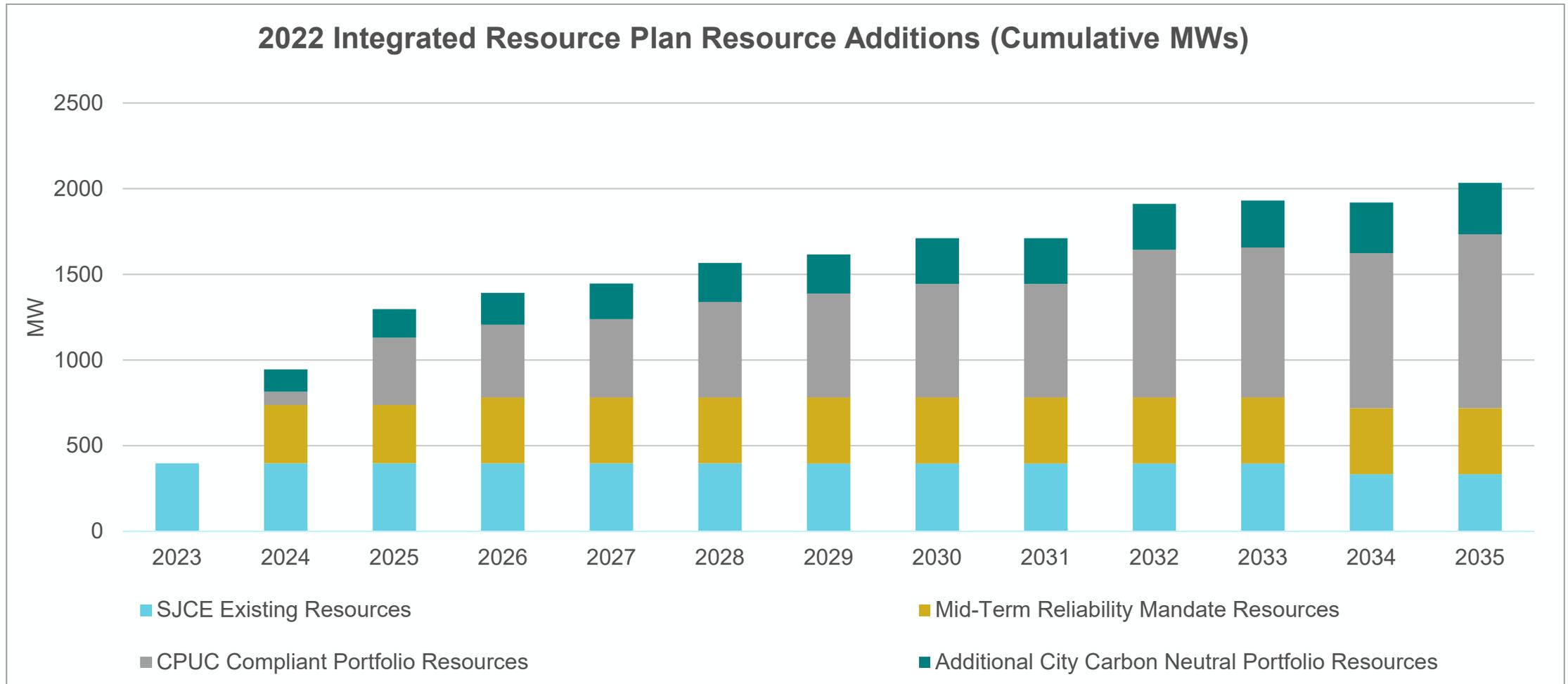
CPUC *D.21-06-035* requires SJCE to buy 247 MW of Net Qualifying Capacity (NQC), which is capacity that can be delivered during September peak load:

- **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

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

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

- 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

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

- 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

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.

- 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?

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:

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



Source: NextEra website