

CALIFORNIA COMMUNITY POWER - JOINT POWERS AUTHORITY

San José City Council

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SAN JOSE 
CLEAN ENERGY
A Program of the City of San José

CALIFORNIA COMMUNITY POWER: A CCA JOINT POWERS AUTHORITY

- CCAs are forming a Joint Powers Authority (JPA) called California Community Power, or 'CC Power' to jointly contract for large projects.
- Forming CC Power addresses concerns that individual CCA's are too small to contract for large infrastructure projects.
- Initial focus is on projects that ensure grid reliability.
 - long-duration storage (more than 8 hours)
 - could assist with RA requirements



CC Power Interested CCAs



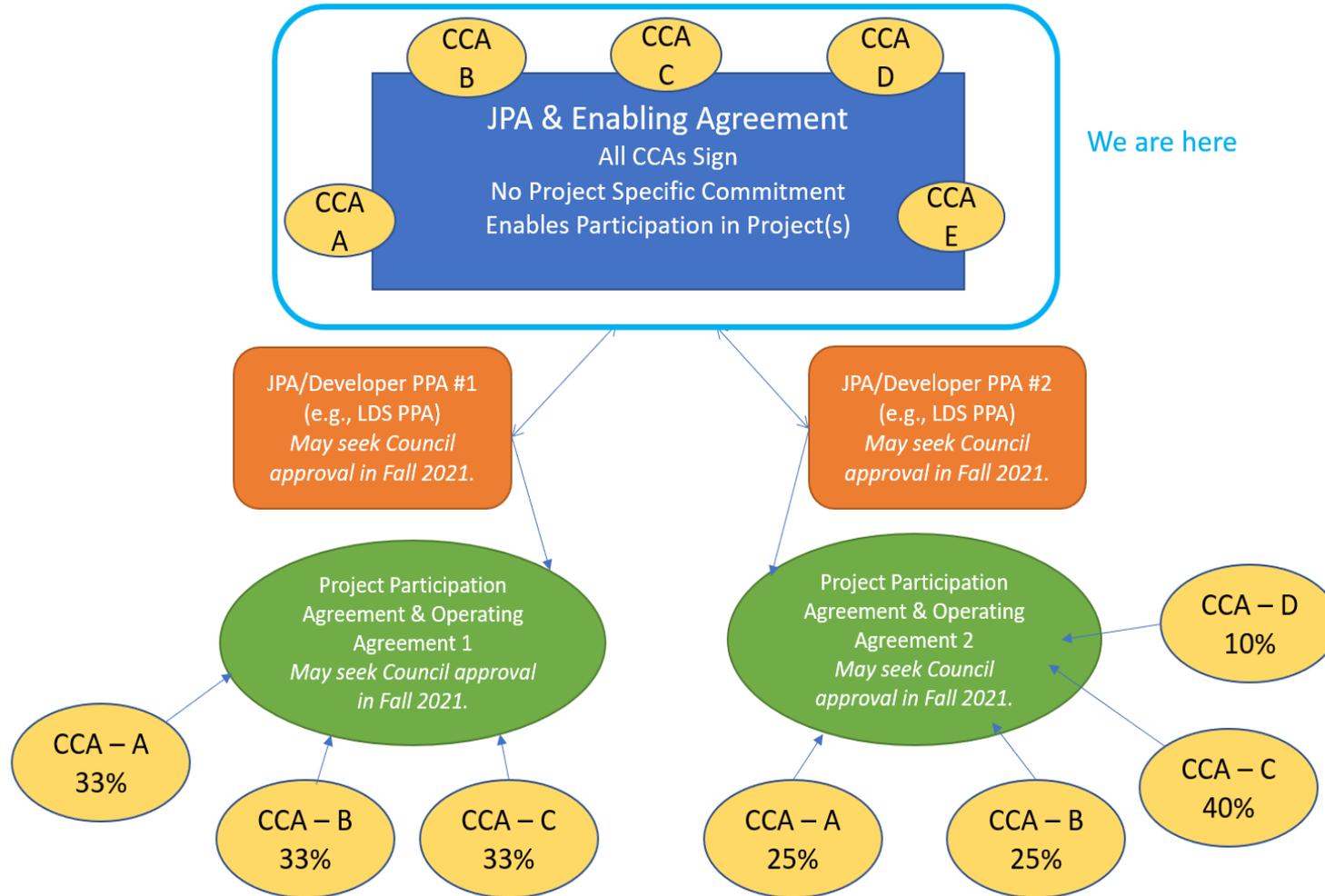
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HOW IT WORKS

- Joining CC Power gives SJCE an opportunity to participate in large projects that may not otherwise be possible
- Costs: SJCE's share expected to be **\$10,000-\$30,000/year**
- **Joining CC Power does not commit an organization to participate in any specific projects or purchase any services**
 - Preserves the option to jointly procure if benefits outweigh risks
 - Majority of costs are related to participating in a project
- Joint Projects require additional agreements to address the sharing costs, risks, and benefits
 - Requires future Council Approval (likely Fall 2021)



COMMITMENT ILLUSTRATION



GOVERNANCE AND OPERATIONS

- **Board and Voting:** each member will hold 1 seat and have 1 vote on a board.
 - Board members include member CCA Directors / CEOs
- **Staffing:** Initially, CC Power would have part time consulting staff, including a General Manager for the day-to-day operations and management.
- **Withdrawal rights:** Members will have the option to withdraw from CC Power at any time, provided that the member has satisfied its agreed upon share of costs and obligations.
 - Remain subject to obligations of any executed project agreements
- For SJCE and San Francisco's CleanPower SF, the CC Power Agreement includes provisions that will limit the liabilities of these two entities to their special enterprise funds.



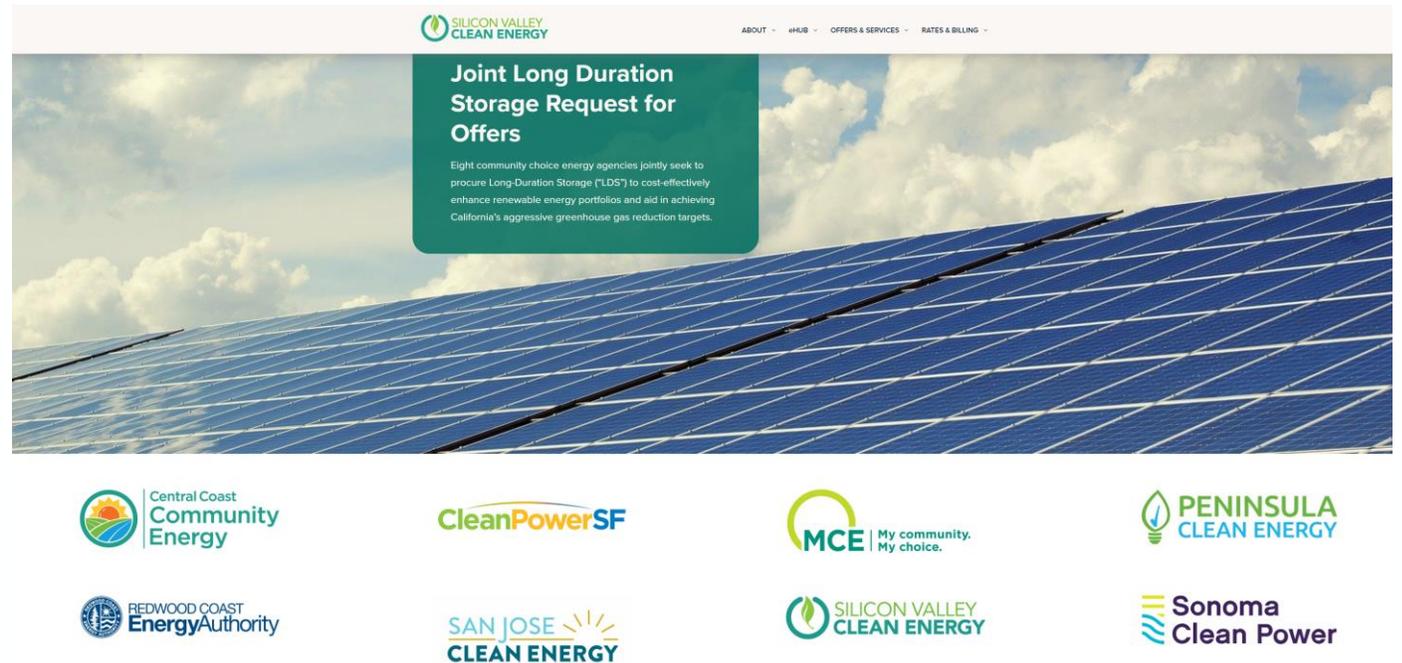
EXAMPLES OF SIMILAR UTILITY JPAs

- NCPA, SCPPA, & TANC
 - Municipal electric utilities formed joint procurement entities to effectively build and procure projects
 - Also, offer services such as wholesale energy services and scheduling coordination
 - www.ncpa.com/
 - www.scppa.org/
 - www.tanc.us/
- CalCCA will continue to focus on regulatory and legislative advocacy
 - CC Power intended to be a joint procurement entity rather than a trade advocacy association



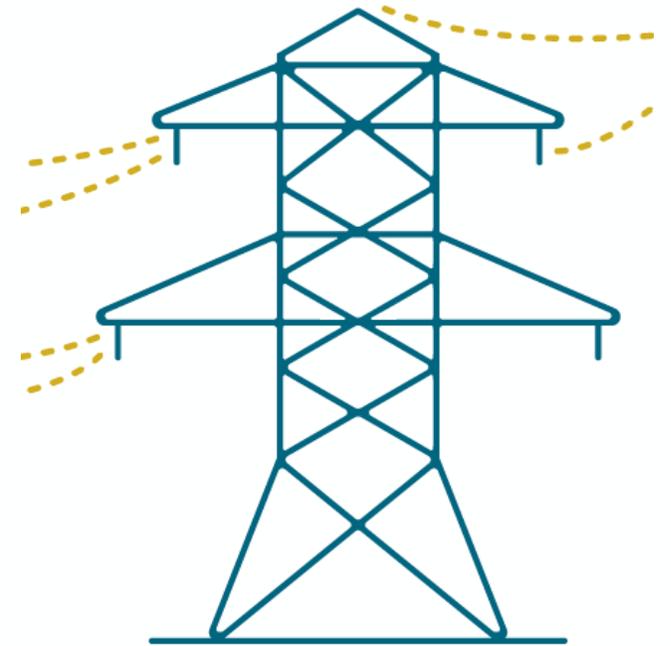
1ST PROJECT: LONG DURATION STORAGE

- **Goal:** Target up to 500 MW of LDS
 - Estimated value ~\$2 Billion
- **Online date:** 2026
- Must be cost effective and have market and strategic value



CCA LONG DURATION STORAGE (LDS) SOLICITATION

- Interested CCAs are leading a solicitation for long duration storage
 - Issued in mid-October 2020
 - Evaluating bids in early 2021
 - Only CCAs that join CC Power may contract for submitted bids
- CC Power is expected to be in operation in time to negotiate any PPAs resulting from the solicitation



QUESTIONS?

Recommendation Adopt a Resolution:

- Authorizing the City Manager or his/her designee to join SJCE to the new CC Power JPA and execute the CC Power Agreement
- Authorizing the City of San José to pay a share of CC Power's annual costs

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ENERGY STORAGE

The First Major Long-Duration Storage Procurement Has Arrived

California's community-choice aggregators are moving ahead of the traditional utilities.

JULIAN SPECTOR | OCTOBER 16, 2020



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California CCAs issue RFO for up to 500 MWs of long-duration storage

By Renewable Energy World Content Team | 10.16.20

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