



Staff Report Item 7

TO: East Bay Community Energy Board of Directors

FROM: Melissa Brandt, Director of Regulatory Affairs

SUBJECT: **Oakland Clean Energy Initiative Request for Offers (Informational Item)**

DATE: February 21, 2018

Recommendation

Receive update and provide feedback on EBCE's collaboration with Pacific Gas and Electric Company (PG&E) to launch a Request for Offers (RFO) for the Oakland Clean Energy Initiative (OCEI).

Discussion

EBCE, in partnership with PG&E, is planning to co-launch an OCEI RFO on or about March 30, 2018. The RFO will be soliciting competitive offers for energy, capacity, and reliability products in the local geographical area of Alameda County in order to enable the retirement of Dynegy's aging Oakland Power Plant as of summer 2022. The Dynegy Oakland Power Plant is a 165 MW jet fuel-powered generating facility, located near Jack London Square in Oakland, which began commercial operations in 1978 and currently operates under an annual Reliability Must Run (RMR) Contract with the California Independent System Operator (CAISO).

The OCEI solicitation will seek new distributed energy resources projects to ensure reliability in Oakland when the Dynegy plant is retired. The new projects will be a cleaner and more affordable option than the traditional approach of using either a new fossil-fueled plant or new transmission lines through heavily populated areas of Oakland. Depending on the exact resource mix, the solicitation is expected to result in 20 to 45 megawatts of clean energy resources. EBCE will consider purchasing energy (including RPS-eligible renewable energy) and capacity products from projects that produce energy storage and/or front-of-the-meter renewable generation, and PG&E will consider purchasing reliability products. Each partner will contract for its respective products in separate agreements with sellers.

EBCE will seek board approval before entering into any agreements on EBCE's behalf; similarly, PG&E will seek CPUC approval as a condition precedent to any agreements it

executes. EBCE's goal is to each enter into one or more long-term Power Purchase and Sale Agreements (PPAs) to meet a portion of its electric energy needs in 2022 and subsequent years, for terms of 10-20 years. EBCE is seeking to buy cost effective local energy and capacity pursuant to its Implementation Plan and California's energy and environmental objectives. Due to the local nature of the project, EBCE expects to realize local workforce benefits, as well as a reduction in local air pollutants.

Fiscal Impact

EBCE will select projects based on a defined set of criteria with minimal rate impacts to EBCE customers and subject to Board approval.

Attachment

- A. EBCE OCEI Overview Presentation

Oakland Clean Energy Initiative (OCEI)



- 165 MW Dynegy Oakland Power Plant, located near Jack London Square, is approaching retirement age (~40 yrs.)
 - Began commercial operations in 1978
 - Operates under a Reliability Must Run (RMR) contract with the California Independent System Operator (CAISO)
 - CAISO identified its retirement (expected summer 2022) as a long-term reliability concern for the East Bay Area

OCEI Solicitation: Overview

- Opportunity for EBCE and PG&E to partner on solicitation:
 - EBCE may buy local energy and capacity products from distributed energy resources projects
 - PG&E may buy reliability products from the same projects
- Local benefits for EBCE:
 - Builds portfolio of clean energy resources instead of fossil replacement or additional transmission
 - Enables EBCE to locally procure a portion of its energy needs
 - Eliminates local pollution from the aging jet fuel-powered Dynegy generating facility
 - Enables local workforce benefits
 - Increases reliability and energy resilience in downtown Oakland



OCEI Solicitation: Details

- RFO Launch: ~March 30, 2018
- Expected to result in 20-45 MW (depends on resource mix) of new local clean energy resources
- EBCE will be seeking offers for energy and/or capacity from:
 - Energy storage projects
 - Front-of-the-meter renewable generation projects
- Projects must be located in the geographical area of Alameda County
- Delivery Term: 10-20 years, beginning in 2022
- EBCE will seek board approval before entering into any agreements on EBCE's behalf