

1 [Power Purchase Agreement - IP Easley II, LLC - CleanPowerSF 2022 Renewable Energy
2 Supplies - Not to Exceed \$75,000,000]

3 **Resolution approving and authorizing the General Manager of the San Francisco Public**
4 **Utilities Commission to execute a Renewable Power Purchase Agreement, Contract No.**
5 **PRO.0263 CleanPowerSF 2022 Renewable Energy Supplies (Agreement) with IP Easley**
6 **II, LLC, for an amount not to exceed \$75,000,000 with a term of 10 years, beginning by**
7 **January 1, 2027, pursuant to Charter, Section 9.118.**

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9 WHEREAS, California Public Utilities Code, Section 366.2, allows public agencies to
10 aggregate the electrical load of interested electricity customers within their jurisdictional
11 boundaries; and

12 WHEREAS, Pursuant to this law, the City and County of San Francisco established a
13 Community Choice Aggregation program known as CleanPowerSF to provide electric power
14 to the residents and businesses located within its jurisdiction; and

15 WHEREAS, On May 18, 2004, by Ordinance No. 86-04, this Board of Supervisors
16 established a Community Choice Aggregation (CCA) program and implemented
17 CleanPowerSF, through the work of the San Francisco Public Utilities Commission (PUC),
18 allowing the City and County of San Francisco (City) to increase the scale and cost-
19 effectiveness of renewable energy, conservation, and energy efficiency in San Francisco, and
20 to increase local control over electricity prices and resources; and

21 WHEREAS, Currently, CleanPowerSF is providing clean energy to approximately
22 385,000 active customer accounts within San Francisco, with an annual energy requirement
23 of approximately 3,000 gigawatt-hours; and

24 WHEREAS, Chapter 9, Section 902 of the City's Environmental Code outlines
25 emissions reduction targets for San Francisco, along with the sustainability goals needed to

1 meet them and among the sustainability goals is a target to supply 100% renewable electricity
2 by 2025; and

3 WHEREAS, On September 21, 2022, the San Francisco Public Utilities Commission
4 (SFPUC) issued a Request for Offers for Power Purchase Agreement, PRO.0263,
5 CleanPowerSF 2022 Renewable Energy Supplies (RFO PRO.0263), to acquire renewable
6 energy supplies needed to meet and maintain the City's clean energy targets and state
7 regulatory requirements; and

8 WHEREAS, RFO PRO.0263 sought renewable energy and/or Demand Response
9 capacity with initial delivery dates as late as December 31, 2028, for contract terms of up to
10 25 years; and

11 WHEREAS, The SFPUC received seven distinct project proposals and evaluated the
12 proposals that met the minimum qualifications according to criteria including the Proposer's
13 experience, Financial Viability, Project Viability, Cost and Bid Value, and Contribution to a
14 Diversified Portfolio; and

15 WHEREAS, Intersect Power bid a 50 megawatt portion of the 400 megawatt solar
16 energy generation project owned by its subsidiary IP Easley II, LLC (Easley LLC) into RFO
17 PRO.0263 with a 10-year delivery term, and expected online date between September 2026
18 and January 2027 (Easley Project); and

19 WHEREAS, The Easley Project was the highest scoring available proposal according
20 to the project scoring categories and was determined to provide significant benefits to the
21 CleanPowerSF power supply portfolio by providing long-term renewable energy supplies in
22 support of CleanPowerSF's local and state electricity procurement requirements; and

23 WHEREAS, The Agreement with Easley LLC will provide Portfolio Content Category 1
24 renewable energy to CleanPowerSF from an Eligible Renewable Energy Resource Facility for
25 ten years; and

1 WHEREAS, The Easley Project will be constructed in Riverside County, California, and
2 will begin delivering energy to CleanPowerSF by January 1, 2027; and

3 WHEREAS, This contract will be funded entirely from CleanPowerSF customer
4 revenues and its costs are in line with CleanPowerSF's expected power supply costs over the
5 FY27-FY34 period in its adopted 10-year Financial Plan; and

6 WHEREAS, The Agreement will also help CleanPowerSF secure long-term renewable
7 energy at a stable price, providing financial value to CleanPowerSF's portfolio and helping the
8 program deliver 100% renewable energy to its ratepayers; and

9 WHEREAS, The actions contemplated in this Resolution comply with the California
10 Environmental Quality Act ("CEQA") (California Public Resources Code, Sections 21000 et
11 seq.) because: (i) the Easley Project will undergo environmental review in Riverside County;
12 (ii) the Agreement allows CleanPowerSF to terminate its participation in the Easley Project if
13 Easley LLC fails to obtain all applicable discretionary permits and complete CEQA review; and
14 (iii) Easley LLC is required by the Agreement to comply with all applicable laws during the
15 term of the Agreement, which includes CEQA requirements for implementation of mitigation
16 measures; and

17 WHEREAS, The Agreement with Easley LLC uses the pro forma PUC Renewable
18 Power Purchase Agreement, with terms that deviate from the City's standard contract terms,
19 that the Board of Supervisors authorized for CleanPowerSF renewable energy procurement in
20 Ordinance Nos. 75-15, 223-15, 08-18 and 11-20; a copy of the pro forma PUC Renewable
21 Power Purchase Agreement is on file with the Clerk of the Board of Supervisors in File
22 No. 240626;and

23 WHEREAS, On May 28, 2024, by Resolution No. 24-0130, the SFPUC authorized the
24 General Manager to seek Board of Supervisors approval to execute PRO. 0263 Renewable
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1 Energy Power Purchase Agreement with Easley LLC in an amount not to exceed \$75,000,000
2 and a contract duration of ten years, pursuant to Charter, Section 9.118; now, therefore be it

3 RESOLVED, That this Board of Supervisors hereby approves Power Purchase
4 Agreement, Contract No. PRO.0263 CleanPowerSF 2022 Renewable Energy Supplies with IP
5 Easley II, LLC, for an amount not to exceed \$75,000,000, and with a total duration term of 10
6 years; and be it

7 FURTHER RESOLVED, That the Board of Supervisors authorizes the General
8 Manager of the San Francisco Public Utilities Commission to execute the Agreement, with
9 modifications to the pro forma agreement that the General Manager and City Attorney deem
10 necessary, so long as such modifications are consistent with the purposes of this resolution
11 and do not materially decrease the City's rights or materially increase its liability; and be it

12 FURTHER RESOLVED, That within thirty (30) days of this agreement being fully
13 executed by all parties, the General Manager of the SFPUC shall provide the final agreement
14 to the Clerk of the Board for inclusion in the official file.

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