

1 [Agreements - Long Duration Storage - California Community Power - CleanPowerSF - Not to
2 Exceed \$75,900,000]

3 **Resolution approving and authorizing the General Manager of the San Francisco Public**
4 **Utilities Commission, on behalf of CleanPowerSF, to participate in California**
5 **Community Power’s procurement of the Willow Rock Long Duration Storage Project by**
6 **1) entering into the Buyer Liability Pass Through Agreement and 2) entering into the**
7 **Willow Rock Long Duration Storage Project Participation Share Agreement, for a total**
8 **not to exceed amount of \$75,900,000 with a contract duration of 20 years, estimated to**
9 **begin July 1, 2030, through June 30, 2050, pursuant to Charter, Section 9.118.**

10
11 WHEREAS, Long-Duration Storage resources are defined as those that can deliver
12 stored energy to the electric grid at their maximum power capacity for eight hours or more;
13 and

14 WHEREAS, On June 24, 2021, the California Public Utilities Commission (CPUC)
15 adopted Decision (D.) 21-06-035 ordering the procurement of 11,500 megawatts (MW) of new
16 electricity resources with online dates between 2023 and 2026 to meet grid reliability needs,
17 including 1,000 MW of new Long-Duration Storage (LDS) resources by CPUC-jurisdictional
18 load serving entities, including CleanPowerSF; and

19 WHEREAS, CleanPowerSF’s share of the LDS procurement in this CPUC procurement
20 order is 15.5 MW of Net Qualifying Capacity to be operational by the middle of 2026; and

21 WHEREAS, CleanPowerSF is a member of California Community Power (CC Power),
22 a Joint Powers Agency formed by community choice energy programs in Northern California;
23 and

1 WHEREAS, The Board of Supervisors authorized CleanPowerSF’s membership in
2 CCPower in Ordinance No. 25-21, and CleanPowerSF agreed to participate in two Long
3 Duration Storage projects, Goal Line and Tumbleweed in 2022; and

4 WHEREAS, While the Tumbleweed project is on schedule to reach commercial
5 operation in June of 2026, the Goal Line project was terminated in July 2025 due to default by
6 the Seller; and

7 WHEREAS, In anticipation of additional member procurement needs, CC Power issued
8 a solicitation in late 2024 and received offers from 30 Long Duration Storage Projects, with
9 Willow Rock LDS Project being the only proposal utilizing a technology other than lithium-ion
10 batteries; and

11 WHEREAS, After conducting initial discussions with the highest scoring projects, CC
12 Power ultimately decided to negotiate with the developer Hydrostor’s Willow Rock LDS project
13 due to its portfolio technology diversity benefits and higher project viability; and

14 WHEREAS, The Willow Rock Long-Duration Storage Project will purchase storage
15 capacity from the Willow Rock Energy Storage Center, which is a 500 MW eight-hour
16 compressed air energy storage battery to be constructed in Rosamond, California; and

17 WHEREAS, The Project is expected to reach commercial operations on July 1, 2030,
18 and will help CleanPowerSF meet CPUC procurement order and Resource Adequacy
19 capacity requirements; and

20 WHEREAS, CleanPowerSF’s expected share of the Willow Rock Long-Duration
21 Storage project is 11.5 MW with a possible increase, if another CC Power participating
22 member is no longer able to fulfill its obligations and defaults under the Project Participation
23 and Share Agreement; and

24 WHEREAS, On January 28, 2026, the CC Power Board approved the Willow Rock
25 Long-Duration Storage Project and authorized the CC Power General Manager to execute the

1 Energy Storage Agreement (ESA) with the project and additional agreement with participating
2 members on behalf of CC Power; and

3 WHEREAS, For CleanPowerSF to participate in the CC Power Long-Duration Storage
4 Project, the SFPUC will need to execute the following agreements: 1) Project Participation
5 Share Agreement which specifies the products and benefits from the project, payment
6 timelines from each CCA to CC Power, and terms and procedures if a CCA does not make
7 payments when due and 2) Buyer Liability Pass Through Agreement: an appendix to the
8 energy storage agreement by which CleanPowerSF agrees to pay its share of CC Power's
9 payment obligations under the Energy Storage Agreement; and

10 WHEREAS, The contract term is 20 years, with total project costs not to exceed
11 \$75,900,000 funded entirely from CleanPowerSF customer revenues; and

12 WHEREAS, On December 19, 2025, the California Energy Commission, acting as the
13 California Environmental Quality Act (CEQA) lead agency, adopted a final decision for the
14 Willow Rock Energy Storage Project, which includes an environmental assessment, Findings
15 of Fact, and a Compliance Monitoring Plan that are functionally equivalent to an
16 Environmental Impact Report, CEQA findings, and a Mitigation Monitoring and Reporting
17 Program, respectively under CEQA; and

18 WHEREAS, The California Energy Commission has adopted the mitigation measures
19 in the compliance monitoring plan, which is included in the final decision to avoid or
20 substantially lessen the significant environmental effects identified in the Final Decision and
21 has assumed responsibility for their implementation; and

22 WHEREAS, The SFPUC has reviewed and considered the Final Decision and
23 determined that approval of the Agreements is within the scope of the Final Decision, and that
24 the Final Decision is adequate for these actions; and

25

1 WHEREAS, On February 24, 2026, by Resolution No. 260-031, the SFPUC
2 Commission approved and authorized CleanPowerSF's participation in California Community
3 Power's Willow Rock Long-Duration Storage Project; and

4 WHEREAS, Charter, Section 9.118(b), requires Board of Supervisors' approval by
5 Resolution of any contract with a term exceeding 10 years, or costs of \$10,000,000 or more;
6 and

7 WHEREAS, The draft contract contained in File No. _____, is substantially in final form,
8 with all material terms and conditions included, and only remains to be executed by the
9 parties upon approval of this Resolution; now, therefore, be it

10 RESOLVED, That this Board of Supervisors hereby authorizes the General Manager of
11 the SFPUC, on behalf of CleanPowerSF, to participate in California Community Power's
12 procurement of the Willow Rock Long Duration Storage Project by 1) entering into the Buyer
13 Liability Pass Through Agreement and 2) entering into the Willow Rock Long Duration Storage
14 Project Participation Share Agreement, for a not to exceed contract amount of \$75,900,000
15 with a contract duration of 20 years, estimated to begin July 1, 2030, through June 30, 2050;
16 and

17 FURTHER RESOLVED, That this Board of Supervisors authorizes the General
18 Manager to enter into any amendments or modifications to the contract that the General
19 Manager determines, in consultation with the City Attorney, are in the best interest of the City,
20 do not materially increase the obligations or liabilities of the City or materially diminish the
21 benefits to the City, are necessary or advisable to effectuate the purposes and intent of this
22 resolution, and are in compliance with all applicable laws, including the City Charter; and

23 FURTHER RESOLVED, That within 30 days of the contract being fully executed by all
24 parties, the SFPUC shall provide signed copies to the Clerk of the Board for inclusion in the
25 official file.