

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO.: 22-0041

WHEREAS, The San Francisco Board of Supervisors (“Board”) established a Community Choice Aggregation (“CCA”) program in 2004 (Ordinance 86-04) and has implemented the program, called CleanPowerSF, through the work of the San Francisco Public Utilities Commission (“SFPUC” or “Commission”) in consultation with the San Francisco Local Agency Formation Commission (Ordinances 146-07, 147-07, and 232-09); and

WHEREAS, The SFPUC has adopted program goals for CleanPowerSF that guide CleanPowerSF’s planning and operations, including leading with affordable and reliable service, providing cleaner electricity alternatives, and investing in local renewable projects and jobs while providing for long-term rate and financial stability; and

WHEREAS, CleanPowerSF and other interested CCAs formed a new joint powers authority (“California Community Power Agency” or “CC Power”) to leverage their combined buying power to achieve economies of scale, lower costs, and more favorable terms and conditions for products and services; and

WHEREAS, The Commission by Resolution No. 21-0023 and the Board by Ordinance No. 25-21, authorized CleanPowerSF to become a member of CC Power, and in April 2021 the CC Power Board approved CleanPowerSF’s membership; and

WHEREAS, By Resolution No. 20-0182, the Commission adopted CleanPowerSF’s 2020 Integrated Resources Plan, which called for CleanPowerSF to procure long-duration energy storage (“LDS”) resources. LDS is a technology that can store and discharge energy for at least eight hours; and

WHEREAS, On June 24, 2021, the California Public Utilities Commission (“CPUC”) ordered CleanPowerSF and other retail power providers under its authority to procure 11,500 megawatts of new resources, including 1,000 megawatts of LDS. CleanPowerSF’s share of the LDS requirement is 15.5 megawatts; and

WHEREAS, CleanPowerSF’s failure to comply with the CPUC order could result in significant financial penalties; and

WHEREAS, CleanPowerSF, as a member of the CC Power, has participated in a request for offers for LDS resources; and

WHEREAS, On January 19, 2022, the CC Power Board approved entering into an Energy Storage Service Agreement with Tumbleweed Energy Storage, LLC (“Tumbleweed ESSA”) under which CC Power may purchase 69 megawatts of LDS with 552-megawatt hour eight-hour discharge capacity on behalf of CleanPowerSF and the other participating CCAs; and

WHEREAS, CleanPowerSF's share of the long-duration energy storage project with Tumbleweed Energy Storage, LLC, (Tumbleweed LDS Project) would be 16 percent of the project capacity, which would provide more than half of CleanPowerSF's LDS procurement obligation ordered by the CPUC; and

WHEREAS, To participate in the Tumbleweed LDS Project, CleanPowerSF must enter into three separate agreements:

- Project Participation Share Agreement ("Tumbleweed PPSA") between CC Power, CleanPowerSF and the other CCAs that are participants in the Tumbleweed LDS project. It defines the rights, duties, and obligations of CleanPowerSF and the other project participants;
- Buyer Liability Pass Through Agreement ("BLPTA") between CleanPowerSF, CC Power, and Tumbleweed Energy Storage, LLC. Under the BLPTA, CleanPowerSF guarantees the prompt payment of its share of CC Power's obligations; and
- Coordinated Operations Agreement between CleanPowerSF, CC Power, and the other participating CCAs. It details how the CCAs and CC Power will work together to operate the project including hiring a scheduling coordinator and making decisions on charging and discharging the project; and

WHEREAS, On January 19, 2022 the CC Power Board of Directors approved the Tumbleweed LDS Project and authorized the CC Power General Manager to execute the project agreements on behalf of CC Power; and

WHEREAS, The Tumbleweed LDS project is currently undergoing environmental review in Kern County and the ESSA and other Agreements allow CC Power, CleanPowerSF, and the other participating CCAs to terminate their participation in the project if the developer fails to obtain all applicable discretionary permits and complete CEQA review, which may include consideration of any alternatives and requirements for implementation of a mitigation monitoring and reporting program, and begin construction of the Tumbleweed LDS Project by the date specified in the ESSA; and

WHEREAS, The developer is required by the agreement to comply with all applicable laws during the term of the agreement, which includes CEQA requirements for implementation of mitigation measures, if any; now, therefore, be it

RESOLVED, That the Commission hereby approves and authorizes the General Manager to execute and seek Board of Supervisors approval for the Tumbleweed BLPTA, the Tumbleweed PPSA, and the Tumbleweed Operations Agreement for a not-to-exceed amount of \$65,000,000 over a twenty (20) year term on behalf of CleanPowerSF; and be it

FURTHER RESOLVED, That the Commission authorizes the General Manager to make amendments to the agreements that the General Manager and the City Attorney agree are needed to fulfill the purposes of the Agreement and would not materially increase the obligations or liabilities or materially reduce the benefits to the City.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of February 22, 2022.

A handwritten signature in black ink that reads "Plonna Hood". The signature is written in a cursive style with a large initial "P".

Secretary, Public Utilities Commission