



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: September 20, 2022
TO: Adam Politzer, Interim City Manager
FROM: Mohamed Alaoui, Public Works Director
SUBJECT: **Resolution Of The City Council Of The City Of Emeryville Authorizing The City Manager To Pursue A No-Cost Study For Potential Enhancement Of Solar And Battery Energy Systems At Critical Municipal Facilities In Partnership With East Bay Community Energy (EBCE) And Making Findings Of CEQA Exemption Under Section 15061(b)(3)**

RECOMMENDATION

Staff recommends that the City Council approve the above-entitled resolution authorizing the City Manager to pursue with East Bay Community Energy (EBCE) an EBCE-funded study of feasibility, costs, and potential deployment of solar and battery energy systems at critical municipal facilities in the form of new and enhanced solar and battery energy storage systems.

BACKGROUND

EBCE, Emeryville's local electricity generation provider, has the primary objectives of providing its member agencies local energy control and oversight, providing cleaner electricity at competitive rates, driving investment in renewable energy, and improving the resilience of local communities. With these objectives in mind, EBCE is now offering its Joint Power Authority (JPA) members, including the City of Emeryville, the opportunity to participate in the Critical Municipal Facilities Program to deploy solar and battery energy storage systems at City facilities. Participating in this opportunity would increase the potential for on-site solar generation, advance Emeryville's climate action goals, and ensure that more of Emeryville's critical facilities are prepared for PG&E Public Safety Power Shutoff events, rolling blackouts, and other potential power outages such as those caused by a major earthquake.

The Critical Municipal Facilities procurement program includes an upfront assessment of municipal facilities by an independent engineer hired by EBCE, to identify potential roof, structural or electrical capacity upgrades that might be required to install solar and storage systems.

Once the study results are analyzed the City may then enter a second phase and execute an agreement with EBCE. This agreement will allow EBCE to procure, install, and maintain these systems on City facilities. As part of the agreement the City would pay for the energy generated at a pre-negotiated price. The program's goal is to supply this energy at less than the price of grid-based electricity supplied by the utility.

EBCE is requesting that agencies interested in participating in the Critical Municipal Facilities project adopt a resolution indicating intent to 1) authorize EBCE to perform feasibility and cost-benefit analyses, and 2) then consider *but be under no obligation* to pursue EBCE systems on City facilities. Other cities participating in this stage include Hayward, San Leandro, Fremont and Berkeley.

DISCUSSION

Solar and battery energy storage systems provide clean, renewable electricity to buildings and can reduce time-of-use charges during peak pricing periods. In addition, these distributed energy systems provide resilience benefits allowing critical facilities to continue to operate on a limited basis during a power outage using clean electricity stored and generated onsite, reducing dependency on backup diesel generators for back-up power. All of which is consistent with the City's General and Climate Action Plans.

The City of Emeryville has solar systems installed at four sites – City Hall, the Police Station, the Senior Center, and Fire Station 34. They do not include battery energy storage, relying instead on diesel generators for continued service during power outages. Batteries provide the same emergency service, with several additional benefits: they recharge each day requiring no manual refueling, they can be used in non-emergency periods to shift the purchase of power from high-cost peak periods to lower-cost off-peak periods, they are quiet, and they do not emit GHGs.

In July 2018, the EBCE Board of Directors, approved a Local Development Business Plan (LDBP) identifying several strategies to direct investments throughout Alameda County to build renewable energy generation, create local jobs, and help member cities reduce greenhouse gas (GHG) emissions. One part of the LDBP is the Critical Municipal Facilities procurement program under discussion in this report.

After completion of the study that is under consideration as part of this resolution, EBCE will issue a Request for Proposals (RFP) to execute a Power Purchase Agreement (PPA) with a vendor that will install the systems for the various municipalities for the second phase of the program. The advantage of utilizing a PPA is that it undertakes procurement on behalf of many municipalities thus achieving economies of scale and reducing the staff time necessary for procurement.

The study will benefit from previous efforts conducted by EBCE in Emeryville. In 2019, EBCE was a Bay Area Air Quality Management District (BAAQMD) grant to identify critical facilities in Alameda County and conduct preliminary assessments for back-up power from solar and battery energy storage systems at sites across its member jurisdictions. EBCE analyzed more than 300 critical municipal facilities throughout Alameda County to establish which sites would be best suited for solar and battery systems. This study will now focus on the previously identified sites, and further assess their structural condition, roof condition, electrical capacity, and suitability for battery storage.

The City of Emeryville could, after the study is complete, decide to:

- a) Participate in EBCE's procurement via the PPA
- b) Proceed with a City procurement process outside of EBCE's efforts, or
- c) Take any other action it deems appropriate

As part of the second phase EBCE plans to release an RFP for a PPA vendor on behalf of its governmental partners in early 2023. EBCE would be the counterparty on the PPA, enter into a contract with the vendor, and enter into a PPA contract with each participating local government. The equipment would be owned, operated and maintained by the third-party PPA provider under its contract with EBCE. The terms of the PPA would require City Council approval prior to installation, should the City determine the terms are favorable. If approved, the anticipated timeline for deployment of the systems would be late 2023 to early 2024.

FISCAL IMPACT

The resolution does not have any fiscal impacts at this time. Should the decision be made in the future to enter into agreement with EBCE for system installations, the City will pay an agreed upon price per kilowatt-hour for power generated. The PPA provider will pay for the installation, operation, and maintenance of the solar and battery energy storage systems. EBCE's experience with PPAs is that they have resulted in significant utility cost savings to the customer – in this case the City. However, if PPA pricing under this program is higher than anticipated or if the project terms are found to be otherwise unfavorable to the City, the City is under no obligation to proceed with the system installations recommended by the study.

STAFF COMMUNICATION WITH THE PUBLIC

This proposal was discussed at the September 12, 2022 meeting of the Sustainability Committee.

CEQA DETERMINATION

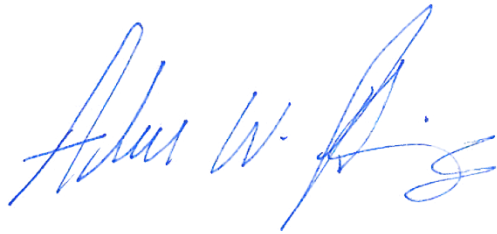
This proposal is exempt from the California Environmental Quality Act (CEQA) under the "common sense exemption" at Section 15061(b)(3) of the State CEQA Guidelines because it can be seen with certainty that there is no possibility that the proposal may have a significant negative effect on the environment.

CONCLUSION

In order to move toward increased resiliency of municipal facilities and add capacity to serve the community in emergencies using clean, renewable power, staff recommend that the City Council adopt a Resolution authorizing the City Manager to participate in the initial EBCE study at no cost to the City. Depending on the study results, the City can then determine if it wishes to pursue installation of these systems via the PPA.

PREPARED BY: Nancy Humphrey, Environmental Programs Supervisor

**APPROVED AND FORWARDED TO THE
CITY COUNCIL OF THE CITY OF EMERYVILLE:**

A handwritten signature in blue ink, appearing to read "Adam W. Politzer", is written over a horizontal line.

Adam Politzer, Interim City Manager

ATTACHMENTS

- Attachment A – Critical Municipal Facilities Program Presentation
- Attachment B – Emeryville Critical Municipal Facility Initial Analysis
- Draft Resolution