

1 [Agreements - Long Duration Storage - Goal Line Battery Energy Storage System 1, LLC -
2 CleanPowerSF - Not to Exceed \$60,000,000]

3 **Resolution authorizing the Public Utilities Commission to purchase long duration**
4 **energy storage from Goal Line Battery Energy Storage System 1, LLC by 1) entering**
5 **into the Buyer Liability Pass Through Agreement; 2) entering into the Goal Line Storage**
6 **Project Participation Share Agreement; and 3) entering into the Goal Line Storage**
7 **Coordinated Operations Agreement, all of which are agreements between California**
8 **Community Power, CleanPowerSF, and five community choice aggregators to enable**
9 **the City and County of San Francisco to purchase long duration energy storage to**
10 **serve customers of CleanPowerSF with a not to exceed amount of \$60,000,000 for a**
11 **fifteen-year term to commence upon commercial operation of the project; and making**
12 **environmental findings under the California Environmental Quality Act.**

13
14 WHEREAS, State law allows cities and counties to develop Community Choice
15 Aggregation (“CCA”) programs through which local governments supply electricity to serve the
16 needs of participating customers within their jurisdictions, while the existing utility continues to
17 provide services such as customer billing, transmission, and distribution; and

18 WHEREAS, The City and County of San Francisco (“City”), through various
19 Ordinances and Resolutions adopted by the Board of Supervisors (“Board”), has implemented
20 a CCA program to provide San Francisco residents and businesses the option to receive
21 cleaner, more sustainable electricity at rates comparable to those of Pacific Gas and Electric
22 Company; and

23 WHEREAS, In May 2016, the Public Utilities Commission (“PUC”) launched its CCA
24 program called CleanPowerSF with initial service to almost 8,000 customer accounts;

1 CleanPowerSF completed citywide enrollment in 2020 and now serves over 380,000
2 customer accounts; and

3 WHEREAS, In Ordinance No 25-21, the Board authorized CleanPowerSF to enter into
4 a joint powers agreement with nine other CCAs that provide electricity and related services
5 such as self-generation and energy efficiency programs to customers in Northern California,
6 called California Community Power (“CC Power”); and

7 WHEREAS, In April 2021, CleanPowerSF became a member of CC Power; and

8 WHEREAS, The goal of CC Power is for the participating CCAs to engage in joint
9 efforts for energy-related procurement and projects that will benefit the participating CCAs by
10 leveraging economies of scale to achieve lower costs and more favorable terms and
11 conditions for products and services; and

12 WHEREAS, Long-duration energy storage (“LDS”) technology will allow CleanPowerSF
13 to store energy from the grid when it is abundant (e.g., during the middle of the day when solar
14 is available) and discharge it when demand for electricity is high; and

15 WHEREAS, On June 24, 2021, the California Public Utilities Commission (“CPUC”)
16 ordered retail sellers of electricity, which includes CleanPowerSF, to procure 11,500
17 megawatts of new resources, including 1,000 megawatts of LDS; CleanPowerSF’s share of
18 the CPUC’s LDS requirement is 15.5 megawatts; and

19 WHEREAS, CleanPowerSF’s failure to comply with CPUC procurement order could
20 result in significant penalties; and

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

23 WHEREAS, Following a competitive solicitation, CC Power issued a notice of intent to
24 proceed with an LDS project known as the Goal Line Storage LDS Project; and
25

1 WHEREAS, On February 25, 2022, the CC Power Board of Directors approved the
2 Goal Line Storage LDS Project and authorized the CC Power General Manager to execute the
3 Goal Line Storage LDS Project agreements on behalf of CC Power; and

4 WHEREAS, CleanPowerSF has agreed to purchase a 21.50 percent share of the Goal
5 Line Storage LDS Project; and

6 WHEREAS, In combination with its other long duration storage agreement
7 CleanPowerSF's share of the Goal Line Storage LDS Project will enable CleanPowerSF to
8 meet its LDS procurement obligation as ordered by the CPUC; and

9 WHEREAS, The Goal Line Storage LDS Project requires four separate agreements,
10 and CleanPowerSF is a party to three of those agreements; and

11 WHEREAS, The first of those agreements is the Energy Storage Service Agreement,
12 which is an agreement between CC Power and Goal Line Battery Energy Storage System 1,
13 LLC ("Goal Line ESSA"); under the Goal Line ESSA, CC Power will purchase 10.7 megawatts
14 of LDS at the Goal Line LDS Project on behalf of CleanPowerSF and the other participating
15 CCAs; the other participants are Redwood Coast Energy Authority, San José Clean Energy,
16 Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy; the Goal Line
17 ESSA is on file with the Clerk of the Board in File No. 220331; and

18 WHEREAS, The second of those agreements is a Buyer Liability Pass Through
19 Agreement ("Goal Line BLPTA"), which is an exhibit to the Goal Line ESSA; under the Goal
20 Line BLPTA, CleanPowerSF and the other CCAs that are participating in the Goal Line LDS
21 Project must guarantee the prompt payment of their share of CC Power's obligations under the
22 Goal Line ESSA should CC Power fail to make any required payments; the BLPTA is on file
23 with the Clerk of the Board in File No. 220331; and

24 WHEREAS, The third of those agreements is the Goal Line Storage Project
25 Participation Share Agreement ("Goal Line PPSA"); the Goal Line PPSA is an agreement

1 between CC Power and the CCAs that are participants in the Goal Line LDS Project that
2 defines the rights, duties, and obligations of CC Power and the Project participant; the Goal
3 Line PPSA is on file with the Clerk of the Board in File No. 220331; and

4 WHEREAS, The fourth of those agreements is the Goal Line Coordinated Operations
5 Agreement (“Goal Line Operations Agreement”); the Goal Line Operations Agreement is also
6 an agreement between CC Power and the CCAs that are participants in the Goal Line LDS
7 Project; the Goal Line Operations Agreement details how CC Power and the CCAs will work
8 together to operate the Project including hiring a scheduling coordinator and making decisions
9 on charging and discharging the Project; the Goal Line Operations Agreement will be finalized
10 and executed by CC Power and the project participants at a later date, prior to the start of Goal
11 Line LDS Project operations; the current draft of the Goal Line Operations Agreement is on file
12 with the Clerk of the Board in File No. 220331; and

13 WHEREAS, Under the Goal Line ESSA, CleanPowerSF and the other participating
14 CCAs have 90 days from the date the CC Power General Manager executed the Goal Line
15 Project agreements (May 30, 2022); and

16 WHEREAS, In PUC Resolution No. 22-0069 dated April 12, 2022, the PUC Commission
17 approved the Goal Line BLPTA, the Goal Line PSSA, and Goal Line Operations Agreement,
18 and authorized the General Manager of the PUC to execute those agreements on behalf of the
19 PUC. Resolution No. 22-0069 is on file with the Clerk of the Board in File No. 220331; and

20 WHEREAS, As required by the Board in Ordinance No. 25-21, the Goal Line ESSA
21 provides that Goal Line Battery Energy Storage System 1, LLC must comply with California
22 prevailing wage and local permitting requirements and prohibits the use of forced labor in its
23 supply chain; in addition, Goal Line Battery Energy Storage Systems 1, LLC has committed to
24 using a project labor agreement, community workforce agreement, work site agreement,
25

1 collective bargaining agreement, or other similar agreement, providing for terms and conditions
2 of employment with applicable labor organizations; and

3 WHEREAS, Under the Goal Line PPSA, each of the participating CCAs and CC Power
4 will agree to indemnify and hold harmless the other parties to the Goal Line PPSA for any
5 injuries or damages caused to the parties or others resulting from a breach of agreement or
6 any negligent acts, errors, omissions or willful misconduct incident to the performance of the
7 agreement; and

8 WHEREAS, On March 29, 2022, the Risk Manager authorized CleanPowerSF to
9 indemnify and hold harmless the other parties to the Goal Line PPSA as required by the Goal
10 Line PPSA; and

11 WHEREAS, The actions contemplated in this Resolution comply with the California
12 Environmental Quality Act ("CEQA") (California Public Resources Code Sections 21000 et
13 seq.), because: (i) the Project will undergo environmental review in San Diego County; (ii) the
14 Goal Line ESSA and other agreements allow CC Power, CleanPowerSF, and the other
15 participating CCAs to terminate their participation in the Project if Goal Line Battery Energy
16 Storage System 1, LLC fails to obtain all applicable discretionary permits and complete CEQA
17 review; and (iii) Goal Line Battery Energy Storage System 1, LLC is required by the
18 agreements to comply with all applicable laws during the term of the agreements, which
19 includes CEQA requirements for implementation of mitigation measures;

20 WHEREAS, The Goal Line ESSA, the Goal Line BLPTA, Goal Line PPSA, and Goal
21 Line Operations Agreement each has a term of fifteen years; and

22 WHEREAS, While the Goal Line PPSA will be effective upon execution by all the
23 parties in 2022, CleanPowerSF's payments under the Goal Line PPSA will not start until
24 commercial operation of the Goal Line LDS Project in 2025 and will continue for fifteen years
25 after they start accruing; and

1
2 WHEREAS, Under the Goal Line ESSA and Goal Line PPSA the costs to
3 CleanPowerSF to purchase LDS storage from Goal Line Battery Energy Storage System 1,
4 LLC over the fifteen-year term of the project will not exceed \$60,000,000, which costs will be
5 paid solely from the revenues of CleanPowerSF; and

6 WHEREAS, Section 9.118 of the Charter requires approval by the Board for contracts
7 in excess of ten years or requiring expenditures above \$10,000,000; now, therefore, be it

8 RESOLVED, That the Board of Supervisors approves the BLPTA, Goal Line PPSA, and
9 Goal Line Operations Agreement to allow CleanPowerSF to purchase long duration storage
10 from Goal Line Battery Energy Storage System 1, LLC for a term of fifteen years to commence
11 upon commercial operation of the project, with a not to exceed amount of \$60,000,000 and
12 authorizes the General Manager of the PUC to execute those agreements on behalf of the PUC
13 in substantially the same form as the agreements on file with the Clerk of the Board of
14 Supervisors in File No. 220331; and, be it

15 FURTHER RESOLVED, That the Board of Supervisors authorizes the General
16 Manager of the PUC to enter into any amendments or modifications to the Goal Line
17 Operations Agreement, prior to the final execution by all parties, that the General Manager
18 determines, in consultation with the City Attorney, are in the best interest of the City, do not
19 otherwise materially increase the obligations or liabilities of the City, are necessary or
20 advisable to effectuate the purposes of the agreement, and are in compliance with all
21 applicable laws; and, be it

22 FURTHER RESOLVED, That within 30 days of the agreements being fully executed
23 by the parties the Public Utilities Commission shall provide them to the Clerk of the Board
24 for inclusion in the official file.
25



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails
Resolution

File Number: 220331

Date Passed: May 10, 2022

Resolution authorizing the Public Utilities Commission to purchase long duration energy storage from Goal Line Battery Energy Storage System 1, LLC by 1) entering into the Buyer Liability Pass Through Agreement; 2) entering into the Goal Line Storage Project Participation Share Agreement; and 3) entering into the Goal Line Storage Coordinated Operations Agreement, all of which are agreements between California Community Power, CleanPowerSF, and five community choice aggregators to enable the City and County of San Francisco to purchase long duration energy storage to serve customers of CleanPowerSF with a not to exceed amount of \$60,000,000 for a fifteen-year term to commence upon commercial operation of the project; and making environmental findings under the California Environmental Quality Act.


May 04, 2022 Budget and Finance Committee - RECOMMENDED

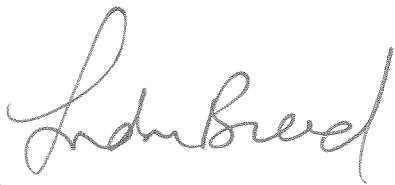
May 10, 2022 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 220331

I hereby certify that the foregoing Resolution was ADOPTED on 5/10/2022 by the Board of Supervisors of the City and County of San Francisco.


Angela Calvillo
Clerk of the Board


London N. Breed
Mayor

5/13/22
Date Approved