

DRAFT**SAN DIEGO UNIFIED PORT DISTRICT****ORDINANCE xxxx****ORDINANCE AWARDING A POWER PURCHASE AGREEMENT TO EDF RENEWABLES DISTRIBUTED SOLUTIONS, INC. FOR THE 700-KILOWATT SOLAR PHOTOVOLTAIC SYSTEM ON THE WAREHOUSE B ROOF AT TAMT UNDER A 20-YEAR TERM**

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I (Port Act); and

WHEREAS, Section 87 of the Port Act, allows for the establishment, improvement, and conduct of a harbor, and for the construction, reconstruction, repair, maintenance, and operation of wharves, docks, piers, slips, quays, and all other works, buildings, facilities, utilities, structures, and appliances incidental, necessary, or convenient, for the promotion and accommodation of commerce and navigation; and

WHEREAS, Section 21 of the Port Act requires that all grants, franchises, leases, permits or privileges for more than five (5) years shall be made by ordinance; and

WHEREAS, on June 13, 2018, the California Energy Commission (CEC) awarded a \$4,985,272 grant to the District through the CEC's Electric Program Investment Charge (EPIC) to demonstrate a business case for microgrids in support of California's Energy and Greenhouse Gas (GHG) Policies; and

WHEREAS, the District's installation of the Microgrid System is divided into two separate components, each delivered through a separate contract; and

WHEREAS, the first component, the construction of the Microgrid Infrastructure, consisting of the battery energy storage system (BESS), microgrid controller, and associated electrical infrastructure was approved by the Board of Port Commissioners (BPC) on November 10, 2020; and

WHEREAS, the second component consists of the installation of a solar photovoltaic system (Solar PV System) which will reduce the District's electricity expenses by reducing District utility bills and associated GHG emissions through use of solar energy; and

WHEREAS, the solicitation for the Solar PV System was published on the

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District's public website in accordance with BPC Policy No. 110 on February 18, 2021 and advertised for 33 calendar days with notifications sent to over 600 vendors; and

WHEREAS, on March 23, 2021, 7 proposals were received with fees ranging from \$0.0993 to \$0.1225/kilo-watt hour (kWh) for the 700-kW system for a 20-year term; and

WHEREAS, as compared to the San Diego Gas and Electric (SDG&E) average electricity cost of \$0.24 kWh at TAMT, the proposed solar power purchasing agreement (PPA, in form, or "Energy Services Agreement") costs present a clear opportunity to reduce the electricity expenses the District pays at Tenth Avenue Marine Terminal (TAMT); and

WHEREAS, on March 29-30, 2021, staff reviewed the proposals and qualifications submitted by seven companies and selected three proposers to move forward with interviews - Baker Electric, Centrica Business Solutions Services, Inc. (Centrica), and EDF Renewables Distributed Solutions, Inc. (EDF); and

WHEREAS, interviews were held on April 19, 2021, using the District's Decision Analysis methodology and the selection panel ranked the firms according to the criteria established in the Request For Proposals (RFP); and

WHEREAS, the decision analysis consisted of five weighted criteria: Experience of Proposed Staff, Approach to Project, Capability to Perform, Fair and Reasonable Cost, and Firm's Relevant Experience; and

WHEREAS, the selection panel consisted of two representatives from University of California San Diego (UCSD), three from Electric Power Research Institute (EPRI), two from Burns & McDonnell (Engineer of Record), and three from the District; and

WHEREAS, EDF was rated the highest and was ranked #1 overall as it demonstrated a comprehensive technical approach to structurally integrating the Solar PV System onto the existing Warehouse B roof, demonstrated a flexible approach considering centralized versus decentralized inverter solutions, and highlighted numerous experiences working with SDG&E on the interconnection process and the City of San Diego on the permitting process; and

WHEREAS, EDF had the highest ranked proposal offering the best solution for the PPA, clear understanding of the interconnection process for the Microgrid Infrastructure Project, and proposed a reasonable and fair cost; and

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WHEREAS, the Solar PV System, as a component of the Microgrid System, is proposed for installation at TAMT Warehouse B, Bays 5 and 6 and operation through approval and execution of a PPA with EDF; and

WHEREAS, through the PPA, EDF would construct, own, operate, and maintain the Solar PV System and would sell produced energy to the District (at a cost substantially less than the anticipated costs of procuring energy from SDG&E); and

WHEREAS, execution of the PPA and construction of the Solar PV System will allow complete functionality of the Microgrid System and, at a per kilowatt hour (kWh) price of \$0.109/kWh, will generate a positive net present value (NPV) (in the form of anticipated energy cost savings) of approximately \$4,000,000 over the 20-year term when accounting for the CEC grant funding applicable to the cost of the Microgrid Infrastructure; and

WHEREAS, staff now recommends moving forward with the second component of the Microgrid System by awarding the PPA for the installation of a 700-kW solar PV system for a 20-year term to EDF.

NOW, THEREFORE, the Board of Port Commissioners of the San Diego Unified Port District does ordain as follows:

1. The Energy Services Agreement for the 700kW Solar Photovoltaic System on the Warehouse B roof at TAMT under a 20-year term is approved and hereby awarded to EDF Renewables Distributed Solutions, Inc.
2. The Executive Director or his designated representative is hereby authorized to execute said Energy Services Agreement for the 700kW Solar Photovoltaic System on the Warehouse B roof at Tenth Avenue Marine Terminal under a 20-year term.
3. This Ordinance shall take effect on the 31st day from its passage by the Board of Port Commissioners.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 11th day of January 2022, by the following vote: