

NCPA Third Phase Agreement and Power Purchase Agreement with sPower – Antelope Solar Expansion Project 1b

**NCPA Facilities Committee
February 1, 2017**

Purpose

- NCPA staff seeks a recommendation from the NCPA Facilities Committee to the NCPA Commission to adopt and approve the following:
 - Third Phase Agreement for Renewable Energy Power Purchase Agreement with Antelope Expansion 1b, LLC; and
 - Power Purchase Agreement between Antelope Expansion 1b, LLC and NCPA

Contents

- Changes since Facilities Committee meeting in January 2017
- CEQA
- Summary & Conclusion

Changes to PPA since Jan 2017 FC Meeting

- Added City of Healdsburg (2 MW)
 - Changes Facility capacity from 15 MW to 17 MW
 - Several monetary values based on project capacity (examples below)
 - Seller's Performance Security during construction & commercial operation
 - Seller's contribution to Scheduling Coordination costs
 - Hours of economic curtailment with no payment to Seller
 - ◆ Based on product of project capacity and 50 hours (850 MWh)
- Clarifying edits from additional legal review

Changes to Third Phase since Jan 2017 FC Meeting

- Language to coordination on purchase option
 - NCPA to provide 9 month notice before each option date
 - Participating members indicate their interest in NCPA requesting purchase price (appraised value)
 - NCPA cannot execute option without unanimous approval from Participating members
 - Failure to issue notices does not constitute default
- Use of Participant Security Deposit
 - First use security from non-paying member before using other Participating Members' security deposit.
- Step Up provision for Project Participants to cover a non-paying Members' portion of costs of this project

Contents

- Changes since Facilities Committee meeting in January 2017
- CEQA

Antelope Solar Expansion Phase 1B is a CEQA Project

- City of Lancaster is the lead agency
 - Nov 2016: Issued a Mitigated negative declaration based on initial study
 - Jan 2017: Voted 6-1 to issue Conditional Use Permits to sPower supporting the development of solar PV in the Antelope Valley
 - Link to City of Lancaster [Initial Study](#)
- NCPA will be a Responsible Party
 - NCPA Commission will need to issue a finding based on the City of Lancaster's study at the time it approves the PPA

Contents

- Introduction
 - Buyers and Seller
 - The Facility
 - Contract Structure
- Overview of Commercial Terms
- Key Provisions
- Purchase Option & Energy Storage Option
- Voting Thresholds
- Approval Process
- **Summary & Conclusion**

Summary & Conclusion

- The PPA between NCPA & sPower delivers RPS-eligible energy for 20 years at \$39/MWh
- Includes energy, local Resource Adequacy capacity, Renewable Energy Credits, and all other environmental attributes
- Several protections afforded to Buyer
 - Construction, market price risk, forecasting error
- Includes options to buy the facility and add energy storage capability
- NCPA Third Phase mitigates cross-member risk to NCPA Members not party to this project

Request of the Facilities Committee

- NCPA staff seeks a recommendation from the NCPA Facilities Committee to the NCPA Commission to adopt and approve the following:
 - Third Phase Agreement for Renewable Energy Power Purchase Agreement with Antelope Expansion 1b, LLC; and
 - Power Purchase Agreement between Antelope Expansion 1b, LLC and NCPA

Please refer to the Power Point presentation from the
January 4, 2017 Facilities Committee for supplemental materials

SUPPLEMENTAL MATERIALS