



# **SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

**Board of Directors Special Meeting**

*Wednesday January 31, 2024*



## PROJECT DEVELOPMENT

**RANDY KRAGER** | *Project Development Manager*

**JOHN QUAN** | *Principal Utility Analyst*

**NICOLE SOLANO** | *Senior Utility Analyst (P/T)*

**TROY COOK** | *Utility Analyst (P/T)*



# Eland Solar & Storage Center Projects

## Phase 1

## Phase 2



# Eland 1 & Eland 2 Overview



- ▶ On May 16, 2019, the SCPPA Board of Directors approved Eland Solar & Storage Center, Phase 1 and Eland Solar & Storage Center, Phase 2.
- ▶ Location: Mojave, CA
- ▶ Generation Capacity: Each project phase is a 200 MW solar and 150 MW 4-hour Battery Energy Storage System
- ▶ Annual Energy Generation: Each project phase is expected to produce ~802,631 MWh each year
- ▶ Term: 25-year
- ▶ Point of Delivery: Barren Ridge Switching Station
- ▶ Participants:
  - Eland 1 - 87.5% LADWP and 12.5% Glendale
  - Eland 2 - 100% LADWP

# Eland 1 : Amendment No. 2

This amendment (same as Eland 2's Amendment No. 2) requires a technical change in the battery storage specifications.

- ▶ Changes the Frequency Rate of Change Response Mode to a Frequency-Watt Curve in order to align with LADWP's balancing authority needs and to add additional flexibility to the frequency bands
- ▶ Changes the calculations for the Round-Trip Efficiency (RTE) Underperformance Deduct to increase as the battery RTE decreases. These changes to the RTE Performance Test calculations are needed in the contract to be consistent with what was originally contemplated during the initial negotiations. This also required corresponding changes to the definition of "Actual Round-Trip Efficiency" in Appendix U of the PPA

# Eland 2 : Amendment No. 1

- ▶ Changes the Outside COD date from December 31, 2024 to August 1, 2026.
- ▶ Changes Section 3.3 (d) of the PPA to allow for any future day for day delay to the Outside COD if there are future delays under the LGIA.
- ▶ Increases the Full Contract Price from a fixed \$39.62/MWh to a fixed \$50.20/MWh, an increase of \$10.58/MWh.
- ▶ Updates the Milestone Dates in Appendix B

The energy price increase is due to rising costs in material procurement, construction, solar and battery modules, steel for the racking system, and borrowing.

# Eland 2 : Amendment No. 2

This amendment (same as Eland 1's Amendment No. 2) requires a technical change in the battery storage specifications.

- ▶ Changes the Frequency Rate of Change Response Mode to a Frequency-Watt Curve in order to align with LADWP's balancing authority needs and to add additional flexibility to the frequency bands
- ▶ Changes the calculations for the Round-Trip Efficiency (RTE) Underperformance Deduct to increase as the battery RTE decreases. These changes to the RTE Performance Test calculations are needed in the contract to be consistent with what was originally contemplated during the initial negotiations. This also required corresponding changes to the definition of "Actual Round-Trip Efficiency" in Appendix U of the PPA

# Eland 2 : Amendment No. 1 to the PPA Option Agreement

- ▶ Changes the Tax Equity Component Limitations Table in Exhibit 2.5 of the PPA Option Agreement.
- ▶ The Tax Equity Limitation Component is part of the definition of “Facility Debt.” Facility Debt establishes the minimum amount that must be paid by buyer in the event of the option to purchase project is exercised following a seller event of default. Essentially, it ensures that debt and some tax equity will be paid off.

The values are similar to the changes made previously for the Eland 1 PPA.



## Recommendation:

### Approval of Resolution 2024-003

- ▶ Authorizing the approval of Amendment No. 2 to the Eland Solar & Storage Center, Phase 1 PPA and finding such action exempt from CEQA

## Recommendation:

### Approval of Resolution 2024-004

- ▶ Authorizing the approval of Amendment Nos. 1 and 2 to the Eland Solar & Storage Center, Phase 2 PPA and Amendment No. 1 to the PPA Option Agreement and finding such action exempt from CEQA

THANK YOU!



**Closed Session in progress**