



**STAFF REPORT**  
**May 14, 2025**

**TO:** Honorable Mayor and City Council Members

**FROM:** William B. Pattison, Jr., City Manager  
Ryan Baron, City Attorney's Office, Best Best & Krieger LLP

**SUBJECT:** Issuance of Notice of Intent to Award / Negotiation of an Agreement for a Public-Private Partnership for Implementation of the City's Municipal Electric Utility

---

**RECOMMENDATION:**

1. Staff recommends that the City Council approve the issuance of a Notice of Intent to Award an Agreement for a Public-Private Partnership for Implementation of the City's Municipal Electric Utility to Stronghold Power System, Inc.
2. Staff recommends that the City Council authorize the City Manager or designee to negotiate an Agreement for a Public-Private Partnership for Implementation of the City's Municipal Electric Utility with Stronghold Power System, Inc.
3. Staff recommends that the City Council waive certain irregularities and discrepancies in the statements of qualifications and proposals the City received for a Public-Private Partnership for Implementation of the City's Municipal Electric Utility.

**BACKGROUND:**

On July 31, 2019, the City Council adopted Resolution 2019-62 establishing a municipal utility to provide electric and gas service to certain new development and under-served development areas (*i.e.*, the "Development Area") within the City's municipal boundaries, and authorizing the City Manager to take all necessary steps to create and establish the municipal utility and evaluate the areas and manner for providing service as a publicly-owned utility. The Development Area includes the Economic Development Zone, which consists of the Auto-Wrecking Zone and Industrial Zone, where initial load is projected to increase rapidly due to prospective cannabis, industrial, and data center interests. The Development Area and Economic Development Zone are in the eastern portion of the City. The City has subsequently been exploring options to ensure residents and businesses in this area receive cost-effective utility services that meet federal and state standards and can accommodate anticipated future load growth.

On June 12, 2024, the City Council received and filed a feasibility study for municipal electric service to the Development Area. The feasibility study was prepared by EES Consulting and concluded that service to the Development Area is feasible and beneficial to the City's electric customers when growth occurs in those areas. Concurrent with receiving this study, the City Council unanimously approved the issuance of a Request for Information and a Request for Proposals for a public-private partnership for implementation of the City's municipal electric utility within the Development Area.

On October 22, 2024, the City issued a Request for Qualifications for Public-Private Partnership Development Team for Implementation of Energy Delivery System for Municipal Electric Utility ("RFQ") to three potential proposers. The City received statements of qualifications from the three potential proposers on December 6, 2024 and thereafter determined based on its review of the statements that all potential proposers were qualified to proceed to the next stage of the solicitation process. On January 31, 2025, the City issued a Request for Proposals for Public-Private Partnership Development Team for Implementation of Energy Delivery System for Municipal Electric Utility ("RFP") and on March 3, 2025 received three proposals from the qualified proposers. The RFQ and RFP and the City's review of its responses to each are discussed below.

## **DISCUSSION/ANALYSIS:**

### **REQUEST FOR QUALIFICATIONS:**

The City issued the RFQ on October 22, 2024 to (1) CLP Engineering, LLC ("CLPE"), (2) Stronghold Power Systems, Inc. ("SPSI"), and (3) TerraVerde Energy ("TerraVerde"). The stated purpose of the RFQ was to solicit interest and qualifications from prospective project partners to develop, design, finance, construct and/or operate an electric generation, distribution and/or transmission system through a public-private partnership pursuant to California Government Code section 5956.5 *et seq.* to serve immediate and future development needs within the City's service area. The City expressed its willingness to consider interest and qualifications from prospective counterparties that would meet all or a portion of the City's electricity and capacity needs through wholesale power purchase agreements ("PPAs") or energy services agreements ("ESAs"), in conjunction with, or through some combination of a generation, distribution, transmission, and ESA energy delivery system (collectively, the "energy delivery system"). Prospective providers were explicitly advised that the City was seeking a provider or team that would provide the energy delivery system through a turnkey agreement with no upfront cost to the City, and that City payments for the energy delivery system be structured through long-term payments to the provider secured by City electric revenues and a lockbox structure. Statements were due to the City by December 6, 2024.

The City received statements of interest and qualifications from all three prospective providers — CLPE, SPSI, and TerraVerde — and they were reviewed for compliance with the RFQ by the City's review team, which team consisted of the City Manager, Best Best & Krieger LLP ("BBK"), Strategic Energy Consultants, GDS Associates ("GDS",

formerly EES Consulting), and the City of Corona Utilities Director (collectively, the “Review Team”). In addition to ensuring compliance with RFQ requirements, the Review Team assessed each statement based on (1) the quality of the response, (2) the experience of the project team, (3) the prospective provider’s familiarity with electric service issues in the City, and (4) the financial strength of the prospective provider. The aggregated and averaged scores are reflected in Table 1 below.

*Table 1 – RFQ Scoring*

<b>Evaluation Criteria</b>	<b>TerraVerde</b>	<b>CLPE</b>	<b>SPSI</b>
Quality of Response	3.6	3.6	4.4
Experience of Project Team	2.6	2.8	2.6
Familiarity with Electric Service Issues in the City	3.4	3.6	4.6
Financial Strength of Provider	2.8	3.8	4.2
<b>Total Score</b>	12.4	13.8	15.8
<p style="text-align: center;"><i>Rating Scale 1-5</i>  <i>1 = Poor/Non Responsive   2 = Below Average   3 = Average   4 = Above Average   5 = Excellent</i></p>			

Based on its review of the three statements, and as reflected in *Table 1 – RFQ Scoring* above, the Review Team determined that CLPE, SPSI, and TerraVerde were each qualified and eligible to proceed to the next phase of the solicitation process. Specifically, each firm demonstrated through its statement that it understood the electric service issues faced by the City, including relevant state and federal legal and regulatory requirements; had assembled a team with significant relevant experience; and had the potential financial resources to meet the City’s requirement for providing a proposal that involved no upfront costs to the City. Moreover, the statements were of high quality and demonstrated each firm’s strong interest in forming a long-term partnership with the City. CLPE, SPSI, and TerraVerde were therefore all invited to participate in the RFP.

REQUEST FOR PROPOSALS:

The City issued the RFP to CLPE, SPSI, and TerraVerde as the only eligible pre-qualified proposers on January 31, 2025, with proposals due on March 3, 2025. The City received proposals from all three which were reviewed for compliance with the RFP requirements by the Review Team. The Review Team also scored each written proposal pursuant to the RFP for (1) comprehensiveness, (2) the proposer’s understanding of City goals, (3) the firm’s plan of service, (4) funding options, and (5) the level of benefit to the City. The aggregated and averaged scores of the written proposals are reflected in Table 2 below.

*Table 2 – RFP Scoring for Written Proposals*

<b>Evaluation Criteria</b>	<b>TerraVerde</b>	<b>CLPE</b>	<b>SPSI</b>
Comprehensiveness of Proposal	2.8	4.0	4.5
Understands City Goals	3.0	4.3	4.3
Plan of Service	2.5	4.3	4.5
Funding Options	2.3	3.5	4.3
Level of Benefit to City	2.5	4.0	4.5
<b>Total Score</b>	13.1	20.1	22.1
<p style="text-align: center;"><i>Rating Scale 1-5</i>  <i>1 = Poor/Non Responsive   2 = Below Average   3 = Average   4 = Above Average   5 = Excellent</i></p>			

On April 23, 2025, the Review Team interviewed CLPE, SPSI, and TerraVerde via teleconference. Each prospective provider was given the opportunity to discuss its team’s qualifications and answer specific Review Team questions. The Review Team subsequently scored each interview pursuant to similar categories used for the written proposals: (1) comprehensiveness, (2) the proposer’s understanding of City goals, (3) the firm’s plan of service, (4) funding options, and (5) the level of benefit to the City. The aggregated and averaged scores of the interviews are reflected in Table 3 below.

*Table 3 – RFP Scoring for Interviews*

<b>Evaluation Criteria</b>	<b>TerraVerde</b>	<b>CLPE</b>	<b>SPSI</b>
Comprehensiveness of Proposal	2.3	4.0	4.3
Understands City Goals	2.0	4.0	4.3
Plan of Service	2.0	3.8	4.5
Funding Options	2.0	3.8	4.3
Level of Benefit to City	2.3	4.0	4.5
<b>Total Score</b>	10.6	19.6	21.9
<p style="text-align: center;"><i>Rating Scale 1-5</i>  <i>1 = Poor/Non Responsive   2 = Below Average   3 = Average   4 = Above Average   5 = Excellent</i></p>			

The Review Team’s cumulative scores for each proposer, reflecting a combination of scoring of written proposals and interviews, are reflected in Table 4 below, with each proposer eligible for a total of 50 points.

*Table 4 – RFP Scoring Cumulative*

<b>Evaluation Criteria</b>	<b>TerraVerde</b>	<b>CLPE</b>	<b>SPSI</b>
Comprehensiveness of Proposal	5.1	8.0	8.8
Understands City Goals	5.0	8.3	8.6
Plan of Service	4.5	8.1	9.0
Funding Options	4.3	7.3	8.6
Level of Benefit to City	4.8	8.0	9.0
<b>Total Score</b>	<b>23.7</b>	<b>39.7</b>	<b>44.0</b>
<p style="text-align: center;"><i>Rating Scale 1-5</i>  <i>1 = Poor/Non Responsive   2 = Below Average   3 = Average   4 = Above Average   5 = Excellent</i></p>			

**RECOMMENDATION:**

Staff recommends that the City Council authorize the City Manager to (1) issue a Notice of Intent to Award to SPSI and (2) commence negotiations with SPSI for an Agreement for a Public-Private Partnership for Implementation of the City’s Municipal Electric Utility.

Staff’s recommendation to move forward with SPSI is consistent with the Review Team’s scoring of the proposals reflected in Table 4 above. Specifically, of a total possible cumulative score of 50, SPSI scored 44.0, while CLPE scored 39.7, and TerraVerde scored 23.7. To be clear, these scores were calculated as follows: (a) each scorer entered a score for each prospective provider in each category of each scoring matrix (*i.e.*, RFQ, RFP – written, RFP – interviews), (b) each scorer’s score for each category was summed and averaged to reach a final cumulative average score for each prospective provider by category, and (c) the cumulative average scores were summed by prospective provider, with SPSI ranking highest.

The Review Team identified SPSI’s proposal as the best fit for the City’s needs. Among other reasons, Staff recommends moving forward with SPSI because of SPSI’s familiarity with the energy issues plaguing the Coachella Valley more broadly and the City in particular, the feasibility of its proposed project, and the lack of upfront costs to the City. SPSI has experience in the energy sector and is uniquely positioned to help the City establish its limited municipal utility to meet growing energy demand and entice industry to the area.

**NEXT STEPS:**

Issue Notice of Intent to Award and commence negotiations with SPSI for an agreement for a Public-Private Partnership for Implementation of the City’s Municipal Electric Utility. The City Manager will work closely with BBK attorneys to negotiate the agreement and anticipates submitting an agreement for City Council consideration in summer 2025.

### **WAIVER OF MINOR IRREGULARITIES IN STATEMENTS AND PROPOSALS:**

Staff recommends that the City Council exercise its right pursuant to Section 4.08.100 of the City's Code of Ordinances to waive certain irregularities or discrepancies in the statements and proposals received. Staff does not believe that the irregularities or discrepancies identified below are substantive in nature and confirms that the items identified below in no way affected Staff's review or scoring of the statements and proposals.

- Section 10 – Submission of both the RFQ (as revised by Addendum No. 1) and RFP required the submitter to upload its statement/proposal to BBK's Collaborate Site by 5:00 p.m. PDT on the due date.
  - TerraVerde did not upload its RFQ response to the BBK Collaborate Site, but instead sent it via email. Its response, however, was timely submitted.
  - TerraVerde uploaded its RFP response to the BBK Collaborate Site after close of business.

Because Staff does not recommend moving forward to contract negotiations with either CLPE, or TerraVerde, Staff recommends that the City Council waive these minor irregularities and/or discrepancies.

### **ENVIRONMENTAL ASSESSMENT:**

The recommended actions are exempt from the California Environmental Quality Act. The issuance of a RFP does not constitute a project within the meaning of the CEQA Guidelines, Section 15061(b)(3), as it does not result in any direct or indirect physical change in the environment. Upon execution of an agreement with SPSI, SPSI will be responsible for performing all required CEQA analysis prior to the implementation of any project on behalf of the City. The City will be the lead agency under CEQA and will consider certification of the project.

### **FISCAL IMPACT**

The fiscal impact to the General Fund cannot be determined at this point.

### **ATTACHMENTS**

- Request for Qualifications for Public-Private Partnership Development Team for Implementation of Energy Delivery System for Municipal Electric Utility
- Request for Proposals for Public-Private Partnership Development Team for Implementation of Energy Delivery System for Municipal Electric Utility