



City of Colusa California

STAFF REPORT

DATE: July 18, 2023
TO: Mayor and Members of the City Council
FROM: Jesse Cain, City Manager

AGENDA ITEM:

Consideration of a Resolution of the City Council of the City of Colusa approving and authorizing the City Manager to sign the Hybrid Renewable Electric Energy Power Purchase Agreement and a Cooperative Agreement with BC&E Colusa USA LLC as negotiated per RESOLUTION NO. 23-18, adopted on April 18, 2023.

Recommendation: Council to approve the Proposed Resolution and delegate the City Manager authority to execute both the Hybrid Renewable Electric Energy Power Purchase Agreement and Cooperative Agreement with BC&E Colusa USA LLC

BACKGROUND ANALYSIS:

The City of Colusa has been approached by BC&E Colusa USA LLC to enter into a Hybrid Renewable Electric Energy Power Purchase Agreement (PPA). BC&E Colusa USA LLC is a company that intends to produce electricity through renewable sources such as bio-waste, etc. This PPA would be an agreement between the City and BC&E for the City to purchase the electricity they produce at a rate that is lower than we currently purchase from Pacific Gas and Electric (PG&E). In the project's infancy, it will produce less power than the City currently uses, but will act to offset our current PG&E costs. As the project is built out, the City of Colusa and BC&E will work together to complete the BioMat application with PG&E which allows the City to sell any surplus electricity back to PG&E for a profit. This agreement also gives the City of Colusa the option for the next five years to purchase the facility from BC&E Colusa USA LLC if the Council so desires. The City of Colusa also has the option to obtain 12.5 % ownership by partnering up with BC&E USA Colusa 1 LLC within the next twelve months if the City chooses.

Also, the City of Colusa and BC&E Colusa LLC are entering into a cooperative agreement that will ensure that the application with PGE for the Biomat program will be completed and accepted by PGE greatly reducing the City's risk of not having it in place.

BUDGET IMPACT:

This is an opportunity for the City of Colusa to partner with a company that allows us to put renewable electricity back into the electrical grid. In doing so, this project, at full build-out, has the potential to generate in excess of a million dollars yearly to the general fund.

STAFF RECOMMENDATION:

Approve Resolution 23-

PPA Agreement

Cooperative Agreement

Resolution on 12.5% ownership