



## City of Colusa California

### STAFF REPORT

**DATE:** April 18<sup>th</sup>, 2023  
**TO:** City of Colusa Mayor and Council Members  
**FROM:** Jesse Cain, City Manager

**AGENDA ITEM:**

Commitment to enter into a (PPA) Purchase Power Agreement with BC&E.

**Recommendation:** Council to adopt Resolution 23-\_\_ Committing to enter into a Purchase Power Agreement (PPA) with BC&E.

**BACKGROUND ANALYSIS:**

BC&E is a biomass conversion energy company that is planning on building a Hybrid renewable energy plant at Colusa Industrial Properties on property that they currently own. The plant will be converting biomass into electricity, carbon char and carbon credits.

This is a new opportunity for the City of Colusa and it will take some time to research the proper steps to enter into a PPA. At this point, staff is looking to gauge the Council's interest in this arrangement and whether to continue to pursue it to the next step. The overall goal and objective of this project is to create jobs and find productive use for the ag waste. Eventually, the goal is to take steps forward in making Colusa become its own utility provider and give our citizens a cheaper source of electricity over time.

The purchase power agreement (PPA) must be approved by the California Public Utilities Commission before the City of Colusa can approve it. The PPA will allow the City to purchase electricity at a lower sustainable rate that we currently pay PG&E which will offset our current rates and depending on the build-out of the project may offset all of the City of Colusa's PG&E costs for each of our public buildings. If the City has a surplus then it will be able to sell its excess back to PG&E. It is unknown at this time what the surplus would be or what the City could make from this. Any money made from this project would go into the general fund and can be used as the City deems necessary.

**BUDGET IMPACT:** None at this point.

**STAFF RECOMMENDATION:** Council to adopt Resolution 23-\_\_\_\_\_.