



City of Grass Valley City Council Agenda Action Sheet

Title: Purchase Energy Credits to meet procurement requirements of SB1383

CEQA: Not a Project.

Recommendation: That Council 1) authorize the Deputy Public Works Director to negotiate and execute an agreement with Pacific-Ultrapower Chinese Station, subject to legal review; and 2) authorize the Deputy Finance Director to make any necessary budget adjustments and/or transfers to implement this agreement.

Prepared by: Zac Quentmeyer, Deputy Public Works Director

Council Meeting Date: June 24, 2025

Date Prepared: June 10, 2025

Agenda: Consent

Background Information: The California State Senate Bill (SB) 1383 requires local jurisdictions to purchase recycled organic mulch/compost products and/or energy credits derived from using recycled mulch/compost products to create energy. City Council approved the execution of a contract with Desert View Power to purchase energy credits in June of 2023. In February of 2025, Desert View Power notified the City that they could not meet the terms of the contract by providing energy credits for 2025. Subsequently, City staff identified a new firm, Pacific-Ultrapower Chinese Station, who can provide energy credits at rate 66% less than the previous firm.

Staff is recommending the City execute a contract with Pacific-Ultrapower Chinese Station to purchase energy credits to meet procurement requirements of SB 1383. Attached is a draft contract for Council information.

Council Goals/Objectives: The execution of this action attempts to achieve Strategic Goal #5 - High Performance Government and Quality Service.

Fiscal Impact: Cost savings as the rate in the new agreement is 66% less than the previous agreement.

Funds Available: Yes

Account #: General Fund

Reviewed by: Tim Kiser, City Manager

Attachments: Procurement Compliance Attribute Purchase Agreement