AGENDA STAFF REPORT

MEETING NAME: REGULAR BOARD MEETING

MEETING DATE: SEPTEMBER 17, 2026

FROM: DANNY FRIEND, DIRECTOR OF OPERATIONS

FOR: ACTION

AWARD CONTRACT TO KENWOOD ENERGY FOR THE RENEWABLE ENERGY CREDITS REQUEST FOR PROPOSAL

STAFF RECOMMENDATION

It is recommended to authorize the General Manager to execute a general services contract agreement with Kenwood Energy for the Renewable Energy Credit Request for Proposal, in an amount not-to-exceed $23,281.25.

SUMMARY

In 2025, MSWD entered into a solar power purchase agreement with Trident Mission Springs, LLC (Trident). Following completion of two of the three solar sites, Trident provided an option for the sale of Renewable Energy Credits (RECs). The proposal was based on actual production from the first quarter and estimated production for the remaining three quarters of the year for the Horton PPA Solar Site only. Staff then engaged Kenwood Energy (KE) to better understand the available options and recommended next steps. At the July 8th Board Workshop, KE provided additional information, presented several options, and recommended issuing an RFP to obtain the best value.

ANALYSIS AND FISCAL IMPACT

KE's analysis indicates that selling RECs could create a new revenue stream for the District while allowing it to continue receiving the financial benefits associated with solar energy production through its current NEM and RES-BCT projects. Staff believes the information presented by KE provides a useful framework for evaluating the financial benefits and associated risks of participating in the REC market. The Board may wish to consider whether the potential revenue opportunity outweighs the operational, communication, and reputational considerations associated with transferring the RECs generated by the District's solar facilities. The cost of this action will be funded through Job No. 11776 and evaluated during the FY 2026-27 budget process for any necessary adjustments.

BUDGET INFORMATION & STRATEGIC PLAN IMPLEMENTATION

<table>
<tr><th>Action Cost:</th><th>Current FY Cost:</th><th>Future FY Cost:</th><th>Funding Source</th><th>Acct/Project No.</th></tr>
<tr><td>$23,281.25</td><td>$23,281.25</td><td>$0.00</td><td>201</td><td>11776</td></tr>
<tr><th colspan="2">Covered in current FY budget?</th><th>Adjustment Needed?</th><th>Current Balance:</th><th>Balance if Approved:</th></tr>
<tr><td colspan="2">Yes</td><td>No</td><td>$364,776.25</td><td>$341.495.00</td></tr>
<tr><th colspan="5">Strategic Plan Goal Alignment:</th></tr>
<tr><td colspan="5">Example: SMART Goal 3.1 - Conduct long range financial planning to ensure adequate and reliable revenue streams.</td></tr>
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ATTACHMENTS

Attachment 1 - Contract Agreement - Kenwood Energy_COMBINED