

BESS Project – Contract Restatement & Operating Services

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SCV Water – Board of Directors
December 17, 2024

SCV Water BESS Project – Contract Restatement & Operating Services

- That the Board of Directors authorize the General Manager to Amend the Existing Energy Services Agreement with Pacifico Power, LLC and Services Order for Battery Operations and Maintenance Support at the Rio Vista Water Treatment Plant (E. G. “Jerry” Gladbach Water Treatment Plant) as outlined in Option A.
- Provide Overview of BESS Project Options
- Review Financial Impact of Options
- Next Steps

BESS Project: Existing Battery Overview

Rio Vista Treatment Plant

- Battery Storage - 2,088 (kWh)
- Solar Offset – 42% (existing)
- Annual BESS Demand – 4,338 (kW)
- Battery Back-up – 24 Hrs. (4%)
- Savings Term – 15 years



BESS Project – Sept. 2024 Board Approval (Option B)

Total Net Benefits (15 years)	Estimated Costs, Non-Recurring Benefits, and Total Net Benefit		
	Current Contract and Battery Configuration	Option A (TESLA, TESLA)	Option B (TESLA, STEM)
Total Initial Project Cost	\$ (2,953,223.00)	\$ (2,954,297.00)	\$ (3,294,793.00)
Operating Expenses	\$ (100,000.00)	\$ (110,130.00)	\$ (97,576.00)
Grant/SGIP	\$ 669,800.00	\$ 1,071,200.00	\$ 1,071,200.00
ITC	\$ 1,030,200.00	\$ 1,063,617.00	\$ 1,199,815.00
Utility Bill Savings	\$ 2,600,000.00	\$ 1,900,503.00	\$ 2,610,832.00
DRAM	\$ -	\$ -	\$ 188,241.00
Total Net Benefit	\$ 1,346,777.00	\$ 970,892.00	\$ 1,677,719.00

Note:

1. Total Initial Project Cost includes Battery Elements, Utility Upgrades, Agency Review, and Consultant Fees .
2. Utility Upgrades Cost Estimate = \$100,000.00, Agency Review = \$75,000.00, and Consultant Fees = \$220,255.00

BESS Project: Project Team Discovery

- STEM discontinued Financial Guarantee service
- STEM increased Operating Expenses from ~\$97K to \$941K
- Additional Findings:
 - Deteriorating Financial Position
 - Leadership & Service Option Changes
 - Intermittent Communications with Project Team

>>> Options Analysis Merited <<<

BESS Project – Proforma Analysis

Total Net Benefits (15 Years)	Estimated Costs and Non-Recurring Benefits				
	Current Contact & Battery Configuration (TESLA, STEM)	Option A (TESLA, TESLA)	Option B (TESLA, STEM)	Option C (TESLA, POWERFLEX)	Option D (TESLA, GELI/HANWHA)
Total Initial Project Cost	\$ (2,557,968.00)	\$ (3,088,036.00)	\$ (3,294,793.00)	\$ (3,148,036.00)	\$ (3,367,823.00)
Operating Expenses	\$ (100,000.00)	\$ (282,288.79)	\$ (941,137.24)	\$ (623,648.16)	\$ (97,811.37)
Grant/SGIP	\$ 1,030,200.00	\$ 1,071,200.00	\$ 1,071,200.00	\$ 1,071,200.00	\$ 1,071,200.00
ITC	\$ 669,800.00	\$ 1,117,112.40	\$ 1,199,815.20	\$ 1,141,112.40	\$ 1,229,027.20
Utility Bill Savings	\$ 2,600,000.00	\$ 1,894,049.00	\$ 2,598,702.00	\$ 1,326,588.00	\$ (1,240,807.00)
DSGS	\$ -	\$ -	\$ 188,241.00	\$ 270,030.00	\$ 121,700.00
Total Net Benefit	\$ 1,642,032.00	\$ 712,036.61	\$ 822,027.96	\$ 37,246.24	\$ (2,284,514.17)

Note:

1. Total Initial Project Cost includes Battery Elements, Utility Upgrades, Agency Review, and Consultant Fees .
2. Utility Upgrades Cost Estimate = \$100,000.00, Agency Review = \$75,000.00, and Consultant Fees = \$220,255.00

BESS Project – Staff Recommendation

- Option A
- Reduces Total Initial Project Cost by ~\$200K
- Lowest Operating Costs Over 15 Yr. Period
- Competitive Total Net Benefit to the Agency
- Agency may Add DSGS at a Later Date



BESS Project – Government Code 4217

- SCV Water utilized GC 4217 for procurement
- August 15, 2023, SCV Board of Directors held public hearing
- SCV Water Board made determination of positive proforma over life of asset
- Analysis concludes that both options meet the positive proforma requirement over the life of the asset
- Conditions of GC 4217 remain satisfied
- Option A analysis estimates the optional economic benefit to the Agency

Next Steps (Project Schedule)

- Jan 2025 – Finalize Contract Terms
- Jan 2025– Execute Amended Contract
- Late Spring 2025 – Launch Construction (12 Mos. Construction Est.)
- Fall 2025 – Complete Construction
- End 2025/Early 2026 – Launch System Operation



Staff Recommendation

That the Board of Directors authorize the General Manager to Amend the Existing Energy Services Agreement with Pacifico Power, LLC and Services Order for Battery Operations and Maintenance Support at the Rio Vista Water Treatment Plant (E. G. "Jerry" Gladbach Water Treatment Plant) as outlined in Option A.

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