

#57
7/13/2021

(O-2021-120)
(COR. COPY)

ORDINANCE NUMBER O- 21360 (NEW SERIES)

DATE OF FINAL PASSAGE JUL 27 2021

AN ORDINANCE OF THE COUNCIL OF THE CITY OF
SAN DIEGO AUTHORIZING A 25-YEAR AGREEMENT WITH
SHELL NEW ENERGIES US, LLC FOR ENERGY
MANAGEMENT SERVICES TO BE DELIVERED THROUGH
COMPANY OWNED MICROGRID PROJECTS AT EIGHT CITY
FACILITIES.

WHEREAS the City of San Diego's Climate Action Plan sets targets for greenhouse gas (GHG) emissions reductions at municipal facilities, a 15% reduction by 2020 and an additional 25% reduction by 2035 (from a 2010 business-as-usual baseline); and

WHEREAS, the City's Municipal Energy Strategy outlines priorities for achieving those GHG reductions with a priority toward projects that increase resiliency in response to disasters and utility distribution system outages; and

WHEREAS, Gridscape Solutions is a recipient of an Advanced Solar Emergency Microgrids Grant No. EPC-2017-052 from the California Energy Commission (CEC Grant) intended to demonstrate the viability of generating energy savings from microgrid systems while increasing electrical infrastructure resiliency, reducing GHG emissions, and increasing energy performance and independence via deployment of intelligent distributed energy resource systems at critical facilities; and

WHEREAS, Gridscape Solutions invited the City to participate in the CEC Grant project by offering to provide energy services to a portfolio of City host facilities, with \$950,000 in CEC Grant funds included to offset energy service costs; and

WHEREAS, Gridscape Solutions associated with Shell New Energies US, LLC to fund, develop, own, and operate the microgrid project portfolio, and to sell to the City at competitive

rates renewable energy and battery storage capacity produced and available onsite for each City host facility; and

WHEREAS, pursuant to San Diego Municipal Code section 22.3016, sole source negotiations were approved for Shell New Energies US, LLC as a result of the value of the CEC Grant; and

WHEREAS the microgrid portfolio is projected to save the City money over the 25-year agreement by reducing the amount of utility-provided energy consumed and by shifting demand for utility-provided energy away from distribution system peak hours, to instead rely primarily on renewable power generated and stored onsite by the installed systems; and

WHEREAS the microgrids will provide resiliency by enabling eight City facilities to continue to function and provide important community services during power outages and other emergencies; and

WHEREAS, it is in the City's interest to enter the agreement with Shell New Energies US, LLC to capitalize, own, and operate the microgrid project portfolio; and

WHEREAS, under Charter section 99, no contract, agreement, or obligation extending for a period of more than five (5) years may be authorized except by Ordinance approved by a two-thirds majority vote of the City Council; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That the Mayor, or his designee, is authorized to execute, for and on behalf of the City, a 25-year agreement with Shell New Energies US, LLC, under terms and conditions set forth in the Energy Management Services Agreement for solar photovoltaic and battery electric storage microgrids at eight (8) City facilities according to the document on file in the Office of the City Clerk as Document No. OO- 21360.

Section 2. That a full reading of this ordinance is dispensed with prior to passage, a written copy having been made available to the Council and the public prior to the day of its passage.

Section 3. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: MARA W. ELLIOTT, City Attorney

By /s/ Frederick M. Ortlieb
Frederick M. Ortlieb
Deputy City Attorney

FMO:NMD:cw:jdf
06/01/2021
06/25//2021 COR. COPY
Aud.Cert: N/A
Or.Dept: Sustainability Department
Doc. No.: 2637870_2

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of 07/13/2021.

ELIZABETH S. MALAND
City Clerk

By /s/ Stacy D. Ready
Deputy City Clerk

Approved: 7/27/21
(date)


TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on JUL 13 2021, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery Steppe	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raul A. Campillo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sean Elo-Rivera	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUL 27 2021.

AUTHENTICATED BY:

TODD GLORIA
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By Aty Brady, Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

JUN 29 2021, and on JUL 27 2021.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By Aty Brady, Deputy

Office of the City Clerk, San Diego, California

Ordinance Number O- 21360