

Agreement for a Microgrid

Demonstration System at the Santa Rosa Laguna Treatment Plant between Trane U.S. Inc. and the City of Santa Rosa



June 1, 2017

Emma Walton, Water Reuse Engineer

OUR FUTURE IN EVERY DROP

Agenda



The Background



The Project



The Future



The Agreement

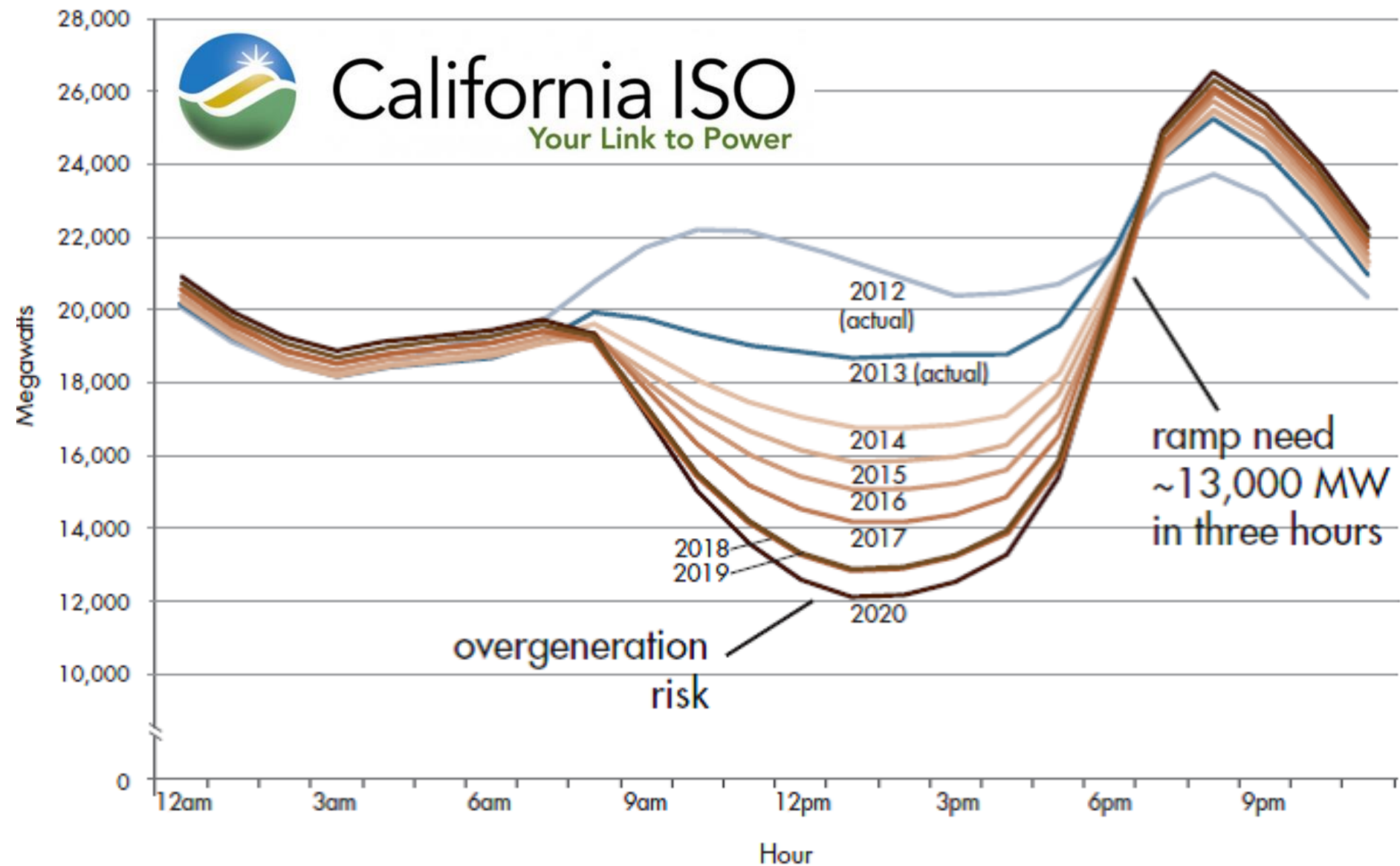
The Background - The GHG Problem



The Background - One GHG Solution



The Background - The Solar Problem



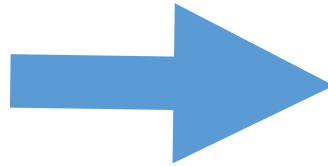
The Background - The CEC

Welcome to the California Energy Commission

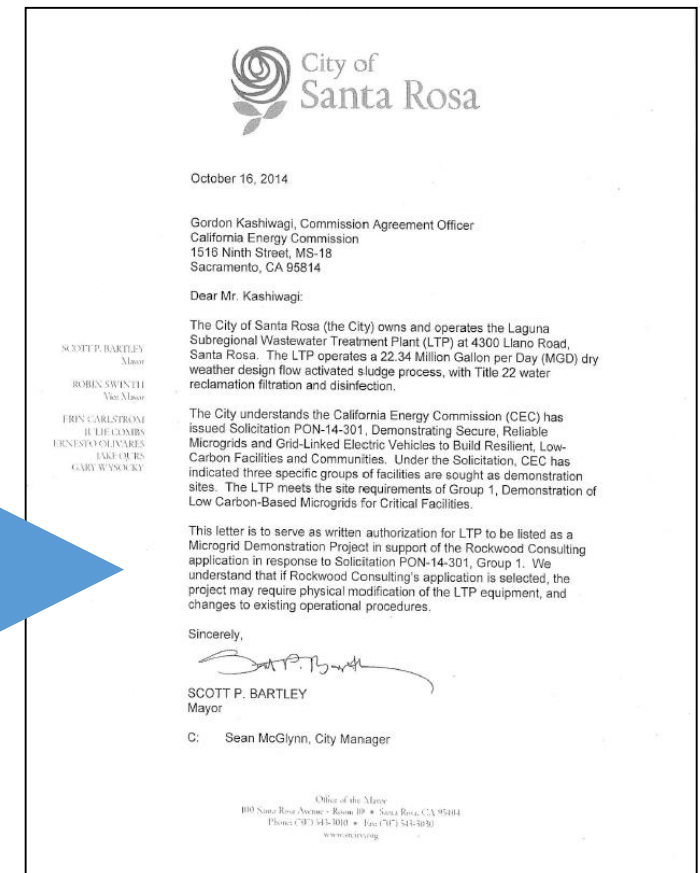
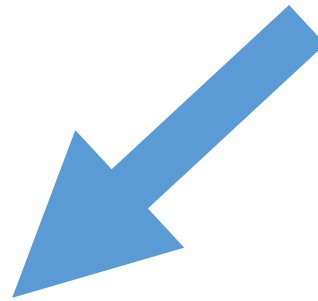
The state's primary energy policy and planning agency



The Background - The Grant



TRANE®



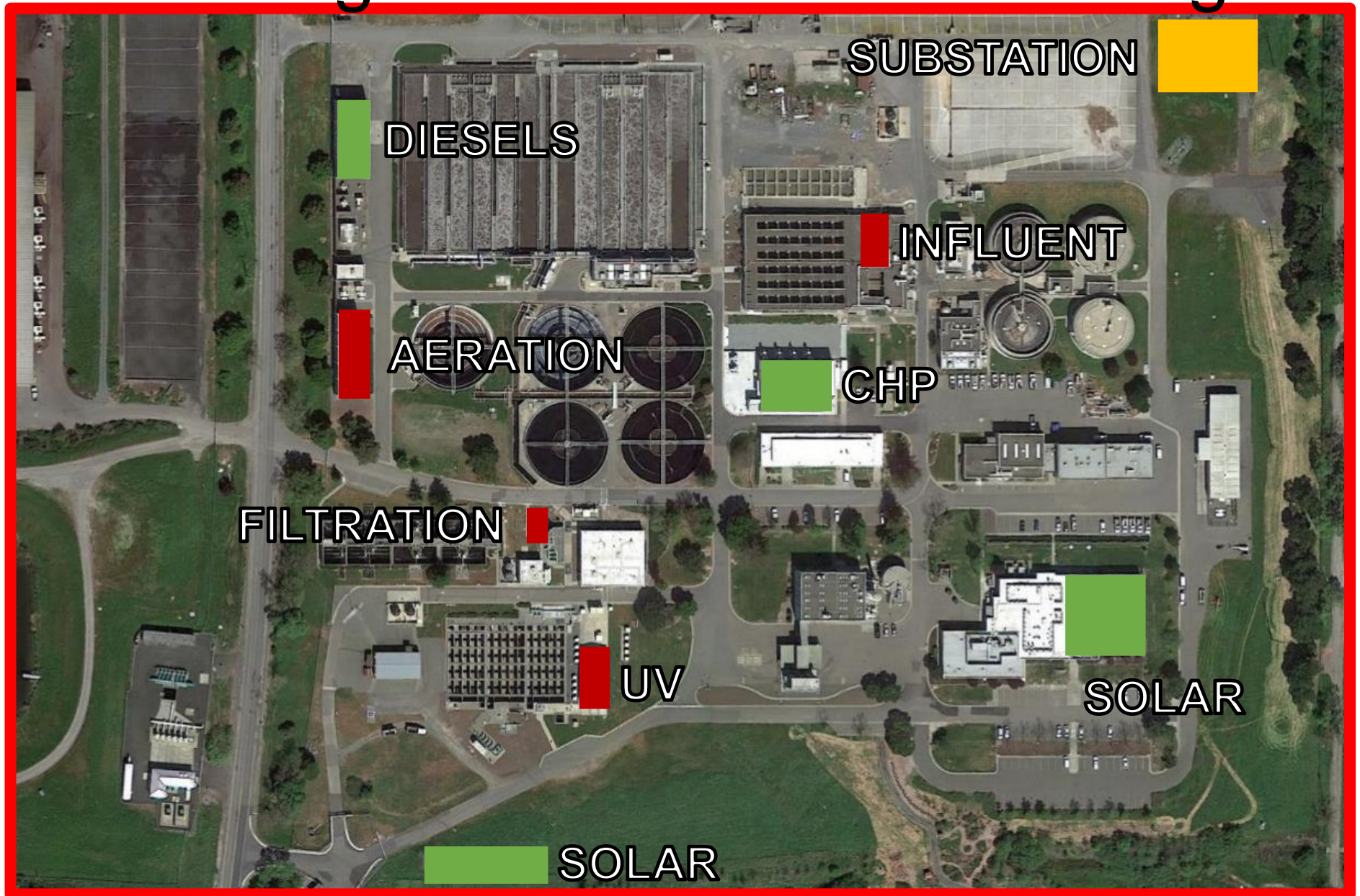
The Background – What is a Microgrid?



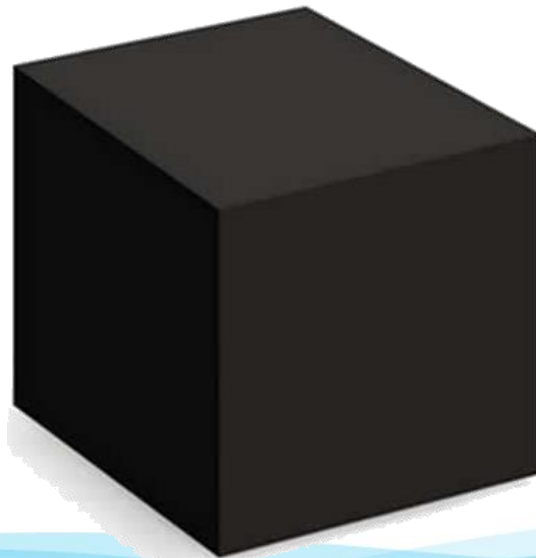
Source: California Electric Commission 9/25/2012



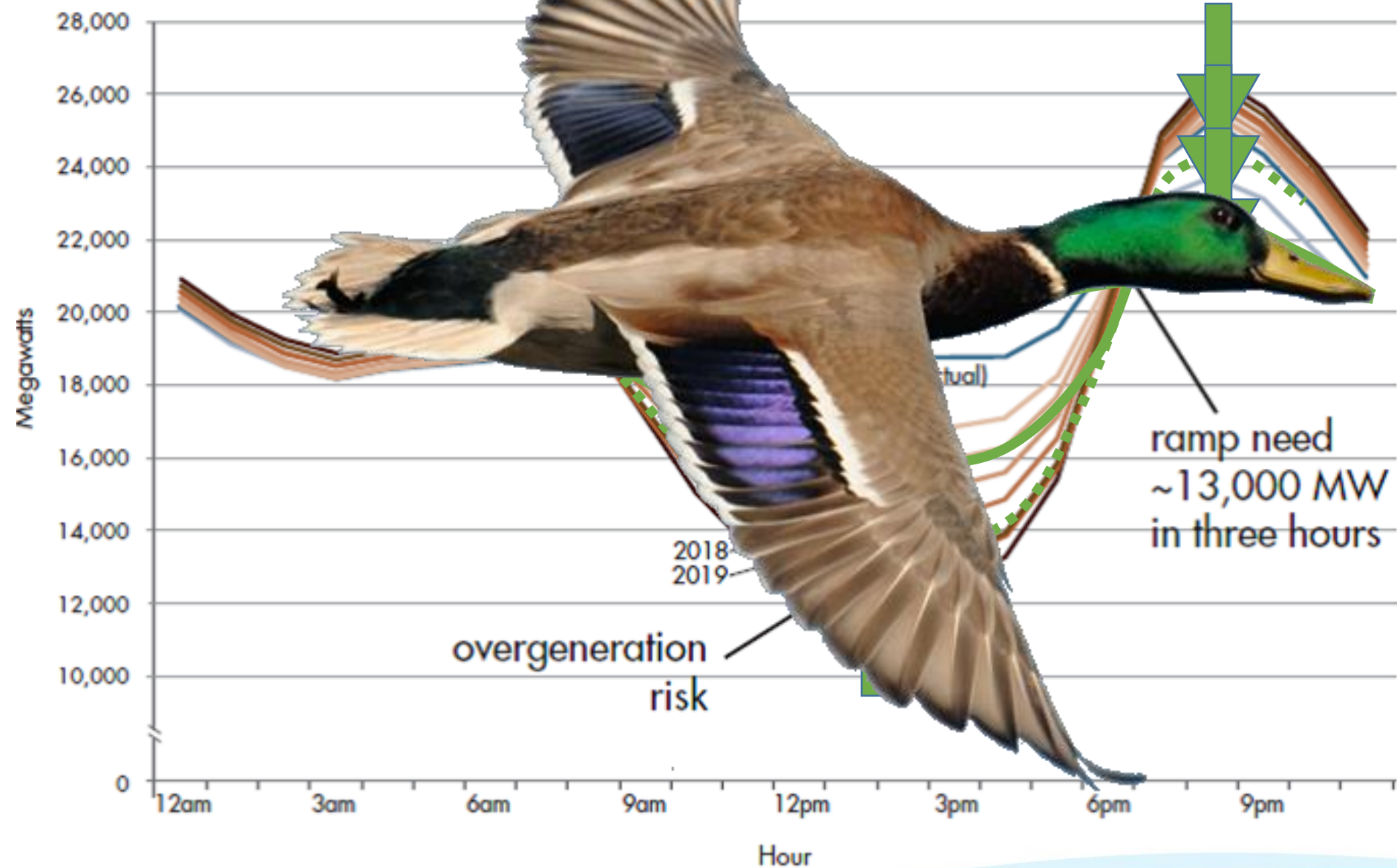
The Background – What is a Microgrid?



The Project – What is it?



The Project – How does it help?



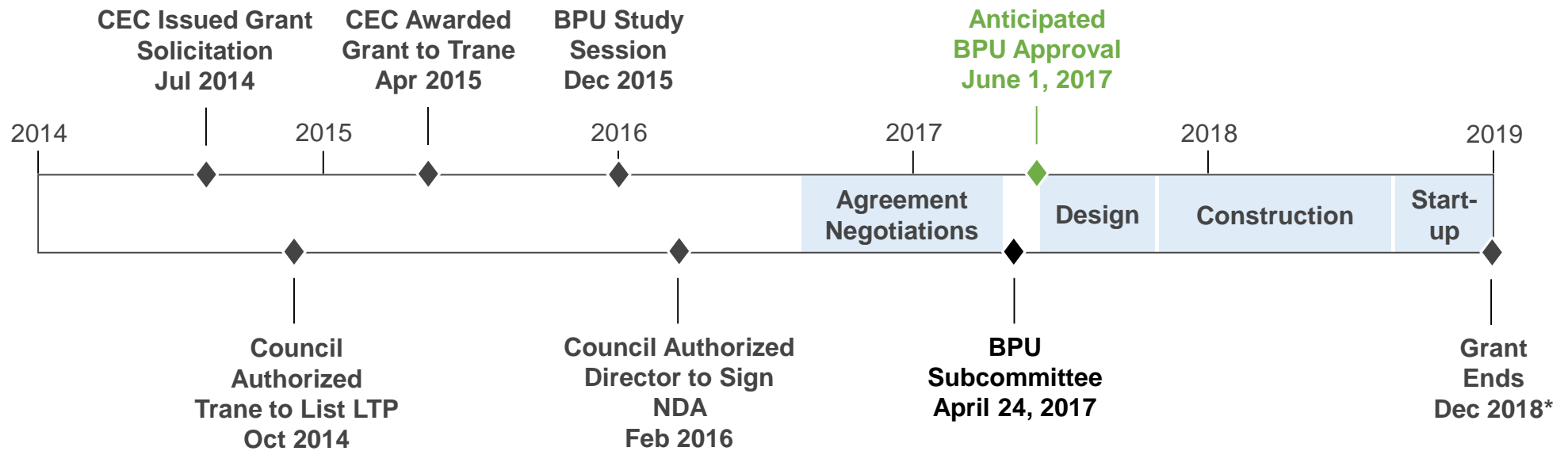
The Future – Benefits



The Future – Benefits



The Future - Timeline



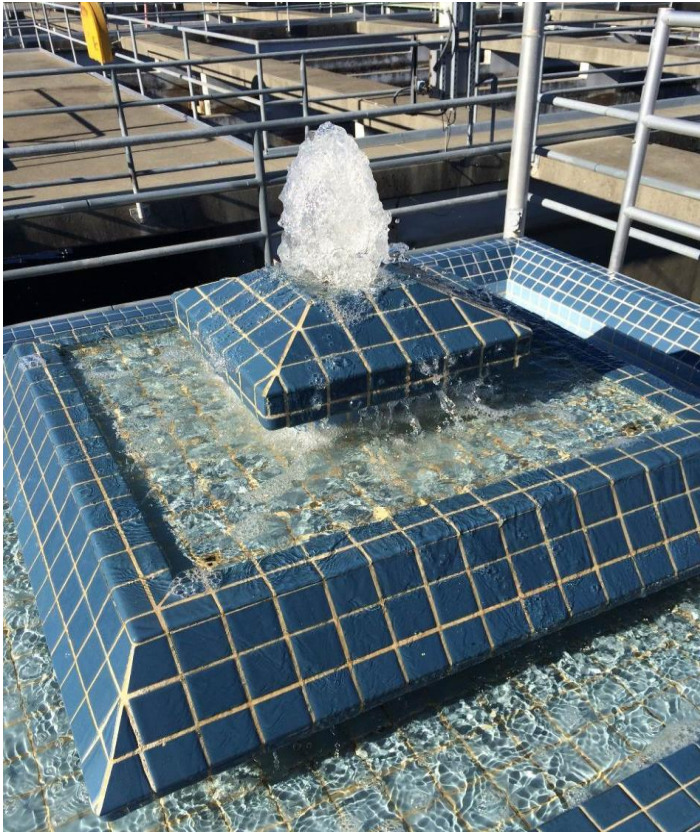
The Agreement

RECITALS

1. Generally.
2. Design of the Microgrid System.
3. Required Permits and Approvals.
4. Construction and Completion.
5. Microgrid System Startup and Testing.
6. Liability; Indemnity and Insurance.
7. Hazardous Materials.
8. Transfer of Ownership.
9. TERM.
10. Responsibilities for Delays.
11. Miscellaneous.

RECITALS

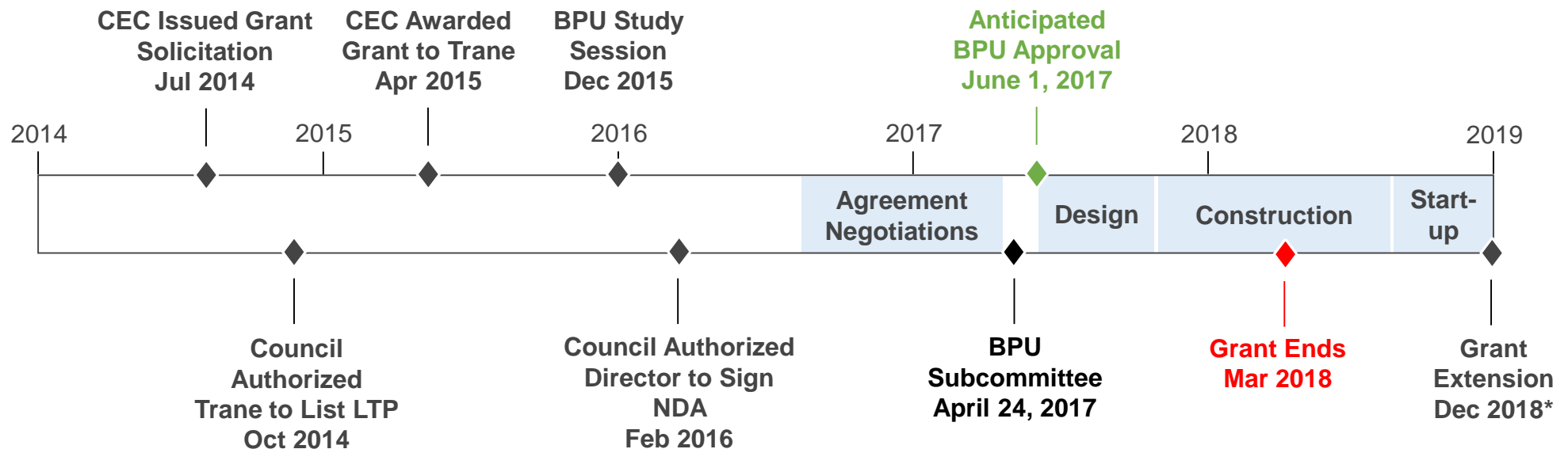
C. The LTP is first and foremost dedicated to providing wastewater treatment services to the City and its subregional partners.



1. Generally

A. Condition Precedent

The Agreement is contingent on receipt of an extension by Trane from the CEC for the completion of the Microgrid Project.



2. Design of the Microgrid System.

A. Trane will be solely responsible for preparing design drawings and submittals for the Microgrid System.

- (i) 2 SCR units
- (ii) 2-Mwh battery and controller
- (ii) 125-kw PV parking canopy

B. Trane shall provide design for City review at 90%.



2. Design of the Microgrid System.

- B. Trane shall provide to the City, all agreements that will be required to be executed by the City in connection with the Project.
- (i) Interconnection Agreement with PG&E
 - (ii) DR Agreement with CAISO

We are requesting signature authority be granted to the Director of Water to execute these operational agreements.



The top document in the stack is a financial statement titled "Financial Statement" and "Statement of Financial Position". It includes a table with the following data:

Item	Amount
Assets	
Current Assets	
Accounts Receivable	1,234
Inventory	567
Prepaid Expenses	123
Other Current Assets	456
Total Current Assets	2,380
Non-Current Assets	
Property, Plant, and Equipment	10,000
Intangible Assets	1,000
Other Non-Current Assets	500
Total Non-Current Assets	11,500
Total Assets	13,880
Liabilities	
Current Liabilities	
Accounts Payable	800
Short-Term Debt	200
Other Current Liabilities	100
Total Current Liabilities	1,100
Non-Current Liabilities	
Long-Term Debt	5,000
Other Non-Current Liabilities	500
Total Non-Current Liabilities	5,500
Total Liabilities	6,600
Equity	
Common Stock	1,000
Retained Earnings	6,280
Total Equity	7,280
Total Liabilities and Equity	13,880



4. Construction and Completion.

Trane shall be solely responsible for construction of the Project.

B. All work will be coordinated with City Staff.



5. Microgrid System Startup and Testing.

Startup shall not commence until all work has been accepted.

A. City has right to immediately cease operation of the Microgrid in its sole and absolute discretion.

C. Trane is responsible for providing training to City Staff.



6. Liability; Indemnity and Insurance.

- A. City has agreed to \$750,000 in matching funds.
- B. Indemnification is limited to Trane's negligence and the City is responsible for its own negligence.
- C. In event of obligation to indemnify, cost of defense would be apportioned accordingly.
- E. Limitation of liability is set at \$5M.



Recommendation

It is recommended that the Board, by resolution, approve the Agreement and delegate signature authority to the Director of Santa Rosa Water to approve subsequent agreements related to the Agreement.

The word "Questions?" is centered over three background images. The left image shows a city skyline with a green field in the foreground. The middle image shows solar panels in a field. The right image shows a duck in flight.

Questions?