

HAYWARD CITY COUNCIL

RESOLUTION NO. 23-

Introduced by Council Member \_\_\_\_\_

RESOLUTION APPROVING THE EXPENDITURE PLAN FOR THE CALPINE  
CLEAN ENERGY FUND

WHEREAS, the Russell City Energy Center (RCEC) is a 600 megawatt combined-cycle electric generating facility owned by the Calpine Corporation and located in Hayward, California (the “Plant”); and

WHEREAS, the Plant commenced operations in August 2013 and, at all relevant times, has been duly licensed by the California Energy Commission (CEC); and

WHEREAS, on May 27, 2021, the Plant experienced a mechanical failure of the steam turbine generator (the “Event”). The Event rendered the Plant temporarily inoperable in its designed configuration and damaged the nearby Hayward Housing Navigation Center; and

WHEREAS, immediately following the incident, RCEC engaged an independent third party to conduct a root cause analysis (RCA) to identify the cause of the Event. In addition, the California Energy Commission (CEC) and California Public Utilities Commission (CPUC) commissioned a gap analysis of the RCA; and

WHEREAS, the CEC found it was appropriate for the CEC to “exercise enhanced scrutiny over the facility” in light of the May 27, 2021 incident and that “it is reasonable for the public to have access to safety audits conducted pertaining to the operation of the facility, including the circumstances that gave rise to the petition.” Additionally, the CEC directed the project owner to meet with CEC staff and the Hayward City Fire Department within 30 days of the order “to discuss any needed modifications of [RCEC’s] standard operating procedures for first responders to implement when responding to incidents on site, including establishing a process for reimbursement of reasonable expenses”; and

WHEREAS, the Plant has made repairs, taken corrective actions required by the CEC and the CPUC, and has returned to combined-cycle operations; and

WHEREAS, RCEC takes the concerns of the City and its relationship with the community very seriously and has committed to ensuring improved communication with the City going forward; and

WHEREAS, meetings between CEC staff, the City staff and Calpine/RCEC staff resulted in the development of the Coordination, Resiliency, and Action Agreement, which will help to ensure that the City and RCEC work in close coordination with each other moving forward; and

WHEREAS, the original Coordination, Resiliency, and Action Agreement was approved by Council on February 7, 2023, executed by Calpine and the City Manager, and funds were received for a hazardous materials response vehicle (\$150,000) and the Russell City Reparative Justice Project (RCRJP) (\$20,000); and

WHEREAS, pursuant to a settlement agreement pending with the CEC, Calpine agreed to donate additional funds to the City in the amount of \$1,250,000 for clean energy efficiency projects in the City to support grid resiliency, including microgrids solar energy and/or battery storage installations; and

WHEREAS, on May 16, 2023, Council adopted a resolution approving an amended Agreement to accept and appropriate the additional funds (the “Clean Energy Fund”); and

WHEREAS, in June 2020, Council adopted goals to reduce greenhouse gas (GHG) emissions by 30% below 2005 baseline levels by 2025, 55% by 2030, and to work with the community to develop a plan that may result in the reduction of community based GHG emissions to achieve carbon neutrality by 2045; and

WHEREAS, scientific evidence has established that natural gas combustion, procurement and transportation produce significant GHG emissions that contribute to global warming and climate change; and

WHEREAS, some City of Hayward residents suffer from asthma and other health conditions associated with poor indoor and outdoor air quality exacerbated by the combustion of natural gas.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward hereby approves the following expenditure plan and authorizes the City Manager to implement it:

- The Clean Energy Fund will be focused on the three census tracts (4371.01, 4372.00 and 4371.02) that are nearest RCEC; and
- \$922,000 of the Clean Energy Fund will be used to pay for the solar and battery installation at the Fire Station 6 and Fire Training Center, which is located in census tract 4371.01; and
- \$328,000 of the Clean Energy Fund will be used to replace existing natural gas water heaters with electric heat pump water heaters in select homes located in the three census tracts.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2023.

ADOPTED BY THE FOLLOWING VOTE:

AYES:           COUNCIL MEMBERS:  
                  MAYOR:

NOES:           COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
          City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward