

HAYWARD CITY COUNCIL

RESOLUTION NO. 23-\_\_\_\_\_

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

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDED COORDINATION, RESILIENCY, AND ACTION AGREEMENT WITH RUSSELL CITY ENERGY COMPANY, LLC AND TO ACCEPT AND APPROPRIATE \$1,250,000 TO SUPPORT CLEAN ENERGY EFFICIENCY PROJECTS IN THE CITY

WHEREAS, the Russell City Energy Center is a 600 megawatt combined-cycle electric generating facility with advanced air emissions control technologies 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, the California Independent System Operator (CAISO) identified the Plant as one of two resources in the Bay Area that are best suited to provide black start capability, which mitigates the potential for catastrophic economic disruption to the region following a system-wide power outage. The Plant’s battery black start capability was commissioned in December 2020 and has significantly improved the system restoration capabilities in Northern California, including Hayward and the greater Bay Area; 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, RCEC and the City have met on at least ten (10) separate occasions regarding the Event and RCEC plans to continue its efforts to communicate, cooperate, and coordinate with the City. These meetings were conducted on:

- August 6, 2021, with the City Manager and Fire Chief, and representatives of the CEC and California Public Utilities Commission (CPUC)
- August 16, 2021, with the City Mayor, City Manager and Fire Chief, and CEC Commissioners and Staff,
- August 19, 2021, with the City Mayor, City Manager and Fire Chief, and CEC Commissioners and Staff,
- August 27, 2021, with the City Mayor, City Manager and Fire Chief, and CEC Commissioners and Staff,
- September 8, 2021, with the City Manager and Fire Chief
- November 30, 2021, with the City Manager and Fire Chief, CEC Staff and CPUC Staff for presentation of the RCA Report
- December 2, 2021, with the City Manager and Fire Chief
- March 14, 2022, with the Fire Department Training Battalion Chief
- May 9, 2022, with the City Manager and Fire Chief
- May 24, 2022, with the City Manager and Fire Chief

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

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 Reporative Justice Project (RCRJP) (\$20,000); and

**ATTACHMENT II**

WHEREAS, pursuant to a settlement agreement pending with the California Energy Commission, Calpine has 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.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward authorizes the City Manager to execute an Amended Coordination, Resiliency, and Action Agreement with Russell City Energy Company, LLC in a form approved by the City Attorney.

BE IT FURTHER RESOLVED that the Council accepts and appropriates \$1,250,000 from the Russell City Energy Company, LLC for clean energy efficiency projects in the City to support grid resiliency, including microgrids solar energy and/or battery storage installations.

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