

**STAFF REPORT**  
**Lancaster Power Authority**

PA CC 3
08/28/12
MVB

Date: August 28, 2012

To: Chair Parris and Power Authority Members

From: Jason Caudle, Deputy City Manager

Subject: **Revised Master Solar Power Purchase and Sale Agreement between Lancaster Power Authority and US Topco Energy Inc., to Develop Photovoltaic Solar Generation Facilities**

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**Recommendation:**

Approve the Revised Master Solar Power Purchase and Sale Agreement with US Topco Energy Inc. (Topco), to develop photovoltaic solar generation facilities on City owned property. Authorize the Executive Director to execute all documents and make any non-substantive changes necessary to complete the transaction.

**Fiscal Impact:**

The Lancaster Power Authority (LPA) will provide property sites for Topco's use in constructing renewable generation facilities. The City shall retain ownership of the property. The LPA will receive 12% of the California Renewable Energy Small Tariff (CREST) Program revenue (or a similar revenue producing program) over the 20-year term of a contract. The specific revenue is unknown at this time and will depend on the acreage developed and specific revenue producing program involved.

**Background:**

On June 28, 2011, the LPA entered into an Amended and Reinstated Memorandum of Understanding (MOU) and Power Purchase Agreement (PPA) with Topco to construct renewable generating facilities on City owned property. Additionally, the MOU provided language to continue discussions to develop additional solar energy facilities on other city owned property. Under the current PPA, five (5) sites have now received approval from SCE under the CREST program; however, at the request of Topco, certain portions of the PPA need to be revised to allow for financing the development of the sites. These modifications provide for payment to be made directly from Southern California Edison to Topco. LPA will be paid the agreed upon 12% directly by Topco. Staff recommends approval of the revised MPA.

SAD:pip

**Attachment:**

Revised Master Solar Power Purchase and Sale Agreement