

## RESOLUTION NO. 6769(25)

### **A Resolution of the City Council of the City of Lompoc, County of Santa Barbara, State of California, Approving, and Authorizing the City Manager or Designee to Execute, a Third Phase Agreement for Energy Storage Service Agreement With Trolley Pass Project LLC and to Execute All Related Agreements**

**WHEREAS**, on March 25, 2020, Northern California Power Agency (NCPA), acting on behalf of its Members, including City of Lompoc (City), issued a Request for Proposals for Renewable Energy Resources, Carbon Free Energy Resources, and Energy Storage Solutions (RFP), as subsequently amended on April 1, 2022, to solicit competitive proposals for renewable energy projects, energy storage solutions, and products consistent with the Renewable Energy Resources Program (Public Resources Code sec. 25740 et seq.) and the California Renewables Portfolio Standard Program (Public Utilities Code sec. 399.11 et seq.), including amendments enacted by passage of Senate Bill 100 (De Leon 2018), and carbon free energy resources<sup>1</sup>; and

**WHEREAS**, in response to the RFP, NCPA received multiple proposals for the supply of renewable energy and energy storage solutions sourced from different technologies, including a proposal from Trolley Pass Project LLC to sell certain storage Products from and up to 400 MW battery energy storage system facility located in San Bernardino County, California (Trolley BESS Facility), and NCPA, in direct coordination with those Members who expressed an interest in purchasing storage products supplied by the Trolley BESS Facility (Participants), determined that the offer was competitive and met the needs and requirements of the Participants; and

**WHEREAS**, as a result of this determination, NCPA, acting on behalf of the Participants, engaged in active negotiations with Trolley Pass Project LLC to develop the Energy Storage Service Agreement (ESSA), pursuant to which NCP will purchase storage Products (collectively the Products) supplied from the Trolley BESS Facility; and

**WHEREAS**, the following are key terms contained in the ESSA: Products includes Discharging Energy, Storage Capacity, Capacity Attributes and Ancillary Services, Delivery Term is 20 years, Expected Commercial Operation Date is June 1, 2029, and Contract Price is stated in the ESSA, and the Trolley BESS Facility is required to obtain and retain Full Capacity Deliverability Status throughout the Delivery Term; and

**WHEREAS**, to enable NCPA to enter into the ESSA on behalf of the Participants, pursuant to the terms and conditions of the Amended and Restated Facilities Agreement, NCPA and the Participants shall enter into the Third Phase Agreement to provide all means necessary for NCPA to fulfill obligations incurred on behalf of NCPA and the Participants pursuant to the ESSA, and to enable and obligate the Participants to take delivery of and pay for such electric capacity and energy and to pay NCPA for all costs it incurs for undertaking the foregoing activities; and

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<sup>1</sup> The RFP was publicly noticed and made available to the public on NCPA's website.

**WHEREAS**, upon full execution of the Third Phase Agreement, NCPA will enter into the ESSA on behalf of the Participants, and such ESSA shall be deemed a NCPA Project by the Commission, and as further described in Exhibit A of the Third Phase Agreement. On the effective date of the Third Phase Agreement, NCPA will amend Exhibit A of the Third Phase Agreement by adding Table 2 to the Third Phase Agreement, whereby Table 2 will list the Final Project Participation Percentages of each Participant; and

**WHEREAS**, pursuant to the terms and conditions of the Third Phase Agreement, each Participant acknowledges and agrees to be bound by the terms and conditions of the Third Phase Agreement, and that the Third Phase Agreement is written as a “take-or-pay” agreement, and any Products delivered to NCPA under the ESSA shall be delivered to each Participant in proportion to such Participant’s Project Participation Percentage as set forth in Exhibit A of the Third Phase Agreement, and each Participant shall accept and pay for its respective percentage of such Products; and

**WHEREAS**, in compliance with the California Environmental Quality Act (CEQA), Council can authorize NCPA to enter into the PPA for the following reasons:

- NCPA’s obligation to purchase Products supplied from the Trolley BESS Facility is conditioned on completing any environment review required by CEQA,
- NCPA may rely upon the determinations made by the City of Rancho Cucamonga and San Bernardino County after the city and county completes the environmental evaluation of the project as required by CEQA; and
- As a result, the project will comply with CEQA before off taking such that NCPA’s approval of the ESSA is exempt from CEQA under the general rule in CEQA Guidelines Section 15061(b)(3) that CEQA only applies to projects that have the potential for causing a significant effect on the environment.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMPOC, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City Council hereby approves, and the City Manager or Designee is hereby authorized to execute, the Third Phase Agreement with Trolley Pass Project LLC, attached to the City Council’s August 19, 2025, staff report, and any related Agreements..

**SECTION 2. Effective Date.** This Resolution is effective on the day of its adoption.

The foregoing Resolution was proposed by Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, and was duly passed and adopted by the Council of the City of Lompoc at its regular meeting on August 19, 2025, by the following vote:

- AYES: Council Member(s):
- NOES: Council Member(s):
- ABSENT: Council Member(s):

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James Mosby, Mayor  
City of Lompoc

ATTEST:

\_\_\_\_\_  
Stacey Haddon, City Clerk  
City of Lompoc