

## **RESOLUTION NO. 12280**

A RESOLUTION OF THE COUNCIL OF THE CITY OF MESA, ARIZONA, APPROVING AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE AGREEMENTS WITH THE ARIZONA ELECTRIC POWER COOPERATIVE (AEPCO) FOR THE PURCHASE OF RENEWABLE ELECTRIC POWER SUPPLIES AND ENERGY STORAGE RESOURCES.

WHEREAS, the City of Mesa ("City") owns and operates a municipal electric distribution utility ("Electric Utility") and is authorized by the provisions of the Laws of the State of Arizona and the Mesa City Charter to acquire, purchase and manage supplies of electric power and energy necessary to meet the demands of the residential, commercial, and industrial customers served by the Electric Utility;

WHEREAS, AEPCO, a member owned not for profit electric generation and transmission cooperative, is overseeing the development of the Pinal Solar project in Pinal County, Arizona that will be built, owned and operated by NextEra Energy Resources consisting of an interconnected renewable solar power generation facility and a battery energy storage facility ("the Project");

WHEREAS, the City has the opportunity to participate in the Project through AEPCO to i) purchase a supply of renewable electric power and energy from the Project and ii) use the capacity of the battery energy storage facility of the Project to charge and discharge at the City's request for use in its electric power supply portfolio;

WHEREAS, for the purchase of the renewable electric power and energy from the Project and the energy storage capacity from the Project, AEPCO will require the negotiation and execution of a series of contractual subscription agreements, power purchase agreements and storage lease agreements or similar documents (collectively the "Agreement");

WHEREAS the City desires to acquire renewable electric power and energy and the energy storage capacity from the Project for resale by its municipal electric distribution utility and further desires to enter into an Agreement with AEPCO in a total amount not to exceed 25 megawatts of alternating current capacity (MW-AC) of renewable electric power and energy, with the inclusion of energy storage capacity in a total amount not to exceed 20 MW-AC, to be delivered for a period of up to twenty-five (25) years ("Supply Period"); and

WHEREAS in order to deliver the renewable electric power and energy from the Project and the energy storage capacity from the Project (at the ED5 substation in Pinal County, Arizona) to the Electric Utility, the City may be required to i) alter its network transmission receipt points with the Western Area Power Administration and ii) participate in various studies or analyses to determine how to deliver the renewable electric power and energy from the Project to the Electric Utility and iii) participate in various transmission upgrade projects reasonably required to facilitate the delivery of the renewable electric power and energy from the Project to the Electric Utility (collectively the "Transmission Projects").

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, AS FOLLOWS:

Section 1. The City hereby approves the purchase of a maximum of 25 MW-AC of renewable electric power supplies, and 20 MW of energy storage capacity for a period that may begin on or after January 1, 2026, for up to the full term of the Supply Period, with final pricing over the Supply Period of i) no greater than \$30/MWh for the renewable electric power and energy and ii) no greater than \$13.00 per kilowatt-Month for the energy storage capacity.

Section 2. The City hereby approves the participation in the Transmission Projects in an amount not to exceed one hundred thousand dollars and zero cents (\$100,000.00).

Section 3. The City hereby approves, the City Manager, Christopher J. Brady, or his designee, are authorized to negotiate and execute the Agreement, for up to the full term of the Supply Period.

Section 4. The various City officers and employees are hereby authorized and directed to execute such other documents or certificates and to perform all other acts necessary to carry out the intent and purpose of this Resolution.

PASSED AND ADOPTED by the Council of the City of Mesa, Maricopa County, Arizona, this 21st day of October, 2024.

APPROVED:

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Mayor

ATTEST:

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City Clerk