

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 4/12/2023

Staff Report No. 11-117c

TO: AC Transit Board of Directors

FROM: Michael A. Hursh, General Manager/Chief Executive Officer

SUBJECT: Stationary Solid Oxide Fuel Cell Performance Assurance Plan Contract Extension

ACTION ITEM

AGENDA PLANNING REQUEST: ☐

RECOMMENDED ACTION(S):

Consider authorizing the General Manager to exercise a one-year option to extend AC Transit's Performance Assurance Plan contract for the stationary solid oxide fuel cell (SOFC) system at Seminary Division 4.

Staff Contact:
Salvador Llamas, Chief Operating Officer

STRATEGIC IMPORTANCE:

Goal - Safe and Secure Operations
Initiative - Financial Efficiency and Revenue Maximization

The stationary system produces constant power for the maintenance and transportation buildings to sustain current operations and keeps the Seminary Division from relying on power from the Pacific, Gas and Electric (PG&E) grid.

BUDGETARY/FISCAL IMPACT:

The Performance Assurance Plan's renewal will be funded utilizing District operating funds in the amount of \$222,870 and ensuring the power generating system continues to operate at an efficiency above 80% rated output.

BACKGROUND/RATIONALE:

In 2013 the District commissioned a 420 kW SOFC at the Seminary Division. The project was funded utilizing the Federal Transit Administration (FTA) Transit Investment for Greenhouse Gas and Energy Reduction (TIGGER) grant to provide distributed power and net metering to the entire Seminary Division. On the original installation agreement, the District prepaid for 10 years of the Performance Assurance Plan which has provided reliable energy as an alternative to the grid. The current agreement is expiring on May 25, 2023, and has option years through 2033.

The Performance Assurance Plan provides coverage in the following five areas: Monitoring and reporting,

system maintenance, performance guarantee, system warranty and repairs, and security. The plan assists the District in staying compliant with our Transit Asset Management (TAM) Plan by maintaining the system in a State of Good Repair (SGR) as required by the FTA. The all-inclusive electricity production cost for the system, including the warranty, is projected to be 21 cents per kW versus 25 cents per kW with PG&E grid power (projections are based on the increased cost of natural gas and grid power supplied by PG&E).

ADVANTAGES/DISADVANTAGES:

An advantage of securing the maintenance and performance guarantee would be a reliable power source for the Division with efficiency more significant than what would be supplied by PG&E.

Staff did not identify a disadvantage to securing the maintenance and performance guarantee.

ALTERNATIVES ANALYSIS:

The Board could choose not to award the contract, and the District would transition the Seminary Division to rely on power provided by PG&E from the local grid with an unknown current capacity.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Resolution 11-019, Authorizing Acquisition of SOFC by Negotiated Procurement

ATTACHMENTS:

None

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