

RESOLUTION NO. 22-9043

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE
AMENDMENTS, PURCHASE ORDERS, CHANGE ORDERS, AND NEW
AGREEMENTS WITH VARIOUS VENDORS AS REQUIRED TO
COMPLETE EMERGENCY REPAIRS AND MAINTENANCE INCLUDING
PURCHASE OF A SPARE ROTOR AT THE GIANERA GENERATING
STATION, IN AN AGGREGATE AMOUNT NOT-TO-EXCEED \$12,000,000**

BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, the City of Santa Clara's Electric Department, Silicon Valley Power (SVP) operates three power generation facilities within the city limits: the Donald Von Raesfeld Power Plant, the City of Santa Clara Cogeneration Plant, and the Gianera Generating Station (Gianera);

WHEREAS, in fall 2020; SVP staff identified issues with the Generator and Accessory Gearbox on Gianera Unit #2 and took numerous actions to bring the system online and, upon investigation, staff determined that significant repairs were needed to bring the system online without risking damage to the system;

WHEREAS, on December 16, the City Council authorized the City Manager to negotiate and execute amendments, change orders, and new agreements with various vendors as required to complete all repairs at the Gianera Generating Station, in an aggregate amount not-to-exceed \$1,000,000;

WHEREAS, while the Unit 2 was shut down for the gear box issue, staff initiated routine inspections and maintenance and it was discovered that the Generator rotor on Unit 2 had suffered damage due to the sustained, elevated vibrations leading up to the October 13th forced outage and additional scope beyond what was previously identified was required;

WHEREAS, on January 12, 2021, City Council of the City of Santa Clara authorized the City Manager to negotiate and execute amendments, change orders, and new agreements with various vendors as required to complete all repairs at the Gianera Generating Station, in an aggregate amount not-to-exceed \$2,567,736 (an increase of \$1,567,736 from the previous authorization);

WHEREAS, during the period that Gianera Unit 2 was under repair, Gianera Unit 1 experienced a set of catastrophic issues and was taken offline. Staff took remedial actions, using existing contracts in place, but were unable to make repairs to eliminate potential further equipment damage up to and including catastrophic failure of major components of the turbine, generator, and accessory gearbox. Staff determined that a major overhaul of Gianera Unit 1 is needed before bringing the unit back into service. The major overhaul was budgeted and scheduled for fall of 2021;

WHEREAS, on May 4, 2021, City Council of the City of Santa Clara authorized the City Manager to negotiate and execute amendments, change orders, and new agreements with various vendors as required to complete all repairs at the Gianera Generating Station, in an aggregate amount not-to-exceed \$10,000,000 (an increase of \$7,432,264 from the previous authorization);

WHEREAS, as part of SVP's routine, proactive maintenance program, a planned maintenance outage was undertaken at Gianera in November, 2021 including a borescope and during that outage, it was identified that Unit 2 has suffered accelerate wear and damage of the combustion and turbine components during the summer dispatch period and Unit 2 has been taken out of service to avoid catastrophic damage;

WHEREAS, Gianera Unit 1 and Unit 2 are critical to providing sufficient power to meet the electric grid reliability requirements, the needs of SVP's power customers, and SVP's Resource Adequacy requirements especially in the summer when drought conditions are anticipated; and,

WHEREAS, SVP staff estimates that without Gianera's production in the summer months, SVP could experience economic loss of up to \$16,000 per day because power that could be produced by Gianera needs to be purchased on the market.

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NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS
FOLLOWS:

1. The City Council of the City of Santa Clara does hereby authorize the City Manager to negotiate and execute amendments, change orders, and new agreements with various vendors as required to complete all repairs at the Gianera Generating Station including the purchase of a spare rotor, in an aggregate amount not-to-exceed \$12,000,000 an increase of \$2,000,000 from the previous authorization.
2. This authorization shall not be used for any purpose other than services needed at the Gianera Power Plant including emergency repairs, corrective maintenance, and preventative maintenance that can be economically completed at the same time in order to assure reliable operation through the summer, as well as the purchase of a spare rotor, and until an RFP process is completed and contract awarded.
3. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE 11TH DAY OF JANUARY, 2022, BY THE FOLLOWING VOTE:

AYES:	COUNCILORS:	Becker, Chahal, Hardy, Jain, Park, and Watanabe, and Mayor Gillmor
NOES:	COUNCILORS:	None
ABSENT:	COUNCILORS:	None
ABSTAINED:	COUNCILORS:	None

ATTEST:



NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference: None