



BOULDER CITY
CITY COUNCIL

MAYOR
JOE HARDY

COUNCIL MEMBERS:
COKIE BOOTH
MATT FOX
SHERRI JORGENSEN
STEVE WALTON



MEETING LOCATION:
CITY COUNCIL CHAMBER
401 CALIFORNIA AVENUE
BOULDER CITY, NV 89005

MAILING ADDRESS:
401 CALIFORNIA AVENUE
BOULDER CITY, NV 89005

WEBPAGE:
WWW.BCNV.ORG



ACTING CITY MANAGER:
MICHAEL MAYS, AICP

CITY ATTORNEY:
BRITTANY LEE WALKER, ESQ

CITY CLERK:
TAMI MCKAY, MMC, CPO

COMMUNITY DEVELOPMENT DIRECTOR:
MICHAEL MAYS, AICP

ACTING PUBLIC WORKS DIRECTOR:
JIM KEANE, PE

UTILITIES DIRECTOR:
JOSEPH STUBITZ, PE

POLICE CHIEF:
TIM SHEA

ACTING FIRE CHIEF:
GREG CHESSER, CFO

FINANCE DIRECTOR:
CYNTHIA SNEED, CPA, CGFM

PARKS & RECREATION DIRECTOR:
JULIE CALLOWAY, CPRP

City Council Meeting

May 14, 2024

Item No. 14

Staff Report

TO: Mayor and City Council

FROM: Brittany Walker, City Attorney

DATE: May 14, 2024

SUBJECT:

For possible action: Resolution No. 7796, a resolution of the City Council of Boulder City, Nevada approving Agreement No. 24-2084 between the City of Boulder City and Roccasecca BESS, LLC, a Delaware limited liability company allowing for the development of a battery energy storage system project adjacent to the Sloan Canyon Switching Station on a portion of the property designated as Bureau of Land Management 368 Energy Corridor for which the Bureau of Land Management has issued a right-of-way grant for use of the Premises

Business Impact Statement:

This action will not have a significant economic impact on business and will not directly restrict the formation, operation, or expansion of a business.

Action Requested:

That the City Council approve the resolution approving the agreement between the City of Boulder City and Roccasecca BESS, LLC, a Delaware limited liability company allowing for the development of a battery energy storage system project adjacent to the Sloan Canyon Switching Station on a portion of the property designated as Bureau of Land Management 368 Energy Corridor for which the Bureau of Land Management has issued a right-of-way grant for use of the Premises.

Overview:

- The City is authorized to agree to the use of municipal lands in the Eldorado Valley area of Boulder City, Nevada for public purposes pursuant to NRS 268, NRS 277 and the Eldorado Valley Act of 1958 (Public Law 85-339).
- A renewable energy developer desires to develop a battery energy

storage system project adjacent to the Sloan Canyon Switching Station on a portion of the property designated as BLM 368 Energy Corridor.

- Because this is being developed within the BLM 368 Energy Corridor, it is unclear under existing law whether Boulder City has the authority to enter into a lease regarding the land.
- This agreement would in essence consent to the project while providing protection to the land similar to a lease agreement would, in exchange the developer would pay annual capacity payments based upon the Megawatt capacity of the battery storage facility at the rate of \$2,000 per acre. The facility is anticipated to have 400 MW capacity.

Background Information:

Roccasecca BESS, LLC submitted a SF-299 application with the Bureau of Land Management (BLM) on August 26, 2022 in order to construct, operate, and maintain a battery energy storage system (BESS) up to 400 Megawatts (MW), within an 826 foot long 230 kV underground gen-tie, and improvements to an existing 24-foot wide, 7.70-mile site access road, located within the BLM section 368 Corridor #39-231 (the "Project"). The Project would occupy an approximately 9.43 acre parcel of land. Construction is anticipated to commence in July 2024 and is estimated to take 9-12 months to complete, and the Commercial Operation Date is expected to be in June 2025.

When the City, by way of the Colorado River Commission of the State of Nevada purchased the land located in the Eldorado Valley, it was purchased subject to existing rights-of-way. Because the Project is located within the BLM transmission corridor, it is unclear under existing law whether Boulder City has the authority to enter into a lease regarding the land. Boulder City is pursuing federal legislation to clarify its ownership rights. In the mean-time, Roccasecca and the City have negotiated this agreement that would allow the Project to be constructed and operational. The agreement has provisions similar to a lease that will ensure the land is restored once the Project is no longer operational and that the developer will assume all liability risks for the Project. In exchange, Roccasecca has agreed to pay the City annual capacity payments of \$2,000 per MW per year. The Project, once developed, is expected to have a capacity of 400 MW.

The area where the project will be located was approved to be added to the City's Land Management Process list for battery storage by the City Council on April 9, 2024. In the event, ownership of the land is clarified by federal law or a court of competent jurisdiction, the Agreement would terminate and allow the parties to enter into a proper lease agreement at the appraised value of the land, which at this time would be estimated to be \$14,000 to \$20,000 annually for the 9.43 acre parcel.

Financial:

\$20,000 upon execution and potentially \$800,000.00 in annual revenue once the facility reaches full commercial operation at a 400 MW capacity.

Boulder City Strategic Plan Goal:

Goal A: Achieve Prudent Financial Stewardship

Goal B: Invest in Infrastructure

Goal C: Manage Growth and Development

Department Recommendation: That City Council approve Resolution No. 7796 approving Agreement No. 24-2084 between the City of Boulder City and Roccasecca BESS, LLC, a Delaware limited liability company allowing for the development of a battery energy storage system project adjacent to the Sloan Canyon Switching Station on a portion of the property designated as Bureau of Land Management 368 Energy Corridor for which the Bureau of Land Management has issued a right-of-way grant for use of the Premises.

Attachment:

Resolution

Agreement

LMP List