

# Agenda Report

June 22, 2026

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT:** **AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH BAKER ELECTRIC & RENEWABLES LLC FOR THE CONSTRUCTION OF A 25-MEGAWATT, FOUR HOUR UTILITY-SCALE LITHIUM IRON PHOSPHATE BATTERY ENERGY STORAGE SYSTEM AT THE GLENARM POWER PLANT FOR A GRAND TOTAL AMOUNT NOT-TO-EXCEED \$8,386,560**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the action proposed herein is not a “project” subject to the California Environmental Quality Act (“CEQA”) pursuant to Public Resources Code Section 21065 and within the meaning of State CEQA Guidelines Section 15378;
2. Award contract to lowest and best bid dated May 28, 2026 submitted by Baker Electric & Renewables LLC (“Baker Electric”) in response to the project plans and specifications to construct a Battery Energy Storage System at the Glenarm Power Plant (“Glenarm BESS”), authorize the City Manager to enter into a two year contract for an amount not-to-exceed \$8,386,560, which includes the base contract amount of \$6,988,800 and a contingency of \$1,397,760 to provide for any necessary change orders; and
3. Authorize the City Manager to approve amendments to the contract including durational extensions.

## **BACKGROUND:**

The City of Pasadena (“City”) has long been a leader in clean energy policies and practices, consistently surpassing California’s renewable energy requirements and adopting more progressive decarbonization pathways. Building on this strong record, the City Council passed Resolution 9977 on January 30, 2023, which declares a climate emergency in Pasadena and sets a landmark clean energy policy to source 100% of Pasadena’s electricity from carbon-free resources by the end of 2030 while optimizing for affordability, rate equity, stability, and electric reliability. Accordingly, the 2023

## Award Contract with Baker Electric to Construct the Glenarm BESS

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Power Integrated Resource Plan (“IRP”), which was adopted by City Council on December 11, 2023, incorporates the associated policy goals. The City Council subsequently approved the Optimized Strategic Plan (“OSP”) on December 15, 2025, which translates the related IRP policy commitments into clear, coordinated, and actionable implementation steps.

To help meet specific IRP goals as well as California’s increasing clean energy mandates, the Pasadena Water and Power (“PWP”) Department has significantly expanded its renewable and carbon-free energy portfolio in recent years. Among the most significant of these projects is the design and construction of the Glenarm BESS, a 25 Megawatt (“MW”), four-hour lithium-iron-phosphate system, which will be located adjacent to the Glenarm Power Plant and the first City-owned utility scale energy storage system. On June 17, 2024, the Pasadena City Council awarded a 15-year Energy Storage Agreement (“ESA”) with Glenarm BESS, LLC, to design, own, and operate the Glenarm BESS on behalf of the City. Under the terms of the ESA, Glenarm BESS, LLC provides engineering, design, procurement, and delivery of all electrical facilities to the point of interconnection while PWP constructs the necessary infrastructure from the project site to the Glenarm Receiving Station. The ESA also incorporates options to purchase the Glenarm BESS at numerous points during the contract term, if approved by City Council.

To provide financial support for construction of the project, PWP received a \$9,660,000 grant from the California Energy Commission through its Distributed Electricity Backup Assets Program, Bulk Grid Asset Enhancements for Grid Reliability (“DEBA/Bulk Grid Grant”). As a condition of the grant, the project must be completed before June 30, 2027.

A Notice Inviting Bids for Specifications to construct a 25 MW utility-scale lithium iron phosphate BESS with a minimum storage capability of four hours was posted on OpenGov, the City’s procurement platform on March 16, 2026. The solicitation generated notices to all vendors who have previously registered with the City for this particular commodity class. A total of 137 vendors downloaded the specifications, of which four were local. Staff conducted an internet search for local businesses within the bid specification industry class, but did not find any companies that met the minimum eligibility to bid requirements included in the bid specifications. A mandatory job walk was conducted on April 7, 2026 and attended by 21 companies, none of which were local. PWP received four bids by the May 28, 2026 bid closing date which are summarized below in Table I.

***Table I: Bid Summary***

| <b><u>Vendor</u></b>                             | <b><u>Location</u></b> | <b><u>Bid Amount</u></b> |
|--|------------------------|--------------------------|
| Baker Electric & Renewables LLC                  | Escondido              | \$6,988,800              |
| Elecnor Belco Electric, Inc.                     | Chino                  | \$7,695,888              |
| Vellutini Corporation DBA Royal Electric Company | Sacramento             | \$9,999,999              |
| Clark Bros., Inc.                                | Fresno                 | \$10,250,000             |

Baker Electric submitted the lowest responsive and responsible bid, and met all requirements outlined in the bid specifications. Baker Electric has previously worked with the City and was awarded one contract for \$24,999 in 2022. Staff recommend a new contract award to Baker Electric for the construction of Glenarm BESS for an amount not-to-exceed \$8,386,560 which includes the base contract amount of \$6,988,800 and a contingency of \$1,397,760 to provide for any necessary change orders. A higher-than-normal contingency is requested due to the unknown amount of soil remediation required at the project site.

The proposed contract complies with the Competitive Bidding and Purchasing Ordinance, Pasadena Municipal Code, Chapter 4.08 and the Living Wage Ordinance, Pasadena Municipal Code 4.11.

### **COUNCIL POLICY CONSIDERATION:**

The proposed contract is consistent with the City Council's goals to maintain fiscal responsibility and stability, and PWP's strategic initiatives to enhance customer satisfaction and confidence, improve efficiency and business continuity, and maintain PWP's fiscal health and stability.

The proposed contract also supports the City's values and goals as laid out in the Pasadena Climate Action Plan and demonstrates PWP's commitment to reduce the City's share of greenhouse gas emissions.

### **ENVIRONMENTAL ANALYSIS:**

CEQA excludes, from environmental review, actions that are not "projects" as defined by CEQA Guidelines Section 21065 and within the meaning of Section 15378. Sections 21065 and 15378 define a project as an action which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Section 15378(b) excludes from the definition of "project" organizational or administrative governmental activities that do not result in physical changes to the environment. The actions proposed herein, authorizing the City Manager to enter into a contract for construction purposes, is an organizational or administrative governmental activity that does not result in physical changes to the environment, and therefore is not a "project" as defined by CEQA. Since the action is not a project subject to CEQA, no environmental document is required for this action.

Furthermore, on March 19, 2025, the Hearing Officer approved Conditional Use Permit #7227 and adopted a Mitigated Negative Declaration for the construction and operation of Glenarm BESS. An Initial Study was prepared for the project and concluded that there will be less than significant impacts on the environment with the incorporation of mitigation measures. The Initial Study identified potentially significant environmental impacts related to the following topics: Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, and Tribal Cultural Resources. With implementation of the adopted mitigation measures, all potentially significant impacts would be reduced to a less than significant level.


**FISCAL IMPACT:**

The total cost of this action and contract including contingency is \$8,386,560. Funding will be addressed by the utilization of the Glenarm Energy Storage Systems (3206) Capital Improvement Project budget. Eligible project costs for this action are expected to be offset by up to the \$9,660,000 DEBA/Bulk Grid Grant. It is anticipated that all costs will be expended in Fiscal Year 2027 with no impact to the General Fund.


The following table represents a project summary.

|                            |                    |
|----------------------------|--------------------|
| Base Bid                   | \$6,988,800        |
| Contract Contingency       | \$1,397,760        |
| <b>Total Fiscal Impact</b> | <b>\$8,386,560</b> |

Respectfully submitted,

*for*   
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