

<b>DOCKETED</b>	
<b>Docket Number:</b>	25-EPS-01
<b>Project Title:</b>	Emission Performance Standard
<b>TN #:</b>	265956
<b>Document Title:</b>	Heber Geothermal Energy Project Compliance Filing
<b>Description:</b>	Compliance filing associated with renewed contract commitment for the purchase of renewable geothermal energy and capacity in the form an amendment to the Power Purchase Agreement between SCPPA and Heber Geothermal Company LLC and corresponding Power Sales Agreements between SCPPA and each of the City of Los Angeles, CA and the Imperial Irrigation District.
<b>Filer:</b>	Armando Arballo
<b>Organization:</b>	Southern California Public Power Authority
<b>Submitter Role:</b>	Public Agency
<b>Submission Date:</b>	9/10/2025 3:19:43 PM
<b>Docketed Date:</b>	9/10/2025

September 8, 2025

California Energy Commission  
715 P Street - MS 20  
Sacramento, CA 95814  
Attention: Compliance Filing

**Re: Emissions Performance Standard Compliance Filing for SECOND  
AMENDMENT OF HEBER-1 GEOTHERMAL POWER PURCHASE  
AGREEMENT**

Dear Sir or Madam:

Pursuant to 20 CCR § 2900 *et seq.*, of the California Code of Regulations, adopted by the California Energy Commission (“CEC”) to implement Senate Bill 1368, the Southern California Public Power Authority (“SCPPA”) hereby submits the attached compliance filing. In submitting this filing, SCPPA respectfully requests that the Commission determine that (i) the second amendment (“Amendment”) to extend the procurement of geothermal renewable energy, associated environmental attributes, and capacity rights pursuant to the Power Purchase Agreement (the “PPA”) between SCPPA and Heber Geothermal Company LLC (“Seller”), dated May 31, 2013 and (ii) corresponding amendments to two Power Sales Agreements (each, a “PSA”) between SCPPA and the Imperial Irrigation District and the City of Los Angeles, respectively, are in compliance with the energy performance standard (“EPS”) regulations promulgated by the CEC.<sup>1</sup>

SCPPA is a joint powers agency formed in 1980 pursuant to the Joint Exercise of Powers Act (Cal. Govt. Code § 6500 *et seq.*). SCPPA is comprised of eleven cities and one irrigation district (each, a “Member”), each of which owns and operates an electric utility within its jurisdictional boundaries.

This compliance filing is presented on behalf of SCPPA members, the City of Los Angeles and Imperial Irrigation District (“Participating Members”), as well as for SCPPA’s own account pursuant to the EPS regulations (20 CCR § 2900 *et seq.*).

On August 21, 2025, the SCPPA Board of Directors, as part of its noticed public meeting consistent with the requirements of the Ralph M. Brown Act (“Brown Act,” Cal. Govt. Code § 54950 *et seq.*), approved and authorized execution of (i) the Amendment, and (ii) amendments to two related PSAs, on behalf of the Participating Members. Through the related PSAs between SCPPA and each of the Participating Members, SCPPA will provide the Participating Members with the energy, environmental attributes, and capacity rights that Seller provides to SCPPA pursuant to the terms and conditions of the PPA.

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<sup>1</sup> An EPS compliance filing for the PPA was submitted to the CEC on January 15, 2015. An EPS compliance filing for the First Amendment to the PPA was submitted to the CEC on September 28, 2017.

On August 21, 2025, at the above-referenced noticed public meeting consistent with the requirements of the Brown Act, this compliance filing was presented to the SPPA Board of Directors in substantially final form. The SPPA Board of Directors considered, authorized, and approved the compliance filing during that same meeting.

SPPA executed the Second Amendment to the PPA and the First Amendment to the PSAs on September 2, 2025, less than ten business days from the date of this compliance filing.

Additional information about the Project is included in Attachment A. Attachment B includes the Staff Report presented to the SPPA Board of Directors during its August 21, 2025, meeting. Attachment C includes the SPPA Board Resolution No. 2025-082, adopted the same day for approving the CEC compliance filing related to the Amendment and PSAs. Attachment D is the attestation required by 20 CCR § 2909.

We appreciate your consideration and attention to this matter and look forward to your response. Should you have any questions with respect to anything set forth herein, please feel free to call me at (626) 793-9364 Ext. 216.

Sincerely,

A handwritten signature in black ink, appearing to read "Armando Arballo".

Armando Arballo  
Assistant General Counsel

Attachments

**ATTACHMENT A****CALIFORNIA ENERGY COMMISSION****EMISSION PERFORMANCE STANDARD COMPLIANCE FILING****DESCRIPTION OF THE HEBER-1 GEOTHERMAL ENERGY PROJECT**

- Name of Project: Heber-1 Geothermal Energy Project
- Name of Counterparty: Heber Geothermal Company LLC
- Location of Facility: Imperial County, California, as follows:

Name of Facility	CEC RPS ID	WREGIS GU ID
Heber 1	60305A	W414

- Technology/Fuel: Geothermal
- Product Description: Generation portfolio; Baseload.
- Nameplate Capacity of Facility: Total nominal nameplate capacity of the Project is 62.5 MW.

The expected capacity to be delivered to SCPPA under the power purchase agreement between SCPPA and Heber Geothermal Company LLC, is expected to be 52 MW during the additional 25-year contract term that the amendment provides. This results in a total contract term of 35 years from delivery commencement date of February 2, 2016 to February 1, 2051.

- Participation Shares of Contract Amount:  
78% of the energy, environmental attributes, and capacity rights sold to SCPPA under the amended PPA will be allocated to the City of Los Angeles, CA, and 22% of the energy, environmental attributes, and capacity rights sold to SCPPA under the amended PPA will be allocated to Imperial Irrigation District.
- Substitute Energy Allowed: Yes (see below)
- Contract Date: May 31, 2013, is the effective date of the PPA, and the Amendment and corresponding PSA amendments became effective on September 2, 2025.

- Expected Energy Delivery Start Date: Energy is being delivered under the existing Power Purchase Agreement dated May 31, 2013 (which was reviewed and approved by the Commission during its regular business meeting on March 11, 2015). Energy deliveries from the Power Purchase Agreement commenced on February 2, 2016.
- Expected Energy Delivery End Date: February 1, 2051
- Description of contract terms related to the provision of substitute energy:

Pursuant to Section 9.1 and Section 9.2 of the PPA as amended, in the event of a shortfall of energy delivered, Seller shall provide replacement energy produced by an identified facility listed by Seller in Appendix M other than the Facility that, at the time delivered to Buyer, is (A) both RPS Compliant and EPS Compliant, (B) qualifies under California Public Utilities Code Section 399.16(b)(1), and (C) includes environmental attributes comparable to the energy that is being replaced.

Additionally, Section 7.2 of the PPA, as amended, permits Seller to deliver unspecified energy on a limited basis, when the Facility is unavailable due to a forced outage, scheduled maintenance or other temporary unavailability for operational or efficiency reasons or to meet operating conditions required under the Agreement, including, but not limited to, provisions for the number of start-ups, ramp rates, or minimum number of operating hours. Consistent with EPS requirements, the PPA provides that the amount of such energy cannot exceed fifteen percent (15%) of forecasted energy production of the facility over the term of the PPA.

**ATTACHMENT B**

August 21, 2025, Staff Report to SCPPA Board



## AGENDA ITEM STAFF REPORT

**MEETING DATE:**

August 21, 2025

**RESOLUTION NUMBER:**

2025-082

**SUBJECT:**

Emissions Performance Standard Compliance Filing for the Heber-1 Geothermal Energy Project

**DISCUSSION:**

**OR**
**CONSENT:**

*Select the appropriate box(es):*
**FROM:**

Finance	<input type="checkbox"/>
Project Development	<input type="checkbox"/>
Program Development	<input type="checkbox"/>
Regulatory/Legislative	<input type="checkbox"/>
Project Administration	<input type="checkbox"/>
Legal	<input checked="" type="checkbox"/>
Executive Director	<input type="checkbox"/>

**METHOD OF SELECTION:**

Competitive	<input type="checkbox"/>
Cooperative Purchase	<input type="checkbox"/>
Sole Source	<input type="checkbox"/>
Single Source	<input type="checkbox"/>
Other ( <i>Please describe</i> ):	

N/A

**MEMBER PARTICIPATION:**

Sponsoring Member: City of Los Angeles, Imperial Irrigation District

Other Members Potentially Participating: NA

**Approved by Executive Director:**

Signed by:

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**RECOMMENDATION:**

Authorize the Emissions Performance Standard (EPS) Compliance Filing for the Heber-1 Geothermal Energy Project ("Project").

**BACKGROUND:**

At the August 21 2025 meeting, the Southern California Public Power Authority ("SCPPA") Board of Directors will consider approval of the Second Amendment ("PPA Amendment") of Heber-1 Geothermal Power Purchase Agreement ("PPA") and the First Amendment ("PSA Amendment") of Heber-1

Geothermal Energy Project Power Sales Agreements between SCPPA and each of the City of Los Angeles and Imperial Irrigation District (each Power Sales Agreement a “PSA” and together the “PSAs”). The PPA Amendment will extend the term of the PPA for an additional term of twenty-five (25) years, increase the Project net generating capacity from 46 MW to 52 MW, and lower the price for energy to be delivered to SCPPA, and the PSA Amendments will amend the PSAs to update Appendix B of the PSAs to reflect the increased capacity from the Project.

In 2007, the California Energy Commission (“CEC”) adopted regulations to implement the EPS as directed in legislation commonly referred to as SB 1368. Among other things, the regulations establish an emissions limit for carbon dioxide of 1100 lbs/MWH for “baseload generation” (defined as generation with a capacity factor of at least 60%) and require a “compliance filing” whenever a public agency enters into a “covered procurement” for such baseload generation, including procurement by a contract with a term of 5 years or more. The proposed PPA Amendment and PSA Amendments will result in a baseload generation procurement with a term of five (5) years or more, and the PPA Amendment and PSA Amendments are therefore subject to a compliance filing under these regulations.

## **DISCUSSION:**

The Project is a geothermal electric generation project located in Imperial Valley, California with a nameplate capacity of 62.5 MW. Since the delivery commencement date of February 2, 2016, SCPPA has received energy from the Project pursuant to the PPA. Under corresponding PSAs with LADWP and IID, SCPPA sells the energy it receives from the Project to IID and LADWP. If the PPA Amendment and PSA Amendments are executed and the compliance filing is approved by the CEC, SCPPA and the Participating Members will continue to receive energy from the Project until February 1, 2051.

An EPS compliance filing is due within 10 days after a public agency enters a covered procurement. The regulations require that the compliance filing be approved by the governing body of the procuring agency. In this instance, provided that the SCPPA Board of Directors adopts Resolution No. 2025-080 and approves the PPA Amendment and PSA Amendments, SCPPA expects to promptly execute the PPA Amendment and PSA Amendments. The compliance filing associated with the PPA Amendment and PSA Amendments is being submitted to the SCPPA Board of Directors for its approval now so that the compliance filing may be submitted to the CEC in a timely manner.

A copy of the proposed compliance filing in substantial final form accompanies this report.

Provided that SCPPA Board of Directors provides authorization for SCPPA to execute the PPA Amendment and the PSA Amendments, and pursuant the CEC’s EPS Compliance regulations, SCPPA requests authorization to file an EPS Compliance Filing for the Project.

## **SCPPA’s Authority:**

In accordance with the Joint Powers Agreement, SCPPA may facilitate contracts for the procurement of electric generation capacity for SCPPA Members.

## **FISCAL IMPACT:**

None.

## **ATTACHMENTS:**

1. Proposed EPS Compliance Filing



## 2. Resolution No. 2025-082

**ATTACHMENT C**

August 21, 2025, SCPPA Board Resolution

## **RESOLUTION NO. 2025-082**

### **RESOLUTION RELATING TO THE HEBER-1 GEOTHERMAL ENERGY PROJECT AUTHORIZING THE EXECUTION AND SUBMISSION OF A COMPLIANCE FILING TO THE CALIFORNIA ENERGY COMMISSION PURSUANT TO THE REQUIREMENTS OF THE CALIFORNIA EMISSIONS PERFORMANCE STANDARD REGULATIONS, AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH OTHER DOCUMENTS, INSTRUMENTS, AND AGREEMENTS AS MAY BE NECESSARY OR APPROPRIATE TO BEST CARRY FORWARD THE INTERESTS OF AND OBJECTIVES OF THE AUTHORITY**

WHEREAS, the Southern California Public Power Authority (the “Authority” or “SCPPA”) and its members have investigated the purchase of generation and energy output of certain geothermal energy resources and facilities to provide a long-term baseload supply of renewable energy for its members; and

WHEREAS, pursuant to Authority Board of Directors Resolution No. 2013-055, the Authority and Heber Geothermal Company LLC (“Seller”) have entered into a Power Purchase Agreement (“PPA”) pursuant to which the Authority purchases geothermal energy from the Heber-1 Geothermal Energy Project (the “Project”), and the Authority’s participating members, the City of Los Angeles and the Imperial Irrigation District (the “Participants”), receive such geothermal energy from the Project through corresponding Power Sales Agreements between the Participants and the Authority (each power sales agreement a “PSA” and together the “PSAs”); and

WHEREAS, the Authority and Seller desire to amend the PPA to extend the term of the PPA by twenty-five (25) years, to increase the net generating capacity for the Project from 46 MW to 52 MW, and to lower the price for energy to delivered pursuant to the PPA; and

WHEREAS, the Authority and Participants desire to amend the PSAs to update and increase the capacity amounts allocated to each Participant pursuant to the PSAs; and

WHEREAS, the proposed amendments to the PPA and the PSAs (collectively, the “Project Agreements”) are subject to the California Energy Commission’s (“CEC”) Emission Performance Standard regulations (“EPS Regulations;” 20 CCR § 2900 *et seq.*), including the requirement in Section 2909 of Title 20 of the California Code of Regulations that a publicly-owned utility submit to the Commission a “compliance filing,” approved by its governing body, within 10 business days after it enters into a “covered procurement” as defined in said EPS Regulations; and

WHEREAS, in accordance with the EPS Regulations, SCPPA previously submitted compliance filings to the CEC for the PPA and a previous Amendment to the PPA; and

WHEREAS, the SCPPA Board of Directors has reviewed the proposed compliance filing pertaining to the amended Project Agreements (the “Compliance Filing”), which compliance filing is attached in substantially final form to the Agenda Report accompanying this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Southern California Public Power Authority as follows:

1. The Authority hereby approves the Compliance Filing and authorizes each of the Executive Director, General Counsel, and Assistant General Counsel ("Authorized Filers") to execute and submit the Compliance Filing for the Project as submitted to the Board of Directors in substantially final form and attached to the Agenda Report accompanying this Resolution, with such changes, corrections and revisions as such Authorized Filers may deem necessary and advisable.

2. In addition to the foregoing, the Executive Director and any other officer of the Authority is hereby authorized to execute and deliver any and all agreements, documents, and instruments and to do and cause to be done any and all acts and things deemed necessary or advisable for carrying out the transactions contemplated by this Resolution.

THE FOREGOING RESOLUTION is approved and adopted by the Authority on this 21<sup>th</sup> day of August 2025 and is effective immediately.

DocuSigned by:

*Dukku Lee*

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DUKKU LEE  
SECOND VICE PRESIDENT  
Southern California Public  
Power Authority

ATTEST:

Signed by:

*Daniel E Garcia*

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DANIEL E GARCIA  
ASSISTANT SECRETARY  
Southern California Public  
Power Authority

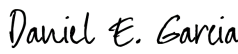
**ATTACHMENT D**

**CALIFORNIA ENERGY COMMISSION**  
**EMISSION PERFORMANCE STANDARD COMPLIANCE FILING**  
**COMPLIANCE FILING ATTESTATION**

I, the official named below, certify under penalty of perjury, the following:

1. I am an agent of the Southern California Public Power Authority authorized by its governing board to sign this attestation on its behalf. (Capitalized terms used herein have the meanings given in the cover letter submitted herewith.)
2. On August 21, 2025, the SCPPA Board of Directors reviewed and approved in a public meeting the covered procurement and the compliance filing described above.
3. Based on the SCPPA Board of Director's knowledge, information, and belief, the compliance filing does not contain a material misstatement or omission of fact.
4. Based on the SCPPA Board of Director's knowledge, information, or belief, the covered procurement complies with Title 20, Division 2, Chapter 11, Article 1 of the California Code of Regulations.
5. The Second Amendment of Heber-1 Geothermal Power Purchase Agreement contains the contractual terms or conditions specifying that the contract or commitment is void and all energy deliveries shall be terminated no later than the effective date of any Commission decision pursuant to 20 CCR § 2910 that the covered procurement fails to comply with 20 CCR § 2900 *et seq.* The corresponding Power Sales Agreements between SCPPA and each of the City of Los Angeles and the Imperial Irrigation District provide that SCPPA shall provide energy to the Imperial Irrigation District and the City of Los Angeles in accordance with the Power Purchase Agreement. The Power Sales Agreement and associated energy deliveries shall terminate concurrently with the termination or expiration of the Power Purchase Agreement.

Executed on 9/9/2025 at Glendora, California.

Signed by:  
  
DAE0F3A6ECDE496  
Daniel E Garcia  
Executive Director  
Southern California Public Power Authority