



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
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ANAHEIM • AZUSA • BANNING •
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IMPERIAL IRRIGATION DISTRICT

January 15, 2015

California Energy Commission
EPS Compliance
1516 Ninth Street
Sacramento, CA 95814-512
Attention: Compliance Filing

California Energy Commission

DOCKETED

15-EPS-01

TN # 74312

JAN 16 2015

Re: EPS Compliance Filing for Puente Hills Landfill-Gas-to-Energy Project

Dear Sir or Madam:

Please be advised that on May 15, 2014, the Board of Directors of the Southern California Public Power Authority ("SCPPA"), at a noticed public meeting, approved and authorized execution and delivery of a Power Purchase Agreement ("PPA") between SCPPA and County Sanitation District No. 2 of Los Angeles County ("Seller") for energy, capacity and associated environmental attributes from an existing 43 MW landfill-gas-to-energy (i.e., biomethane) generation station located on Seller's Puente Hills Landfill facility located in Los Angeles County, California ("Project").

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 ("Members"), each of which owns and operates an electric utility within its jurisdictional boundaries. SCPPA entered into the PPA on behalf of five Members – the Cities of Azusa, Banning, Colton, Pasadena and Vernon ("Participating Members") – each of which will receive its proportionate share of energy and capacity pursuant to individual Power Sales Agreements ("PSA's") with SCPPA.

This compliance filing is made on behalf of the Participating Members as well as for SCPPA's own account pursuant to the Commission's Emission Performance Standard ("EPS") regulations (20 CCR. § 2900 *et seq.*). SCPPA executed the PPA on August 8, 2014, but did not submit a compliance filing within the time prescribed in 20 CCR § 2909 based on a misunderstanding regarding the application of the EPS regulations to the Project given that it is "determined to be compliant with the EPS" under 20 CCR § 2903(b)(2). This filing is thus made belatedly, and SCPPA apologizes to the Commission for any inconvenience.

As mentioned, the PPA was approved by the SCPPA Board of Directors at a noticed public meeting on May 15, 2014. Specifically, the authorization for approval of the PPA was separately listed as an item on the agenda for the May 15, 2014, meeting of the SCPPA Board consistent with the requirements of the Ralph M. Brown Act ("Brown Act," Cal. Govt. Code § 54950 *et seq.*). However, due to the misunderstanding of the applicability of the EPS regulations to the Project indicated above, notice of the meeting was not provided to the Commission pursuant to 20 CCR § 2908.

The Project was originally placed in operation in 1986, with output sold to Southern California Edison pursuant to a series of contracts, the last of which will expire on or about December 31, 2016. Deliveries to SCPPA under the PPA will commence on January 1, 2017. The Project is on the Commission's List of RPS Certified Facilities (CEC-RPS-ID #60632A).

Additional information about the Project is shown on Attachment A. Attachment B includes the Agenda Report presented to the SCPPA Board of Directors for its May 15, 2014, meeting (Attachment B-1) and the SCPPA Board Resolution No. 2014-074, adopted the same date (Attachment B-2). Attachment C is the attestation required by 20 CCR § 2909.

SCPPA respectfully requests that the Commission determine that the covered procurement that is the subject of this filing is compliant with the Commission's EPS regulations.

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard J. Morillo", with a stylized flourish at the end.

Richard J. Morillo
General Counsel

Attachments

CALIFORNIA ENERGY COMMISSION

EMISSION PERFORMANCE STANDARD COMPLIANCE FILING

DESCRIPTION OF PUENTE HILLS LANDFILL GAS TO ENERGY PROJECT

- **NAME OF UTILITY:** The City of Pasadena, California, a municipal corporation, purchasing through its joint powers agency and public entity, the Southern California Public Power Authority ("SCPPA"). The SCPPA members purchasing power under this agreement are:

SCPPA PARTICIPANT	CAPACITY (MW)	FACILITY OUTPUT SHARE
City of Azusa	1	2.3256%
City of Banning	9	20.9302%
City of Colton	10	23.2558%
City of Pasadena	13	30.2326%
City of Vernon	10	23.2558%
TOTAL	43	100.00%

- **CONTRACT DATE:** June 25, 2014
- **NAME OF COUNTERPARTY:** County Sanitation District No. 2 of Los Angeles County
- **NAME OF FACILITY:** The Puente Hills Landfill Gas-to-Energy Facility
- **LOCATION OF FACILITY:** 13130 Crossroads Parkway South, Whittier, CA 91746
- **TECHNOLOGY/FUEL:** Landfill Gas-to-Energy/Biomethane (Renewable, per CEC Guidebook Section II.C.1). CEC RPS Certification #60290A
- **NAMEPLATE CAPACITY OF FACILITY:** 43 MW
- **PRODUCT DESCRIPTION:** Facility energy, capacity rights, environmental attributes, ancillary services and/or any other related products of value to Buyer that are generated or produced by the Facility, as available.
- **SUBSTITUTE ENERGY ALLOWED:** No
- **DELIVERY START DATE:** January 1, 2017
- **DELIVERY END DATE:** December 31, 2030
- **FURTHER DESCRIPTION OF TECHNOLOGY, IF NECESSARY:** None

- FURTHER DESCRIPTION OF FACILITY OUTPUT PROFILE, IF NECESSARY:
The capacity factor¹ under this contract is expected to be high (93-96%). However, the Puente Hills Landfill closed permanently on October 31, 2013 after 43 years of operation. As a result, the production of biomethane at the landfill is expected to decline significantly over the term of the contract. The annual contract quantity of energy for all SPPA parties in 2017 is expected to be 338 GWh, declining to 149 GWh in 2030.
- DESCRIPTION OF CONTRACT TERMS RELATED TO THE PROVISION OF SUBSTITUTE ENERGY, IF NECESSARY: None
- DESCRIPTION OF OTHER RELEVANT INFORMATION AND CONTRACT TERMS: The Puente Hills Landfill Gas-to-Energy Facility is a renewable resource pursuant to California Energy Commission ("CEC") Renewables Portfolio Standard Eligibility Guidebook, Seventh Edition, Section II.C.1. It's CEC RPS Certification number is 60290A. Section 8.6 of the Contract specifies that, subject to a Change in Law provision, the Seller warrants that, from the delivery commencement date and throughout the agreement term, the facility will be: 1) RPS compliant as a portfolio content category 1 facility, and 2) Emission Performance Standard compliant. Subject to certain limitations, Seller assumes the risk of bringing the facility into compliance if there is a Change in Law that renders the facility non- RPS or EPS compliant.

¹ Capacity factor = actual generation MWh / (maximum capacity MW * total period hours)



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Board of Directors Meeting

AGENDA ITEM STAFF REPORT

MEETING DATE: May 15, 2014

RESOLUTION NUMBER: 2014-074

CONSENT ☐

DISCUSSION ☒

RENEWAL ☐

NEW ☒

Place an X in box next to the appropriate consideration(s) above.

FROM:

Finance
Energy Systems
Program Development
Regulatory/Legislative
Project Administration
Legal

X

Place an X in box next to the appropriate consideration(s) above.

METHOD OF SELECTION:

Competitive
Cooperative Purchase
Sole Source
Single Source
Other

X

If other, please describe:

Approved By Executive Director:

INITIAL MEMBER PARTICIPANTS:

Anaheim
Azusa
Banning
Burbank

X
X

Colton
Cerritos
Glendale
IID

X

LADWP
Pasadena
Riverside
Vernon

X
X

Place an X in box next to the applicable Member(s) shown above.

SUBJECT: Puente Hills Landfill Gas-to-Energy Facility (Facility) is to provide approximately 43MW capacity of long-term landfill gas supply of renewable energy to the members to the City of Azusa, City of Banning, City of Colton, City of Pasadena and City of Vernon for the purpose of satisfying the needs of the members and their governing bodies to meet desired specified renewable energy resource goals.

RECOMMENDATION: (I) Approval authorizing the negotiation, execution and delivery of (a) a power purchase agreement and related documents, agreements and instruments (b) five separate power sales agreements between SCPPA and the respective project participants; and (c) such other documents, instruments and agreements as may be necessary or appropriate to achieve the full utilization of the resources of the project and as shall best carry forth the interests of the authority and the project participants and as shall best achieve the authority's and the project participants' objectives (II) authorizing certain related actions; and (III) authorizing the officers of the authority to do all other things deemed necessary or advisable.

Attachment B-1



BACKGROUND: In pursuit of the goals of the Phase II Renewable Development Project, SCPPA has issued Requests for Proposals for potential renewable electric resources to address the renewable energy needs of its Members. SCPPA and the of Cities of Azusa, Banning, Colton, Pasadena and Vernon (the "SCPPA Project Participants") have negotiated and developed, in substantial form, a 43MW power purchase agreement with County Sanitation District No. 2 of Los Angeles County to facilitate the purchase of landfill gas energy output and other rights and resources associated with the Facility of which, SCPPA will take 43MW (or 100%) on behalf of the SCPPA Project Participants. SCPPA, in turn, will sell the SCPPA Output Share to the SCPPA Project Participants pursuant to power sales agreements.

County Sanitation District No. 2 of Los Angeles County is a county sanitation district organized and existing under the County Sanitation District Act, Health and Safety Code section 4700 *et seq.*

FISCAL IMPACT: N/A

[Voice Vote]

RESOLUTION NO. 2014-074

RESOLUTION RELATING TO THE PUENTE HILLS LANDFILL GAS-TO-ENERGY FACILITY: (I) AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF (A) A POWER PURCHASE AGREEMENT BETWEEN THE AUTHORITY AND COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY; (B) POWER SALES AGREEMENTS BETWEEN THE AUTHORITY AND THE PROJECT PARTICIPANTS; (C) SUCH OTHER DOCUMENTS, INSTRUMENTS AND AGREEMENTS AS MAY BE NECESSARY OR APPROPRIATE TO BEST CARRY FORTH THE INTERESTS OF THE AUTHORITY AND THE PROJECT PARTICIPANTS; AND (II) AUTHORIZING THE OFFICERS OF THE AUTHORITY TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE

WHEREAS, the Southern California Public Power Authority ("SCPPA" or "the Authority") and certain of its members have taken measures to facilitate the acquisition and development of certain renewable resources, including solar resource facilities, as part of the Renewable Electric Energy Resource Project created by the Board of Directors pursuant to Resolution No. 2012-008, to provide a long-term supply of renewable energy to the members for the purpose of satisfying the needs of the members and their governing bodies to meet desired specified renewable energy resource goals; and

WHEREAS, in pursuit of the goals of the Renewable Electric Energy Resource Project the Authority has issued Requests for Proposals for potential renewable electric resources to address member renewable energy needs, and the Project Participants in this project and the Renewable Electric Energy Resource Project have identified an existing landfill gas-to-energy facility located in Los Angeles County denominated as the Puente Hills Landfill Gas-to-Energy Facility (the "Facility"). The Facility is owned and operated by County Sanitation District No. 2 of Los Angeles County (the "District"), a public agency formed pursuant to the County Sanitation District Act (California Health and Safety Code Section 4700 *et seq.*); and

WHEREAS, at the current time the District proposes to sell to THE AUTHORITY the output of the Facility, which will have an expected capacity of approximately 43MW in the first year but declining over the expected fourteen (14) term of the agreement by approximately five percent (5%) per year; and

WHEREAS, the Authority, for the benefit of the Cities of Azusa, Banning, Colton, Pasadena and Vernon (the "Project Participants") has negotiated and developed, in substantial final form, a power purchase agreement with the District to facilitate the acquisition of energy and other rights and resources associated with the Facility; and

WHEREAS, pursuant to each of their respective renewable energy resource goals the Authority, for the benefit of the Project Participants, plans to enter into a power purchase agreement with the District (the "Power Purchase Agreement") to purchase all of the output and

to acquire other rights and resources, including but not limited to the purchase option and the rights under other ancillary agreements associated with the Facility; and

WHEREAS, the Authority and each of the Project Participants desire to enter into the Puente Hills Landfill Gas-to-Energy Facility Power Sales Agreements (collectively, the "Power Sales Agreements"), whereby the Authority will provide to each of such Project Participants its proportionate share of the output of the Facility, and each such Project Participant will agree to pay its proportionate share of all costs, liabilities and obligations of the Authority, including, but not limited to, the costs for delivery of energy, capacity and other attributes pursuant to the Power Purchase Agreement and all of the Authority's other costs associated therewith; and

WHEREAS, the Authority and the Project Participants desire to provide for the further development, negotiation, entering into, execution and delivery of such other documents, instruments, agreements and arrangements with respect to the resources of the Facility so as to facilitate the generation, transmission and delivery of energy associated with the Facility and to provide for the negotiation and approval of those terms and conditions with respect to such agreements and arrangements as shall best carry forth the interests of the Authority and the Project Participants and as shall best achieve the Authority's and the Project Participants' objectives.

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

1. The Executive Director is hereby delegated all right power and authority to negotiate and finalize, and each of the President, Vice President and Executive Director of the Authority is hereby authorized and directed, upon the successful negotiation thereof, to execute and deliver the Power Purchase Agreement, in substantial form as described herein, and each of such other agreements, documents and instruments the substance or form of which are referenced in or otherwise attached to the Power Purchase Agreement and related documents or which may be contemplated by the terms of the Power Purchase Agreement and to which the Authority is to be a party or is to sign, each with such changes, insertions and omissions as shall be approved by said President, Vice President or Executive Director (such approval to be conclusively evidenced by her or his execution and delivery thereof), and each of the Secretary and any Assistant Secretary is hereby authorized to attest to such signature. The Power Purchase Agreement (including such other agreements, documents and instruments the form of which is attached to the Power Purchase Agreement or is referenced therein) is hereby approved in substantially the form as provided under this resolution.

2. Each of the President, Vice President and Executive Director of the Authority is hereby authorized and directed to execute and deliver the Power Sales Agreements, with respect to each of the Project Participants, to wit: the Cities of Azusa, Banning, Colton, Pasadena and Vernon, each in substantially the forms on file with the Authority, with such changes, insertions and omissions as shall be approved by said President, Vice President or Executive Director (such approval to be conclusively evidenced by her or his execution and delivery thereof), and each of the Secretary and any Assistant Secretary is hereby authorized to attest to such signature. The forms of the Power Sales Agreements are hereby made a part of this Resolution as though set forth in full herein and the same hereby are approved.

3. In addition to the foregoing, in order to facilitate the negotiation and consummation of the contemplated arrangements for the generation and delivery of energy from the Facility and to carry forth other necessary or appropriate agreements associated with the acquisition of energy and generation resources of the Facility and the delivery of the energy and environmental attributes of the Facility to the California Independent System Operator, and to achieve the full utilization of the resources of the Facility, the Board of Directors hereby delegates to the Executive Director of the Authority all right, power and authority to negotiate, approve and execute agreements and arrangements with respect to the resources of the Facility to facilitate the generation, transmission and delivery of energy associated with the Facility and to negotiate and approve those terms and conditions with respect to such agreements and arrangements as shall best carry forth the interests of the Authority and the Project Participants and as shall best achieve the Authority's and the Project Participants' objectives.

4. Each of the President, Vice President, Secretary, any Assistant Secretary, 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 (including, but not limited to, making such changes to the agreements, documents and instruments referred to in this Resolution if such changes are determined by the President, Vice President or Executive Director to be necessary or advisable). Each reference in this Resolution to the President, Vice President, Secretary, Assistant Secretary or Executive Director shall refer to the person holding such office or position, as applicable, at the time a given action is taken and shall not be limited to the person holding such office or position at the time of the adoption of this Resolution. All actions heretofore taken by the officers, employees and agents of the Authority in furtherance of the transactions contemplated by this Resolution are hereby approved, ratified and confirmed.

5. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 15th day of May, 2014.



PRESIDENT
Southern California Public
Power Authority

ATTEST:



ASSISTANT SECRETARY
Southern California Public
Power Authority

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 (SCPPA) 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. The SCPPA Board of Directors has reviewed and approved in public meetings both the covered procurement (on May 15, 2014) and the compliance filing described above (January 15, 2015).
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; and
5. While the PPA does not contain the contractual terms specified in 20 CCR § 2909(a)(4), it does contain a warranty by the Seller that the Project is and will remain EPS Compliant for the duration of the Agreement and provides SCPPA with a right to terminate the PPA in the event of a breach of said warranty.

Executed this 15th day of January, 2015, at Glendora, California.



Bill D. Carnahan, Executive Director
Southern California Public Power Authority