

DOCKETED

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TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY

EXHIBIT A

Shell Energy North America (US), L.P.

Date: March 30, 2009

Transaction Confirmation #:

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated May 1, 2003. The terms of this Transaction Confirmation shall be binding upon execution by the parties.

SELLER:

Shell Energy North America (US), L.P. ("Shell Energy")
909 Fannin, Plaza Level One
Houston, Texas 77010
Attn: Contract Administration
Phone: 713.767.5400
Fax: 713.265.2171
Base Contract No. 010-NG-BS-10478
Transporter: _____
Transporter Contract Number: _____

BUYER:

Sacramento Municipal Utility District ("SMUD")
6301 'S' Street
Sacramento, CA 95817-1899
Attn: _____
Phone: 916.732.5602
Fax: 916.732.6002
Base Contract No. 4500008139
Transporter: _____
Transporter Contract Number: _____

Contract Price:

The Contract Price for Renewable Natural Gas is _____ per MMBtu for years 2011 through 2024.

The Contract Price for Supplemental Index Gas is _____ per MMBtu for the entire Delivery Period.

Delivery Period: Begin: April 4, 2009*

End: March 31, 2024

* Delivery beginning date is contingent upon approval of this Transaction Confirmation by the SMUD Board of Directors and pre-certification of RNG use at SMUD's Cosumnes Power Plant ("CPP") by the California Energy Commission ("CEC"). The Delivery Period shall begin the later of April 4, 2009, or the first gas flow day that can be scheduled after receipt of both of these additional approvals.

Performance Obligation and Contract Quantity: Seller shall sell to Buyer, and Buyer shall purchase from Seller, on a Firm basis, 6,000 MMBtu per day ("Contract Quantity") consisting of a combination of Renewable Natural Gas and Supplemental Index Gas, as set forth in the Special Conditions.

Firm (Fixed Quantity):

☒ MMBtus/day
☐ EFP

Firm (Variable Quantity):

_____ MMBtus/day Minimum
_____ MMBtus/day Maximum
subject to Section 4.2. at election of
☐ Buyer or ☐ Seller

Interruptible:

Up to _____ MMBtus/day

Delivery Point(s): PG&E Topock

Special Conditions

General Terms and Conditions and Definitions:

"Renewable Natural Gas" ("RNG") means renewable natural gas production and all associated environmental attributes, as defined in subsection (ii) below, from a landfill gas processing facility, (the "Project") that is purchased by Seller from the Project Operator and scheduled for delivery to Buyer under the terms of this Transaction Confirmation. The Project source of the RNG for this transaction is the McCommas Bluff Landfill (landfill project in Texas that interconnects with the El Paso Natural Gas Pipeline ("EPNG") via the Atmos pipeline system). Seller represents and warrants that the Renewable Natural Gas:

(i) consists of pipeline-quality Landfill Gas, as that term is defined in the CEC's Renewable Energy Program Overall Program Guidebook (January 2008)

(ii) contains all the environmental attributes associated with the use of a pipeline quality Landfill Gas-derived fuel for the generation of electric power, but excluding (a) any federal or state tax credits associated with the collection, production, transfer or sale of such Landfill Gas, (b) any emission reduction credits required or available for the operation of a Landfill Gas processing facility at the Landfill to convert collected Landfill Gas to pipeline quality gas standards, and (c) any credits or payments, other than those referenced in (iii) below, associated with the reduction in or avoidance of Greenhouse Gas emissions at the Landfill, including emission reduction credits, verified emission reductions, voluntary emission reductions, offsets, allowances, voluntary carbon units, avoided compliance costs, emission rights and authorizations, and CO₂ reduction and sequestration. For purposes hereof, "Greenhouse Gas" ("GHG") means carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride, or any other substance or combination of substances that may become regulated or designated as GHG under any federal, state or local law or regulation, or any emission reduction registry, trading system, or reporting or reduction program for GHG emission reductions that is established, certified, maintained, or recognized by any international, governmental (including U.N., federal, state, or local agencies), or non-governmental agency from time to time, in each case measured in increments of one metric tonne of carbon dioxide equivalent; and

(iii) Notwithstanding the foregoing, Seller shall transfer and assign or cause to be transferred and assigned, without additional cost to Buyer such number of GHG emission reduction credits whether from the Project or another source, as may be reasonably required, as determined by the CEC or other applicable regulatory authority, to achieve zero net emissions associated with the kilowatt hours of electricity attributable to the use of the RNG supplied by Seller to be utilized by Buyer in its multi-fuel generating facility that meets the eligibility standards for certification under the CEC's Renewables Portfolio Standard Eligibility Guidebook, (Third Edition, January 2008) or successor standards. To implement this transfer, Buyer shall provide to Seller at least 30 days written notice requesting Seller to transfer the specified number of required GHG emission reduction credits together with an explanation of why such GHG reduction credits will be required to achieve zero net emissions with respect to the kilowatt hours anticipated to be produced using the RNG sold by Seller hereunder. Seller shall transfer or cause the transfer of the GHG emission reduction credits as soon as reasonably practicable.

"Supplemental Index Gas" means the difference in MMBtus between the total **Contract Quantity of 6,000 MMBtu** and the volumes of RNG delivered for the same day. For example, if 4,500 MMBtus of RNG is delivered on a given day then the Supplemental Index Gas for the same day is 1,500 MMBtu.

Credit Terms: Buyer and Seller agree that with respect to RNG only, Section 10.3.1 "Early Termination Damages Apply" of the Base Contract is hereby modified to add at the end of first paragraph "With respect to Renewable Natural Gas transactions, the Non-Defaulting Party shall liquidate and accelerate each Terminated Transaction at its Contract Value".

Seller's Support of CEC Certification: Seller previously provided the attestation leading to the CEC pre-certification concerning the RNG supply together with other information requested by the CEC to facilitate certification of CPP as multi-fuel generator. (Both the attestation and the CEC pre-certification are attached as Exhibit A). Seller shall provide any additional documentation related to the supply of RNG to the CEC or other applicable regulatory authority as necessary to support Buyer's ongoing maintenance of CEC certification of CPP as an RPS-certified multi-fuel generator. Buyer agrees to file the necessary additional documents with the CEC to convert the "pre-certification" status of CPP to "certification" status in April 2009 upon commencement of RNG deliveries hereunder.

RNG Maximum Daily Volume ("MDV"): MDV are the maximum amounts of RNG produced by the Project that will be sold to Buyer. MDV volumes are set forth in the Table below. Notwithstanding anything above to the contrary, until the successful permitting, construction and commencement of commercial operation of an expansion to the existing gas processing facility that is part of the Project to at least 15 million standard cubic feet per day inlet capacity of raw landfill gas, the MDV shall be equal to **4,500 MMBtu/day**.

1. Buyer and Seller agree that if the volumes of RNG fall below 2,083 MMBtu/d averaged on a monthly basis measured at the Project interconnect with the Atmos pipeline system, Seller shall not bill Buyer the additional \$0.01 on the GDA Mid-Point PG&E South Index price for Supplemental Index Gas for such month(s).
2. Buyer and Seller further agree that if the facility expansion does not occur as expected, then Buyer, at its sole option, shall have the right to reduce the following month(s) Contract Quantity to a volume not less than 4,500 MMBtu's. Upon completion of the expansion, Buyer agrees to increase the Contract Quantity to accommodate the MDV shown below.
3. In the event the actual RNG volumes for an entire year average less than 50% of the RNG MDV, then upon receipt of written request from Buyer, Buyer and Seller will meet for the purpose of discussing whether it is appropriate to adjust the Contract Quantity in view of actual RNG production. This is with the understanding that the Contract Quantity is intended to facilitate the delivery of RNG.

Table:

Delivery	RNG MDV	Yearly Amt.
April 2009 through September 2010	4500 MMBtu per day	245,2500
October 2010 to December 2010	5200 MMBtu per day	478,400
Calendar Year 2011	5300 MMBtu per day	1,934,500
Calendar Year 2012	5400 MMBtu per day	1,976,400
Calendar Year 2013	5300 MMBtu per day	1,934,500
Calendar Year 2014	5300 MMBtu per day	1,934,500
Calendar Year 2015 to 2018	5000 MMBtu per day	7,305,000
Calendar Year 2019 to March 2024	6000 MMBtu per day	11,502,000

Total: 29,517,800 MMBtu

Seller agrees to deliver all of the RNG up to the MDV subject to the following:

- RNG actually consumed in the process of making raw landfill gas pipeline quality is excluded from this transaction when total Project daily RNG production is less than or equal to the MDV. When total Project daily RNG production is greater than MDV, Buyer shall get the full MDV.
- The Project owner's obligation, upon sixty days written notice to reserve for use by the landfill owner, up to 500 MMBtu/day of Project RNG, for vehicle fuel, should such landfill owner elect to convert its trash trucks and related vehicles to landfill gas fuel, and,
- The successful flow of scheduled RNG on the Atmos pipeline system on a Priority Service basis from the Project to the EPNG Sweetie Peck interconnect point and on EPNG firm transport from Sweetie Peck to the Delivery Point. Seller warrants that transportation has been or will be obtained and will be maintained to support the flow of gas as represented in the MDV schedule above.

Reports, Invoices and Statements: Seller agrees to provide Buyer with a Monthly statement showing the amount of Renewable Natural Gas and Supplemental Index gas comprising the previous Month's deliveries. Seller will also provide RNG scheduling details required for CEC and/or WREGIS monthly reporting consistent with the reporting methodology approved by the CEC in the pre-certification of CPP or required by successor CEC adopted reporting methodology.

Early Termination of this Transaction Confirmation:

- Each party hereto shall have the right but not the obligation to terminate this Transaction Confirmation upon 30 days' written notice given to the other party hereto, if the California Energy Commission makes a written determination or adopts a ruling or regulation after the date of the Base Contract and this Transaction Confirmation that the RNG subject to this Transaction Confirmation and the Base Contract will from the date of such ruling or regulation no longer qualifies as a California Renewable Portfolio Standard eligible fuel. Specifically such ruling or regulation by the California Energy Commission must be sufficiently specific so as to clearly apply to the RNG sold and delivered under this Transaction Confirmation (which incorporates the terms of the Base Contract, except to the extent stated otherwise in this Transaction Confirmation) and not merely to renewable natural gas that is similar to or the same as the RNG, but that is not subject to a binding contract at the time that the California Energy Commission issues its ruling or regulation.
- Buyer shall have the right at its sole discretion to terminate this Transaction Confirmation upon 30 days' notice to Seller if the volumes of RNG scheduled and delivered, calculated monthly on a rolling two-year average, are less than an annual average of 630,720 MMBtu per year (2,083 MMBtu per day) measured at the Project interconnect with the Atmos pipeline system.

Seller: Shell Energy North America (US), L.P.

By: Ruth Bowman

Title: Sr. Vice President

Date: March 30, 2009

Buyer: Sacramento Municipal Utility District

By: [Signature]

Title: General Manager

Date: 4/2/2009

**First Amendment to
Transaction Confirmation executed April 2, 2009
between
Shell Energy North America (US), L.P.
and Sacramento Municipal Utility District**

This First Amendment To Transaction Confirmation ("First Amendment") is made and entered into this 9th day of April 2009 by and between **Shell Energy North America (US), L.P.** ("Shell Energy"), and **Sacramento Municipal Utility District** ("SMUD"). Shell Energy and SMUD are hereinafter sometimes referred to individually as a "Party" and sometimes collectively referred to as the "Parties".

WHEREAS, SMUD and Shell Energy entered into that certain *Base Contract for Sale and Purchase of Natural Gas dated May 1, 2003* ("Base Contract"); and

WHEREAS, the Parties entered into that certain Transaction Confirmation executed by the Parties on April 2, 2009 (the "Confirmation"); and

WHEREAS, the Parties now desire to amend the Confirmation in certain respects.

NOW, THEREFORE, in consideration of the premises and the agreements herein contained, the Parties agree to amend the Confirmation as follows:

REVISED PROVISIONS:

1. **"Credit Terms:"**. The Confirmation is amended by deleting "Credit Terms" in its entirety and replacing it with the following:

"Credit Terms:" "Buyer and Seller agree that with respect to Renewable Natural Gas, Market Value, as defined in Section 10.3.1 of the Base Contract, shall not be used in the calculation of Contract Exposure, as defined in Section 6 of Exhibit B of the Base Contract."

As amended herein, the obligations and rights under the Confirmation shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment to Transaction Confirmation on the date set forth above, but effective as of the effective date of the Confirmation.

Shell Energy North America (US), L.P.

By: Beth Bowman
Name: Beth Bowman
Title: Senior Vice President

Sacramento Municipal Utility District

By: James R. Shetler
Name: James R. Shetler
Title: AGM Energy Supply

SECOND AMENDMENT TO TRANSACTION CONFIRMATION

This Second Amendment to that certain Transaction Confirmation, dated effective as of March 27, 2012 (this "Amendment"), is by and between Shell Energy North America (US), L.P. ("Shell Energy") and Sacramento Municipal Utility District ("SMUD").

RECITALS

WHEREAS, Shell Energy and SMUD executed that certain Transaction Confirmation dated April 2, 2009, as amended by that certain First Amendment to Transaction Confirmation dated April 9, 2009 (the "Agreement"); and

WHEREAS, Shell Energy and SMUD wish to further amend the Agreement in certain respects and to stipulate otherwise in connection therewith.

NOW THEREFORE, in consideration of the premises, the mutual obligations undertaken pursuant to the Agreement, and the mutual covenants set forth therein, as well as such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Certain of the amendments set forth below are subject to Shell Energy delivering documentation to SMUD not later than 5:00 PM Central time on December 31, 2014 evidencing that the owner of the RNG output of the Project has extended its lease of the Project site through at least March 31, 2034 (the "Condition").

2.



3. If the Condition is satisfied, then the "Delivery Period" section shall be amended by deleting the phrase "End: March 31, 2024" and replacing in lieu thereof the following: "End: March 31, 2034."

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4. The "Special Conditions" section is hereby amended by inserting the following at the end of the first sentence of the "RNG Maximum Daily Volume ("MDV") subsection: "and shall be comprised of Base MDV and Additional MDV as reflected in the MDV table below. The parties acknowledge that on any day Base MDV volumes shall be considered delivered prior to the delivery of any Additional MDV volumes."
5. The "RNG Maximum Daily Volume ("MDV")" subsection is hereby further amended by deleting the table listed under the sub-heading 'Table' and replacing in lieu thereof the following:

Delivery Period	Base MDV *	Additional MDV *	Total MDV *
Calendar Year 2012	5,400	0	5,400
Calendar Year 2013	5,300	700	6,000
Calendar Year 2014	5,300	900	6,200
Calendar Year 2015	5,000	1,400	6,400
Calendar Year 2016	5,000	1,600	6,600
Calendar Year 2017	5,000	1,900	6,900
Calendar Year 2018	5,000	2,100	7,100
Calendar Year 2019-2024	6,000	1,300	7,300
Calendar Year 2025-March 31, 2034 **	0	7,300	7,300

* All MDV amounts are listed in MMBtu per day

** If the Condition is not satisfied, then the Delivery Period shall terminate on March 31, 2024.

6. Shell Energy has previously provided attestations and additional documentation related to the supply of RNG to the CEC or other applicable regulatory authority as necessary to support Buyer's on-going maintenance of CEC certification of CPP as an RPS-certified multi-fuel generator. Buyer agrees to file the necessary additional documents with the CEC, the California Air Resources Board ("CARB") or other applicable regulatory authority requested by Buyer to support maintenance of certification of Buyer's Cosumnes power plant or pre-certification status of any of Buyer's other power plants, or otherwise comply with other regulatory requirements.
7. In addition, each Party hereto shall have the right but not the obligation to terminate this Transaction Confirmation upon thirty (30) days' written notice with respect to the Additional MDV Volumes only if the CEC or any succeeding regulatory authority,

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makes a determination or adopts a ruling or regulation that the RNG subject to this Agreement will no longer qualify as an "RPS-eligible fuel", including "biogas", "biomass", "digester gas", "pipeline biomethane", or "landfill gas" under CEC's Commission Guidebook on Renewables Portfolio Standard Eligibility (4th ed., Dec. 2010), or any future editions to the extent applicable to the RNG subject to this Agreement.

8. Except as amended by this Amendment, the Agreement shall remain in full force and effect and in accordance with its terms and conditions, as same may have been amended heretofore. In the event SMUD does not provide documentation of its board of directors' approval for this Amendment to Shell Energy on or prior to 5:00 pm Pacific Time on April 14, 2012, this Amendment shall immediately terminate and be of no further force or effect without any further liability to either party.

IN WITNESS THEREOF, each of the parties hereto has caused this Amendment to be executed on its behalf by its duly authorized officer, all as of the day and year first above written.

**SHELL ENERGY NORTH AMERICA
(US), L.P.**

By: _____
Name: _____
Title: _____

lcl
**SACRAMENTO MUNICIPAL UTILITY
DISTRICT**

By: *Paul Lau*
Name: Paul Lau
Title: Assistant General Manager
Power Supply and Grid Operations

