

DOCKETED

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| Docket Number: | 17-EPS-01 |
| Project Title: | Emissions Performance Standard |
| TN #: | 215324 |
| Document Title: | Memo Regarding Approval of SCPPA Emissions Performance Standard Compliance Filing |
| Description: | N/A |
| Filer: | Patty Paul |
| Organization: | California Energy Commission |
| Submitter Role: | Commission Staff |
| Submission Date: | 1/13/2017 9:34:10 AM |
| Docketed Date: | 1/13/2017 |

Memorandum

To: Chair Robert B. Weisenmiller, Ph.D.
 Commissioner Karen Douglas
 Commissioner David Hochschild
 Commissioner Andrew McAllister
 Commissioner Janea A. Scott

Date: January 10, 2017

From: Robert P. Oglesby
 Executive Director



Subject: **Approval of the Southern California Public Power Authority Emission Performance Standard Compliance Filing**

On December 28, 2016, the Southern California Public Power Authority (SCPPA) submitted a compliance filing requesting the Energy Commission find that SCPPA's power purchase agreement (PPA) with Ormesa LLC, a subsidiary of Ormat Technologies Inc., for energy from the Ormesa Geothermal Complex Energy Project be determined to be compliant with the Energy Commission's Greenhouse Gases Emission Performance Standard (EPS), pursuant to Title 20 of the California Code of Regulations, Section 2900, et seq.

The Ormesa Geothermal Complex Energy Project is composed of the following geothermal power plants located in Imperial County, near Holtville, California:

| Plant Name | CEC Plant ID | Nameplate Capacity | Expected Status on Commencement Date |
|--------------------|--------------|--------------------|--------------------------------------|
| GEM 2 | T0021 | 21.6 | Idle |
| GEM Bottoming Unit | T0021/T0022 | 8.0 | Active |
| GEM 3 | T0022 | 21.6 | Idle |
| Ormesa 2 | T0043 | 24.0 | Active |
| Ormesa 1 | T0062 | 26.4 | Active |
| Ormesa 1E | T0063 | 14.4 | Idle |
| Ormesa 1H | T0066 | 9.6 | Idle |

On February 18, 2016, the SCPA Board of Directors approved the PPA with the Ormesa Geothermal Complex Energy Project for a term of 25 years, starting January 1, 2018. There are two participants in SCPA's contract with Ormesa LLC, the Los Angeles Department of Water and Power (LADWP) and the Imperial Irrigation District (IID). The contract has a capacity of 35 MW of which 85.71 percent (30 MW) will go to LADWP and 14.29 percent (5 MW) to IID under separate power sales agreements. SCPA ultimately executed the PPA on December 22, 2016, less than ten business days from the date of the compliance filing.

SB 1368 EPS limits long-term investments in baseload generation by the state's utilities to power plants that meet an EPS jointly established by the Energy Commission and the California Public Utilities Commission. The emission rate limit is 1,100 pounds of carbon dioxide per megawatt-hour. The EPS establishes a public process for determining the compliance of proposed utility investments. Utilities are required to submit a compliance filing upon committing to an investment that is required to meet the EPS.

Staff has evaluated SCPA's compliance filing and concludes that the contract is compliant with the EPS pursuant to Section 2903(b)(1); specifically, that all of the geothermal facilities listed in the PPA meet the criteria of a renewable electricity generation facility as defined in Chapter 8.6 of Division 15 of the Public Resources Code and as such are determined to be compliant with the EPS. Staff recommends the Energy Commission find that the covered procurement described in SCPA's filing complies with the Energy Commission's EPS, Title 20, Section 2900 et seq., of the California Code of Regulations.

DOCKETED

Docket 16-EPS-01
Number:

Project Title: Emissions Performance Standard

TN #: 215115

Document Ormesa Geothermal Complex Energy Project EPS Compliance Filing
Title:

Description: *** THIS DOCUMENT SUPERSEDES TN 215113 *** - EPS
Compliance Filing for the Ormesa Geothermal Complex Energy Project

Filer: Daniel Hashimi

Organization: Southern California Public Power Authority

Submitter Applicant
Role:

Submission 12/28/2016 11:54:20 AM
Date:

Docketed 12/28/2016
Date:



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
1160 NICOLE COURT
GLEN DORA, CA 91740
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ANAHEIM • AZUSA • BANNING •
BURBANK • CERRITOS
COLTON • GLENDALE • LOS ANGELES
PASADENA • RIVERSIDE • VERNON
IMPERIAL IRRIGATION DISTRICT

December 28, 2016

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

Re: EPS Compliance Filing for the Ormesa Geothermal Complex Energy Project

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 the procurements of geothermal renewable energy, associated environmental attributes and capacity rights pursuant to the power purchase agreement (PPA) between SCPPA and Ormesa LLC dated December 1, 2015 (the "Project") is in compliance with the energy performance standard (EPS) regulations promulgated by the CEC.

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 ("Member"), each of which owns and operates an electric utility within its jurisdictional boundaries.

On February 10, 2016 SCPPA provided notice to the CEC of its intent to deliberate on a covered procurement, the Project, at its February 18, 2016 Board meeting consistent with 20 CCR § 2908. This compliance filing is made on behalf of the Participating Member as well as for SCPPA's own account pursuant to the Commission's Emission Performance Standard ("EPS") regulations (20 CCR § 2900 *et seq.*).

Also, on February 18, 2016, the SCPPA Board of Directors, at a 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 and delivery of the PPA on behalf of the City

of Los Angeles acting by and through its Department of Water and Power and the Imperial Irrigation District ("Participating Members").

SCPPA executed the PPA on December 22, 2016 less than ten business days from the date of this compliance filing. The Participating Members will receive all of the geothermal renewable energy, associated environmental attributes and capacity rights acquired under the PPA through two separate Power Sales Agreements ("PSAs") between SCPPA and each of the Participating Members.

Additional information about the Project is shown on Attachment A. Attachment B includes the Agenda Report presented to the SCPPA Board of Directors during its February 18, 2016, meeting (Attachment B-1) and the SCPPA Board Resolution No. 2016-004, adopted the same day (Attachment B-2). Attachment C is the attestation required by 20 CCR § 2909.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Hashimi", written over a horizontal line.

Daniel S. Hashimi
Sr. Assist. General Counsel

Attachments

CALIFORNIA ENERGY COMMISSION

EMISSION PERFORMANCE STANDARD COMPLIANCE FILING

DESCRIPTION OF THE ORMESA GEOTHERMAL COMPLEX ENERGY PROJECT

- Name of Facility: Ormesa Geothermal Complex Energy Project
- Name of Counterparty: Ormesa LLC
- Location of Facility: 3330 E. Evan Hewes Highway, Hotlville, CA
- Technology/Fuel: Geothermal Electric Generating Facility
- Nameplate Capacity of Facility:
 - Total nominal gross nameplate capacity: 58 MW (See detailed description of each generating unit capacity and its energy deliverability status)

| Power Plant | Technology | Expected Status on Delivery Commencement Date | Gross MW |
|-------------|---|---|----------|
| Ormesa 1 | Binary Geothermal Plant Using Water-Cooled Ormat Energy Converter | Active | 26.4 |
| Ormesa 2 | Binary Geothermal Plant Using Water-Cooled Ormat Energy Converter | Active | 24 |
| Ormesa 1E | Binary Geothermal Plant Using Water-Cooled Ormat Energy Converter | Idle | 14.4 |
| Ormesa 1H | Binary Geothermal Plant Using Water-Cooled Ormat Energy Converter | Idle | 9.6 |
| GEM 2 | Water-Cooled Flash Steam Geothermal Plant | Idle | 21.6 |

| | | | |
|--------------------|---|--------|------|
| GEM 3 | Water-Cooled Flash Steam Geothermal Plant | Idle | 21.6 |
| GEM Bottoming Unit | Bottoming Unit Using Water-Cooled Ormat Energy Converter that Generates Power using Effluent Brine Not Used by Flash Plants | Active | 8 |

- Total nominal capacity net of Parasitic Load (under expected average site conditions): 35 MW
- Project Participant and Participation Share:
 - The City of Los Angeles Department of Water and Power – 30 MW
 - The Imperial Irrigation District – 5 MW
- Substitute Energy Allowed: No
- Contract Date: December 1, 2015
- Planned Commercial Operation Date: December 31, 2016
- Expected Delivery End Date: January 1, 2043



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Board of Directors Meeting

AGENDA ITEM STAFF REPORT

MEETING DATE: February 18, 2016

RESOLUTION NUMBER: 2016-004

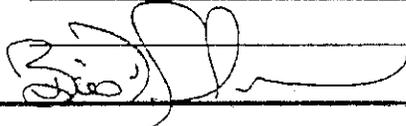
CONSENT

DISCUSSION

RENEWAL

NEW

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

| | | | |
|---|-------------------------------------|--|-------------------------------------|
| FROM: | | METHOD OF SELECTION: | |
| Finance | <input type="checkbox"/> | Competitive | <input checked="" type="checkbox"/> |
| Energy Systems | <input checked="" type="checkbox"/> | Cooperative Purchase | <input type="checkbox"/> |
| Program Development | <input type="checkbox"/> | Sole Source | <input type="checkbox"/> |
| Regulatory/Legislative | <input type="checkbox"/> | Single Source | <input type="checkbox"/> |
| Project Administration | <input type="checkbox"/> | Other | <input type="checkbox"/> |
| Legal | <input type="checkbox"/> | <i>If other, please describe:</i> | |
| Place an X in box next to the appropriate consideration(s) above. | | | |
| Approved By Executive Director: | |  | |

| | | | | | |
|---|--------------------------|----------|-------------------------------------|-----------|-------------------------------------|
| INITIAL MEMBER PARTICIPANTS: | | | | | |
| Anaheim | <input type="checkbox"/> | Colton | <input type="checkbox"/> | LADWP | <input checked="" type="checkbox"/> |
| Azusa | <input type="checkbox"/> | Cerritos | <input type="checkbox"/> | Pasadena | <input type="checkbox"/> |
| Banning | <input type="checkbox"/> | Glendale | <input type="checkbox"/> | Riverside | <input type="checkbox"/> |
| Burbank | <input type="checkbox"/> | IID | <input checked="" type="checkbox"/> | Vernon | <input type="checkbox"/> |
| Place an X in box next to the applicable Member(s) shown above. | | | | | |

SUBJECT: Ormesa Geothermal Complex Energy Project to provide approximately 35 MW of long-term geothermal supply of renewable energy through SCPPA to the City of Los Angeles acting by and through the Department of Water and Power ("LADWP") and the Imperial Irrigation District ("IID"), for the purpose of satisfying the need of LADWP and IID and their governing bodies to meet desired specified renewable energy resource goals.

RECOMMENDATION: Authorize the negotiation, execution and delivery of a power purchase agreement, power sales agreements between the Authority and LADWP and between the Authority and IID, agency agreement between the Authority and LADWP and authorize the negotiations, execution and delivery of such other documents, instruments and agreements as may be necessary or appropriate in furtherance of the Ormesa Geothermal Complex Energy Project and as shall best carry forth and achieve the interests and objectives, respectively, of the Authority, LADWP and IID.



BACKGROUND: In pursuit of the goals of the renewable development study project to provide opportunities for its members to supply 25 percent of its energy from renewable resources by 2016 and 33 percent by 2020, the Authority has issued requests for proposals for potential renewable electric resources to address the renewable energy needs of its members, including the Los Angeles Department of Water and Power and the Imperial Irrigation District, the project participants in the current project (the "Project Participants"). Pursuant to this process the Project Participants have identified the Ormesa Geothermal Complex Energy Project as a viable geothermal power project which will further their renewable goals and needs. The Authority, LADWP and IID have negotiated and developed, in substantial form, with Ormesa LLC a power purchase agreement with an expected capacity of 35 MW of which 85.71% will go to LADWP and 14.29% to IID under separate power sales agreements. The Ormesa Geothermal Complex Energy Project is an existing geothermal project located in Imperial County, California. Ormesa LLC is a subsidiary of developer Ormat Technologies Inc. The term of the power purchase agreement is 25 years expected to start on January 1, 2018 at a fixed price of \$77.25/MWh.

FISCAL IMPACT: N/A

[Voice Vote]

RESOLUTION NO. 2016-004

RESOLUTION RELATING TO THE ORMESA GEOTHERMAL COMPLEX ENERGY PROJECT AUTHORIZING THE POWER PURCHASE AGREEMENT, TWO SEPARATE POWER SALES AGREEMENTS BETWEEN THE AUTHORITY AND THE RESPECTIVE PROJECT PARTICIPANTS, AN AGENCY AGREEMENT FOR THE MANAGEMENT OF THE PROJECT, AND AUTHORIZING THE EXECUTION AND DELIVERY OF 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 AND OBJECTIVES OF THE AUTHORITY AND THE PROJECT PARTICIPANTS.

WHEREAS, the Southern California Public Power Authority (the "Authority" or "SCPPA") and its members have investigated the purchase of the generation and energy output of certain geothermal energy resources and facilities in order to provide a long term base load supply of renewable energy for its members. The Authority and some of its members have identified a geothermal energy project, denominated as the Ormesa Geothermal Complex Energy Project (the "Project"), which will contribute toward fulfillment of the members' renewable energy goals; and

WHEREAS, the Authority, for the benefit of the Imperial Irrigation District and the City of Los Angeles acting by and through its Department of Water and Power (the "Project Participants"), has negotiated and developed, in substantial final form, the Power Purchase Agreement with Ormesa LLC (the "Power Purchase Provider"), the owner of the Project, to facilitate the acquisition of geothermal energy output and other rights and resources associated with the geothermal energy facility located in Imperial County, California; and

WHEREAS, the Authority and each of the Project Participants desire to enter into the Project Power Sales Agreements (collectively, the "Power Sales Agreements"), whereby the Authority will provide to the Project Participants their proportionate share of the output of the Project, and each such Project Participant will agree to pay its proportionate share of all costs, liabilities and obligations of the Authority in connection with the Project, 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, in connection with the Project, the Authority anticipates the development, negotiation, execution and delivery of an Agency Agreement with the City of Los Angeles acting by and through its Department of Water and Power (the "LADWP") to carry forth the necessary project management tasks associated with the Project and to designate the LADWP to act as the agent and project manager of SCPPA in connection with the management and administration of the Project; and

WHEREAS, the Project is subject to the California Energy Commission's ("Commission") Emission Performance Standard regulations ("EPS Regulations;" 20 CCR § 2900 *et seq.*), including the requirement in 20 CCR § 2909 that a publicly-owned utility submit a "compliance filing" with the Commission within 10 business days after it enters into a "covered procurement" as therein defined; and

WHEREAS, SCPPA and the Project Participants desire to provide for the further development, negotiation, execution and delivery of such other documents, instruments, agreements and arrangements with respect to the resources of the Project so as to facilitate the generation, transmission and delivery of energy associated with the Project 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 Board of Directors hereby delegates to the Executive Director of the Southern California Public Power Authority 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 substantially the form attached to this resolution, 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 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 in 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 each of the Project Participants, to wit: the Imperial Irrigation District and the City of Los Angeles acting by and through the Department of Water and Power, each in substantially the form attached to this resolution, 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 Sales Agreements (including such other agreements, documents and instruments the form of which is attached to the Power Sales Agreements or is referenced therein) is hereby approved in substantially the form as provided in this resolution.

3. Each of the President, Vice President and Executive Director of the Authority is hereby authorized and directed to develop, negotiate, finalize, enter into execute and deliver an Agency Agreement which provides for the City of Los Angeles acting by and through the

Department of Water and Power to act as agent and project manager for the Authority, in substantially the form attached to this resolution, 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 Agency Agreement (including such other agreements, documents and instruments the form of which is attached to the Agency Agreement or is referenced therein) is hereby approved in substantially the form as provided in this resolution.

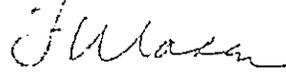
4. The Authority hereby approves and authorizes each of the Executive Director, Director of Resource and Program Development, General Counsel and Assistant General Counsel to execute and submit the compliance filing as submitted to the Board in substantial final form with the Agenda Report accompanying this Resolution, with such changes, corrections and revisions as such officials may deem necessary and advisable.

5. In addition to the foregoing, in order to facilitate the 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 geothermal resources of the Project and the delivery of the energy and environmental attributes of the Project to Southern California, and to achieve the full utilization of the resources of the Project, 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 Project to facilitate the generation, transmission and delivery of energy associated with the Project 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, including the negotiation, development and execution of any consent agreement or other agreement pursuant to a change in control, project related financing, or as otherwise necessary or appropriate to carry forward the interests of the Authority and the Project Participant which does not require a material modification to or material change to the Power Purchase Agreement.

6. 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.

7. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 18th day of February, 2016.



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 reviewed and approved in a public meeting both the covered procurement and the compliance filing described above on February 18, 2016.
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. The PPA 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.*

Executed this 28th day of December of 2016, at Glendora, California.



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