

DOCKETED

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Memorandum

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

Date: April 13, 2018

From: Drew Bohan
Executive Director

Subject: APPROVAL OF A TURLOCK IRRIGATION DISTRICT EMISSION PERFORMANCE STANDARD COMPLIANCE FILING

On April 4, 2018, the Turlock Irrigation District (TID) submitted the attached compliance filing requesting the Energy Commission find TID's covered procurement for power from the ARP-Loyalton Cogen LLC biomass facility 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.

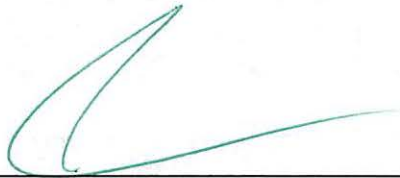
Under SB 1368 (Perata, Chapter 598, Statutes of 2006), the EPS limits long-term investments in baseload generation by the state's utilities to power plants that meet an EPS jointly established by the Energy Commission and the California Public Utilities Commission. The emission rate limit is 1,100 pounds of carbon dioxide per megawatt-hour. The EPS regulations established 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.

On November 21, 2017, the TID Board of Directors approved a power purchase agreement (PPA) with ARP-Loyalton Cogen LLC for a term of five years, starting on April 1, 2018. The PPA has a total capacity of 18 megawatts (MW) and TID's share is 0.806 MW (4.48 percent). The ARP-Loyalton biomass facility has been closed since August 20, 2010, but has since been refurbished to original equipment manufacturer condition and is expected to return to full commercial operation during the second quarter of 2018. The Loyalton facility is considered to be a renewable biomass power plant as it utilizes wood waste from the forest. The facility is certified under the Renewables Portfolio Standard with an RPS identification number of 60570.

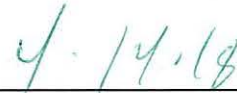
TID is one of four buyers under the PPA. The other buyers are the Modesto Irrigation District, the Sacramento Municipal Utility District, and the Southern California Public Power Authority. The four buyers are procuring the power for local publicly owned electric utility compliance with SB 859 (Committee on Budget and Fiscal Review, Chapter 368, Statutes of 2016). SB 859 requires local publicly owned electric utilities serving more than 100,000 customers to procure their proportionate shares of 125 MW of cumulative rated capacity from bioenergy projects for terms of at least five years.

Chair Robert B. Weisenmiller
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April 13, 2018
Page 2

Staff has evaluated TID's compliance filing and concludes that the PPA is compliant with the EPS pursuant to Section 2903(b)(2); specifically, that the biomass facility listed in the PPA utilizes only biomass fuels that would otherwise be disposed of utilizing open burning, forest accumulation, spreading, composting, uncontrolled landfill, or landfill utilizing gas collection with flare or engine. Biomass includes but is not limited to agriculture waste, wood waste, and landfill gas. Staff recommends the Energy Commission find that the covered procurement described in TID's filing complies with the Energy Commission's EPS, Title 20, Section 2900 et seq., of the California Code of Regulations.



Drew Bohan
Executive Director



Date

Attachment



April 4, 2018

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

This is to inform you that Turlock Irrigation District ("TID") entered into a contract for renewable energy on April 2, 2018. The contract information is as follows:

[Name of Counterparty] ARP-LOYALTON COGEN, LLC
[Name of Facility] Loyalton Biomass Plant
[Location of Facility] 100 South Railroad Ave, Loyalton, CA
[Technology/Fuel] Biomass
[Nameplate Capacity of Facility] 19.9 MW
[Product description; e.g., as-available energy] As-available energy not to exceed contract capacity at any time.
[Substitute energy allowed: yes/no] No, the contract prohibits seller from procuring energy from other sources for delivery to buyers.
[Delivery Start Date – Delivery End Date] Delivery begins upon achievement of commercial operation as defined in the power purchase agreement ("PPA") and will continue for 5 years unless terminated sooner as provided for in the PPA.

Although the nameplate capacity of the plant is 19.9 MW, the buyers are only contracting for 18 MW in aggregate. TID share of the aggregate contract capacity is 0.806 MW.

TID is asking that the Commission find that this contract is compliant with the Greenhouse Gases Emission Performance standard set forth in Chapter 11 of Title 20 of the California Code of Regulations ("EPS Regulations"). Specifically, TID asserts herein that the facility under contract is compliant pursuant to Section §2903(b)(2) of the regulations.

On behalf of TID's Board of Directors ("Board") I make the following attestations:

1. I am authorized by the Board to file this compliance filing and make the attestations herein on behalf of the Board.
2. The Board has reviewed and approved in a noticed public meeting both the contract with ARP-Loyalton Cogen, LLC described above ("PPA") and this compliance filing.
3. Based on the Board's knowledge, information or belief, this compliance filing does not contain a material misstatement or omission of fact.

4. Based on the Board's knowledge, information or belief, the PPA complies with EPS Regulations.

Sincerely,



Casey Hashimoto

General Manager