

DOCKETED	
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September 15, 2020

Re: Docket 19-SB-100, Comments of Ormat Technologies on September 2, 2020, SB-100 Draft Results Workshop

Ormat Technologies, Inc. is a leading geothermal company, with nearly five decades of experience, and is the only vertically integrated company solely engaged in geothermal and recovered energy generation. Upon reviewing the SB-100 workshop draft results, Ormat would like to inform the process based on actual recent results in the California.

Ormat recommends that geothermal is not identified as having an LCOE in 2045 of ~\$70/MWh, while the general category of "zero carbon firm resources" is tested at ~\$60/MWh. First, Ormat has contracts today in the range of \$65-\$70/MWh and is working consistently to reduce the costs of future development. Second, the capability of geothermal to reduce costs will be a function in part of policy interest, including R&D support.

Our suggested approach would be to retain the categorization of geothermal as a type of "zero carbon firm resources" or as a zero-carbon firm, dispatchable resource (since it can be), and simply test how that category performs at different price points. Since there is such a large jump in the model between \$70/MWh and \$60/MWh, we would also suggest testing \$65/MWh. That can help to inform the geothermal sector about what the potential resource selection benefit there is at different resource costs. We note that we have commented extensively on RESOLVE in CPUC proceedings, and these comments here do not suggest an endorsement of the SB 100 RESOLVE results, only the recommendation on how they are presented.

Sincerely,

A handwritten signature in black ink that reads "Paul A. Thomsen". The signature is fluid and cursive, with a long horizontal line extending from the end.

Paul Thomsen
Vice President, Business Development

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