

DOCKETED

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

April 12, 2022
LEG 2022-0057

Re: Compliance Filing of the Sacramento Municipal Utility District

To whom it may concern:

Pursuant to Title 20, Chapter 11, Section 2909 of the California Code of Regulations¹ adopted by the California Energy Commission (CEC) to implement Senate Bill SB 1368, the Sacramento Municipal Utility District (SMUD) hereby requests that the CEC find that SMUD's two ten-year agreements (Renewable Energy Contract and Capacity Contract) with Geysers Power Company LLC for the purchase of 100 MW of geothermal energy and, separately, for capacity comply with the CEC's emission performance standard (EPS).

In accordance with Section 2908, on March 11, 2022, SMUD sent to the CEC via email the agenda and supporting documentation for SMUD's March 16 and 17, 2022 Board of Directors' meetings. The documentation contained information about the proposed contracts and a draft compliance filing. On March 17, 2022, SMUD's Board of Directors approved the attached compliance filing, and authorized the CEO & General Manager, or his delegate, to execute the compliance filing attestation, the Renewable Energy Contract, and the Capacity Contract.

On March 30, 2022, the CEO & General Manager executed the Renewable Energy Contract and the Capacity Contract. Section 2909 requires that the compliance filing be submitted to the CEC within ten business days of execution of the PPA. In light of the foregoing, SMUD has complied with the notice and timing requirements of the CEC's regulations. Moreover, while the Capacity Contract is not an agreement for the "procurement of electricity" under Section 2901(d)(2) nor a new ownership investment under Section 2901(d)(1), SMUD nevertheless voluntarily provides the Capacity Contract for the CEC's review because the two contracts were approved as a package by SMUD's Board of Directors.

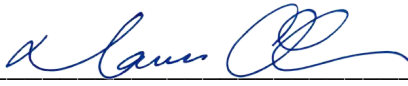
Section 2903(b) provides that powerplants that meet the criteria of a renewable electricity generation facility, as defined by the California Renewables Portfolio Standard (RPS) legislation and guidelines adopted thereunder, are "determined to be compliant" with the EPS. The Geysers Power Company LLC geothermal plants

¹ All further references are to Title 20, Chapter 11 of the California Code of Regulations, unless otherwise specified.

meet the EPS criteria – they are “renewable electricity generation facilities” for the purposes of the California RPS. Accordingly, the Renewable Energy Contract and Capacity Contract resources are determined to be compliant under the CEC regulations.

The Renewable Energy Contract does not allow substitute product, unless the contract is amended, and the CEC approves a subsequent EPS filing for the new facility(ies). The Capacity Contract does not allow substitute capacity/product unless the specified renewable geothermal units are unavailable due to a forced outage, scheduled maintenance or other temporary unavailability for operational or efficiency reasons. Under such circumstances, Geysers Power Company LLC may provide substitute capacity/product (referred to in the Capacity Contract as Alternate Capacity) from: (1) the Delta Energy Center, a specified, EPS Compliant Source, consistent with Section 2906(b)(1); or (2) unspecified sources, but in an amount not to exceed 15% of the forecasted capacity/product to be delivered over the entire term of the contract, and only when the specified units are unavailable due to a forced outage, scheduled maintenance or other temporary unavailability for operational or efficiency reasons, consistent with Section 2906(b)(2). No other substitute capacity/product is allowed under the Capacity Contract unless the contract is amended, and the CEC approves a subsequent EPS filing for the new facility(ies).

We look forward to your determination that the Renewable Energy Contract and Capacity Contract comply with the EPS. Please do not hesitate to contact me if you have any questions about the foregoing.

/s/ 
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cc: Andrew Meditz, Senior Attorney
Jon Olson, Director of Energy Trading & Contracts
Corporate Files