

DOCKETED	
Docket Number:	23-EPS-01
Project Title:	Emission Performance Standard
TN #:	250470
Document Title:	05302023 SCPPEA EPS Compliance Filing - Geysers Geothermal Project
Description:	N/A
Filer:	Chester Hong
Organization:	California Energy Commission
Submitter Role:	Public Agency
Submission Date:	6/2/2023 8:33:12 AM
Docketed Date:	6/2/2023



Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740
(626) 793-9364

May 30, 2023

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

Re: EPS Compliance Filing for the Geysers Geothermal 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 a power purchase agreement ("PPA") between SCPPA and Geysers Power Company, LLC, dated May 26, 2023 (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 April 12, 2023, SCPPA submitted notice to the CEC of its intent to deliberate on the Project, a covered procurement at its April 20, 2023 Board meeting, consistent with 20 CCR § 2908. This compliance filing is presented on behalf of its participating Member, City of Pasadena ("Participating Member") as well as for SCPPA's own account pursuant to the EPS regulations (20 CCR § 2900 *et seq.*).

On April 20, 2023, the SCPPA Board of Directors, as part of its 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 of the PPA, the subject of this compliance filing, on behalf of the Participating Member.

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Also on April 20, 2023, at the above-referenced noticed public meeting consistent with the requirements of the Brown Act, this compliance filing was presented to the SCPPA Board of Directors in substantially final form. The SCPPA Board of Directors considered, authorized and approved the compliance filing during that same meeting.

SCPPA executed the PPA on May 26, 2023, less than ten business days from the date of this compliance filing. The Participating Member will receive all of the geothermal renewable energy, associated environmental attributes, and capacity rights acquired under the PPA through a separate Power Sales Agreement (“PSAs”) between SCPPA and Participating Member.

Additional information about the Project is shown on Attachment A. Attachment B is the Staff Report presented to the SCPPA Board of Directors during its April 20, 2023, meeting and the SCPPA Board Resolutions approved the same day: SCPPA Board Resolution No. 2023-043 approving and authorizing execution of the PPA and SCPPA Board Resolution No. 2023-044, approving and authorizing execution of the compliance filing for the Project. Attachment C is the attestation required by 20 CCR § 2909.

Sincerely,



Christine Godínez
General Counsel

Attachments

ATTACHMENT A

CALIFORNIA ENERGY COMMISSION

EMISSION PERFORMANCE STANDARD COMPLIANCE FILING

DESCRIPTION OF THE GEYSERS GEOTHERMAL ENERGY PROJECT

- **Name of Project:** Geysers Geothermal Energy Project
- **Name of Counterparty:** Geysers Power Company, LLC
- **Location of Facility:** The Project is comprised of multiple RPS-eligible geothermal generating units located in Sonoma and Lake Counties, CA, as follows:

Name of Facility	Single Line Facility Name	CAISO Resource ID	CEC RPS ID	WREGIS GU ID
Aidlin Power Plant	AIDLIN P.P. (CPN-1)	ADLIN_1_UNITS	60115A	W484
Sonoma Power Plant	SONOMA P.P. (CPN-3)	SMUDGO_7_UNIT 1	60010A	W127
Geysers Units 5&6	MC CABE P.P. (CPN 5&6)	GYS5X6_7_UNITS	60002A	W117
Geysers Units 7&8	RIDGE LINE P.P. (CPN 7&8)	GYS7X8_7_UNITS	60003A	W118
Geysers Unit 11	EAGLE ROCK PP (CPN-11)	GEYS11_7_UNIT11	60025B	W119
Geysers Unit 12	COBB CREEK PP (CPN-12)	GEYS12_7_UNIT12	60004A	W120
Geysers Unit 13	BIG GEYSERS PP (CPN-13)	GEYS13_7_UNIT13	60005A	W121
Geysers Unit 14	SULPHUR SPRINGS PP (CPN-14)	GEYS14_7_UNIT14	60026B	W122
Geysers Unit 16	QUICKSILVER PP (CPN-16)	GEYS16_7_UNIT16	60006A	W123
Geysers Unit 17	LAKE VIEW P.P. (CPN-17)	GEYS17_7_UNIT17	60007A	W124
Geysers Unit 18	SOCRATES P.P. (CPN-18)	GEYS18_7_UNIT18	60008A	W125

ATTACHMENT A

Calistoga Power Plant	CALISTOGA P.P. (CPN-19)	SANTFG_7_UNITS	60117A	W486
Geysers Unit 20	GRANT P.P. (CPN-20)	GEYS20_7_UNIT20	60009A	W126

- Technology/Fuel: Geothermal
- Product Description: Generation portfolio; Baseload.
- Nameplate Capacity of Facility: Total of 13 geothermal generating units with a portfolio nameplate capacity of 725 MW.

The expected capacity to be delivered to SCPPA under the power purchase agreement between SCPPA and Geysers Power Company, LLC, combined from all facilities, is expected to be 25 MW during the 15-year contract term.

- Participation Shares of Contract Amount:
100% of the energy share sold to SCPPA under the Power Purchase Agreement will be allocated to the Participant, City of Pasadena.
- Substitute Energy Allowed: Yes
- Contract Date: May 26, 2023
- Expected Energy Delivery Start Date: January 1, 2027
- Expected Energy Delivery End Date: December 31, 2041
- Description of contract terms related to the provision of substitute energy:

Section 6.3 of the PPA permits the Seller to add generating facilities to the project, provided that such facilities are certified as RPS eligible, and subject to compliance with the Emissions Performance Standard. Section 9.2 of the PPA provides that on the event of a shortfall, the Seller may supply replacement energy from RPS-eligible and Emissions Performance Standard compliant facilities designated in the PPA.

ATTACHMENT B

April 20, 2023 Staff Report to SCPPA Board
and
Board Resolution Nos. 2023-043 and 2023-044



AGENDA ITEM STAFF REPORT

MEETING DATE:

04/20/2023

RESOLUTION NUMBER:

2023-043 & 2023-044

SUBJECT:

Approval of Revisions to: Power Purchase Agreement with Geysers Power Company, LLC for Geysers Geothermal Project Power Sales Agreement with City of Pasadena, and California Energy Emissions Performance Standard Compliance Filing in connection with said Agreements

DISCUSSION:



OR

CONSENT:



Select the appropriate box(es):

FROM:

Finance



Project Development



Program Development



Regulatory/Legislative



Project Administration



Legal



Executive Director



METHOD OF SELECTION:

Competitive



Cooperative Purchase



Sole Source



Other



Other (Please describe):

MEMBER PARTICIPATION:

Sponsoring Member: City of Pasadena

Other Members Potentially Participating: None

Approved by Executive Director:

Michael S. Webster

RECOMMENDATION:

Reauthorize the negotiation, execution, and delivery of a Power Purchase Agreement (PPA) between the Southern California Public Power Authority (SCPPA) and Geysers Power Company, LLC and a corresponding Power Sales Agreement (PSA) between SCPPA and the City of Pasadena (Pasadena) for the Geysers Project (Geysers), as revised by the parties, and authorize revisions to a California Energy Commission (CEC) Emissions Performance Standard (EPS) compliance filing in

connection with the revised Agreements. The revised PPA and PSA and revised EPS Filing are attached to this Report. Geysers Power Company has executed the PPA and SCPPA will countersign once we obtain approval from both SCPPA and the City of Pasadena. The agreements will provide long term geothermal renewable energy through SCPPA to one participating Member, the City of Pasadena, for the purpose of satisfying Pasadena's renewable resource goals.).

BACKGROUND:

On February 16, 2022, the SCPPA Board approved the PPA for the Geysers Project and the PSA with the City of Pasadena and approved an EPS compliance filing in connection with such Agreements. On March 8, the Geysers Power Company informed SCPPA and Pasadena of the reduction in capacity of the Geysers Project and an increase in price on the Geothermal Energy. Geysers Power Company attributed the change to inflation and increase in capital expenditure and operating cost for the facility including labor and materials. Due to the changes, the PPA capacity will be reduced from 35 MW to 25 MW and Commercial Operation will start two years later, in 2027. In addition, SCPPA will receive a longer-term period of 15 years for the PPA, instead of 10 years as previously approved.

SCPPA and Pasadena have agreed to the new terms requested by Geysers Power Company on the condition Geysers Power Company signs the PPA and commits to the PPA terms until May 5, 2023, at which point the revised PPA and PSA will have been presented to the SCPPA Board and Pasadena City Council for approval.

Geysers is an existing geothermal portfolio located in Sonoma and Lake Counties, California. The project has been in operation since 1980. The facility has a net capacity of 725 MW. Under the terms of the proposed PPA between SCPPA and Geysers Power Company LLC, and the corresponding PSA between SCPPA and Pasadena, Pasadena will be procuring 25 MW for 15 years.

DISCUSSION:

- **Scope of Contract Services:**

The proposed agreements will add an additional capacity of 25 MW of Geothermal to Pasadena's renewable portfolio. The point of delivery is at NP15 and the Project will have a delivery commencement date of January 1, 2027. The term for the PPA is 15 years. The price of the energy will be \$84.04/MWh and the Monthly Capacity Payment for Resource Adequacy is \$8.00/kW-Month.

- **Selection Method:**

The Geysers project was selected from 38 proposals received in response to the rolling Request for Proposals for Renewable Energy Resources and Energy Storage Solutions issued on February 21, 2020 and closed on December 30, 2020.

Geysers was selected by the Members as a viable geothermal project that will deliver baseload renewables at NP15 which will help further Pasadena's Renewable Portfolio Standards goals and needs.

- **SCPPA's Authority:**

In accordance with the Joint Powers Agreement, SCPPA may facilitate contracts for the transaction involving procurement of electric generation capacity for SCPPA Members.

- **Environmental Considerations**

- **California Environmental Quality Act (CEQA):**

On February 16, 2023, the SPPA Board determined that its action is exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3). The proposed amendments to the agreements do not change this determination.

- **Emissions Performance Standard (EPS):**

In 2007, the CEC adopted regulations to implement the EPS as directed in legislation commonly referred to as SB 1368. Among other things, the regulations establish an emissions limit for carbon dioxide of 1100 lbs/MWH for “baseload generation” (defined as generation with a capacity factor of at least 60%) and require a “compliance filing” whenever a public agency enters into a “covered procurement” for such baseload generation, including procurement by a contract with a term of 5 years or more. An EPS compliance filing is due within 10 days after a public agency enters into a covered procurement and must be approved by the agency’s governing body. The proposed Geysers Project procurement is subject to a compliance filing under these regulations.

On February 16, 2022, the SPPA Board approved an EPS compliance filing for submittal to the CEC in connection with the PPA and PSA. SPPA staff has revised the proposed EPS compliance filing to reflect the revised terms of the PPA and seeks Board approval of the amended filing. A copy of the revised EPS compliance filing in substantial final form accompanies this report. As required by the EPS Regulations, SPPA submitted notice to the CEC of its intent to deliberate on the Project, a covered procurement, for both the February 16, 2023 meeting and this April 20, 2023 Board meeting.

FISCAL IMPACT:

There is a de minimis impact on SPPA’s Administrative and General Budget outside of staff time to administer the PPA.

PWP has committed in writing to pay for any and all, energy products and services from Geysers over the term of the Agreements through project billing.

ATTACHMENTS:

1. Resolution 2023-043 (Revised PPA and PSA)
2. Resolution 2023-044 (Revised EPS Filing)
3. Geysers Geothermal Power Purchasing Agreement
4. Geysers Geothermal Power Sales Agreement – Pasadena
5. Emissions Performance Standard Compliance Filing

RESOLUTION NO. 2023-043

RESOLUTION RELATING TO THE GEYSERS GEOTHERMAL PROJECT: REAUTHORIZING THE NEGOTIATION, EXECUTION, AND DELIVERY OF A POWER PURCHASE AGREEMENT, A POWER SALES AGREEMENT WITH THE CITY OF PASADENA, AND 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 FORWARD THE INTERESTS AND OBJECTIVES OF THE AUTHORITY AND THE CITY OF PASADENA; AND FINDING THAT SUCH ACTION IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

WHEREAS, the Southern California Public Power Authority ("SCPPA" or "the Authority") has issued Requests for Proposals for potential renewable electric resources to address SCPPA member renewable energy needs as part of that process the Authority, and as part of that process, the Authority, together with the City of Pasadena ("Project Participant") have identified an existing, operational geothermal energy generation portfolio resource denominated as the Geysers Geothermal Project and located in Sonoma and Lake Counties, California; and

WHEREAS, SCPPA and the Project Participant have negotiated with Geysers Power Company, LLC (the "Power Purchase Provider") and developed in substantial final form a power purchase agreement with (the "Power Purchase Agreement") whereby the Power Purchase Provider will sell and SCPPA will purchase geothermal renewable energy and associated environmental rights and benefits; and

WHEREAS, the Authority and the Project Participant desire to enter into a power sales agreement (the "Power Sales Agreement"), whereby the Authority will provide to the Project Participant the full output of the Project, and the Project Participant will pay all costs, liabilities, and obligations of the Authority in connection with the Project; and

WHEREAS, on February 16, 2023, the Authority adopted Resolution No. 2023-021 approving and authorizing the negotiation, execution, and delivery of the Power Purchase Agreement and Power Sales Agreement for the Project (the "Project Agreements") in substantially final form as presented to the Board of Directors on February 16, 2023; and

WHEREAS, following adoption of Resolution No. 2023-021, the parties negotiated and agreed upon certain material changes to the Project Agreements, to wit, a change in the delivery term from 10 years to 15 years, a change in the energy and capacity price, and a change in the delivery commencement date; and

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

WHEREAS, SCPPA and the Project Participant desire to provide for, and authorize, the further development, negotiation, entering into, 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 forward the interests of the Authority and the Project Participant and as shall best achieve the Authority's and the Project Participant's objectives; and

WHEREAS, this action is not a "project" under the California Environmental Quality Act ("CEQA") as it would not result in a direct or reasonably foreseeable indirect change in the physical environment and further, the action does not have the potential to cause a significant effect on the environment and is thus exempt from CEQA.

NOW, THEREFORE, THE BOARD OF DIRECTORS DOES FIND AND RESOLVE AS FOLLOWS:

1. This action is exempt from the requirements of CEQA pursuant to Section 21065 of the California Public Resources Code and Section 15061(b)(3) of the State CEQA Guidelines.
2. The Executive Director is hereby delegated 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 substantial form as presented to the Board of Directors on April 20, 2023, 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 substantial final form as presented to the Board of Directors on April 20, 2023.
3. Each of the President, Vice President, and Executive Director of the Authority is hereby authorized and directed to execute and deliver the Power Sales Agreement, with the City of Pasadena, in substantially the form as presented to the Board of Directors on April 20, 2023, 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 form of the Power Sales Agreement in substantial final form as presented to the Board of Directors on April 20, 2023 is hereby approved.
4. In addition to the foregoing, in order to facilitate the negotiation and consummation of the contemplated arrangements for the generation and delivery of energy from the Project and to carry forward other necessary or appropriate agreements associated with the acquisition of energy and solar generation 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 forward the interests of the Authority and the Project Participant and as shall best achieve the Authority's and the Project Participant's 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 Participants which does not require a material modification to or material change to the Power Purchase Agreement.

5. 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.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 20th day of April, 2023 and is effective immediately.



PRESIDENT

Southern California Public
Power Authority

ATTEST:



ASSISTANT SECRETARY
Southern California Public
Power Authority

RESOLUTION NO. 2023-044

RESOLUTION RELATING TO THE GEYSERS GEOTHERMAL ENERGY PROJECT AUTHORIZING THE EXECUTION AND SUBMISSION OF A COMPLIANCE FILING TO THE CALIFORNIA ENERGY COMMISSION PURSUANT TO THE REQUIREMENTS OF THE CALIFORNIA EMISSIONS PERFORMANCE STANDARD REGULATIONS, AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH OTHER DOCUMENTS, INSTRUMENTS, AND AGREEMENTS AS MAY BE NECESSARY OR APPROPRIATE TO BEST CARRY FORWARD THE INTERESTS OF AND OBJECTIVES OF THE AUTHORITY

WHEREAS, the Southern California Public Power Authority (the "Authority" or "SCPPA") and its members have investigated the purchase of 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; and

WHEREAS, the Authority and its member, the City of Pasadena (the "Participant"), have identified a geothermal energy project, denominated as the Geysers Geothermal Energy Project (the "Project"), which will contribute toward fulfillment of the Participant's renewable energy goals; and

WHEREAS, pursuant to Resolution No. 2023-021, the Authority approved the Project and approved the completion, execution, and delivery of the Project-related agreements ("Project agreements"), and

WHEREAS, the Project agreements are 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, pursuant to Resolution No. 2023-022, the Authority authorized and approved the submittal to the Commission of an Emissions Performance Standard compliance filing in connection with said Project agreements; and

WHEREAS, prior to the execution of the Project agreements, the parties have negotiated and agreed upon certain changes to the Project agreements which require amendments to the proposed EPS compliance filing, and a proposed revised EPS compliance filing has been prepared for the consideration and approval of the SCPPA Board of Directors; and

WHEREAS, the Authority now presents this resolution to the SCPPA Board of Directors to approve the execution of the compliance filing for the Project, attached in substantially final form to the Agenda Report accompanying this Resolution, and to approve upon its completion its submission to the Commission in conformance with the EPS Regulations.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Southern California Public Power Authority as follows:

1. The Authority hereby approves and authorizes each of the Executive Director, General Counsel, and Assistant General Counsel to execute and submit the compliance filing for the Project as submitted to the Board of Directors in substantially final form and attached to the Agenda Report accompanying this Resolution, with such changes, corrections and revisions as such officials may deem necessary and advisable.

2. In addition to the foregoing, 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.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 20th day of April, 2023 and is effective immediately.



PRESIDENT

Southern California Public
Power Authority

ATTEST:



ASSISTANT SECRETARY
Southern California Public
Power Authority

ATTACHMENT C

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 SPPA 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. On April 20, 2023, the SPPA Board of Directors reviewed and approved in a public meeting the covered procurement and the compliance filing described above.
3. Based on the SPPA 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 SPPA 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.
5. The Power Purchase Agreement, dated May 26, 2023, 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 30th day of May, 2023 at Glendora, California.



Michael S. Webster
Executive Director
Southern California Public Power Authority