



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
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ANAHEIM • AZUSA • BANNING •
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IMPERIAL IRRIGATION DISTRICT

January 15, 2015

California Energy Commission
DOCKETED
15-EPS-01

TN # 7431F
JAN 16 2015

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

Re: EPS Compliance Filing for Heber-1 Geothermal Energy Project

Dear Sir or Madam:

Please be advised that on May 16, 2013, the Board of Directors of the Southern California Public Power Authority ("SCPPA"), at a noticed public meeting, approved and authorized execution and delivery of a Power Purchase Agreement ("PPA") between SCPPA and Heber Geothermal Company ("Seller") for energy, capacity and associated environmental attributes from the Heber-1 geothermal energy generation facility located in Imperial County, California ("Project").

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 ("Members"), each of which owns and operates an electric utility within its jurisdictional boundaries. SCPPA entered into the PPA on behalf of two Members – the City of Los Angeles and the Imperial Irrigation District ("Participating Members") – each of which will receive its proportionate share of energy and capacity pursuant to individual Power Sales Agreements ("PSA's") with SCPPA.

This compliance filing is made on behalf of the Participating Members as well as for SCPPA's own account pursuant to the Commission's Emission Performance Standard ("EPS") regulations (20 CCR. § 2900 *et seq.*). SCPPA executed the PPA on September 19, 2013, but did not submit a compliance filing within the time prescribed in 20 CCR § 2909 based on a misunderstanding regarding the application of the EPS regulations to the Project given that it is "determined to be compliant with the EPS" under 20 CCR § 2903(b)(1). This filing is thus made belatedly, and SCPPA apologizes to the Commission for any inconvenience.

As mentioned, the PPA was approved by the SCPPA Board of Directors at a noticed public meeting on May 16, 2013. Specifically, the request for authorization for approval of the PPA was separately listed as an item on the agenda for the May 16, 2013, meeting of the SCPPA Board consistent with the requirements of the Ralph M. Brown Act ("Brown Act," Cal. Govt. Code § 54950 *et seq.*). However, due to the misunderstanding of the applicability of the EPS regulations to the Project indicated above, notice of the meeting was not provided to the Commission pursuant to 20 CCR § 2908.

This is an existing project. According to the PPA, the Project will commence deliveries of energy to SCPPA on February 2, 2016.

Additional information about the Project is shown on Attachment A. Attachment B includes the Agenda Report presented to the SCPPA Board of Directors for its May 16, 2013, meeting (Attachment B-1) and the SCPPA Board Resolution No. 2013-055, adopted the same day (Attachment B-2). Attachment C is the attestation required by 20 CCR § 2909.

SCPPA respectfully requests that the Commission determine that the covered procurement that is the subject of this filing is compliant with the Commission's EPS regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard J. Morillo", written in a cursive style.

Richard J. Morillo
General Counsel

Attachments

CALIFORNIA ENERGY COMMISSION
EMISSION PERFORMANCE STANDARD COMPLIANCE FILING
DESCRIPTION OF HEBER-1 GEOTHERMAL ENERGY PROJECT

- Name of Facility: Heber I Geothermal Energy Project
- Name of Counterparty: Heber Geothermal Company
- Location of Facility: 895 Pitzer Road, Heber, California 92249
- Technology/Fuel: Geothermal Electric Generating Facility
- Nameplate Capacity of Facility:
 - Total nominal gross nameplate capacity: 62.5 MW
 - Total nominal capacity net of Parasitic Load (under expected average site conditions): 46 MW
- Project Participants and Participation Shares:
 - The City of Los Angeles Department of Water and Power –
 - 30.67 MW (02/02/2016 – 02/01/2019)
 - 35.88 MW (02/02/2019 – 02/01/2026)
 - Imperial Irrigation District
 - 15.3 MW (02/02/2016 – 02/01/2019)
 - 10.12 MW (02/02/2019 – 02/01/2026)
- Substitute Energy Allowed: No
- Contract Effective Date: July 8, 2014
- Delivery Commencement Milestone Date: February 2, 2016
- Delivery End Date: February 1, 2026



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Board of Directors Meeting

AGENDA ITEM STAFF REPORT

MEETING DATE: May 16, 2013

RESOLUTION NUMBER: 2013-055

CONSENT ☐

DISCUSSION ☐

RENEWAL ☐

NEW ☒

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

FROM:

Finance
Energy Systems
Program Development
Regulatory/Legislative
Project Administration
Legal

| |
|-------------------------------------|
| <input type="checkbox"/> |
| <input checked="" type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |

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

METHOD OF SELECTION:

Competitive
Cooperative Purchase
Sole Source
Single Source
Other

| |
|-------------------------------------|
| <input checked="" type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |

If other, please describe:

Approved By Executive Director:

INITIAL MEMBER PARTICIPANTS:

Anaheim
Azusa
Banning
Burbank

| |
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| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |

Colton
Cerritos
Glendale
IID

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| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input checked="" type="checkbox"/> |

LADWP
Pasadena
Riverside
Vernon

| |
|-------------------------------------|
| <input checked="" type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |

Place an X in box next to the applicable Member(s) shown above.

SUBJECT: Heber-1 Geothermal Energy Project to provide long-term geothermal supply of renewable energy to the members for the purpose of satisfying the needs of the members and their governing bodies to meet desired specified renewable energy resource goals

RECOMMENDATION: Authorize the negotiation, execution and delivery of a power purchase agreement, two separate power sales agreements between SCPPA and the respective project participants, an agency agreement between SCPPA and LADWP, issuance of any necessary notices under CEQA Guidelines and provide the same authority as to 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 the authority and the project participants and as shall best achieve the authority's and the project participants' objectives.

BACKGROUND: In pursuit of the goals of the renewable development study project, SCPPA has issued requests for proposals for potential renewable electric resources to address SCPPA member renewable energy needs, and the Project Participants in this project. SCPPA and the Project Participants of Imperial Irrigation District and the Los Angeles Department of Water & Power have negotiated and developed, in substantial final form, a power purchase agreement with Heber Geothermal Company to facilitate the acquisition of geothermal energy output and other rights and resources associated with the Heber-1



Geothermal Energy Project. Heber Geothermal Company is an affiliate of Ormat Nevada, Inc., a Delaware limited liability company. The Heber-1 Geothermal Energy Project is a renewable energy generating facility situated on a site owned by Heber Geothermal Company.

FISCAL IMPACT: N/A

[Voice Vote]

RESOLUTION NO. 2013-055

RESOLUTION RELATING TO THE HEBER-1 GEOTHERMAL ENERGY PROJECT: (I) AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF (A) A POWER PURCHASE AGREEMENT AND RELATED DOCUMENTS, AGREEMENTS AND INSTRUMENTS, INCLUDING THE ISSUANCE OF THE APPROPRIATE NOTICES OF DETERMINATION PURSUANT TO SECTION 15096 OF THE STATE CEQA GUIDELINES (14 CCR SEC. 15096); (B) TWO SEPARATE POWER SALES AGREEMENTS BETWEEN THE AUTHORITY AND THE RESPECTIVE PROJECT PARTICIPANTS; (C) AN AGENCY AGREEMENT FOR PROJECT MANAGEMENT; (D) 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 (II) AUTHORIZING CERTAIN RELATED ACTIONS; AND (III) AUTHORIZING THE OFFICERS OF THE AUTHORITY TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE

WHEREAS, the Southern California Public Power Authority ("SCPPA" or "the Authority") and certain of its members have taken measures to facilitate the acquisition and development of certain renewable resources, including geothermal resource facilities, as part of the renewable development study project pursuant to the Phase II Renewable Development Agreement created by the Board of Directors pursuant to Resolution No. 2012-008, to provide a long-term supply of renewable energy to the members for the purpose of satisfying the needs of the members and their governing bodies to meet desired specified renewable energy resource goals; and

WHEREAS, in pursuit of the goals of the renewable development study project SCPPA has issued Requests for Proposals for potential renewable electric resources to address SCPPA member renewable energy needs, and the Project Participants in this project and the renewable development study project have identified certain existing geothermal energy generation resources in Imperial County, California. This geothermal energy project has been denominated as the Heber-1 Geothermal Energy Project (the "Project"). The Heber-1 Geothermal Energy Project is under the ownership of Heber Geothermal Company (the "HGC" or "Power Purchase Provider") a California Partnership. HGC is an affiliate of Ormat Nevada, Inc., a Delaware Corporation which in turn is a wholly owned subsidiary of Ormat Technologies, Inc., a Delaware corporation. The Heber-1 Geothermal Energy Project is planned to entail a renewable energy generating facility is situated on a private site owned by the HGC; and

WHEREAS, at the current time Power Purchase Provider, as the owner of the Heber-1 Geothermal Energy Project, proposes to sell to SCPPA the Facility Output of the Heber-1 Geothermal Energy Project pursuant to the Power Purchase Agreement (the "Power Purchase Agreement") negotiated between SCPPA and Power Purchase Provider. The Facility entails a

geothermal power generating facility with an expected nominal capacity net of parasitic load of 46 MW. The Facility is situated in Imperial County, California on land owned by HGC. The Facility is projected to make deliveries of energies from the facility, as contemplated in the Power Purchase Agreement, to the 230 kV Mead substation in the El Dorado Valley Nevada which, in turn, is interconnected with, among others, the Los Angeles Department of Water and Power balancing authority area and to the 92 kV Heber Substation in the Imperial County into the Imperial Irrigation District's balancing authority area. This project is contemplated to entail the geothermal generation facility, designated portions of the infrastructure facilities, transmission tie line, substations, SCADA system equipment, related communication lines, access roads, operations, maintenance and storage facilities, and other equipment, materials, and improvements associated with such facilities. The Facility which is slated to provide energy to the Project Participants includes all structures or improvements erected on the HGC owned lands which are used by the project or upon which the project is situated, all alterations thereto or replacements thereof, all fixtures, attachments, appliances, equipment, machinery, and other articles attached thereto or to the extent used in connection therewith, and all spare parts or capital improvements which may from time to time be incorporated or installed in or attached thereto, all related contracts and agreements for services or for real or personal property or goods related thereto, all real or personal property owned, easement granted upon or related thereto, and all other real and tangible and intangible personal property leased or owned by the developer to the extent associated with the Project and placed upon or used in connection with the generation of electricity from the Project; and

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

WHEREAS, the Project Participants desire to obtain the Facility Output of the Heber-1 Geothermal Energy Project; and

WHEREAS, pursuant to each of their respective renewable energy resource goals the Authority, for the benefit of the Project Participants, plans to enter into the Power Purchase Agreement with Power Purchase Provider to purchase a portion of the output and to acquire other rights and resources, including the rights under other ancillary agreements associated with the Heber-1 Geothermal Energy Project; and

WHEREAS, the Project is currently anticipated to have an energy capacity of 45 MW comprised entirely from renewable energy to be acquired by SCPPA pursuant to the Power Purchase Agreement; and

WHEREAS, it is contemplated that the Power Purchase Provider will make certain improvements to the Facility which improvement work may necessitate an environmental review under the California Environmental Quality Act (California Public Resource Code Sections 21000-21177), as part of any such environmental review process SCPPA may issue a notice of determination as a responsible agency pursuant to the California Environmental Quality Act Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, Section 15096); and

WHEREAS, the Authority and each of the Project Participants desire to enter into the Heber-1 Geothermal Energy Project Power Sales Agreements (collectively, the "Power Sales Agreements"), whereby the Authority will provide to each of such Project Participants its 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, SCPPA anticipates the development, negotiation, execution and delivery of an Agency Agreement with the City of Los Angeles acting by and through the 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, 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 the authority to prepare, execute and issue a notice of determination pursuant to California Code of Regulations, Title 14, Division 6, Chapter 3, Section 15096 and to carry forth such other actions as may be appropriate pursuant to Title 14 California Code of Regulations Section 15096.

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 substantially the form on file with the Authority, 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.

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 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 on file with the Authority, 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 forms of the Power Sales Agreements are hereby made a part of this Resolution as though set forth in full herein and the same hereby are approved.

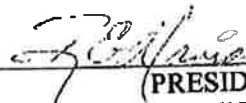
4. Each of the President, Vice President and Executive Director of the Authority is hereby authorized and directed to develop, negotiate, finalize, enter into execute and deliver an Agency Agreement which provides for the City of Los Angeles acting by and through the Department of Water and Power to act as agent and project manager for the Authority, in substantially the form on file with the Authority, 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 and substance of the Agency Agreement is hereby made a part of this Resolution as though set forth in full herein and the same hereby is approved.

5. 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 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.

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 16th day of May, 2013.



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 has reviewed and approved in public meetings both the covered procurement (on May 16, 2013) and the compliance filing described above (January 15, 2015).
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. While the PPA does not contain the contractual terms specified in 20 CCR § 2909(a)(4), it does contain a warranty by the Seller that the Project is and will remain EPS Compliant for the duration of the Agreement and provides SCPPA with a right to terminate the PPA in the event of a breach of said warranty.

Executed this 15th day of January, 2015, at Glendora, California.



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