

## DOCKETED

<b>Docket Number:</b>	18-EPS-01
<b>Project Title:</b>	Emission Performance Standard
<b>TN #:</b>	222419
<b>Document Title:</b>	Loyalton Biomass Plant EPS Compliance Filing
<b>Description:</b>	N/A
<b>Filer:</b>	Nicole Looney
<b>Organization:</b>	Sacramento Municipal Utility District
<b>Submitter Role:</b>	Public Agency
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LEG 2018-0056  
February 2, 2018

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and via U.S. Mail*

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

**Re: Compliance Filing of the Sacramento Municipal Utility District**

Gentlemen:

Pursuant to Title 20, Chapter 11, Section 2909 of the California Code of Regulations<sup>1</sup> adopted by the California Energy Commission (CEC) to implement Senate Bill SB 1368, the Sacramento Municipal Utility District (SMUD) hereby submits the attached compliance filing. Through this compliance filing, SMUD requests that the CEC find that SMUD's five year agreement (PPA) with ARP-Loyalton Cogen LLC for the purchase of 4.221 MW of biomass energy complies with the CEC's emission performance standard (EPS). This PPA is for compliance with Senate Bill 859 (2016).

As way of background, in accordance with Section 2908, on January 8, 2018, SMUD sent to the CEC via email the agenda and supporting documentation for SMUD's January 10, 2018 Board of Directors' Energy Resources & Customer Services Committee and January 18, 2018 Board of Directors' meetings. The documentation contained information about the proposed procurement and a draft compliance filing. On January 18, 2018, 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 and the PPA.

On January 23, 2018, the CEO & General Manager's delegate executed the PPA. Section 2909 requires that the compliance filing be submitted to

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



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.

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. In addition, and separately, power plants using only biomass fuels that would otherwise be disposed of utilizing open burning or forest accumulation are "determined to be compliant" with the EPS. The ARP-Loyalton Cogen LLC biomass plant meets the EPS criteria – it is a "renewable electricity generation facility" for the purposes of the California RPS and is an eligible biomass power plant using forest wood waste. Accordingly, it is determined to be compliant under the CEC regulations.

We look forward to your determination that the PPA complies with the EPS. Please do not hesitate to contact me, if you have any questions about the foregoing.

Sincerely,



Andrew Meditz  
Senior Attorney  
Sacramento Municipal Utility District

Enclosure

cc: Steve Lins  
Chad Adair  
Sue Musselman  
Corporate Files

**CALIFORNIA ENERGY COMMISSION  
EMISSION PERFORMANCE STANDARD COMPLIANCE FILING**

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

[EPS@energy.state.ca.us](mailto:EPS@energy.state.ca.us)

This is to inform you that the Sacramento Municipal Utility District (SMUD) entered into a long-term contract for renewable energy on January 23, 2018 (hereinafter referred to as "Power Purchase Agreement"). The Power Purchase Agreement 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: As-available energy not to exceed contract capacity at any time.

Substitute energy allowed: No

Delivery Start Date-Delivery End Date: Delivery begins upon achievement of commercial operation as defined in the Power Purchase Agreement and will continue for five (5) years. Expected commencement of commercial operation is April 2018.

**Further description of technology, if necessary:**

None

**Further description of facility output profile, if necessary:**

None

**Description of contract terms related to the provision of substitute energy, if necessary:**

None

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**Description of other relevant contract terms:**

SMUD is one of four Buyers under the Power Purchase Agreement. The Buyers are procuring the power for local publicly owned electric utility compliance with SB-859. Although the nameplate capacity of the facility is 19.9 MW, the Buyers have contracted for 18 MW total. SMUD's contracted share of this total is 4.221 MW.

We are asking that the Commission find that this Power Purchase Agreement 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, SMUD asserts herein that the Facility under contract is compliant pursuant to Section §2903(b) of the EPS Regulations.

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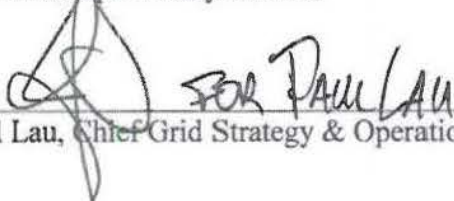
**COMPLIANCE FILING ATTESTATION**

I, the official named below, certify under penalty of perjury, the following:

1. I am an agent of the Sacramento Municipal Utility District (SMUD) authorized by its governing board to sign this attestation on its behalf;
2. The SMUD Board of Directors has reviewed and approved in a public meeting both the covered procurement and the compliance filing described above;
3. Based on the SMUD 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 SMUD 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. The covered procurement contains 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 Title 20, California Code of Regulations, section 2910, that the covered procurement fails to comply with Title 20, Division 2, Chapter 11, Article 1, of the California Code of Regulations.

Sacramento Municipal Utility District

By:

  
Paul Lau, Chief Grid Strategy & Operations Officer

Date: January 23, 2018