

DOCKETED	
Docket Number:	20-EPS-01
Project Title:	Emission Performance Standard
TN #:	232653
Document Title:	SCAPPA EPS Compliance Filing for the Star Peak Geothermal Energy Project
Description:	N/A
Filer:	Cody Goldthrite
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	4/3/2020 10:47:57 AM
Docketed Date:	4/3/2020



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
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IMPERIAL IRRIGATION DISTRICT

April 2, 2020

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

Re: EPS Compliance Filing for the Star Peak 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 Star Peak Geothermal LLC, dated February 20, 2020 (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 February 14, 2020 SCPPA submitted notice to the CEC of its intent to deliberate on the Project, a covered procurement, at its February 20, 2020 Board meeting consistent with 20 CCR § 2908. This compliance filing is presented on behalf of the Participating Member as well as for SCPPA’s own account pursuant to the EPS regulations (20 CCR § 2900 *et seq.*).

Also, on February 20, 2020, 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 City of Glendale (“Participating Member”).

On March 19, 2020, at a noticed public meeting consistent with the requirements of the Brown Act, this compliance filing was presented to the SCPPA Board of Directors in substantial final form. The SCPPA Board of Directors considered, authorized and approved the compliance filing during that same meeting.

SCPPA executed the PPA on March 30, 2020 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 ("PSA") between SCPPA and the Participating Member.

Additional information about the Project is shown on Attachment A. Attachment B includes the Staff Report presented to the SCPPA Board of Directors during its February 20, 2020, meeting (Attachment B-1) and the SCPPA Board Resolution No. 2020-006, adopted the same day (Attachment B-2) for approval and execution of the PPA. Attachment C includes the Staff Report presented to the SCPPA Board of Directors during its March 19, 2020, meeting (Attachment C-1) and the SCPPA Board Resolution No. 2020-016, adopted the same day (Attachment C-2) for approval and execution of the compliance filing for the Project. Attachment D is the attestation required by 20 CCR § 2909.

Sincerely,



Daniel S. Hashimi
Sr. Assist. General Counsel

Attachments

ATTACHMENT A

CALIFORNIA ENERGY COMMISSION

EMISSION PERFORMANCE STANDARD COMPLIANCE FILING

DESCRIPTION OF THE STAR PEAK GEOTHERMAL ENERGY PROJECT

- Name of Project: Star Peak Geothermal Energy Project
- Name of Counterparty: Star Peak Geothermal LLC
- Location of Facility: 4500 E. Frontage Road, Imlay, Pershing County, NV 89418
- Technology/Fuel: Geothermal
- Nameplate Capacity of Facility: The total nominal nameplate capacity of the Project is expected to be 12.5 MW.
- Project Participant and Participation Share:
 - The City of Glendale – 100%
- Substitute Energy Allowed: No
- Contract Date: February 20, 2020 (Note: contract date is listed on the agreement for convince of reference only and does not reflect the actual date of execution of the power purchase agreement)
- Expected Energy Delivery Start Date: April 1, 2021
- Expected Energy Delivery End Date: December 31, 2045

ATTACHMENT B-1



AGENDA ITEM STAFF REPORT

MEETING DATE:

February 20, 2020

RESOLUTION NUMBER:

2020-006

SUBJECT:

Power Purchase Agreement with Star Peak Geothermal, LLC and a Power Sales Agreement with the City of Glendale.

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



Single Source



Other (Please describe):

Approved by Executive Director: _____

RECOMMENDATION:

Authorize the negotiation, execution, and delivery of the project Power Purchase Agreement ("PPA") and Power Sales Agreement ("PSA") for the Star Peak Geothermal, LLC Geothermal Power Plant ("Star Peak") to provide in total approximately 12.5 MWs of long-term geothermal supply of renewable electrical energy through the Southern California Public Power Authority ("SCPPA" or "the Authority") to one of its participating Members, the City of Glendale ("Glendale") for all 12.5 MWs, for the purpose of satisfying the utility's renewable electrical energy resource goals.

BACKGROUND:

In pursuit of the goals of the renewable development study project to provide opportunities for its members to supply 33 percent by 2020, the Authority has issued Request for Proposals for Renewable Energy Resources and Energy Storage Solutions to address the renewable electrical energy needs of its members, including Glendale (the "Project Participant").

ATTACHMENT B-1

The developer of Star Peak, Open Mountain Energy, LLC ("OME"), is a Delaware limited liability company with sixty plus (60+) years of collective experience developing, constructing, and operating geothermal, biogas, PV solar, and other clean energy projects. OME currently owns over fourteen thousand (14,000) acres or geothermal leases in Nevada with over fifty-four (54) drilled wells (combined full size and gradient/monitoring).

DISCUSSION:

- **Scope of Contract Services:**

Star Peak is a geothermal power plant located in Inlay, Nevada with a net nameplate capacity of 12.5 MW. The energy point of delivery ("POD") is at McCullough 500kV. The Commercial Operation Date for Star Peak is shall occur no later than December 31, 2022 and the failure to achieve the Commercial Operation Date by the Outside COD shall be an immediate Default by Seller, not subject to extension or cure of any kind. . The twenty-five (25) year term PPA is expected to begin upon completion of certain conditions as required under the PPA and is expected to end on December 31, 2045. The energy price under the PPA shall be:

- \$70.25/MWh with up to a 4% non-compensable Curtailment Option
- A credit of \$35.13/MWh for not exercising the Curtailment Option of geothermal energy
- A credit of \$40.25/MWh for any solar energy that offsets geothermal parasitic load

- **Selection Method:**

The OME Star Peak Geothermal Power Plant was selected from the forty-eight (48) developer responses received in response to the Request for Proposals for Renewable Energy Resources and Energy Storage Solutions competitive solicitation issued on January 23, 2019 and closed on December 30, 2019.

The RFP solicited competitive proposals for renewable energy projects or products consistent with the California Renewable Energy Resources Program (Public Resources Code sec. 25740 et seq.) and the California Renewables Portfolio Standard Program (Public Utilities Code sec. 399.11 et seq.), including amendments enacted by passage of SB 100 (De Leon 2018). SCPPA is targeting proposals for renewable resources with commercial operation or delivery starting in 2019 and beyond.

Star Peak was selected by the Glendale as a viable geothermal power project which will further its renewable electrical energy goals and needs. Based on Glendale's selection, SCPPA desires to enter into a PPA with Star Peak Geothermal, LLC. The developer, OME, has agreed to this intent.

- **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.

FISCAL IMPACT:

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

Glendale has committed in writing to pay for any, and all, energy products and services received from Star Peak Geothermal, LLC over the term of the Agreements through project billing.

ATTACHMENT B-2

[Voice Vote]

RESOLUTION NO. 2020-006

RESOLUTION RELATING TO THE STAR PEAK GEOTHERMAL ENERGY PROJECT: AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF A POWER PURCHASE AGREEMENT, A POWER SALES AGREEMENT WITH THE CITY OF GLENDALE 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 GLENDALE.

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 together with the City of Glendale (the "Project Participant") have identified a geothermal energy generation resource denominated as the Star Peak Geothermal Energy Project ("Project"). The Project is being developed by Star Peak Geothermal LLC ("Power Purchase Provider"), a Nevada limited liability company, and an affiliate of Open Mountain Energy, LLC. The Project is planned to be situated in Pershing County, Nevada;

WHEREAS, SCPPA and the Project Participant have negotiated and developed in substantial final form with the Power Purchase Provider a power purchase agreement with a term of 25 years (the "Power Purchase Agreement") whereby the Power Purchase Provider, will sell and SCPPA will purchase geothermal renewable energy and associated environmental rights and benefits;

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;

WHEREAS, the Project is 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, SCPPA and the Project Participant desire to provide for 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

ATTACHMENT B-2

Project Participant and as shall best achieve the Authority's and the Project Participant's objectives.

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

1. 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, 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.

2. 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 Glendale, in substantially form as presented to the Board of Directors, 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 is hereby approved.

3. 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 geothermal 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.

ATTACHMENT B-2

4. 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.

5. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 20th day of February 2020.



PRESIDENT
Southern California Public
Power Authority

ATTEST:



ASSISTANT SECRETARY
Southern California Public
Power Authority

Attachment C-1



AGENDA ITEM STAFF REPORT

MEETING DATE:

March 19, 2020

RESOLUTION NUMBER:

2020-016

SUBJECT:

EPS Compliance Filing for the Star Peak Geothermal Energy Project.

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



Single Source



Other (Please describe):

N/A

Approved by Executive Director: Michael S. Webb

RECOMMENDATION:

Authorize the EPS Compliance Filing for the Star Peak Geothermal Energy Project.

BACKGROUND:

On February 20, 2020, the SCPPA Board of Directors authorized the negotiation, execution, and delivery of the project Power Purchase Agreement ("PPA") and Power Sales Agreement ("PSA") for the Star Peak Geothermal Energy Project ("Star Peak") to provide in total approximately 12.5 MWs of long-term geothermal supply of renewable electrical energy through the Southern California Public Power Authority ("SCPPA" or "the Authority") to one of its participating Members, the City of Glendale ("Glendale") for all 12.5 MWs, for the purpose of satisfying the utility's renewable electrical energy resource goals.

Attachment C-1

In 2007, the California Energy Commission ("CEC") adopted regulations to implement an "emissions performance standard" 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. This procurement is subject to a compliance filing under these regulations.

DISCUSSION:

- **Scope of Contract Services:**

Star Peak is a geothermal power plant located in Inlay, Nevada. The twenty-five (25) year term PPA is expected to begin upon completion of certain conditions as required under the PPA and is expected to end on December 31, 2045. Glendale will be the sole participant in this project and will receive all 12.5 MWs of contracted energy, for the purpose of satisfying the utility's renewable electrical energy resource goals.

A compliance filing is due within 10 days after a public agency enters into a covered procurement. The regulations require that the compliance filing be approved by the governing body of the procuring agency. In this instance, SCPPA expects to execute the PPA on or before March 19, 2020, meaning the compliance filing would be due no later than March 29th. Hence the compliance filing for this project is being submitted to the board for its approval now so that it may be submitted to the CEC in a timely manner.

A copy of the proposed compliance filing accompanies this report.

- **Selection Method:**

On February 20, 2020, the SCPPA Board of Directors authorized the project PPA and PSA for Star Peak Geothermal Energy Project. Based on the SCPPA Board of Directors' previous authorization, and the CEC's EPS Compliance regulations, SCPPA requests authorization to file an EPS Compliance Filing for the project.

- **SCPPA's Authority:**

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

FISCAL IMPACT:

There is de minimis impact on SCPPA's Administrative and General Budget outside of staff time to administer the EPS Compliance Filing.

Glendale has committed in writing to pay for any, and all, energy products and services received from Star Peak Geothermal Energy Project over the term of the Agreements through project billings.

ATTACHMENT C-2

RESOLUTION NO. 2020-016

RESOLUTION RELATING TO THE STAR PEAK 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. The Authority and the City of Glendale (the "GWP") have identified a geothermal energy project, denominated as the Star Peak Geothermal Energy Project (the "Project"), which will contribute toward fulfillment of GWP's renewable energy goals; and

WHEREAS, pursuant to resolution 2020-006 the Authority approved the Project and approved the completion, execution and delivery of the Project related agreements; and

WHEREAS, the Project is 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, the Authority now presents this resolution to the SCPPA Board of Directors to approve the execution of the compliance filing for the Project, attached here in substantial final form, upon its completion and its submission to the California Energy 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, Director of Resource and Program Development, General Counsel and Senior Assistant General Counsel to execute and submit the compliance filing for the Project as submitted to the Board of Directors in substantial final form 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

ATTACHMENT C-2

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.

3. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 19th day of March 2020.

DocuSigned by:

Jorge Somoano

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PRESIDENT

Southern California Public
Power Authority

ATTEST:

DocuSigned by:

Michael S. Wilster

B6AA32131A0046E...

ASSISTANT SECRETARY
Southern California Public
Power Authority

ATTACHMENT D

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 reviewed and approved in a public meeting the covered procurement on February 20, 2020, and the compliance filing described above on March 19, 2020, respectively;
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. The PPA 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 19th day of March of 2020, at Glendora, California.



Michael S. Webster
Executive Director
Southern California Public Power Authority