



LEG 2014-0726  
August 21, 2014

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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 twenty-two and a half year agreement with CalEnergy, LLC for the purchase of a portfolio mix of 30 MW of power from ten geothermal facilities (PPA), each of which is at least 10 MW or larger, complies with the CEC's emission performance standard (EPS).

As way of background, in accordance with Section 2908, on July 11, 2014 SMUD sent to the CEC via email the agenda and supporting documentation for SMUD's July 15th Board of Directors' Energy Resources & Customer Services Committee and July 17, 2014 Board of Directors' meetings. The documentation contained information about the proposed procurement and a draft compliance filing. On July 17<sup>th</sup>, SMUD's Board of Directors approved the attached compliance filing, and authorized the General Manager & CEO to execute the compliance filing attestation and the PPA.

On August 21, 2014, the General Manager and CEO executed the PPA. 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.

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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.

Section 2903(b)(1) provides that powerplants that meet the criteria of a renewable electricity generation facility, as defined by the California Renewable Portfolio Standard (RPS) legislation and guidelines adopted thereunder, are "determined to be compliant" with the EPS. The ten geothermal facilities are each a "renewable electricity generation facility" for the purposes of the California RPS. Accordingly, it is determined to be compliant under the CEC regulations.

SMUD remains committed to the promotion and development of renewable resources, consistent with its long-standing environmental policy objectives. 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  
Attorney  
Sacramento Municipal Utility District

Enclosure

cc: Laura Lewis  
Gary Lawson  
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

This is to inform you that the Sacramento Municipal Utility District (SMUD) entered into a long-term contract for renewable energy on August 21, 2014 (hereinafter referred to as "Power Purchase Agreement"). The Power Purchase Agreement information is as follows:

Name of Counterparty: CalEnergy, LLC

Name of Facilities:

- |                  |                     |
|------------------|---------------------|
| - Vulcan         | CEC – RPS ID 60308E |
| - Salton Sea I   | CEC – RPS ID 60323A |
| - Del Ranch      | CEC – RPS ID 60307E |
| - Elmore         | CEC – RPS ID 60310E |
| - Salton Sea III | CEC – RPS ID 60317A |
| - Leathers       | CEC – RPS ID 60318E |
| - Salton Sea II  | CEC – RPS ID 60320E |
| - Salton Sea V   | CEC – RPS ID 60773A |
| - Salton Sea IV  | CEC – RPS ID 60324A |
| - CE Turbo       | CEC – RPS ID 62242A |

Location of Facilities: Imperial Valley, CA

Technology/Fuel: Geothermal

Nameplate Capacity of Facilities: Total of ten generating units with a portfolio nameplate capacity of 340 MW. SMUD's share totals 30 MW as follows:

- |                 |       |
|-----------------|-------|
| - July 1, 2017  | 10 MW |
| - March 1, 2019 | 20 MW |
| - May 1, 2020   | 30 MW |

Product Description: Generation Portfolio, Baseload

Substitute Energy Allowed: No (see explanation on page 2)

Delivery Start Date-Delivery End Date: 22.5 years beginning July 1, 2017 and ending on December 31, 2039.

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

**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:**

Substitute energy is not allowed unless the Power Purchase Agreement is amended and the CEC approves a subsequent Emission Performance Standard filing for the new resource(s)/facility(ies). Section 3.3 of the Power Purchase Agreement provides CalEnergy, LLC the right to sell and deliver "Non-Portfolio Product" from additional resources/facilities to SMUD in the future. However, this right is conditioned on SMUD's Board approving the addition of Non-Portfolio Product by adding the name of the new resource(s)/facility(ies) to the portfolio mix in Appendix A of the Power Purchase Agreement and submitting to the CEC another Emission Performance Standard filing for the newly identified resource(s)/facility(ies). Section 3.3.2 provides that any amendment to the Power Purchase Agreement to substitute Non-Portfolio Product shall be void and all pending Non-Portfolio Product deliveries shall be terminated no later than the Effective Date of any decision by the CEC pursuant to section 2910 of the California Public Utilities Code that the covered procurement from Non-Portfolio Product resources/facilities fails to comply with the Emission Performance Standard.

**Description of other relevant contract terms:**

SMUD is entitled to all Green Attributes and Capacity Attributes associated with the Energy of the Facilities.

The Facilities are currently CEC certified for Renewables Portfolio Standard and SMUD expects that they will be re-certified and remain an eligible renewable energy resource under the Power Purchase Agreement. The Power Purchase Agreement requires CalEnergy, LLC to maintain CEC certification throughout the Term.

Section 13.2 of the Power Purchase Agreement provides that the Power Purchase Agreement is void and all energy deliveries shall be terminated no later than the Effective Date of any decision by the CEC pursuant to Section §2910 of the California Public Utilities Code that the covered procurement fails to comply with the emission performance standard.

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. Specifically, SMUD asserts herein that the Facilities under contract are compliant pursuant to Section § 2903(b) of the regulations.

