

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

May 29, 2015

**Re: Senate Bill (SB) 1368 Emission Performance Standards—Public Notice of Deliberation on a Covered Procurement**

Pursuant to the California Code of Regulations (CCR) Title 20, Section 2908(b), adopted by the California Energy Commission to implement SB 1368, [the Los Angeles Department of Water and Power hereby provides notice of its governing body's intent to deliberate on a covered procurement. The covered procurement that will be discussed at the public meeting is the Renewal Power Sales Contract, which provides for the procurement of electricity with a term of five years or greater from the Intermountain Power Project (IPP), located near Delta, Utah. In addition, a related contract—the Second Amendatory Power Sales Contract—will also be discussed. This contract facilitates repowering of IPP from coal to SB 1368-compliant natural gas.

**Name of Governing Authority/Body Meeting:** Los Angeles Department of Water and Power

**Date:** June 2, 2015

**Time:** 11 AM

**Location:** 111 North Hope Street  
Board Room  
Los Angeles, CA 90012

**Wheelchair accessible?:** Yes

**Remote Access, if Any:** <https://www.ladwp.com/board>

**Contact for Public for Further Information:** John R. Dennis

**Agenda for the Meeting:** <https://www.ladwp.com/board>

Additional materials pursuant to the requirements of CCR § 2908(b)(3) concerning the details of the Contracts and the natural gas repowering can be accessed via the following uniform resource locator (<https://www.ladwp.com/board>)

Sincerely,

John R. Dennis  
Director of Power Planning & Development

## **Documentation for Notice Regarding the Covered Procurement Involving a New or Renewed Contract for the Procurement of Electricity with a Term of Five Years or Greater**

### **Background**

The Los Angeles Department of Water and Power and five other California publicly owned utilities (Purchasers) currently purchase power from the Intermountain Power Project (IPP), an 1,800-megawatt, coal-fired power plant located near Delta, Utah. IPP is owned by the Intermountain Power Agency (IPA), a separate legal entity and political subdivision of the State of Utah. The Purchasers' current IPP Power Sales Contracts expire in 2027.

The Los Angeles Department of Water and Power and other Purchasers are considering executing the Second Amendatory Power Sales Contract and Renewal Power Sales Contract (collectively, Contracts) to facilitate conversion of the IPP from coal to natural gas and to continue purchasing power from the repowered IPP beyond 2027. The repowering would consist of constructing new gas units at the IPP site and decommissioning the existing coal units.

### **Public Notice**

Pursuant to the California Code of Regulations (CCR) Title 20, Section 2908(b)(3), this document, along with the appendices cited herein satisfies the public notice requirements for a covered procurement involving a new or renewed contract with a term of five years or more. This notice concerns two contracts: the Second Amendatory Power Sales Contract and the Renewal Power Sales Contract. The Second Amendatory Power Sales Contract will facilitate repowering of the IPP from coal to natural gas, and the Renewal Power Sales Contract provides for the procurement of electricity from the repowered IPP with a term of five years or greater. As required under CCR § 2908(b)(3), the information associated with the Contracts and the proposed natural gas repowering at IPP are identified in subsections (A) through (E), below.

#### **(A) A Description of the Terms of the Contract and Option(s) to Extend the Contract:**

Copies of the Contracts are attached in Exhibit A (Second Amendatory Power Sales Contract) and Exhibit B (Renewal Power Sales Contract). The Second Amendatory Power Sales Contract provides for the repowering of IPP from coal to natural gas by no later than 2025. It does not extend the term of any of the power sales contracts, which expire on June 15, 2027. Second Amendatory Power Sales Contract, § 2.2. The Renewal Power Sales Contract provides for the purchase of power from IPP beginning on June 16, 2027 and expires June 15, 2077, unless earlier terminated. Renewal Power Sales Contract § 4.106. There is no provision for extension.

#### **(B) A Description and Identification of the Powerplant(s) Providing Energy Under the Contract, Including, but not Limited to, Power Generation Equipment and Fuel Type:**

Energy under the Renewal Power Sales Contract will be provided entirely by IPP. The gas repowering of IPP will include construction and installation of two combined cycle power blocks, each with a design capacity of approximately 600 megawatts (MW). The combined cycle

power blocks will replace the existing coal-fired generating units and related facilities at IPP. Each power block will include natural gas-fired combustion turbine units, four heat recovery steam generators and two steam turbines, heat exchangers, and zero liquid discharge systems. Ancillary facilities to the combined cycle power blocks include: potential use of mechanical draft cooling towers, a re-circulating water system, and auxiliary cooling water. Second Amendatory Power Sales Contract, § 44.1.

**(C) A Description of the Design or Operation of the Powerplant(s) so as to Indicate Whether or not the Powerplant(s) Operates to Supply Baseload Generation:**

Based on preliminary information, it is anticipated that the repowered IPP units will operate as baseload at an annualized plant capacity factor of greater than 60 percent, as defined under 20 CCR § 2901(b).

**(D) An Explanation as to how the Contract is Compliant with the EPS:**

The combined cycle power blocks to be installed at the IPP generating station will be designed to comply with the Greenhouse Gases Emission Performance Standard (EPS), and will emit less than 1100 pounds of carbon dioxide per megawatt hour (MWh) of electricity. As identified in the Renewal Power Sales Contract, the contract is terminated if the California Energy Commission determines that the repowering does not comply with the EPS. Renewal Power Sales Contract, § 25.2.

**(E) Supporting Documents or Information that Allow for Assessment of Compliance with the Standard, Including, but not Limited to, Staff Assessments and Reports to the Local Publicly Owned Electric Utility's Governing Body, Planned or Historical Production and Fuel Use Data, and Applicable Historical Continuous Emissions Monitoring Data:**

Because the natural gas repowering at the IPP generating facility involves planned combined cycle power blocks, there is no historical production data, fuel use data or continuous emissions monitoring data for these units. However, the Purchasers intend that the facility will be operated in full compliance with the EPS and other applicable regulations.

The following supporting documents are attached to this notice: The Second Amendatory Power Sales Contract – Exhibit A; The Renewal Power Sales Contract – Exhibit B.