



City of Anaheim  
**PUBLIC UTILITIES DEPARTMENT**  
Integrated Resources Division

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

July 15, 2015

**Re: SB 1368 Emission Performance Standards—Public Notice  
of Covered Procurement**

Pursuant to the California Code of Regulations (CCR) Title 20, § 2908(b), Anaheim Public Utilities is providing notice of its governing body's intent to discuss the Second Amendatory Power Sales Contract (Agreement) between the City of Anaheim (Anaheim) and Intermountain Power Authority (IPA) which has as an attachment a template of the Renewal Power Sales Contract, a separate contract of which Anaheim will not be a party, that provides for the procurement of electricity with a term of five years or greater from the Intermountain Power Project ("IPP"), located near Delta, Utah. The Renewal Power Sales Contract (Contract), a separate contract of which Anaheim will not be a party, is a covered procurement subject to public notice under the Emission Performance Standards (EPS) regulations. The Second Amendatory Power Sales Contract which will be discussed facilitates the repowering of IPP from coal to natural gas.

**Name of Governing Authority/Body Meeting:** Anaheim City Council

**Date:** July 21, 2015

**Time:** 5:00 PM

**Location:** City Council Chambers, Anaheim City Hall; 200 S. Anaheim Blvd., Anaheim, CA 92805

**Wheelchair accessible?:** Yes

**Remote Access, if Any:** City Council meetings are broadcasted on local cable, Channel 3, and can also be viewed live online at [www.anaheim.net](http://www.anaheim.net)

**Contact for Public for Further Information:** Carrie Thompson, Principal Integrated Resource Planner, (714) 765-4131, or [cathompson@anaheim.net](mailto:cathompson@anaheim.net)

**Agenda for the Meeting:** City Council Agenda available at:  
[http://www.anaheim.net/docs\\_agend/questys\\_pub/](http://www.anaheim.net/docs_agend/questys_pub/)

Additional materials pursuant to the requirements of CCR § 2908(b)(3) concerning the contract and the natural gas repowering are available in the Staff Report and attachments at:

[http://www.anaheim.net/docs\\_agend/questys\\_pub/](http://www.anaheim.net/docs_agend/questys_pub/)

Sincerely,



Carrie Thompson  
Principal Integrated Resources Planner  
City of Anaheim

**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 City of Anaheim (Anaheim) and five other California municipalities with 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.

Anaheim and the other Purchasers are considering executing the Second Amendatory Power Sales Contract (Agreement) to facilitate conversion of IPP from coal to natural gas. Pursuant to the Renewal Power Sales Contract, a separate contract of which Anaheim will not be a party, the repowering would consist of constructing new gas units at the IPP site and decommissioning the existing coal units. Anaheim does not intend to participate in IPP beyond the current expiration date of 2027.

**Public Notice**

Pursuant to the California Code of Regulations (CCR) Title 20, § 2908(b)(3), public notice is required for a “covered procurement” (a new or renewed contract commitment for the procurement of electricity with a term of five years or greater). This notice concerns the Second Amendatory Power Sales Contract (Agreement) which has as an attachment a template of the Renewal Power Sales Contract (Contract), a separate contract of which Anaheim will not be a party. The Renewal Power Sales Contract provides for the procurement of electricity from the repowered IPP with a term of five years or greater. Per CCR § 2908(b)(3), the information associated with the Contract and the proposed natural gas repowering of IPP are identified in sections (A) through (E), below:

**(A) A Description of the Terms of the Renewal Power Sales Contract and Option(s) to Extend the Renewal Power Sales Contract:**

The Contract template is an attachment to the Agreement which is included with the Staff Report on the Agenda of the July 21, 2015 Anaheim City Council meeting, a URL link to the agenda of this meeting is:

[http://www.anaheim.net/docs\\_agend/questys\\_pub/](http://www.anaheim.net/docs_agend/questys_pub/)

The Second Amendatory Power Sales Contract provides for the repowering of IPP from coal to natural gas by 2025. It does not extend the term of the existing Power Sales Contract, which expires on June 15, 2027. The Renewal Power Sales Contract, a separate contract of which Anaheim will not be a party, provides for the purchase of power from IPP beginning on June 16, 2027 and expires June 15, 2077, unless earlier terminated. There is no provision for extension of the Contract.

**(B) A Description and Identification of the Powerplant(s) Providing Energy Under the Renewal Power Sales Contract, Including, but not Limited to,**

**Power Generation Equipment and Fuel Type:**

Anaheim will not be a party to the Renewal Power Sales Contract, and will not receive energy provided entirely by IPP under that contract. 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 turbine 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.

**(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:**

Anaheim will not be a party to the Renewal Power Sales Contract, and will not receive energy under that contract. However, 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 Renewal Power Sales Contract is Compliant with the EPS:**

Anaheim will not be a party to the Renewal Power Sales Contract, and will not receive energy under that contract. However, 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.

**(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:**

Anaheim will not be a party to the Renewal Power Sales Contract, and will not receive energy under that contract. 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 other Purchasers intend that the facility will be operated in full compliance with the EPS and other applicable regulations.