

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

June 12, 2015

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

Pursuant to the California Code of Regulations (CCR) Title 20, Section 2908(b), the City of Glendale is providing notice of a covered procurement subject to public notice under the Emission Performance Standards (EPS) regulations. 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, two related contracts—the Second Amendatory Power Sales Contract and a Renewal Excess Power Sales Agreement—will also be discussed. These contracts, collectively termed the IPP Renewal Contracts, will facilitate the repowering of IPP from coal to natural gas.

**Name of Governing Authority/Body Meeting:** City of Glendale

**Date:** June 16, 2015

**Time:** 6:00 p.m.

**Location:** City of Glendale Council Chambers, 613 E. Broadway, Glendale, CA 91206

**Wheelchair accessible?:** Yes

**Remote Access, if Any:** The meeting may be viewed remotely at:

<http://www.glendaleca.gov/government/departments/management-services/gtv6/live-video-stream>

**Contact for Public for Further Information:** Stephen M. Zurn, General Manager, Glendale Water & Power, (818) 548-2107; [szurn@glendaleca.gov](mailto:szurn@glendaleca.gov)

**Agenda for the Meeting:** [http://www.ci.glendale.ca.us/government/agenda\\_minutes/4A201506162.pdf](http://www.ci.glendale.ca.us/government/agenda_minutes/4A201506162.pdf)

Additional materials pursuant to the requirements of CCR § 2908(b)(3) concerning the details of the Contracts and the natural gas repowering will be posted in accordance with Government Code 54950, *et seq.* at: [http://www.ci.glendale.ca.us/government/council\\_packets/Reports\\_061615/CC\\_8e\\_061615.pdf](http://www.ci.glendale.ca.us/government/council_packets/Reports_061615/CC_8e_061615.pdf).

Sincerely,



Stephen M. Zurn  
General Manager  
Glendale Water & Power

**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 Glendale 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 City of Glendale and other Purchasers are considering executing the Second Amendatory Power Sales Contract, Renewal Power Sales Contract, and Renewal Excess Power Sales Agreement (collectively, IPP Renewal 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 three contracts: the Second Amendatory Power Sales Contract, the Renewal Power Sales Contract, and the Renewal Excess Power Sales Agreement. 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 IPP with a term of five years or greater. The Renewal Excess Power Sales Agreement, if applicable, grants Utah participants in the repowered project the option to lay off power to California participants and allows California participants to purchase such additional power. As required under CCR § 2908(b)(3), the information associated with the IPP Renewal 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 IPP Renewal Contracts are attached as Exhibit A (Second Amendatory Power Sales Contract), Exhibit B (Renewal Power Sales Contract) and Exhibit C (Renewal Excess Power Sales Agreement) to the report for agenda item 8(e) on the June 16, 2015 Glendale City Council meeting. The agenda for the meeting is posted at:

[http://www.ci.glendale.ca.us/government/agenda\\_minutes/4A201506162.pdf](http://www.ci.glendale.ca.us/government/agenda_minutes/4A201506162.pdf)

and the URL link to the agenda item is:

[http://www.ci.glendale.ca.us/government/council\\_packets/Reports\\_061615/CC\\_8e\\_061615.pdf](http://www.ci.glendale.ca.us/government/council_packets/Reports_061615/CC_8e_061615.pdf)

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 any of the power sales contracts, which expire on June 15, 2027. 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. The Renewal Excess Power Sales Agreement, if applicable, will allow for the purchase of additional power from Utah's IPP participants beginning on June 16, 2027 and expires June 15, 2077. 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 and Renewal Excess Power Sales Agreement will be provided entirely by the IPP renewal project. The IPP renewal project 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.

**(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.

**(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.

Copies of the IPP Renewal Contracts attached to the report for agenda item 8(e) on the June 16, 2015 Glendale City Council meeting agenda as follows: The Second Amendatory Power Sales Contract – Exhibit A; The Renewal Power Sales Contract – Exhibit B; The Renewal Excess Power Sales Agreement – Exhibit C. The agenda for the Glendale City Council's June 16, 2015 meeting is found at:

[http://www.ci.glendale.ca.us/government/agenda\\_minutes/4A201506162.pdf](http://www.ci.glendale.ca.us/government/agenda_minutes/4A201506162.pdf)

and a URL for agenda item 8(e) is as follows:

[http://www.ci.glendale.ca.us/government/council\\_packets/Reports\\_061615/CC\\_8e\\_061615.pdf](http://www.ci.glendale.ca.us/government/council_packets/Reports_061615/CC_8e_061615.pdf)