

# Memorandum

To: Chair David Hochschild

Date: Jan 6, 2021

Commissioner Karen Douglas  
Commissioner Andrew McAllister  
Commissioner Patty Monahan  
Commissioner Janea A. Scott

From: Drew Bohan  
Executive Director

Subject: **APPROVAL OF A SACRAMENTO MUNICIPAL UTILITY DISTRICT EMISSION PERFORMANCE STANDARD COMPLIANCE FILING**

On December 4, 2020, the Sacramento Municipal Utility District (SMUD) submitted a compliance filing requesting the California Energy Commission (CEC) find that SMUD's covered procurement for biomass energy from the Weed Cogeneration Plant be determined to be compliant with the CEC Greenhouse Gases Emission Performance Standard (EPS), pursuant to Title 20 of the California Code of Regulations, §2900, et seq.

Senate Bill 1368 (Perata, Chapter 598, Statutes of 2006) limits long-term investments in baseload generation by the state's utilities to power plants that meet an EPS jointly established by the CEC and the California Public Utilities Commission. The CO<sub>2</sub> emission rate limit is 1,100 pounds per megawatt-hour. The EPS establishes a public process for determining the compliance of proposed utility investments. Utilities are required to submit a compliance filing upon committing to an investment that is required to meet the EPS.

On November 30, 2020, SMUD's city council approved a power purchase agreement (PPA) with Roseburg Forest Products Co. for a term of five years. The PPA has a total capacity of 11 megawatts (MW) and SMUD's share is 2.5795 MW (23.45 percent). The Weed Cogeneration Plant has been in commercial operation since 2011 and is considered to be a renewable biomass power plant as it utilizes wood waste from the forest. The facility is certified under the Renewables Portfolio Standard (RPS) with an RPS identification number of 60501.

SMUD is one of five buyers under the PPA. The other buyers are the Modesto Irrigation District, the City of Riverside, the Southern California Public Power Authority, and the Turlock Irrigation District. The five buyers are procuring power for compliance with Senate Bill 859 (Committee on Budget and Fiscal Review, Chapter 368, Statutes of 2016). SB 859 requires local publicly owned electric utilities serving more than 100,000 customers to procure their proportionate shares of 125 MW of cumulative rated capacity from bioenergy projects for terms of at least five years.

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Staff has evaluated SMUD's compliance filing and concludes that the PPA is compliant with the EPS pursuant to §2903(b)(2); specifically, that the biomass facility listed in the PPA utilizes only biomass fuels that would otherwise be disposed of utilizing open burning, forest accumulation, spreading, composting, uncontrolled landfill, or landfill utilizing gas collection with flare or engine. Biomass includes but is not limited to agriculture waste, wood waste, and landfill gas. Staff recommends the CEC find that the covered procurement as described in SMUD's filing complies with the CEC's EPS, Title 20, §2900 et seq., of the California Code of Regulations.



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Drew Bohan  
Executive Director

January 11, 2021

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Date

STATE OF CALIFORNIA

STATE ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION

*IN THE MATTER OF:*

*Sacramento Municipal Utility District  
Emission Performance Standard  
Compliance Filing*

**Docket No. 20-EPS-01**

**I. INTRODUCTION**

Pursuant to Public Utilities Code section 8341(e)(1), the California Energy Commission (CEC) established a greenhouse gases emission performance standard (EPS) of 1,100 pounds carbon dioxide per megawatt hour, as codified in Title 20 of the California Code of Regulations, section 2900 et seq. The CEC is responsible for reviewing all long-term financial commitments entered into by local publicly owned electric utilities for compliance with the EPS.

**II. FINDINGS**

- a. On December 4, 2020, the Sacramento Municipal Utility District (SMUD) submitted a compliance filing requesting that the CEC find that SMUD's Power Purchase Agreement with Roseburg Forest Products Co. for electricity from the Weed Cogeneration Plant be determined to be compliant with the EPS;
- b. CEC staff reviewed SMUD's filing and found it complete. Based on its review, staff recommended that the procurement be found to be in compliance with the EPS; specifically, staff concluded that the facility listed in the PPA is determined to be compliant with the EPS under section 2903(b)(2) of the Public Resources Code; and
- c. The CEC concurs with staff's recommendation that SMUD's compliance filing is complete and that the contract with Roseburg Forest Products Co., as described in the compliance filing, complies with the EPS.

**III. CONCLUSION AND ORDER**

The CEC hereby adopts staff's recommendation and orders that the long-term financial commitment described in SMUD's compliance filing complies with the CEC's Greenhouse Gases Emission Performance Standard, as codified in Title 20 of the California Code of Regulations, section 2900 et seq.

## **CERTIFICATION**

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of an Order duly and regularly adopted at a meeting of the CEC held on January 25, 2021.

AYE:

NAY:

ABSENT:

ABSTAIN:

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Cody Goldthrite  
Secretariat