

Memorandum

To: Chair David Hochschild
Commissioner Karen Douglas
Commissioner Andrew McAllister
Commissioner Patty Monahan
Commissioner Siva Gunda

Date: February 23, 2021

From: Drew Bohan
Executive Director

Subject: APPROVAL OF A SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY EMISSION PERFORMANCE STANDARD COMPLIANCE FILING

On January 25, 2021, the Southern California Public Power Authority (SCPPA) submitted a compliance filing requesting the California Energy Commission (CEC) find that SCPPA's covered procurement for geothermal energy from the Coso Geothermal Energy Project be determined to be compliant with the CEC Greenhouse Gases Emission Performance Standard (EPS), pursuant to Title 20 of the California Code of Regulations, section 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 CO₂ 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 September 10, 2020, SCPPA's board of directors approved a power purchase agreement (PPA) with Coso Geothermal Power Holdings, LLC for a term of 20 years. The three participating members in the PPA are the City of Banning, the City of Pasadena, and the City of Riverside. The PPA has a total nominal annual expected capacity of 130 megawatts (MW) from three facilities all situated in and around the U.S. Naval Weapons Center in Inyo County. The three facilities are:

1. BLM – 96.6 MW which consists of three generators
2. Navy I – 85.0 MW which consists of three generators
3. Navy II – 90.0 MW which consists of three generators

Although the combined nameplate capacity for the three facilities is 271.6 MW, because these facilities have been in operation since 1988, annual degradation and other limiting factors have contributed to a significant drop in their production level. SCPPA's procurement percentage of the total annual expected capacity (130 MW)

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from the three facilities is 14 percent for the first five years, 40 percent during the following 10 years, and more than 50 percent for the remaining five years of the PPA.

Staff has evaluated SCCPA's compliance filing and concludes that the contract is compliant with the EPS pursuant to Section 2903(b)(1); specifically, that all of the geothermal facilities listed in the PPA meet the criteria of a renewable electricity generation facility as defined in Chapter 8.6 of Division 15 of the Public Resources Code and as such are determined to be compliant with the EPS. Staff recommends the CEC find that the covered procurement described in SCPPA's filing complies with the CEC's EPS, Title 20, Section 2900 et seq., of the California Code of Regulations.

Drew Bohan
Executive Director

3/05/21

STATE OF CALIFORNIA

STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

IN THE MATTER OF:

*Southern California Public Power Authority
Emission Performance Standard
Compliance Filing*

Docket No. 21-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 January 25, 2021, the Southern California Public Power Authority (SCPPA) submitted a compliance filing requesting that the CEC find that SCPPA's Power Purchase Agreement with Coso Geothermal Power Holdings LLC for electricity from the Coso Geothermal Energy Project be determined to be compliant with the EPS;
- b. CEC staff reviewed SCPPA'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)(1) of the Public Resources Code; and
- c. The CEC concurs with staff's recommendation that SCPPA's compliance filing is complete and that the contract with Coso Geothermal Power Holdings LLC 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 SCPPA'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 March 17, 2021.

AYE:

NAY:

ABSENT:

ABSTAIN:

Patricia Carlos
Secretariat