



Power Sales Agreement with SCPPA for 0.8 MW of Renewable Biomass Energy

Riverside Public Utilities

City Council
January 23, 2018

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BACKGROUND

1. Effective September 14, 2016, California Senate Bill 859 mandated all IOU's and POU's serving more than 100,000 customers procure a proportionate share of 125 MW of electric generation from biomass-fueled resources
2. The biomass-fueled resource must be located in CA and commence operations prior to June 1, 2013

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BACKGROUND

3. The biomass-fuel source must meet the following requirements:
 - a) At least 80% of the feedstock of an eligible facility, on an annual basis, shall be a byproduct of sustainable forestry management
 - b) At least 60% of the feedstock shall be sourced from designated Tier 1 and Tier 2 high hazard zones
4. October 13, 2016, California Public Utilities Commission adopted Resolution E-4805, which established that the CA POU's must procure 29 MW of the 125 MW statewide mandate









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BACKGROUND

5. The seven (7) CA POU's that serve more than 100,000 customers are the following:

SCPPA Members	{	a) Anaheim				
		b) Los Angeles				
		c) Riverside				
		d) Imperial Irrigation District (IID)				
Non-SCPPA Members	{	e) Modesto Irrigation District (MID)				
		f) Sacramento Municipal Utility District (SMUD)				
		g) Turlock Irrigation District (TID)				

6. The City of Riverside is obligated to procure 1.3 MW of the 29 MW allocation to CA POU's

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DISCUSSION

1. March 13, 2017, SCPPA issued an RFP and through the solicitation the CA POU's agreed to pursue American Renewable Power (ARP) – Loyaltan Biomass Project (Project)
2. The Project would provide 18 MW of the 29 MW requirement
3. The CA POU's are working through SCPPA to procure the remaining 11 MW

Project Characteristics and Deliverables

Participants	Capacity (MW)	% of Total Capacity
Anaheim	0.806	4.48%
Imperial Irrigation District	1.490	8.28%
Los Angeles	8.876	49.31%
Modesto Irrigation District	0.994	5.52%
Riverside	0.806	4.48%
Sacramento Municipal Utility District	4.221	23.45%
Turlock Irrigation District	0.806	4.48%
Total	18 MW	100%

Project Characteristics and Deliverables

1. Term – Five year term commencing on the date of commercial operation, anticipated within the first quarter of 2018
2. Pricing – The energy price is fixed at \$97.50/MWh for the term of the contract (Five Years)
3. Scheduling Coordinator Fee – Riverside Public Utilities will provide scheduling coordination services to SCPA for the Project and will receive approx. \$280,000 in revenue during the term of the contract

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Recommendations

That the City Council:

1. Approve the five-year Power Sales Agreement between Southern California Public Power Authority and the City of Riverside to provide renewable biomass energy and renewable energy credits from the American Renewable Power-Loyalton Biomass Project;
2. Authorize the City Manager or his designee to execute or terminate the Power Sales Agreement, as well as future amendments to the Power Sales Agreement, under terms and conditions substantially or superior to the Power Sales Agreement; and
3. Authorize the City Manager, or his designee, to execute any documents necessary to administer the Power Sales Agreement.
4. Request that staff report back to the Board of Public Utilities and City Council annually as to ARP-Loyalton Cogen LLC's performance under and compliance with the terms of the Power Purchase Agreement for this Project.

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