



**SB 859 PURCHASE AGREEMENT WITH ROSEBURG FOREST PRODUCTS CO. FOR SENATE BILL 859 COMPLIANT CAPACITY FOR A TERM OF 5 YEARS FOR AN ESTIMATED AVERAGE ANNUAL COST OF \$165,000 AND ASSOCIATED AGREEMENTS AND FILINGS**

**Riverside Public Utilities  
Resource Operations and Strategic Analytics**

Board of Public Utilities  
February 24, 2020

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## LEGISLATIVE HISTORY

1. Senate Bill 859 mandates investor-owned and publicly-owned utilities to procure biomass-fueled resources
  - a. Biomass fuel (dead or diseased trees) must be from high hazard fire zones
2. CPUC adopted resolution requiring POUs to procure 29MW
  - a. RPU required to procure 1.3MW
3. SB 1368
  - a. Requires all POUs to submit covered procurements to the CEC

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## BACKGROUND

1. All affected California public utilities worked together to meet the procurement target of 29 MW
2. January 23, 2018: California POU's contracted with ARP-Loyalton to procure 18 MW of the 29 MW
  - a. RPU share was 0.8 MW of the 1.3 MW target

## JOINT BUYER PROJECT

1. Agreement with Roseburg Forest Products Co.

	Capacity (MW)	% of Total Capacity
Anaheim	0.4928 MW	4.48%
Imperial Irrigation District	0.9108 MW	8.28%
Los Angeles	5.4241 MW	49.31%
Sacramento Municipal Utility District	2.5795 MW	23.45%
Modesto Irrigation District	0.6072 MW	5.52%
Riverside	0.4928 MW	4.48%
Turlock Irrigation District	0.4928 MW	4.48%
<b>Total</b>	<b>11 MW</b>	<b>100.00%</b>

## ROSEBURG SB 859 PURCHASE AGREEMENT

1. 5-year term – anticipated to start in 2<sup>nd</sup> Quarter of 2020
2. Fixed price - \$46 per MWh of SB 859 Capacity (no energy or environmental attributes)
3. SB 859 Attestation from Roseburg
4. Performance Security - Initial Letter of Credit \$2.475M
5. SB 859 Compliance Guarantee

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## SB 1368 COMPLIANCE FILING TO THE CEC

1. SB 1368 enacted in 2006- limits investments in long-term resources to those meeting California's Emission Performance Standards (EPS)
2. Requires POUs to submit EPS Compliance Filing to CEC within 10 days of entering into a "covered procurement"
3. Compliance Filing requires governing body approval in a noticed public meeting prior to submission to CEC
4. CEC will evaluate and verify the covered procurement's compliance with EPS

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## RECOMENDATIONS

That the Board of Public Utilities recommend that the City Council:

1. Approve the SB 859 Purchase Agreement with Roseburg Forest Products Co. for Senate Bill 859 compliant capacity for a term of five years for an estimated average annual cost of \$165,000;
2. Approve the Roseburg SB 859 Biomass Project Buyers Joint Project Agreement by and among Southern California Public Power Authority, Modesto Irrigation District, Turlock Irrigation District, and Sacramento Municipal Utility District;
3. Approve the Senate Bill 1368 Compliance Filing to the California Energy Commission for the participation in the SB 859 Purchase Agreement; and

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## RECOMMENDATIONS (continued)

4. Authorize the City Manager, or designee, to execute the SB 859 Purchase Agreement, Buyers Joint Project Agreement, and all documents necessary to administer the Agreements including the ability to make non substantive changes, as well as to execute future amendments to the SB 859 Purchase Agreement and Buyers Joint Project Agreement under terms and conditions substantially similar or superior to the original Agreements and, if needed, to terminate the SB 859 Purchase Agreement and Buyers Joint Project Agreement in accordance with Agreement terms and conditions.

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