

# Exhibit to Agenda Item #2

- a. Authorize the Chief Executive Officer and General Manager, or his delegate, to execute a five-year Power Purchase Agreement (PPA) and associated Buyers Joint Project Agreement for 11 MW of biomass capacity attributes at a price of \$46/MWh, of which 2.5795 MW is SMUD's share, with **Roseburg Forest Products Co. (Roseburg)** to support compliance with Senate Bill (SB)-859.
- b. Approve the California Energy Commission (CEC) Emissions Performance Standard (EPS) compliance filing and authorize the Chief Executive Officer and General Manager to sign the compliance filing attestation.

Board Energy Resources & Customer Services Committee and Special SMUD Board of Directors Meeting

Tuesday, November 17, 2020, immediately following the Finance & Audit Committee meeting scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

# Execute a 5-Year Biomass PPA with Roseburg Forest Products to Support SB 859

## Board Policy

- Supports SD-7 Environmental Leadership and SD-9 Resource Planning

## Background

- SB 859 requires POUs with at least 100,000 customers to procure their pro-rata share of 125 MW from biomass power plants that use forest fuels from Tier 1 & Tier 2 high hazard zones as identified by CalFire
- IOU's share is 96 MW; POU's share is 29 MW;
  - SMUD's share is 6.8 MW

# Execute a 5-Year Biomass PPA with Roseburg Forest Products to Support SB 859

## Context

- In 2018, 18 MWs of the 29 MW requirement under SB 859 was awarded to ARP Loyalton, LLC
- Seven POU's (SMUD, IID, MID, TID, LADWP, Riverside and Anaheim) jointly solicited proposals for remaining 11 MW
- Multiple bids were received

# Execute a 5-Year Biomass PPA with Roseburg Forest Products to Support SB 859

## Context

Roseburg was the lowest price and offered a unique SB 859 attributes only structure

Contract fulfills SMUD's SB 859 requirement

Anaheim, Riverside, TID, IID and MID have already received their necessary approvals. LA is pending City Council approval

# Execute a 5-Year Biomass PPA with Roseburg Forest Products to Support SB 859

## Key Contract Terms

Volume: 2.5795 MW (SMUD's share)

Price: \$46.00/MW with no escalation

Annual cost: \$540,000

Term: 5 years; January 2021 – December 2025

# Execute a 5-Year Biomass PPA with Roseburg Forest Products to Support SB 859

## Emissions Performance Standard

As a renewable resource, the contract meets the definition of “determined to be compliant” with EPS in accordance with Senate Bill 1368, establishing the EPS

The regulations require the SMUD Board to determine that this covered procurement complies with the EPS and to delegate authority for signing the compliance filing attestation

The Compliance filing will be submitted to the CEC within 10-days of contract execution

# Execute a 5-Year Biomass PPA with Roseburg Forest Products to Support SB 859

## Requested Action

Authorize the Chief Executive Officer and General Manager, or his delegate, to execute a five-year Power Purchase Agreement (PPA) and associated Buyers Joint Project Agreement for 11 MW of biomass capacity attributes at a price of \$46/MWh, of which 2.5795 MW is SMUD's share, with Roseburg Forest Products Co. (Roseburg) to support compliance with Senate Bill (SB)-859.

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