

Exhibit to Agenda Item #1

- a. Authorize the Chief Executive Officer and General Manager (CEO/GM), or his designee, to negotiate and execute a 10-year **Power Purchase Agreement (PPA)** consisting of two confirmations with **Geysers Power Company, LLC** for 100 MW of geothermal energy, substantially in the form attached.
- b. Approve the **California Energy Commission (CEC) Emission Performance Standard (EPS)** compliance filing and authorize the CEO/GM, or his designee, to sign the compliance filing attestation.

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

Wednesday, March 16, 2022, scheduled to begin at 5:30 p.m.

Virtual Meeting Online

Calpine Geysers Geothermal Power Purchase Agreement (PPA)

Board Policy

- SD-2, Competitive Rates: SD-4, Reliability: SD-7, Environmental Leadership: SD-9 Resource Planning

Background

- In 2021, Calpine approached SMUD with a proposal for a PPA from the Geysers geothermal project.
- SMUD conducted an evaluation of the market and generation technology and determined that the Geysers project offer provided superior value vs. alternatives.

Calpine Geysers Geothermal PPA

Context

- SMUD will purchase the energy, capacity, and environmental attributes, including Portfolio Content Category 1 Renewable Energy Credits (PCC1 RECs).
- The project is located in northern California.
- The 2030 Zero Carbon Plan specifically identifies the need for incorporation of a geothermal resource into the SMUD portfolio.

Calpine Geysers Geothermal PPA



Calpine Geysers Geothermal PPA



Calpine Geysers Geothermal PPA

Context

- 876,000 MWh/year of carbon free energy and PCC1 RECs generated in California as well as 100 MWs of firm capacity each hour for resource adequacy.
- This contract provides economic, zero carbon power and will be a key contributor to achieving our 2030 Zero Carbon Plan.

Calpine Geysers Geothermal PPA

Key Contract Terms

- Volume: 100 MW Geothermal energy, 100 MW firm capacity
- Annual cost: \$61.3 million for energy, PCC1 RECs, and capacity
- Term: 10 years; January 2023 – December 2032

Calpine Geysers Geothermal PPA

Emission Performance Standard (EPS)

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 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.

Calpine Geysers Geothermal PPA

Requested Action

- a. Authorize the Chief Executive Officer (CEO) and General Manager (GM), or his designee, to negotiate and execute a 10-year **Power Purchase Agreement (PPA)** consisting of two confirmations with **Geysers Power Company, LLC** for 100 MW of geothermal energy, substantially in the form attached.
- b. Approve the **California Energy Commission (CEC) Emission Performance Standard (EPS)** compliance filing and authorize the CEO/GM, or his designee, to sign the compliance filing attestation.