



Compliance Filing for LSEs with Long-Term Financial Commitments

February 15, 2024

CA Public Utilities Commission
Energy Division
Attention: Tariff Unit
Served by Email

Re: **Advice Letter No. 9-E**: GHG Environmental Performance Standard (EPS) Compliance Filing **2023**

Pursuant to Ordering Paragraph No. 4 of Decision (“D.”) 07-01-039, issued in R. 06-04-009 on January 25, 2007, Desert Community Energy (“DCE”) submits this annual Attestation Letter affirming that the financial commitments DCE has entered into for generation during the prior calendar year are in compliance with the greenhouse gas (“GHG”) emissions performance standard (“EPS”). Specifically, DCE is in compliance with the EPS. Documentation supporting that compliance is provided below.

Effective Date: March 15, 2024 (30 days after filing)

Tier Designation: Tier 2 Designation

Purpose

This Attestation Letter provides information and documentation required by D.07-01-039 for LSEs (electrical corporation, electric service provider, or community choice aggregator) with new long-term financial commitments (defined on Page 3 in Attachment 7 of D.07-01-039). This Attestation Letter demonstrates that for **2023** all financial commitments entered into by DCE are compliant with the EPS.

Background

D.07-01-039 requires all Load Serving Entities (“LSEs”) to file annual Attestation Letters, due February 15th of each year, attesting to the Commission that the financial commitments entered into for generation during the prior calendar year are in compliance with the EPS. D.07-01-039 requires LSEs to file Attestation Letters as an advice letter and serve the Attestation Letter on the service list in Rulemaking (“R.”) 06-04-009. This Attestation Letter is filed pursuant to that process.

D.07-01-039 requires LSEs to list long-term financial commitments of five years or longer that they have entered into during the prior year. Note that long-term financial commitments can be compliant if any of the following apply:

The **POWER** of choice

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- 1) not in a baseload powerplant;
- 2) generation using pre-approved renewable resource technology;
- 3) existing combined-cycle combustion turbine (in operation/or permitted to operate as of 6/30/07) with an increase in rated capacity less than 50 megawatts (MW);
- 4) net emission rate of each baseload facility underlying a covered procurement does not exceed 1,100 lbs of CO₂ per megawatt hour (MWh);
- 5) Exemption related to: reliability exemption, extraordinary circumstances or financial harm, and CO₂ sequestration through injection in geological formations.

D.07-01-039 requires all LSEs to disclose the investment amount and type of alteration to retained generation, by generation facility and unit. D.07-01-039 also advises LSEs to present documentation regarding the design and intended use of the powerplant(s) underlying their new long-term financial commitments utilizing the sources of information listed in California Public Utilities Code § 8341(b)(4), as well as any other sources of documentation that they believe will be relevant to this determination.

D.07-01-039 emphasizes that the key concept is to establish the design and intended use of the powerplant. Accordingly, documentation of the annualized plant capacity factor for the powerplant should include historical annual averages in order to help determine whether the plant is “designed and intended” to be used for baseload generation. D.07-01-039 requires LSEs to provide documentation of capacity factors, heat rates and corresponding emissions rates that reflect the actual, expected operations of the plant.

This Attestation Letter comports with the requirements outlined above.

Protests

This compliance filing is not subject to protest pursuant to General Order 96-B, Energy Industry Rule 9.

Correspondence

Any correspondence regarding this compliance filing should be sent by email to the attention of:

David Freedman
Program Manager
Desert Community Energy
dfreedman@cvag.org

Compliance Documentation

The following listings and/or tables provide detailed and specific information regarding DCE contracts and long-term financial commitments that are subject to the EPS requirements. The compliance documentation must match the compliance category outlined previously. For example, the information provided must demonstrate that the net emissions rate of each baseload

facility underlying a covered procurement is no higher than 1,100 lbs. of carbon dioxide (CO₂) per megawatt-hour (MWh).

1. Include a complete and detailed listing of the new long-term financial commitments of five years or longer they have entered into during the prior year with documentation to demonstrate:
 - a) Documentation demonstrating that such procurements are EPS compliant, including any contracts with a term of five years or longer that include provisions for substitute energy purchases.
 - b) For any requested reliability-based exemptions that have been pre-approved by the Commission, reference to the application and Commission decision number.
2. The complete listing of new long-term financial commitments of five years or longer must include “linked” contracts whose combined term is five years or longer.
3. Disclosure of LSE investments in retained generation, including “deemed-compliant” combined cycle gas turbines (CCGTs). All LSEs are to disclose the investment amount and a breakdown of alterations or refurbishments to retained generation, by generation facility and unit.
4. Present documentation regarding the designed and intended use of the powerplant(s) underlying their new long-term financial commitments utilizing the sources of information listed in § 8341 (b)(4), as well as any other sources of documentation relevant to the determination.
5. Provide documentation of capacity factors (for definition of capacity factor see Section 5.6 of D.07-01-039.), heat rates and corresponding emissions rates that reflect the actual, expected operation of the plant (not full load heat rate). Documentation of the annualized plant capacity factor for the power plant should include historical annual averages in order to determine whether the plant is “designed and intended” to be used for baseload generation at an annualized plant capacity factor of at least 60 percent.

**Desert Community Energy
 GHG Environmental Performance Standard (EPS) Compliance Filing 2023**

List of Long-term Contracts (Power Purchase Agreements)

Table 1—EPS Compliant Contracts:

Project Name	Technology	PPA Executed	County	PPA Term (Years)	EPS Compliant	Compliance Category
Terra-Gen East Wind	Wind	12/2020	Riverside	15	Yes	Non-baseload

Project Name	Technology	PPA Executed	County	PPA Term (Years)	EPS Compliant	Compliance Category
Terra-Gen Altwind	Wind	12/2020	Riverside	15	Yes	Non-baseload
Terra-Gen Coachella Hills Wind II	Wind	1/2021	Riverside	15	Yes	Non-baseload
Cape Generating Station 1	Geothermal	9/2022	Beaver, Utah	15	Yes	Non-baseload

Certification

- (1) I have reviewed, or have caused to be reviewed, this compliance submittal.
- (2) Based on my knowledge, information, or belief, this compliance submittal does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements true.
- (3) Based on my knowledge, information, or belief, this compliance submittal contains all of the information required to be provided by Commission orders, rules, and regulations.

Include the name and contact information for the DCE officer(s) certifying the above:

Signature:

Tom Kirk
Tom Kirk (Feb 9, 2024 14:18 PST)

Tom Kirk
 Executive Director
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 Palm Desert, CA 92260
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