

**DEPARTMENT OF ENERGY
FEDERAL ENERGY MANAGEMENT PROGRAM**

**Request for Information on the Availability of New Geothermal Electricity in the Salton
Sea Area to Serve Regional Federal Load**

August 25, 2016

The purpose of this request for information (RFI) is to solicit input from industry on options available to the Federal Government for a potential aggregated power purchase of 100 - 250 MW of newly constructed geothermal electricity generated in the Salton Sea area, which lies within the Riverside and Imperial Counties of California, for delivery over a ten-year or twenty-year contract period to serve regional Federal load.

DATES: Comments and information are requested on or before **September 29, 2016**.

ADDRESSES: Interested parties may submit comments electronically:

E-mail: tracy.niro@ee.doe.gov. Include "August 2016 Geothermal RFI" in the subject of the message.

FOR FURTHER INFORMATION CONTACT: Tracy Niro, U.S. Department of Energy, Federal Energy Management Program, e-mail: tracy.niro@ee.doe.gov.

SUPPLEMENTARY INFORMATION: In order to respond to increasing demand for renewable energy and to help meet Federal agency renewable goals established in the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007, as well as by the President in Executive Order 13693, the Department of Energy's Federal Energy Management

Program (FEMP) seeks information on the potential for new geothermal energy projects located in the Salton Sea area to provide 100 - 250 MW of renewable electricity via power purchase contract to serve regional Federal Government load located in one or more of the Arizona counties of: Pima, Pinal, Maricopa, Yuma, La Paz and/or the California counties of: Imperial, San Diego, Riverside, San Bernardino, Orange and Los Angeles. Because FEMP is familiar with the solar and wind resources available in the area, this RFI is focused solely on new geothermal electricity potential.

One means of facilitating the development of new renewable resources is through the use of long term power purchase contracts, whereby a third party funds, develops, operates, maintains and owns a renewable energy project, and a Federal agency (or other customer) commits to purchase the energy, capacity and/or renewable energy certificates (RECs) from the project owner. For the purposes of this RFI, new geothermal resources are defined as those which are not in service as of the date of this RFI.

The power purchase contracting vehicle is an attractive solution to help the Federal Government meet its renewable energy goals and FEMP would like to learn more about options for such contracts now and in the immediate future for new geothermal electricity generated in the Salton Sea area.

Questions:

- 1) Describe local new geothermal electricity generation options in the Salton Sea area, which is within the Riverside and Imperial Counties of California, to serve from 100 –

250 MW of Federal load in the surrounding region, which includes the following Arizona counties: Pima, Pinal, Maricopa, Yuma, La Paz and/or the California counties of: Imperial, San Diego, Riverside, San Bernardino, Orange and Los Angeles counties, via power purchase contract; include the approximate timeframe for power delivery to commence.

- 2) Describe the optimal delivery point(s) for the electricity and whether deliveries would be around the clock.
- 3) Describe the optimal contract term for any potential power purchase contract. Some Federal agencies have longer term contracting authorities than others. For example, the Department of Defense has 30-year contracting authority via 10 U.S.C. 2922a, whereas civilian agencies are typically limited to a ten-year contract via 40 U.S.C. 501, or may pursue a ten-year contract with a unilateral ten-year option for the Government to renew.
- 4) Identify any transmission, congestion, or infrastructure issues that could impact potential projects in the Salton Sea area.
- 5) For the purposes of this RFI, FEMP is interested in projects with an estimated price per kWh at or below the 2014 average retail price for electricity in California, calculated at 15.15 cents per kWh by the Energy Information Administration.¹ Describe what variables or considerations can impact the price and provide options for different types of pricing including: fixed rate, fixed rate with fixed escalation, and base rate with indexed inflation.
- 6) Specify whether RECs would be included in the sale of electricity and describe the optimal REC ownership arrangement.

¹ <http://www.eia.gov/electricity/state/california/>

- 7) Provide any additional information that may assist the Federal Government in understanding the options available for an aggregated power purchase contract of 100 – 250 MW of new geothermal electricity generated in the Salton Sea area.

Please note that FEMP is not an electricity or utility service procurement agency for the Federal Government; this RFI will be used for information purposes only.

CONFIDENTIAL AND PRIVILEGED INFORMATION: FEMP advises commenters to avoid including any information in their responses that might be considered business sensitive, proprietary, or otherwise confidential. If, however, a commenter chooses to submit business sensitive, proprietary, or otherwise confidential information, it must be clearly and conspicuously marked as such in the response. In addition, (1) the header and footer of every page that contains confidential, proprietary, or privileged information must be marked as follows: “Contains Confidential, Proprietary, or Privileged Information Exempt from Public Disclosure” and (2) every line and paragraph containing proprietary, privileged, or trade secret information must be clearly marked with double brackets or highlighting. Failure to comply with these marking requirements may result in the disclosure of the unmarked information under the Freedom of Information Act or otherwise. The U.S. Federal Government is not liable for the disclosure or use of unmarked information and may use or disclose such information for any purpose. If a comment contains confidential, proprietary, or privileged information, the commenter must include a cover sheet identifying the specific pages containing confidential, proprietary, or privileged information.

Issued in Washington, DC, on August 25, 2016.

Timothy D. Unruh

Program Director

Federal Energy Management Program