Nevada Irrigation District

Staff Report

TO: Board of Directors

FROM: Peter Wade, P.E., Director of Power Systems

DATE: November 12, 2025

SUBJECT: **Combie South and Deer Creek Powerhouse Power Purchase Agreements**

HYDROELECTRIC

RECOMMENDATION:
Approve a contract for the sale of Portfolio Content Category 1 Product Resource Contingent Bundled Renewable Energy Credits (RECs) and a contract for the sale of Designated Resource Adequacy (RA) Capacity of RA Attributes, Local RA Attributes, and if applicable, Flexible RA Attributes from the Combie South Powerhouse and Deer Creek Powerhouses and authorize the General Manager to execute the necessary documents including any non-substantive modifications as may be approved by NID's General Counsel.

BACKGROUND:
In February of 2020, October of 2021, and October of 2023, the Board authorized the sale of energy, RA, and RECs from the Combie South Powerhouse (CSPH) to the Northern California Power Agency (NCPA). The original contract resulted from a Request for Interest (RFI) submitted to 82 entities, including energy brokers, direct access purchasers, Community Choice Aggregators (CCAs), cities, and counties. Following the RFI process, three entities were asked to submit bids. NCPA was selected following a detailed review of the bids. The contract was extended in October of 2023 for two more years (2024-2025). Deer Creek Powerhouse (DCPH) was included in the contract once ownership was transferred to NID.

A contract extension is necessary to continue to sell the product from both the CSPH and DCPH. The District approached NCPA to see if they were interested in a contract extension. After negotiations, the agencies have presented an agreement with the following key terms:

- Term of Transaction: 2 years; January 1, 2026 – December 31, 2027
- REC Price: $18.00 / REC
- Resource Adequacy Price: $6.10 / kW-month
- Energy Price: CAISO LMP calculated at the Delivery Point

The prices for RECs and RA reflect changes in market conditions since the initial contract was signed. Although a competitive bid process was not completed prior to this contract, pricing information from the CAISO NP15 and LMP was reviewed. The data they provided shows that pricing in the proposed agreement is consistent with market prices.

BUDGETARY IMPACT:
Projected revenue for each of the powerhouses was calculated based on the following:

- Past revenue data escalated by 3 to 5%.
- Analysis of generation and revenue data from January 2021 through December 2024.

Projected annual revenue from the CSPH is expected to range from a low of $138,000 to a high of $659,000, with an average of $397,000.

Projected annual revenue from the DCPH is expected to range from a low of $606,000 to a high of $781,000, with an average of $693,000. Analysis of past revenue data for DCPH is limited to the 2023-2024 period, as NID acquired DCPH from PG&E in 2023. Future revenues also depend on water availability from PG&E's Spaulding project.