

Demand Conformance

3.1 General

As of January 1, 2000, the California Energy Commission is no longer required to determine if a proposed project conforms to an integrated assessment of need. Senate Bill 110, which took effect on January 1, 2000 (Cal. Const. Art. 4, Section 8), states:

“Before the California electricity industry was restructured the regulated cost recovery framework for power plants justified requiring the commission to determine the need for new generation, and site only power plants for which need was established. Now that power plant owners are at risk to recover their investments, it is no longer appropriate to make this determination.”

3.2 Need for Vernon Power Plant Project

The City of Vernon (City) is in the process of implementing policies that will reposition its generation asset portfolio to 100 percent local generation. Toward this end, the City has embarked upon this current Vernon Power Plant project to supply the needs of its native load and provide future resources for its industrial load growth.

The City intends to take about 15 to 25 percent of the plant’s capacity as a resource for its native load; the remainder will serve the energy needs of southern California. The City is proposing to enter into a participation arrangement or lay-off purchase contract with other utilities or energy companies for the balance of the plant’s capacity.