

PARTICIPATION IN THE CALIFORNIA AIR RESOURCES BOARD'S LOW CARBON FUEL STANDARD PROGRAM

Riverside Public Utilities

City Council
March 13, 2018

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LOW CARBON FUEL STANDARD PROGRAM

1. One of several state programs to reduce statewide greenhouse gas emissions administered by CARB
2. Applies to the transportation fuel sector
3. Goal is to achieve a 10% reduction in the carbon intensity of transportation fuels by 2020



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HOW THE LCFS PROGRAM WORKS

Participants are entities that provide transportation fuels



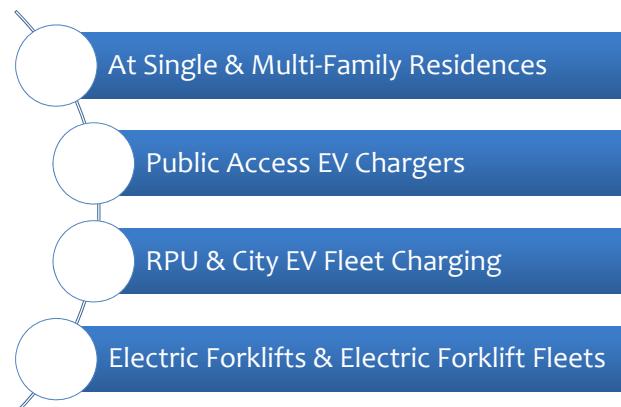
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RPU'S PROGRAM ELIGIBILITY

RPU is eligible to opt into the LCFS Program and generate LCFS Credits because it provides electricity that is used as a transportation fuel



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LCFS CREDIT SALES AND REVENUE

1. Estimate \$120,000 in FY18-19 from the sale of LCFS Credits
 - a. Amount expected to increase over time as customers purchase more electric vehicles
2. Credits are sold through bi-lateral transactions
 - a. Annual competitive bidding process with credits sold to highest bidder

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PROGRAM REQUIREMENTS

1. Use revenue to provide benefits (programs) to RPU's customers who are or will be EV owners
2. Quarterly and annual reporting to be done by existing Customer Relations and Power Resources staff

Potential Programs

- EV Charger Rebates
- Education about the benefits of EVs
- Incentives for Companies to provide EV fleets
- Promotion of EV use in Low-Income or Disadvantaged Communities

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RECOMMENDATION

That the City Council:

1. Approve Riverside Public Utilities to participate in the California Air Resources Board's Low Carbon Fuel Standard Program, including secondary market transactions for the sale of Low Carbon Fuel Standard credits;
2. Authorize the City Manager, or designee, to execute the appropriate paperwork to enable Riverside's participation in the Low Carbon Fuel Standard Program, including secondary market transactions for the sale of Low Carbon Fuel Standard credits and retention of third-party verification services when required;
3. Authorize the City Manager, or his designee, to designate Riverside's primary and secondary account representatives and delegate the authority to these Riverside representatives to designate additional employees to conduct transfers of Low Carbon Fuel Standard credits, sell Low Carbon Fuel Standard credits on behalf of Riverside, and effect associated compliance activities; and,
4. Establish a Regulatory Requirement – Low Carbon Fuel Standard legally restricted reserve account within the Electric Fund, as determined by the Finance Department to deposit and segregate monies received from this program.

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