

## POLICY REVISIONS ON PERMISSIBLE USE OF GHG ALLOWANCE VALUE AND PROCEEDS

## **Public Utilities Department**

City Council
December 7, 2021

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1

# GREENHOUSE GAS (GHG) ALLOWANCES LEGISLATIVE HISTORY

#### AB 32 (2006)

GHG Emissions to 1990 levels by 2020

#### SB 32 (2016)

GHG Emissions to 40% below 1990 levels by 2030

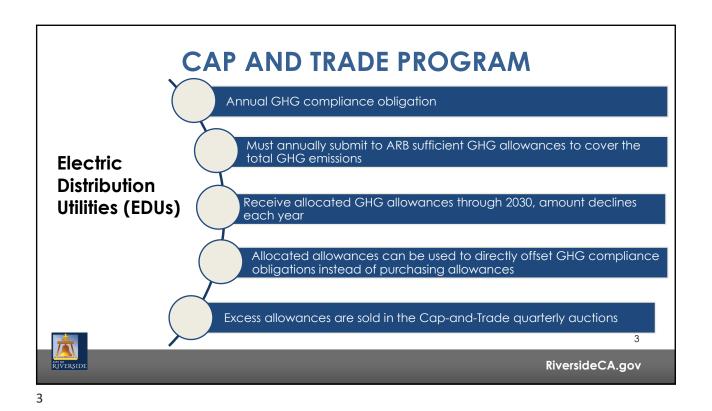
#### AB 398 (2017)

Continuation of Capand-Trade Program through 2030

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2

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RIVERSIDE'S CURRENT ANNUAL ALLOCATIONS 2021-2030

Year	Allowances
2021	1,060,927
2022	1,056,559
2023	1,039,042
2024	1,015,558
2025	1,000,815
2026	991,145
2027	799,554
2028	609,032
2029	601,432
2030	583,388

- Current allocated allowances sufficient to cover compliance obligations
- 2. Ongoing regulatory changes will potentially further reduce allowance allocation
- 3. As a result, RPU will have less allowances to sell at auction

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## RIVERSIDE'S POLICY ON USE OF PROCEEDS

- Use of proceeds are subject to limitations imposed by Utility's governing body
- 2. April 18, 2014 Board approved the Use of Proceeds Policy
- 3. September 6, 2016 Council approved new section III.d.4., to the Policy (i.e. energy efficiency projects at City facilities)
- 4. Policy requires annual reports on the use of allocated allowance value and proceeds of GHG to be provided to the Board; last update provided to Board on May 24, 2021



5

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5

## REVISIONS TO THE PERMISSIBLE USES OF PROCEEDS

- V. Permissible uses of the proceeds from the sale of allocated allowances, **established by the City of Riverside**, include, but are not limited to:
  - a. Investments/Costs associated with existing and/or new renewable resources;
    - 1. Utility scaled renewable projects (e.g.: geothermal, solar, wind, biomass, landfill renewable gas, hydrogen)
    - 2. RPU-owned local –solar projects.
  - b. Investments/Costs associated with planning, design, development, and procurement of distributed renewable resources on City owned lands.
  - c. Investments/Costs associated with planning, design, development, and procurement of cost-effective energy storage technologies/devices.



6

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### REVISIONS TO THE PERMISSIBLE USES OF PROCEEDS

- d. Investments/Costs associated with planning, design, development and procurement of cost-effective energy efficiency, demand response, and peak-shifting programs for the benefit of Riverside's retail electric customers, which may include the following;
  - 1. Publicly-available electric vehicle charging stations or infrastructure.
  - 2. Electric vehicle infrastructure to support a City fleet conversion O Power or other home energy audits (O Power provides customers with energy usage and is proven to reduce customer usage by two percent).
  - 3. Building electrification and customer decarbonization programs that will result in GHG emissions reductions. Home energy reports for energy efficiency.
  - 4. Energy efficiency **and decarbonization** projects at City facilities or infrastructure that will result in **greenhouse gas GHG** emissions reductions.
- e. Supplemental procurement of GHG allowances or offsets that are required to meet RPU's compliance obligation associated with its retail load serving function.
- f. Establishment of a community carbon tracking system.



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7

## STRATEGIC PLAN ALIGNMENT

## **Envision Riverside 2025 Strategic Plan Priorities**



#4 Environmental Stewardship

### **Cross-Cutting Threads**



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation

8

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## **RECOMMENDATION**

That the City Council adopt revisions to the City of Riverside's Policy on the Permissible Use of Greenhouse Gas Allowance Value and Proceeds.



9

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