



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: SEPTEMBER 12, 2022

SUBJECT: 2021 POWER SOURCE DISCLOSURE REPORTS AND POWER CONTENT LABEL WITH ATTESTATIONS OF VERACITY TO CALIFORNIA ENERGY COMMISSION

ISSUES:

Consider approving the 2021 Power Source Disclosure Reports and the 2021 Power Content Label with their associated attestations for submittal to the California Energy Commission.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve the 2021 Power Source Disclosure Reports;
2. Attest to the veracity of the 2021 Power Source Disclosure Reports;
3. Approve the 2021 Power Content Label;
4. Attest to the veracity of the 2021 Power Content Label; and
5. Authorize the City Manager, or designee, to execute and submit the attestations of the 2021 Power Source Disclosure Reports and Power Content Label to the California Energy Commission.

LEGISLATIVE HISTORY:

In 1997, the California Legislature adopted Senate Bill (SB) 1305 adding Article 14 (commencing with Section 398.1) to the Public Utilities Code (Article 14). The intent was to establish a program for entities providing electric services in California to disclose accurate, reliable, and simple to understand information to consumers on the sources of energy that are used to provide their electric services.

In response to the many changes that occurred in the electricity market since 1997, Assembly Bill (AB) 162 was adopted in 2009 to further update the disclosure requirements. Changes made to Article 14 included defining additional terms, detailing the specific fuel types and energy resources as a percentage of annual sales, incorporating the development of the Renewables Portfolio Standard (RPS) and changing the frequency of required reporting from quarterly to annually.

In 2011, the California Legislature adopted SB X1-2, which officially created the first set of tiered RPS targets of 20% by 2013, 25% by 2016, and 33% by 2020. In 2015, the California Legislature adopted SB 350, which further increased the RPS goal to 50% by 2030.

In 2016, the California Legislature adopted AB 1110, which added the requirement that greenhouse gas emissions intensities of the applicable generation sources be included on the disclosure to consumers. The inclusion of this new disclosure requirement began in 2021 for calendar year 2020 data. AB 1110 also reinstated the requirement that the Power Content Label must be mailed to consumers starting in 2017, in addition to being posted on the City website.

In 2018, the California Legislature adopted SB 100, which maintained the target of 33% RPS by 2020 and set compliance period targets of 44% by 2024, 52% by 2027, and 60% by 2030. SB 100 is also known as “The 100 Percent Clean Energy Act of 2018” because it created the policy of planning to meet all the State’s retail electricity supply with a mix of RPS-eligible and zero-carbon resources by December 31, 2045.

BACKGROUND:

The purpose of Article 14 in the Public Utilities Code entitled “Disclosure of Sources of Electrical Generation” is to ensure that retail electricity consumers receive full and accurate information about the electricity products they purchase and their associated greenhouse gas emissions. These regulations specify the guidelines, formats, and reporting requirements for the Power Source Disclosure and Power Content Label. They require retail providers to submit an annual Power Source Disclosure report to the CEC detailing the power mix of the electricity sold to retail consumers in the prior year. This report validates claims made by electric utilities regarding specific purchases of eligible renewable energy, as well as the positive environmental impacts of such energy purchases.

The reporting requirements dictated that an accompanying attestation be 1) approved by the board of directors of the public agency at a public meeting for the annual report; and 2) signed by an authorized agent of the City under penalty of perjury. At the City Council meeting on June 17, 2008, City Council delegated the approval and attestation authority for future reports to the Board of Public Utilities.

Additionally, the regulations require retail providers to prepare an annual Power Content Label comparing the fuel mixes of their electricity products with the most recently published California power mix. The California power mix reflects the average energy resource mix for electricity consumed in California.

In December 2019, the CEC adopted updated regulations incorporating the AB 1110 reporting requirements. These updated regulations changed the reporting timeline for the associated greenhouse gas emissions from calendar year 2019 to calendar year 2020, updated the calculations and layout of the reporting templates, modified the audit requirements for public agencies reporting more than one electricity product, and added the requirement for an attestation of the Power Content Label. The updated regulations regarding the audit requirements now give public agencies with more than one electricity product the option to either 1) have its governing board provide an attestation for each annual report and power content label for the prior year; or 2) pay an external auditor to perform a formal auditing and verification process.

DISCUSSION:

Riverside Public Utilities (RPU) has two electricity products to report for the annual Power Source Disclosure and Power Content Label: the General Power Mix and the 100% Renewable Energy Tariff (RET). The RET is open to all residential and commercial customers. Customers who opt-in to the RET voluntarily elect to purchase and receive 100% renewable energy in place of Riverside's current fuel mix by paying an additional \$0.0179 per kWh premium over their otherwise applicable tariff.

Staff has prepared and attached two Power Source Disclosure reports with attestations (one for each electricity product) and one Power Content Label displaying the side-by-side portfolio comparison to the CEC-published California power mix. The attestations accompanying the Power Source Disclosure reports affirm that the annual report is accurate and that the generating facilities output claimed by RPU as specific purchases during the previous calendar year were sold once and only once to RPU's retail customers.

The attached Power Source Disclosure Report for RPU's General Power Mix reflects that in 2021, 43.1 percent of RPU's retail sales were served using renewable energy – exceeding the 35.8 percent by 2021 RPS mandate. RPU obtained renewable energy from the following sources:

- 1) AP North Lake solar resource, located in the City of Hemet;
- 2) Cabazon wind resource, located in Riverside County;
- 3) CalEnergy Portfolio geothermal resources, located in Imperial Valley;
- 4) Columbia Two and Kingbird B solar resources, located in Kern County;
- 5) sPower solar projects (Summer Solar, Antelope Big Sky Ranch, and Antelope DSR 1), located in the City of Lancaster;
- 6) Tequesquite solar resource, located in the City of Riverside; and
- 7) Wintec and Wagner wind resources, located in the City of Palm Springs.

The attached 100% Renewable Energy Mix Power Source Disclosure Report reflects the subset of renewable resources dedicated towards the 100% RET program (selected from the above list of resources).

Staff has also included RPU's "CEC-RPS Annual Compliance Report for Calendar Year 2021" as an additional attachment to this report (see Attachment 4). This Compliance Report includes a general description of each renewable energy resource listed in the previous paragraph and how much renewable energy each resource produced in calendar year 2021. The renewable energy totals and RPS percentage presented in this report match those reported on RPU's Power Source Disclosure Reports and Power Content Label, except for 266 MW of RECs that were delayed due to an inadvertent processing error from the Wagner wind resource. RPU staff anticipates that this latter issue will be resolved within the next 90 days. This report is part of the annual reporting requirement for RPS compliance and has already been attested to by staff and filed with the CEC.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 4 - Environmental Stewardship** and **Goal 4.1:** Rapidly decrease Riverside's carbon footprint by acting urgently to reach a zero-carbon electric grid with the goal of reaching 100% zero-carbon electricity production by 2040 while continuing to ensure safe, reliable, and affordable energy for all residents.

The item aligns with each of the five Cross Cutting Threads as follows:

1. **Community Trust** – The annual power source disclosure reports and power content label are adopted and approved in a public process by the Board of Public Utilities and City Council to ensure transparency and community trust. Reports on the filings of the sources of electricity and associated greenhouse gas emissions intensities are provided annually to the Board of Public Utilities.
2. **Equity** – RPU is committed to ensuring that every member of the community has equal access to the Power Content Label information. RPU posts the Power Content Label on the City's website and distributes a hard copy as a bill insert to all customers receiving paper bills. (All customers that have opted into electronic billing receive a link to the website posting).
3. **Fiscal Responsibility** – Our Power Source Disclosure reports and Power Content Label continue to be assembled, reviewed, presented to the Board of Public Utilities, and submitted to the CEC by internal staff to reduce costs and ensure fiscal responsibility.
4. **Innovation** – Staff keep up to date on the changing regulations and requirements of the Power Source Disclosure report and Power Content Label to ensure their continuing accuracy and timely distribution to RPU's ratepayers.
5. **Sustainability & Resiliency** – The annual distribution of our Power Content Label ensures that Riverside ratepayers can obtain accurate information on RPU's progress towards developing a portfolio of more sustainable and resilient renewable energy resources.

FISCAL IMPACT:

There is no fiscal impact associated with the recommended actions of this report.

Prepared by:	Daniel E. Garcia, Utilities Deputy General Manager
Approved by:	Todd M. Corbin, Utilities General Manager
Approved by:	Kris Martinez, Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

Certifies availability of funds:	Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer
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Attachments:

1. 2021 RPU General Power Mix Power Source Disclosure Annual Report
2. 2021 RPU 100% Renewable Energy Mix Power Source Disclosure Annual Report
3. 2021 Power Content Label
4. RPU CEC-RPS Annual Compliance Report for Calendar Year 2021
5. Presentation