



# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE:** May 23, 2016

**ITEM NO:** 14

File 16-1577

**SUBJECT:** ANNUAL RETAIL ELECTRIC PROVIDER POWER SOURCE DISCLOSURE REPORT TO THE CALIFORNIA ENERGY COMMISSION, ANNUAL POWER CONTENT LABEL, AND ATTESTATION

**ISSUE:**

The issue for Board of Public Utilities consideration is approval of the following items related to the City's annual renewable energy procurement: 1) Annual Power Source Disclosure Report to the California Energy Commission (**CEC**); (2) attestation as to accuracy of the Annual Power Source Disclosure Report; and (3) annual Power Content Label.

**RECOMMENDATIONS:**

That the Board of Public Utilities:

1. Approve the Annual Power Source Disclosure Report for calendar year 2015;
2. Attest as to the accuracy of the Annual Power Source Disclosure Report;
3. Approve the annual Power Content Label for calendar year 2015; and
4. Authorize the City Manager, or his designee, to execute and submit the attestation.

**BACKGROUND:**

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"). Article 14 (Disclosure of Sources of Electrical Generation) is intended to ensure that retail electricity customers receive full and accurate information about the electricity products they purchase.

Among other requirements, Article 14 requires retail providers that make claims to consumers of specific purchases of eligible renewable energy, or the environmental effects of such energy, to submit an annual report to the CEC, detailing the power mix of the electricity sold to retail consumers in the prior year.

Article 14 also requires 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 energy resource mix for electricity consumed in California less electricity sold to consumers as specific purchases.

The CEC publishes the CA power mix contingent upon the CA retail suppliers submitting their Annual Power Source Disclosure report by June 1<sup>st</sup>. Riverside Public Utilities (**RPU**) staff has prepared the annual Power Content Label for calendar year 2015 with Riverside's fuel mix, but the CA power mix column is blank until it is published by the CEC, at which time it will be updated accordingly.

Assembly Bill (**AB**) 162, enacted in 2009, resulted in several changes to SB 1305 and states that: (1) retail providers are no longer required to report quarterly customer disclosures and quarterly reporting to the CEC; and (2) annual Power Content Labels can now be posted directly to RPU's website for customer disclosure, whereas in the past the information was provided on the back of a customer's utility bill.

Since RPU's goal is to increase and make claims of specific purchases of renewable energy in its power mix, and the power mix cited in the Power Content Label was in fact different from the California power mix, Article 14 requires compliance with all of the above mentioned disclosure requirements.

In addition to reporting for the Power Source Disclosure Program, retail sellers subject to California's Renewables Portfolio Standard (**RPS**) obligation must also submit RPS-eligible procurement data to the CEC.

Retail providers making claims of specific purchases are required to provide a report to the CEC prepared by an independent auditor confirming that the annual report is true and correct and that the retail provider sold the output from a generating facility, claimed as a specific purchase, once and only once to its retail consumers. Since RPU only offers one electricity product, RPU has an alternative under Article 14. In lieu of the independent audit, RPU may submit an attestation of the veracity of the annual report, 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 proposed reporting requirements dictate that the attestation be: 1) approved by the board of directors of the public agency at a public meeting; and 2) signed by an authorized agent of the City under penalty of perjury. At the City Council meeting on June 17, 2008, the City Council delegated the approval and attestation authority for future annual reports to the Board of Public Utilities.

In May 2013, Riverside adopted RPS procurement goals consistent with the new SBX1-2 regulations, which include meeting minimum compliance period procurement targets. Riverside procured or contracted enough short and long term renewable resources to meet the procurement requirements of SBX1-2 for Compliance Period 1 (2011-2013). Riverside remains on-target to meet its minimum three-year 2014-2016 RPS procurement goal, given the significant number of new renewable energy projects that came on-line in 2015 and scheduled to come on-line in 2016. For calendar year 2015, 22% of Riverside's retail sales were served using renewable energy obtained from the following renewable resources: (1) Salton Sea geothermal resource located in Imperial Valley; (2) Wintec and Wagner wind resources located in Palm Springs; (3) Cabazon wind resource located in Riverside County; (4) Columbia Two solar resource located in Kern County; (5) AP North Lake solar resource located in the City of Hemet; (6) Tequesquite solar resource located in City of Riverside; and (7) Riverside and Customer owned solar photovoltaic projects located throughout the city. For calendar years 2016 and 2017, staff currently forecasts that Riverside will serve 30% and 35% of its retail sales using renewable energy resources, respectively.

On October 7, 2015, Governor Brown signed SB 350, further increasing California's RPS mandate through 2030. Although additional renewable resource procurement is anticipated, based on resources that Riverside's Board of Public Utilities and City Council have previously approved, Riverside is well positioned to meet its SB 350 compliance obligations. Staff will be updating Riverside's RPS procurement plan to reflect the new SB 350 mandate and seek Board and City Council's approvals in the near future.

#### **FISCAL IMPACT:**

There is no fiscal impact associated with this reporting.

Prepared by:	Reiko A. Kerr, Public Utilities Assistant General Manager/Resources
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Approved by:	John A. Russo, City Manager
Approved as to form:	Gary G. Geuss, City Attorney

**Attachments:**

1. Annual Power Source Disclosure Report to the California Energy Commission and Attestation Form
2. Annual Power Content Label