



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JANUARY 23, 2017

ITEM NO: 9

SUBJECT: 2016 STATE LEGISLATIVE UPDATE

ISSUE:

Receive and file a State legislative update.

RECOMMENDATION:

That the Board of Public Utilities receive and file a legislative update covering state legislative matters.

BACKGROUND:

Riverside Public Utilities (RPU) engages in state and federal legislative policy discussions and advocacy to advance the best interests of the City of Riverside and its ratepayers. RPU collaborates with the City's legislative team, Southern California Public Power Authority (SCPPA), and various trade associations including but not limited to the California Municipal Utilities Association (CMUA) and the Association of California Water Agencies (ACWA). RPU's legislative engagement is consistent with, and is designed to advance, the City's approved legislative platform.

DISCUSSION:

This report covers California energy and water legislation that was chaptered in 2016.

2016 California Energy Legislation

SB 859:

Senate Bill (SB) 859, is a budget trailer bill that features an expenditure plan for unallocated cap-and-trade proceeds. The expenditure plan is designed to reduce greenhouse gas emissions through programs that benefit disadvantaged communities, support clean transportation, reduce short-lived climate pollutants and protect natural ecosystems.

Within SB 859 is a mandate for local publically-owned utilities serving more than 100K customers to procure its' peak demand share of 125MW from facilities that generate energy from wood harvested from high fire hazard zones and from projects that began operations prior to June 1, 2013 and produce electricity using specified minimum percentages of certain types of forest feedstock, for at least 5 years.

RPU's Power Resources group is currently monitoring the compliance element of this new law. Compliance with the biomass procurement mandate is projected to result in a net revenue loss of at least \$3 million to RPU's budget over the next five years.

AB 1110:

California already requires electricity retailers to disclose the source of the power they sell through the Power Content Label. Assembly Bill (AB) 1100 requires retail energy providers to disclose the greenhouse gas (GHG) emission contents of their power to consumers.

The GHG emissions calculation will be developed and verified by the California Energy Commission and the California Air Resources Board. Electricity suppliers are required to include the Power Content Label in all mail and internet advertisements. Consumers must also receive a notification about any changes to the label of their energy provider by October 1 each year.

Compliance with the GHG emission content mandate will result in modest increased administrative duties and costs to RPU. RPU's Power Resources and Communications groups will be involved in the compliance and implementation of this new mandate.

SB 32:

SB 32 formally establishes California's greenhouse gas (GHG) emission reduction goal as 40% below 1990 levels by 2030.

The legislature passed SB 32 along with (AB) 197, which establishes more legislative oversight over the California Air Resources Board (CARB), the agency charged with implementing both AB 32 (which set a goal of reducing the state's GHG emissions to 1990 levels by 2020) and developing policies to meet SB 32 target of 40% below 1990 levels.

2016 California Water Legislation

AB 2594:

AB 2594 authorizes a public entity that captures stormwater from urban areas, "to the extent that the water augments existing water supplies" in accordance with a stormwater resource plan, before the water reaches a natural channel, to use the captured water under certain circumstances.

Water rights and regulatory compliance for stormwater and urban runoff capture are complex and fluid. AB 2594 affirms the ability of local agencies to capture and use stormwater for groundwater recharge, reuse, water quality improvement, or sale. As such, this new law may help facilitate the future management and operation of the Riverside Basin Stormwater Capture Project.

SB 814:

SB 814 requires urban retail water suppliers to levy fines against excessive water users during drought conditions. Local agencies would be required to set a definition of "excessive water use" and then fine customers up to \$500 for each hundred cubic feet (748 gallons) of water above the limit when emergency drought conditions exist. The measure also allows the public disclosure of names, addresses, and water usage of customers who are determined to be excessive users.

This measure will require RPU to establish an ordinance or rule (or amend an existing ordinance or rule), to create a definition of excessive use based on local conditions, including, but not limited to, average daily water use, fulltime occupancy of residences, amount of landscaped land on a property, the evapotranspiration rate, and seasonal changes in the weather. RPU will also be required to have an appeal process for assessed fines.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

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Attachment: Presentation