

ANNUAL REPORT ON USE OF ALLOWANCE VALUE AND PROCEEDS OF GREENHOUSE GAS ALLOWANCES

Riverside Public Utilities
Resource Operations & Strategic Analytics

Board of Public Utilities
June 10, 2019

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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 Cap
and Trade Program
through 2030

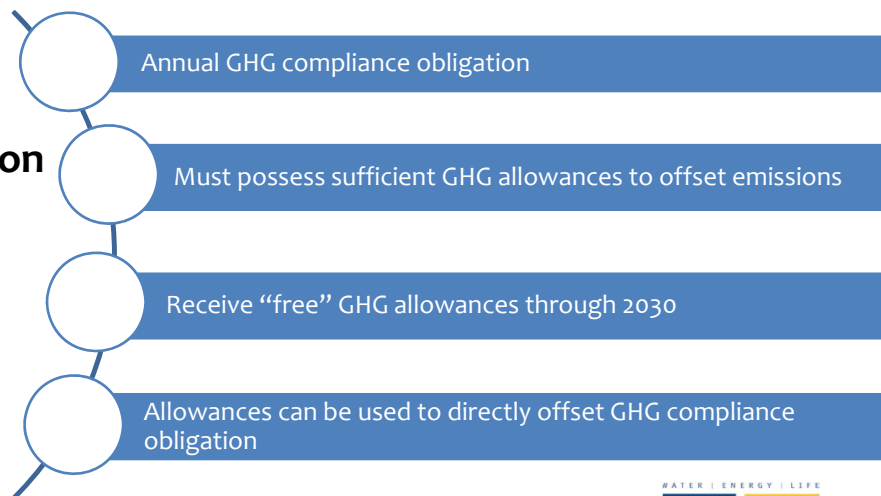
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2

CAP AND TRADE PROGRAM

Electric Distribution Utilities (EDUs)



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3

RIVERSIDE'S ALLOWANCE ALLOCATION

2013-2020			2021-2030	
Approximately 1 million/yr which is sufficient to meet its direct compliance obligations from 2013-2020	Excess allowances are sold into the CARB's Cap and Trade quarterly auctions	Proceeds earmarked to benefit electric ratepayers consistent with the Cap and Trade regulations	July 27, 2017: CARB approved Cap and Trade Amendments, including Riverside's 2021-2030 allowance allocations	Sufficient to cover the 2021-2030 direct compliance obligations, however excess allowances reduced

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4

LIMITATIONS ON USE OF PROCEEDS

Utility Governing Body
Imposed Limitations

Exclusively for the
Benefit of Retail
Ratepayers

Prohibit Offsetting
Obligations for CAISO
Market Sales

Must Spend Proceeds
Within 10 Years

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5

RIVERSIDE'S POLICY ON USE OF PROCEEDS



1. April 18, 2014 – Board approved Policy
2. September 6, 2016 – Council approved new section III.d.4., to the Policy (i.e. energy efficiency projects at City facilities)
3. Policy requires annual reports on the use of allocated allowance value and proceeds of GHG to be provided to the Board

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6

REPORT ON USE OF ALLOCATED ALLOWANCE VALUE AND PROCEEDS OF GHG ALLOWANCES

Qualifying Expense	City Council Approval	2016	2017	2018	Total
DC Fast Charger at City Hall	10/6/15	\$28,205	\$0	\$0	\$28,205
Ice Energy Pilot Program	3/3/15	\$300,000	\$1,543,340	\$514,528	\$2,357,868
Street Light LED Retrofit	9/6/16	\$0	\$159,309	\$300,274	\$459,583
2017 Excess Renewable Energy	9/6/16	\$0	\$0	\$7,547,593	\$7,547,593
Total		\$328,205	\$1,702,649	\$8,362,395	\$10,393,249
Reserve Balance (including interest) as of 12/31/18					\$20,442,142



7

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CARB REPORTING REQUIREMENTS



1. City must track the value and proceeds from the sale of GHG allowances separately
2. Proceeds must be earmarked for the benefit of RPU's electric retail customers consistent with the goals of AB 32
3. Section 95892(e) requires EDUs to prepare an annual report to CARB's Executive Officer describing the disposition of any auction proceeds and allowance value received in the prior calendar year



8

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RECOMMENDATION

That the Board of Public Utilities receive and file an update on the City of Riverside's use of allowance value and proceeds of Greenhouse Gas Allowances.