



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: MAY 11, 2020

ITEM NO: 5

**SUBJECT: 2019 POWER SOURCE DISCLOSURE REPORTS; 2019 POWER CONTENT LABEL;
AND ATTESTATIONS OF REPORT ACCURACY TO CALIFORNIA ENERGY
COMMISSION**

ISSUES:

Approve the 2019 Power Source Disclosure Reports and the 2019 Power Content Label, and attest to the accuracy of the 2019 Power Source Disclosure Reports for submittal to the California Energy Commission.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve the 2019 Power Source Disclosure Reports;
2. Attest as to the accuracy of the 2019 Power Source Disclosure Reports;
3. Approve the 2019 Power Content Label; and
4. Authorize the City Manager, or designee, to execute and submit the attestations of the 2019 Power Source Disclosure Reports 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 were made to Article 14 such as defining additional terms, detailing the specific fuel types and energy resources that were required to be disclosed as a percentage of annual sales, including the development of the Renewables Portfolio Standard (RPS) and changing the frequency of the 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 will begin in 2021 for calendar year 2020 data. In addition to still being required to post the power content label on the city website, the bill also reinstated the requirement that the disclosure must be mailed to consumers starting in 2017 for calendar year 2016 data unless consumers have opted for electronic notifications.

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 of 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, 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 the associated greenhouse gas emissions. In order to implement the disclosure and reporting requirements established in Article 14, the California Energy Commission (CEC) established regulations that were adopted in 1998 in the California Code of Regulations.

The 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 dictate that an 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 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 energy resource mix for electricity consumed in California less the electricity sold to consumers.

In December 2019, the CEC adopted updated regulations incorporating the AB 1110 reporting requirements by changing the reporting timeline from calendar year 2019 to calendar year 2020, updating the calculations and layout of the reporting templates (still in draft form), and modifying audit requirements for public agencies providing more than one electricity product.

DISCUSSION:

The CEC publishes the California power mix contingent upon the California retail suppliers submitting their annual Power Source Disclosure Report by June 1st each year. Riverside Public Utilities (RPU) staff has prepared the annual Power Content Label for calendar year 2019 with Riverside’s fuel mix, but the California power mix column is intentionally left blank until it is published by the CEC, at which time it will be updated accordingly.

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. Previously, RPU only offered one electricity product and had an alternative under the regulations. In lieu of the independent audit, RPU could submit an attestation 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 consumers.

In January 2019, RPU began offering a second electricity product, a 100% Renewable Energy Rate (RER) option, to all residential and commercial customers. Customers who opt-into the RER 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 the Otherwise Applicable Tariff (OAT).

Under the updated CEC regulations, a retail supplier that is a public agency providing electric services is not required to provide an independent audit for any additional electricity products as long as the report and attestation are also approved by its governing board. Two Power Source Disclosure reports with attestations and one Power Content Label displaying the side-by-side portfolio comparison against the California power mix are now required for submission to the CEC.

The attached proposed Power Source Disclosure Report for RPU's general fuel mix reflects that in 2019, 38 percent of RPU's retail sales were served using renewable energy – exceeding the 33 percent by 2020 RPS mandate. RPU obtained renewable energy from the following sources:

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

The proposed 100% RER Power Source Disclosure Report reflects the subset of renewable resources used towards the program (selected from the above list of resources).

FISCAL IMPACT:

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

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Approved as to form: Gary G. Geuss, City Attorney

Certifies availability
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Attachments:

1. 2019 Power Source Disclosure Reports to the California Energy Commission and Attestation Forms
2. 2019 Power Content Label
3. Presentation