



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: DECEMBER 9, 2024

SUBJECT: 2023 POWER SOURCE DISCLOSURE REPORTS, POWER CONTENT LABEL AND INDEPENDENT ACCOUNTANT'S REPORTS TO CALIFORNIA ENERGY COMMISSION

ISSUE:

Consider receiving an update of the 2023 Power Source Disclosure Reports, 2023 Power Content Label, Independent Accountant's Reports and RPU CEC-RPS Annual Compliance Report submitted to the California Energy Commission.

RECOMMENDATION:

That the Board of Public Utilities receive and file this update of the 2023 Power Source Disclosure Reports, 2023 Power Content Label, Independent Accountant's Reports and RPU CEC-RPS Annual Compliance Report submitted to the California Energy Commission.

LEGISLATIVE HISTORY:

Power Content Label and Power Source Disclosure

In 1997, Senate Bill (SB) 1305 was signed into California law 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 after 1997, Assembly Bill (AB) 162 was adopted in 2009 further updating 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 2016, AB 1110 was adopted adding the requirement that greenhouse gas emission 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 be mailed to consumers starting in 2017 in addition to being posted on the City website.

Renewable Portfolio Standard

In 2011, SB X1-2 was signed into law officially creating the first requirement for public utilities including Riverside Public Utilities (RPU) to procure and meet specified renewable energy targets for electricity provided to customers. The bill also established the first set of tiered RPS compliance periods and targets to utilities to achieve: 20% renewable resourced electricity by 2013, 25% by 2016, and 33% by 2020. In 2015, the California Legislature adopted SB 350, which expanded the RPS program to include a target of 50% by 2030.

The RPS program was further expanded in 2018 with the State's adoption of SB 100. The bill maintained the target of 33% 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 a statewide 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 the greenhouse gas emissions associated with the generation. 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 gave 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. For the sake of increased transparency, RPU staff opted in 2023 (applicable to the 2022 Power Source Disclosure and Power Content Label) to start using an independent auditor to verify the accuracy and completeness of data reported in

the annual reports submitted to the CEC. Under the formal auditing and verification process, the Board is not required to approve and attest the accuracy of the annual Power Source Disclosure and Power Content Label but will still receive the annual report along with the audit results.

DISCUSSION:

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 \$0.0129 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.

As noted above, beginning with the 2022 Power Source Disclosure reports and 2022 Power Content Label, RPU opted to utilize an independent auditor to verify the accuracy and completeness of data reported in the annual reports submitted to the CEC. As shown in both the Independent Accountant’s Reports, the auditor concluded that all procedures were performed in accordance with the Power Source Disclosure regulations, no exceptions were noted, and any MWh variances that were identified had no impact on the final resource portfolio percentages.

The attached Power Source Disclosure Report for RPU’s General Power Mix reflects that in 2023, 46.4% of RPU’s retail sales were served using renewable energy – exceeding the 41.3% by 2023 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) Coso Portfolio geothermal resources, located in Inyo County;
- 6) sPower solar projects (Summer Solar, Antelope Big Sky Ranch, and Antelope DSR 1), located in the City of Lancaster;
- 7) Tequesquite solar resource, located in the City of Riverside; and
- 8) 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 2023” as an additional attachment to this report. The Compliance Report includes a general description of each renewable energy resource listed in the previous paragraphs and how much renewable energy each resource produced in calendar year 2023. The renewable energy totals and RPS percentage presented in this report generally match those reported on RPU’s Power Source

Disclosure Reports and Power Content Label. There are occasional immaterial differences in generation specific REC totals due to rounding when renewable energy certificates (RECs) are created in the Western Renewable Energy Generation Information System, which is an independent web-based tracking system that maintains a record of the RECs associated with the generation of each renewable resource. Additionally, there are a few minor differences due to RECs that had not been transferred to RPU as of the filing of the Annual RPS Compliance Report. 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:**

- **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.
- **Goal 4.6:** Implement the requisite measures to achieve citywide carbon neutrality no later than 2040.

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 will continue to be presented as an update to the Board of Public Utilities 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 and will include an Independent Accountant’s Report verifying the accuracy and completeness of data.
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 this report.

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Approved as to form: Jack Liu, Interim City Attorney

Attachments:

1. 2023 RPU General Power Mix Power Source Disclosure Annual Report
2. 2023 RPU 100% Renewable Energy Mix Power Source Disclosure Annual Report
3. 2023 Power Content Label
4. Independent Accountant's Report of RPU's General Power Mix
5. Independent Accountant's Report of RPU's 100% Renewable Energy Mix
6. RPU CEC-RPS Annual Compliance Report for Calendar Year 2023
7. Presentation