

#### ANNUAL REPORT ON USE OF THE VALUE AND PROCEEDS OF GREENHOUSE GAS ALLOWANCES

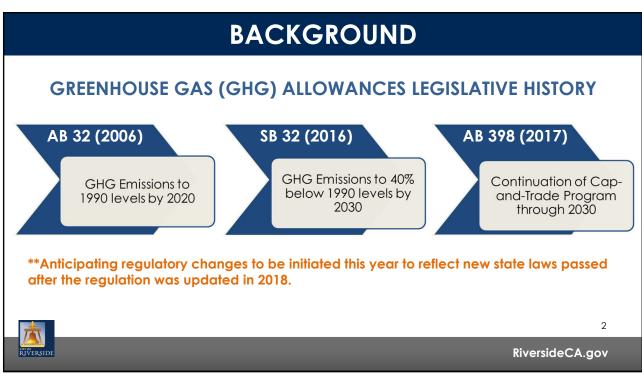
#### **Riverside Public Utilities**

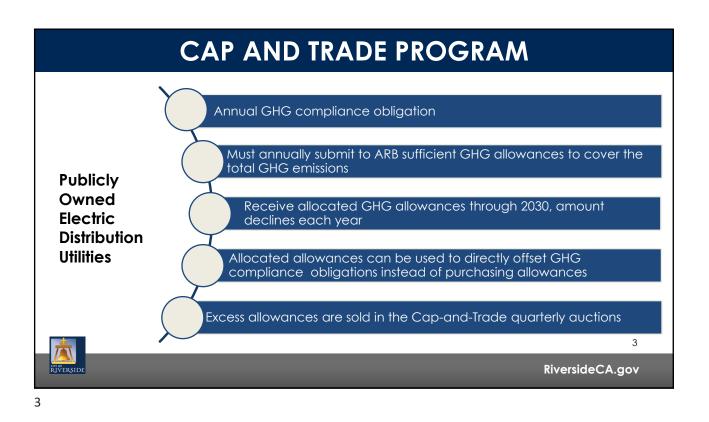
Board of Public Utilities

APRIL 22, 2024

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# **RIVERSIDE'S ALLOWANCE ALLOCATION**

<ul> <li>Received approximately 1 million allowances/year</li> <li>Met direct compliance obligations from 2013-2023</li> <li>Excess allowances were sold into the CARB's Cap-and-Trade quarterly auctions</li> <li>Proceeds earmarked to benefit electric ratepayers consistent with the Cap-and-Trade regulations</li> </ul>	<ul> <li>Will receive fewer allowances than in prior period shown – amount declines through 2030</li> <li>Sufficient to cover the 2025-2030 direct compliance obligations</li> <li>Less revenue from excess allowances</li> <li>Excess allowances will be sold into the Cap-and-Trade auctions</li> <li>Proceeds earmarked to benefit electric ratepayers consistent with the Cap-and-Trade regulations</li> </ul>
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## **RIVERSIDE'S CURRENT ALLOWANCE ALLOCATION**

#### 2023-2030

- 1. Current allocated allowances sufficient to cover compliance obligations
- 2. Ongoing regulatory changes will potentially further reduce allowance allocation
- 3. As a result, RPU will have fewer allowances to sell at auction

Year	Allowances
2023	1,039,042
2024	1,015,558
2025	1,000,815
2026	991,145
2027	799,554
2028	609,032
2029	601,432
2030	583,388

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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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## **RIVERSIDE'S POLICY ON USE OF PROCEEDS**

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- 1. Use of proceeds is subject to limitations imposed by Utilities' governing body
  - 2. RPU Board approved the initial City Policy on the Permitted Use of Greenhouse Gas Allowance Value and Proceeds in 2014
    - a. Updated the policy in 2016 and 2021
    - b. Added the City Council to the approval process
    - c. Modified the policy to add permissible uses and remove any policies that were inconsistent with new laws and regulations
  - 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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## **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

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	DCFC at City Hall	lce Energy Pilot Program	City-Wide LED Street Lights	Excess Renewables	Total
CC Appr.	10/6/2015	3/3/2015	9/6/2016	9/6/2016	
Year	Proceeds (\$)				
2016	\$28,205	\$300,000	\$0	\$0	\$328,205
2017	\$0	\$1,543,340	\$159,309	\$0	\$1,702,649
2018	\$0	\$514,528	\$300,274	\$7,547,593	\$8,362,395
2019	\$0	\$1,826,002	\$346,742	\$3,456,067	\$5,628,811
2020	\$0	\$0	\$2,397,538	\$5,535,680	\$7,933,218
2021	\$0	\$0	\$2,564,194	\$8,102,097	\$10,666,291
2022	\$0	\$0	\$1,852,780	\$11,450,421	\$13,303,201
2023	\$0	\$0	\$2,026,476	\$11,344,851	\$13,371,327
Total	\$28,205	\$4,183,870	\$9,647,313	\$47,436,709	\$61,296,097
Reserve Balance (including interest) as of December 31, 2023				\$34,896,507	

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#### USE OF ALLOCATED ALLOWANCE VALUE AND PROCEEDS OF GHG ALLOWANCES

	DCFC at City Hall	lce Energy Pilot Program	City-Wide LED Street Lights	Excess Renewables	Total
Year	GHG Emissions Avoided (MT CO2e)				
2018**		1,362	934	24,506	26,802
2019		1,820	965	10,058	12,843
2020		-	6,940	16,272	23,212
2021		-	7,103	22,293	29,396
2022		-	5,317	32,270	37,587
2023		-	5,817	31,344	37,161
<b>Total</b>	**	3,182	27,076	136,743	167,001

\*\* GHG emissions accounting methodology for the annual CARB reports began in 2018. **RPU must use methodology provided by CARB to complete the calculation.** Expenditures prior to 2018 do not have an estimated GHG emissions savings as a result.

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