Attachment A: 2006 LEAP Implementation Tasks (CMR:196:06)

1. **Climate Action**: Promote environmental stewardship by completing the California Climate Action Registry process for reporting and certifying greenhouse gas emissions, developing a Climate Action Plan for utilities, and supporting City efforts to address climate change and other environmental issues.
2. **Public Benefits**: Continue implementation of electric public benefits programs, which is funded by collecting a fee equal to 2.85% of the electric retail rate. These funds are partially used to demonstrate renewable resources or alternative technologies and to assist customers in pursuing efficiency improvements. Coordinate Public Benefits program enhancements with efficiency portfolio plan development (Task #3)
3. **Efficiency Portfolio**: Enhance the existing efficiency programs by developing a long-term integrated resource efficiency portfolio plan that recognizes cost-effective energy efficiency and load management as priority resources in the "loading order" for energy resources. Design efficiency programs to account for the combined benefits of electric, gas, and water efficiency savings (e.g. a horizontal clothes washer saves electricity, water and gas). Leverage joint efforts with other public power providers via NCPA's efficiency initiatives and Public Benefits Committee. Enhance system efficiency through generation efficiency improvements and electric distribution system enhancements to lower system losses. As appropriate, additional funding for cost-effective efficiency programs will be recommended to complement and enhance the existing Public Benefits programs. Develop retail rate options that provide price signals to customers that encourage efficiency.
4. **Renewable Portfolio**: Acquire renewable energy resources to meet LEAP Guideline 6. Strive to meet 2015 goals by 2010. Work closely with suppliers to meet their contract obligations and to ensure that projects under construction are completed in a timely manner. Participate in NCPA "Green Pool" joint procurement initiative to meet remaining needs.
5. **PaloAltoGreen**: Continue implementation of the Palo Alto Green program, a green pricing product available on a volunteer basis to customers who wish to purchase a greater fraction of green resources. Where feasible, secure eligible renewable energy supplies to meet both the renewable portfolio investments and the needs of the Palo Alto Green program. Evaluate potential strategies to meet the solar portion of PaloAltoGreen with local solar resources.
6. **Clean Distributed Generation**: Develop a long-term cogeneration implementation plan to capitalize on environmentally friendly and cost-effective high-efficiency combined heat, power and cooling (CHPC) opportunities at large customer sites that are compatible with the Comprehensive Plan. Assist motivated large customers in evaluating technical and economic feasibility of CHPC combined with energy efficiency, and in implementing cost-effective and environmentally sound prospects. Establish standardized distributed generation interconnection standards and procedures that leverage the groundwork of California Public Utilities Commission Rule 21, and update retail and wholesale electric and gas rates for small-scale clean distributed generation. Continue to monitor technology costs and opportunities for smaller renewable technologies, cogeneration and other low-impact generation that can be located within Palo Alto.

7. **Natural Gas-Fired Generation**: Redirect the local generation feasibility study CIP to focus on clean small-scale distributed generation (Task #6) and power plant opportunities outside of Palo Alto. Given regulatory uncertainty related to local capacity rules and uncertainty of control area constraints, evaluate joint efforts toward power plant ownership opportunities within and near the Greater Bay Area (consistent with levels listed in LEAP Guideline #3B (25-50 MW).
8. **Greater Bay Area Contracts**: In parallel with Task #7, pursue firm energy and capacity supply contracts within the Greater Bay Area on either medium or long-term basis. Conduct a Request for Proposals to solicit firm energy and capacity offers from all sources within the Greater Bay Area, including renewables, cogeneration and conventional generation.
9. **Portfolio Management**: Continue to diversify energy purchases to meet load. Continue to develop and maintain expertise and analytic tools, models and other efforts to evaluate scenarios, new resource opportunities, and impact of uncertainties on portfolio position and performance.
10. **Risk Management**: Develop improved transparent and streamlined Back Office process (contract administration and settlements). Clarify surplus power wholesale sales procedures to ensure transparency and the appropriateness of surplus energy commodity sales transactions that are necessary to meet varying loads with varying and dispatchable electric supplies. Maintain adequate reserves by recognizing the degree of uncertainty the City faces in the future and periodically review and recommend appropriate level of financial reserves.
11. **Local Interconnection**: Evaluate transmission system upgrades to reduce cost and enhance reliability. Investigate transmission connection voltage increase from 115 to 230 kV, and the potential for a redundant transmission connection to west side.
12. **Legislation and Regulation**: Monitor and participate in regulatory and legislative initiatives related to transmission market design and pursue alternatives to increase reliability at a reasonable cost. Continue to advocate transmission upgrades in to the Bay Area to increase reliability. Establish a policy to address mandatory resource adequacy requirements.