



City of Palo Alto

City Council Staff Report

(ID # 8781)

Report Type: Consent Calendar

Meeting Date: 2/12/2018

Summary Title: Approval of the 2016 Annual Power Source Disclosure Report

Title: Adoption of a Resolution Approving and Attesting to the Veracity of the 2016 Annual Power Source Disclosure Report

From: City Manager

Lead Department: Utilities

Recommendation

Staff recommends that the City Council adopt a resolution (Attachment A) approving the 2016 annual Power Source Disclosure report (Exhibit A to Attachment A) and attesting to its veracity.

Background

Senate Bill 1305 (SB 1305) was approved in 1997 to ensure that all retail suppliers of electricity disclose to consumers the sources of energy used to provide the electric service in an accurate, reliable and easy to understand manner. The SB 1305 Report is commonly referred to as the Power Source Disclosure (PSD) report. The City of Palo Alto submits an annual PSD Report to the California Energy Commission (CEC) by June 1st of each year. The information contained in this reporting is used to prepare the annual Power Content Label (PCL), which is mailed to our customers around October of each year and posted on the City's website at https://www.cityofpaloalto.org/gov/depts/utl/residents/resources/pcm/power_content_label.asp and on the CEC's website at <http://www.energy.ca.gov/pcl/labels/>.

Discussion

In 2017, the CEC regulation¹ implementing SB 1305 was updated and the changes became effective in October 2016. The changes included a provision that requires utilities to engage a third-party certified public accountant to perform an audit to verify the specific purchases, resales, and self-consumption of energy by fuel type.² The regulation includes an exemption from the audit requirement for publically owned electric utilities, "if the governing board of directors approves at a public meeting the submission to the Energy Commission of an

¹ "Power Source Disclosure Program Regulations," California Energy Commission, CEC-300-2017-048, October 2016. http://docketpublic.energy.ca.gov/PublicDocuments/14-OIR-01/TN216978_20170412T103905_Power_Source_Disclosure_Program_Amended_Regulations.pdf.

² California Code of Regulations Title 20, Section 1394(b)(1).

attestation of the veracity of the annual report.”³

Utilities Department staff submitted the City’s annual PSD report for calendar year 2016 (Exhibit A to Attachment A) to the CEC in May 2017, along with the associated attestation form. (Please note that purchases of “Unspecified Power” listed in the PSD report are matched up with unbundled renewable energy certificates (RECs) in order to achieve a carbon neutral supply portfolio, consistent with the Carbon Neutral Plan (Staff Report 3550).) The 2016 PCL was mailed to each electric customer as a bill insert in September 2017, in accordance with the regulation. The attached resolution (Attachment A) approves the annual PSD Report submission and provides the attestation to the veracity of the report as required for exemption from the third party audit requirement.

Staff anticipates submitting the City’s annual PSD report for calendar year 2017 to the CEC around May 2018, and providing the 2017 PCL to electric customers around September 2018.

Resource Impact

Adoption of the attached resolution will not result in a financial impact to the City.

Policy Implications

Adoption of the attached resolution will enable the City to comply with the CEC regulation implementing SB 1305 (California Code of Regulations, title 20, sections 1391 to 1394).

Environmental Review

Adoption of the attached resolution is not subject to California Environmental Quality Act (CEQA) review as an administrative government activity that will not result in any direct or indirect physical change to the environment as a result (CEQA Guidelines section 15378(b)(5)).

Attachments:

- Attachment A: Resolution Approving the City's 2016 Annual Power Source Disclosure Report

³ California Code of Regulations Title 20, Section 1394(b)(2).

NOT YET APPROVED

Resolution No. _____

Resolution of the Council of the City of Palo Alto Approving and Attesting to
the Veracity of the 2016 Annual Power Source Disclosure Report

RECITALS

A. Senate Bill 1305 was adopted in 1997, establishing an Electricity Generation Source Disclosure Program, (“Power Source Disclosure Program”), which requires retail suppliers of electricity to annually submit a power source disclosure report to the California Energy Commission.

B. The City of Palo Alto is a retail supplier of electricity as defined by the Power Source Disclosure Program (Ca. Code of Regs., title 20, section 1391).

C. The Power Source Disclosure Regulation was updated effective October 31, 2016, requiring an annual audit by an outside certified public accountant of the information in the annual Power Source Disclosure Report, with an exception from this requirement for publically owned utilities, if the governing body of the publicly owned utility approves at a public meeting the submission to the California Energy Commission of an attestation of the veracity of the annual report.

D. In May 2017, Utilities Department staff prepared and submitted the 2016 Annual Power Source Disclosure Report to the Energy Commission in accordance with the applicable regulations (Ca. Code of Regs, title 20, sections 1391-1394).

The Council of the City of Palo Alto (“City”) RESOLVES:

SECTION 1. To approve the submission and attest to the veracity of the 2016 Annual Power Source Disclosure Report (attached as Exhibit A to this resolution) which staff submitted to the California Energy Commission in May 2017.

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NOT YET APPROVED

SECTION 2. The Council finds that the adoption of this resolution is not subject to California Environmental Quality Act (CEQA) review because adoption of this resolution is an administrative government activity that will not result in any direct or indirect physical change to the environment as a result (CEQA Guidelines section 15378(b)(5)).

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Assistant City Attorney

City Manager

Utilities General Manager

Director of Administrative Services

Exhibit A

**ANNUAL REPORT TO THE
CALIFORNIA
ENERGY COMMISSION:
Power Source Disclosure Program
For Year ending: 12/31/2016**

GENERAL INSTRUCTIONS

Company Name
City of Palo Alto Utilities

Fill out the schedules that apply to your company's filing requirements. Please print, sign the attestation, scan and e-mail or mail the attestation to the address shown below.

California Energy Commission
1516 9th St. MS-45
Sacramento, CA 95814
e-mail: <kevin.chou@energy.ca.gov>

If you have questions, contact Kevin Chou at (916) 653-1628 or <kevin.chou@energy.ca.gov>.

NOTE: Information submitted in this report is not automatically held confidential. If your company wishes the information you submit to be held in confidence, it will be necessary to submit an application for confidentiality.

**ANNUAL REPORT TO THE CALIFORNIA ENERGY COMMISSION:
Power Source Disclosure Program June 2017
For the Year Ending December 31, 2016
SCHEDULE 1: RETAIL SALES
Applicable to: Load Serving Entities**

INSTRUCTIONS: Enter information about power procurements supporting all electricity products for which your company is filing the Annual Report. If you need additional rows, add them from the INSERT menu. Please list all purchases (Specified and Unspecified purchases) as line items under the Facility Name heading. If a procurement was for unbundled RECs and include the term "REC Only" in parentheses after the facility name in the Facility Name column, and categorize the power as the fuel type of the generating facility from which the unbundled REC was derived. If procured power was from a transaction that expressly transferred energy only and not the RECs associated with that energy, identify the power as "Unspecified Power" in the Fuel Type column. If the power was purchased from a power pool or wholesaler that will be filing an Annual Report with the Energy Commission (schedules 3 and 4), identify the name of the pool / wholesaler under "Facility Name

ALL PROCUREMENTS (Specified and Unspecified)									
Facility Name	Unit No.	Fuel Type	Location (State or Province)	WREGIS GU ID	EIA ID	FERC QF ID	Gross MWh Procured	MWh	
								Resold or Self-Consumed	Net MWh Procured
WAPA - Nimbus		Hydro	Folsom, CA	W1161	444		3,202		3,202
WAPA - Nimbus -- RECs only		Hydro	Folsom, CA	W1161	444		5,032		5,032
WAPA - Lewiston		Hydro	CA	W1108			142		142
WAPA - Lewiston -- RECs only		Hydro	CA	W1108			260		260
WAPA - Stampede -- RECs only		Hydro	CA	W1177	7066		518		518
Half Moon Bay (Ox Mountain)		Landfill Gas	Half Moon Bay, CA	W2033	56895		42,691		42,691
Keller Canyon		Landfill Gas	Pittsburg, CA	W2071	56897		15,144		15,144
Santa Cruz LFG		Landfill Gas	Watsonville, CA	W2014	56428		9,811		9,811
San Joaquin		Landfill Gas	Linden, CA	W3883	58436		26,786		26,786
Johnson Canyon		Landfill Gas	Gonzales, CA	W3397	58397		10,460		10,460
New Spicer Meadows		Hydro	Tuolumne County, CA	W1260	54554		2,552		2,552
High Winds		Wind	Solano County, CA	W229	56075		38,813		38,813
Shiloh		Wind	Solano County, CA	W231	56362		64,502		64,502
Foote Creek I (REC only)		Wind	Carbon County, WY	W1363			30,000		30,000
Rolling Hills (REC only)		Wind	Carbon County, WY	W928			60,000		60,000
Cedar Creek II (REC only)		Wind	Weld County, CO	W1900			60,101		60,101
Northern Colorado Wind II (REC only)		Wind	Colorad	W1305			996		996
Clearwater Paper - Lewiston (REC only)		Biomass	Lewiston, ID	W128, 129			24,203		24,203
Collierville		Large Hydro	Murphys, CA	W1258, 1259	54554		105,563		105,563
Hydro Solar -- self-consumed		Solar	Murphys, CA	W1266			9	9	0
Hydro Solar -- RECs only		Solar	Murphys, CA	W1266			9		9
WAPA - J.F.Carr		Large Hydro	CA	W1164	2518		9,173		9,173
WAPA - Folsom		Large Hydro	CA	W1156 thru 58	2518		32,706		32,706
WAPA - Keswick		Large Hydro	CA	W1165	2518		27,190		27,190
WAPA - New Melones		Large Hydro	CA	W1159, 1160	2518		14,445		14,445
WAPA - Shasta		Large Hydro	CA	W1168 thru 72	2518		99,986		99,986
WAPA - Spring Creek		Large Hydro	CA	W1174	2518		8,986		8,986
WAPA - Trinity		Large Hydro	CA	W1175, 1176	2518		19,204		19,204
WAPA - O'Neill		Large Hydro	CA	W1167, 1186	2518		721		721
PA Co-BUG		Natural Gas	Palo Alto, CA		57714		22		22
CRE-Frontier LLC		Solar	Newman, CA	W4962	60039		28,576		28,576
EE Kettleman Land LLC		Solar	Kettleman City, CA	W4695	57921		54,697		54,697
sPower-Elevation		Solar	Lancaster, CA	W5298	59964		9,087		9,087
sPower-Hayworth		Solar	Bakersfield, CA	W4719	59009		59,557		59,557
sPower-Western Antelope		Solar	Lancaster, CA	W5300	59961		3,502		3,502
Exelon Generation Company LLC		Unspecified Power					25,090		25,090
Nextera Energy Power Marketing LLC		Unspecified Power					80,285		80,285
Powerex		Unspecified Power					43,660		43,660
Shell Energy North America		Unspecified Power					48,080		48,080
Short-term spot/market energy		Unspecified Power					(46,040)		(46,040)

Total Net 1,019,712

Total Retail Sales 914,748

**ANNUAL REPORT TO THE CALIFORNIA ENERGY COMMISSION:
Power Source Disclosure Program June 2017
for the year ending December 31, 2016
SCHEDULE 2: ANNUAL POWER CONTENT LABEL CALCULATION
Applicable to: Load Serving Entities**

INSTRUCTIONS: Total specific purchases (by fuel type) and enter these numbers in the first column. Null power purchases should be included with Unspecified Power. REC only purchases should be included as part of the fuel type they represent. The remainder of this schedule will be automatically populated with net generic purchase and total retail sales information from Schedule 1. Any difference between total net purchases and total retail sales will be applied pro-rata to each non-renewable fuel type. The pro-rata calculations will then be divided by total retail sales to calculate fuel mix percentages.

	Net Purchases (MWh)	Percent of Total Retail Sales (MWh)
Specific Purchases		
Renewable	369,531	40.4%
Biomass & Biowaste	104,892	11.47%
Geothermal	-	0.0%
Eligible hydroelectric	5,896	0.6%
Solar	155,428	17.0%
Wind	103,315	11.3%
Coal	-	0.0%
Large hydroelectric	381,481	39.3%
Natural Gas	22	0.0%
Nuclear	-	0.0%
Other	-	0.0%
Total Specific Purchases	751,034	79.7%
Unspecified Power (MWh)	197,115	20.3%
Total	948,149	100%
Total Retail Sales (MWh)	914,748	

COMMENTS: