



City of Palo Alto

City Council Staff Report

(ID # 10490)

Report Type: Consent Calendar

Meeting Date: 8/19/2019

Council Priority: Climate/Sustainability and Climate Action Plan

Summary Title: Approval of the 2018 Annual Power Source Disclosure Report

Title: Adoption of a Resolution Approving and Attesting to the Veracity of the 2018 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 2018 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 by October 1st 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 retroactively effective as of October 31, 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 publicly owned electric utilities, if the

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).

governing board of the utility “approves at a public meeting the submission to the Energy Commission of an attestation of the veracity of the annual report.”³

This audit exemption, however, can only be applied to one electric service product offered by the utility; any additional products are required to go through an auditing process to satisfy the audit requirement. In Palo Alto’s case, this means that the standard power mix can be approved by the City Council, as described above. However, the City’s voluntary PaloAltoGreen program, which is available to all commercial customers and allows them to pay a small premium in order to receive a power supply comprised of only wind and solar generation, is subject to the audit requirement. Palo Alto has already hired a third-party certified public accountant to perform an audit of the PaloAltoGreen program in order to maintain Green-e certification, and the CEC’s audit requirements largely overlap with the Green-e certification audit requirements. Staff will also pursue any additional audit requirements to satisfy the CEC’s regulations.

In 2018, the City of Palo Alto Utilities Department’s (CPAU’s) hydroelectric generation was below long-term average levels as weather conditions were drier following a wet year in 2017. However, due to a declining load along with five new utility-scale solar projects that came online in the past few years, Palo Alto still had an energy surplus and sold the excess generation on the market. The power mix percentages listed in the PSD Report reflect the share of the total energy purchased by the City, as opposed to the share of the City’s retail sales.

Utilities Department staff submitted the City’s annual PSD Report for calendar year 2018 (Exhibit A to Attachment A) to the CEC in May 2019, along with the associated attestation form. (Please note that all Palo Alto net purchases in 2018 were considered carbon neutral, consistent with the Carbon Neutral Plan ([Staff Report 3550](#))). The 2018 PCL will be mailed to each electric customer as a bill insert in September 2019, in accordance with the CEC 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 for the City’s standard power mix.

Staff anticipates submitting the City’s annual PSD Report for calendar year 2019 to the CEC around May 2020, and providing the 2019 PCL to electric customers around September 2020.

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, Article 5, Sections 1390 to 1394).

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

Environmental Review

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

Attachments:

- Attachment A: Resolution Approving Palo Alto Power Source Disclosure 2018 (with Exhibit A)

NOT YET APPROVED

Resolution No. _____
Resolution of the Council of the City of Palo Alto Approving
and Attesting to the Veracity of the 2018 Annual Power
Source Disclosure Report

R E C I T A L S

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(r)).

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 exemption from this requirement for one electric service product for publicly 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. The annual Power Source Disclosure Report for Palo Alto’s secondary electric service product, which is provided to commercial customers who participate in the PaloAltoGreen program, must undergo an audit by an outside certified public accountant.

E. In May 2019, Utilities Department staff prepared and submitted the 2018 Annual Power Source Disclosure Report to the California Energy Commission in accordance with the applicable regulations (Ca. Code of Regs, Title 20, Sections 1390-1394).

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

SECTION 1. To approve the submission and attest to the veracity of the 2018 Annual Power Source Disclosure Report (attached as Exhibit A to this resolution), which staff submitted to the California Energy Commission in May 2019.

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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 governmental activity that will not result in any direct or indirect physical change to the environment (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

Director of Utilities

Director of Administrative Services



**ANNUAL REPORT TO THE CALIFORNIA ENERGY COMMISSION:
Power Source Disclosure Program
Schedule 1 and 2, applicable to: Retail Suppliers
For the Year Ending December 31, 2018**

Retail suppliers are required to use the posted template and are not allowed to make edits to this format. Please complete all requested information.

GENERAL INSTRUCTIONS

RETAIL SUPPLIER NAME	
	City of Palo Alto Electric Utility
ELECTRIC SERVICE PRODUCT NAME	
	Palo Alto Standard Rate
CONTACT INFORMATION	
Name	James Stack
Title	Senior Resource Planner
Mailing Address	250 Hamilton Ave., 3rd Floor
City, State, Zip	Palo Alto, CA 94301
Phone	(650) 329-2314
E-mail	james.stack@cityofpaloalto.org
Website URL for PCL Posting	https://www.cityofpaloalto.org/gov/depts/utl/residents/resources/pcm/power_content_label.asp

This Annual Report Template includes Schedules 1 and 2, applicable to retail suppliers. Power pools are required to report using Schedules 3 and 4 provided in a separate reporting template. Submit the Annual Report and Attestation in PDF format with an Excel version of the Annual Report to PSDprogram@energy.ca.gov. Remember to fill in the Retail Supplier Name and Product Name above, and submit separate reports and attestations for each additional product if multiple electric service products were offered in the previous year.

NOTE: Information submitted in this report is not automatically held confidential. If your company wishes the information submitted to be considered confidential an authorized representative must submit an application for confidential designation (CEC-13), which can be found on the California Energy Commissions's website at http://www.energy.ca.gov/commission/chief_counsel/documents/CEC13.pdf.

If you have questions, contact PSD staff at PSDprogram@energy.ca.gov or (916) 653-0237.



ANNUAL REPORT TO THE CALIFORNIA ENERGY COMMISSION: Power Source Disclosure Program

**For the Year Ending December 31, 2018
SCHEDULE 1: POWER PROCUREMENTS AND RETAIL SALES**

Applicable to: Retail Suppliers

INSTRUCTIONS: Submit a separate annual report for each electric service product offered in 2018. List all purchases (Specific and Unspecified) made ONLY in the 2018 calendar year. Add additional rows if needed. If a purchase was for unbundled RECs 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 power was purchased through 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 purchased power was from a renewable electrical generation facility that is not certified for participation in California's RPS Program, identify the Fuel Type as "Other".

ALL PROCUREMENTS (Specific and Unspecified)										
Facility Name	Unit No.	Fuel Type	Location (State or Province)	RPS ID	WREGIS GU ID	EIA ID	FERC QF ID	Gross MWh Procured	MWh Resold or Self-Consumed	Net MWh Procured
WAPA - Nimbus		Hydro	Folsom, CA		W 1161		444	4081.42		4081.42
WAPA - Nimbus -- RECs only		Hydro	Folsom, CA		W 1161		444	4860.58		4860.58
WAPA - Lewiston		Hydro	CA		W 1108			75.57		75.57
WAPA - Lewiston -- RECs only		Hydro	CA		W 1108			177.43		177.43
WAPA - Stampede -- RECs only		Hydro	CA		W 1177			812		812
Half Moon Bay (Ox Mountain)		Landfill Gas	Half Moon Bay, CA		W 2033		56895	42583		42583
Keller Canyon		Landfill Gas	Pittsburg, CA		W 2071		56897	14891		14891
Santa Cruz LFG		Landfill Gas	Watsonville, CA		W 2014		56428	9461		9461
Shiloh		Wind	Solano County, CA		W 231		56362	64758		64758
New Spicer Meadows		Hydro	Tuolumne County, CA		W 1260		54554	3260.01		3260.01
High Winds		Wind	Solano County, CA		W 229		56075	42656		42656
Collierville		Large Hydro	Murphys, CA		W 1258, 1259		54554	83142.94		83142.94
Hydro Solar -- self-consumed		Solar	Murphys, CA		W 1266			11	11	0
Hydro Solar -- RECs only		Solar	Murphys, CA		W 1266			11		11
WAPA - J.F.Carr		Large Hydro	CA		W 1164		2518	15743.3		15743.3
WAPA - Folsom		Large Hydro	CA		W 1156 thru 5		2518	41002.29		41002.29
WAPA - Keswick		Large Hydro	CA		W 1165		2518	23056.82		23056.82
WAPA - New Melones		Large Hydro	CA		W 1159, 1160		2518	37254.51		37254.51
WAPA - Shasta		Large Hydro	CA		W 1168 thru 7		2518	125406.24		125406.24
WAPA - Spring Creek		Large Hydro	CA		W 1174		2518	9854.15		9854.15
WAPA - Trinity		Large Hydro	CA		W 1175, 1176		2518	20924.58		20924.58
WAPA - O'Neill		Large Hydro	CA		W 1167, 1186		2518	183.5		183.5
EE Kettleman - Land - Centaurus		Solar			W 4695			54226		54226
Elevation Solar C		Solar			W 5298			115971		115971
Crow Creek Solar		Solar			W 7962			53569		53569
Hayworth Solar		Solar			W 4719			61369		61369
San Joaquin LFG		Landfill Gas			W 3883			33077		33077
Johnson Canyon LFG		Landfill Gas			W 3397			10123		10123
Western Antelope Blue Sky Ranch B - Western Antelope Blue Sky Ranch B		Solar			W 5300			57506		57506
Gianelli Powerplant (units 2 and 6)		Large Hydro			W 1162, W1288			11369		11369
445 Bryant St. Parking Garage - 445 Bryant St. Parking Garage		Solar		63610A	W 5647			0		0
520 Webster St. Parking Garage - 520 Webster St. Parking Garage		Solar		63611A	W 5648			75		75
Seattle City Light		Large Hydro						4185		4185
										0
										0
										0
										0

Retail Supplier Name: City of Palo Alto Electric Utility

Total Net Purchases: 945,665

Electric Service Product Name: Palo Alto Standard Rate

Total Retail Sales: 888,033



**ANNUAL REPORT TO THE CALIFORNIA ENERGY COMMISSION:
 Power Source Disclosure Program
 For the Year Ending December 31, 2018
 SCHEDULE 2: ANNUAL POWER CONTENT LABEL CALCULATION
 Applicable to: Retail Suppliers**

INSTRUCTIONS: Total specific purchases by fuel type and enter these values in the first column. If purchased power was from a transaction that expressly transferred energy only and not the RECs associated with that energy, identify the power as "Unspecified Power". Total Retail Sales will autopopulate from Schedule 1. Any difference between total net purchases and total retail sales will be applied pro-rata to each non-renewable fuel type. Each fuel type total will then be divided automatically by retail sales to calculate fuel mix percentages.

	Net Purchases (MWh)	Percent of Total Retail Sales (MWh)
Specific Purchases		
Renewable	573,543	65%
Biomass & Biowaste	110,135	12%
Geothermal	-	0%
Eligible Hydroelectric	13,267	1%
Solar	342,727	39%
Wind	107,414	12%
Coal	-	0%
Large Hydroelectric	372,122	35%
Natural Gas	-	0%
Nuclear	-	0%
Other	-	0%
Total Specific Purchases	945,665	100%
Unspecified Power (MWh)	-	0%
Total	945,665	100%
Total Retail Sales (MWh)	888,033	

Comments: