

Resolution No. 9649

Resolution of the Council of the City of Palo Alto Approving a Carbon Neutral Natural Gas Plan to Achieve a Carbon Neutral Gas Supply Portfolio by Fiscal Year 2018 with No Greater than 10¢/Therm Rate Impact; and Related Termination of the Palo Alto Green Gas Program

R E C I T A L S

A. In December 2007, Council adopted the City's Climate Protection Plan which set aggressive greenhouse gas (GHG) emission reduction goals to be achieved by the year 2020.

B. In March 2013, this Council approved Resolution 9322 directing staff to achieve carbon neutrality for the electric supply portfolio by 2013 through the use of a combination of hydroelectric resources, long-term renewable resources and short-term renewable energy resources and/or renewable energy certificates ("RECs").

C. On September 9, 2013, this Council approved Resolution 9372 modifying and suspending portions of the PaloAlto**Green** Program, and directing staff to develop a PaloAlto**Green** Gas (PAG Gas Program) Program.

D. On April 21, 2014, this Council approved Resolution 9405 establishing the voluntary PAG Gas Program to provide the opportunity for residential and commercial customers to economically reduce or eliminate the impact of GHG emissions associated with their gas usage through the purchase of certified environmental offsets.

E. In April 2016, this Council adopted a GHG reduction goal of 80% by the year 2030. GHG emissions associated with natural gas use were 135,000 metric tons of carbon dioxide equivalent, or 27% of the City's GHG emissions, in 2015.

F. Staff initially proposed a Carbon Neutral Natural Gas Plan that would use a combination of physical biogas and high-quality environmental offsets to achieve a carbon-neutral gas portfolio by fiscal year 2018 by maximizing the amount of biogas in the portfolio while holding the rate impact at a maximum limit of ten cents per therm (10 ¢/therm).

G. On August 31, 2016, the Utilities Advisory Commission voted 6-1 to recommend Council approve a Carbon Neutral Gas Plan using a combination of physical biogas and high-quality environmental offsets to achieve a carbon-neutral gas portfolio and terminate the PAG Gas Program.

H. On October 18, 2016, the Finance Committee voted 2-1 to instead recommend that Council:

(i) Adopt a resolution that (a) approves a Carbon Neutral Natural Gas Plan that would enable the City to achieve a carbon-neutral gas supply portfolio starting in Fiscal Year (FY) 2018 with a rate impact not to exceed ten cents per therm (10 ¢/therm); and (b) terminate the PAG Gas Program established by Resolution 9405; and

(ii) Direct staff to: (a) develop an implementation plan for the Carbon Neutral Natural Gas Plan; (b) provide an option for Council to consider prioritizing local offsets; and (c) prioritize maximizing carbon reduction within the 10 ¢/therm rate impact cap.

The Council of the City of Palo Alto RESOLVES as follows:

SECTION 1. The Council hereby adopts a resolution:

1. Approving a Carbon Neutral Natural Gas Plan, enabling the City to achieve a carbon-neutral gas supply portfolio starting in fiscal year 2018 with a rate impact not to exceed ten cents per therm (10 ¢/therm); and

2. Terminating the PAG Gas program established by Resolution 9405.

SECTION 2. The Council’s adoption of this Resolution, which approves a Carbon Neutral Natural Gas Plan and terminates the PAG Gas program does not meet the definition of a project, pursuant to section 21065 of the California Environmental Quality Act (CEQA). Offset, biogas and other potential project developers will be responsible for acquiring necessary environmental reviews and permits as those projects are developed.

INTRODUCED AND PASSED: December 5, 2016

NOES: BURT, DUBOIS, FILSETH, HOLMAN, KNISS, SCHARFF, SCHMID, WOLBACH

ABSENT:

ABSTENTIONS:

ATTEST:

DocuSigned by:
Beth Minor
45F95502DB71492...

City Clerk

DocuSigned by:
Patrick Burt
0B8A2FFEE5FA473...

Mayor

APPROVED AS TO FORM:

DocuSigned by:
Jan Mule
E60E546D34C54C6...

Senior Deputy City Attorney

DocuSigned by:
Jack Young
39E7298FB2084DB...

City Manager

DocuSigned by:
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Director of Utilities

DocuSigned by:
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Director of Administrative Services

Certificate Of Completion



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