

Resolution No. 9381

Resolution of the Council of the City of Palo Alto Amending the City
of Palo Alto's Renewable Energy Resources Procurement Plan in
Compliance with the California Energy Commission's Enforcement
Procedures for the Renewables Portfolio Standard for Local Publicly
Owned Utilities

RECITALS

A. In April 2011, Governor Brown signed Senate Bill X1-2, the California Renewable Energy Resources Act, into law.

B. Senate Bill X1-2 states that the intent of the Legislature is to increase the amount of electricity generated per year from eligible renewable resources to an amount that averages 20 percent of total electricity sold to retail customers in California by December 31, 2013, and at least 33 percent by December 31, 2020.

C. Senate Bill X1-2 applies to local publicly owned utilities, including the City of Palo Alto acting by its Utilities Department ("CPAU").

D. The City's Long-term Electric Acquisition Plan's ("LEAP") Objectives, Strategies, and Implementation Plan sets an RPS goal that requires 33 percent of City of Palo Alto's electricity retail sales be served by eligible renewable energy resources by year-end 2015 (Resolution Number 9152).

E. On December 12, 2011, the Council adopted Resolution Number 9215, approving the City's Electric Utility Renewable Energy Resources Procurement Plan ("CPAU RPS Procurement Plan"), in compliance with Senate Bill X1-2. This action did not preclude Council's implementation of the more aggressive Renewables Portfolio Standards it adopted earlier that year.

F. Senate Bill X1-2 also directed the CEC to adopt regulations specifying procedures for enforcement of the Renewables Portfolio Standards for publicly owned utilities such as CPAU. The CEC subsequently developed and adopted their "Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities" ("CEC RPS Regulations"), effective October 1, 2013.

G. The 2013 CEC RPS Regulations contain additional requirements, including specific formulae for calculating the RPS targets, content category definitions and reporting deadlines, which require a revision to the City's RPS Procurement Plan. The CEC RPS Regulations also provide more optional compliance measures that have been included in the amended RPS Procurement Plan.

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

SECTION 1. The Council hereby finds and declares:

1. Changes in law, reflected in Senate Bill X 1-2, require the City of Palo Alto to conform to California's Renewable Energy Resources Program by increasing the amount of electricity generated from eligible renewable energy resources per year, so that amount equals at least 33% of total retail sales of electricity in California by year-end 2020. Though the requirements of the State's RPS program are applicable to local publicly owned utilities, the Council as the local governing body is responsible for implementation of those requirements and the enforcement is delegated to the CEC and the California Air Resources Board.
2. The City must adopt the procurement requirements set forth in California Code of Regulations, Title 20, Division 2, Chapter 13, Sections 3200 - 3208 and Title 20, Division 2, Chapter 2, Article 4, Section 1240 ("CEC RPS Regulations").
3. The City adopts rules permitting CPAU to apply historic carryover due to CPAU's early investment in renewable energy resources, to be applied to CPAU's RPS procurement target for the compliance period ending December 31, 2013, or for any subsequent compliance period, according to the requirements set forth in section 3206 (a)(5) of the CEC's RPS Regulations.
4. The City adopts rules permitting CPAU to apply excess procurement in one compliance period to subsequent compliance periods, according to the requirements set forth in section 3206 (a)(1) D. of the CEC's RPS Regulations.
5. The City adopts rules regarding conditions that allow for a waiver of timely compliance and cost limitations, according to the requirements set forth in Public Utilities Code section 399.15 and the CEC's RPS Regulations.
6. The City adopts rules permitting CPAU to reduce its portfolio balance requirements, according to the requirements set forth in section 3206 (a)(4) of the CEC's RPS Regulations.
7. The City has provided at least 10 days' advance notice to the public and the CEC regarding the proposed adoption of the City's RPS Procurement Plan.

SECTION 2. The Council approves the amendments to the City of Palo Alto Renewable Energy Resources Procurement Plan and its effective date of November 12, 2013. The City Manager or his designee, the Director of Utilities, shall review the CPAU RPS Procurement Plan annually in order to determine the City's compliance with California's RPS program, and shall comply with the reporting requirements as described in Section 3207 of the CEC's RPS Regulations.

SECTION 3. The Council finds that the adoption of this resolution does not constitute a project under the California Environmental Quality Act, California Public Resources Code section 21080, subdivision (b)(8).

INTRODUCED AND PASSED: November 12, 2013

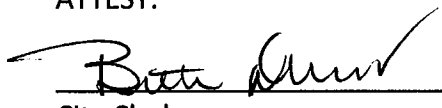
AYES: BERMAN, HOLMAN, KLEIN, KNISS, PRICE, SCHARFF, SCHMID, SHEPHERD

NOES:

ABSENT: BURT

ABSTENTIONS:

ATTEST:

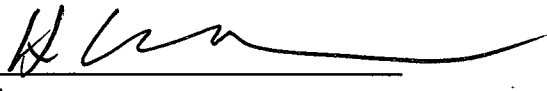


for City Clerk

APPROVED AS TO FORM:



Senior Deputy City Attorney

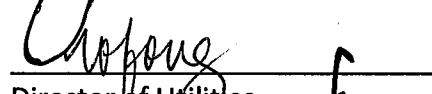


Mayor

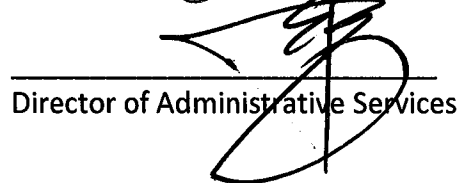
APPROVED:



City Manager



Director of Utilities



Director of Administrative Services