RESOLUTION NO. R-59-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLTON AMENDING AND RESTATING RESOLUTION R-103-11 RELATING TO THE CITY'S RENEWABLES PORTFOLIO STANDARD POLICY IN COMPLIANCE WITH SENATE BILL SB X 1 2, THE RENEWABLES PORTFOLIO STANDARDS GUIDEBOOK, AND THE ENFORCEMENT PROCEDURES FOR THE RENEWABLES PORTFLIO STANDARD FOR LOCAL PUBLICALLY OWNED UTILITIES.

WHEREAS; the City of Colton (the City) desires to encourage the use of renewable energy resources; and

WHEREAS, of the total amount of energy provided to the City's electric utility customers 5% is currently received by the City from renewable energy resources; and

WHEREAS, to increase the amount of energy from renewable energy resources, the State of California adopted Senate Bill SB X 1 2 (SB X 1 2), requiring local publicly owned utilities to establish a Renewable Energy Procurement Plan or to amend any existing Renewable Portfolio Standard (RPS) to include procurement and compliance plans; and

WHEREAS, on October 7, 2003, the City Council adopted Resolution No. R-102-03 which established the RPS Policy for the City in compliance with Section 387 and set a target portfolio level of 15% energy from renewable resources by December 31, 2017; and

WHEREAS, on February 27, 2007, the City Council adopted Resolution No. R-33-07 which established the RPS policy for the City in compliance with Senate Bill 107 and set a target portfolio level of 20% energy from renewable energy resources by December 31, 2010; and

WHEREAS, on December 21, 2010, the City Council adopted Resolution No. R-79-10 which established the RPS policy for the City in compliance with Governor Arnold Schwarzenegger's Executive Order No. S-14-08; and

WHEREAS, on December 20, 2011, the City Council adopted Resolution R-103-11, which modified the existing RPS Policy, establishing Compliance Periods, a Procurement Plan, and an Enforcement Program in compliance with SB X 1 2, and

WHEREAS, on April 13, 2013, the California Energy Commission (CEC) adopted the Renewable Portfolio Standard Eligibility Guidebook, 7th Edition (RPS Guidebook, 7th Ed.); and

WHEREAS, on June 12, 2013, the CEC adopted the Enforcement Procedures for the Renewables Portfolio Standard for Local Publically Owned Utilities (Enforcement Procedures for POUs); and

WHEREAS, the Electric Utility currently does not have any unmet energy needs with its current resources, including the San Juan Generating Station Unit 3 (SJ3) and has surplus energy for most hours, and the addition of any new renewable energy sources will create additional surplus energy; and

WHEREAS, the San Juan Generating Station Unit 3 is scheduled to cease operation after December 31, 2017, creating the need to replace 30 MWh of baseload energy to meets retail customer energy needs; and

WHEREAS, the City desires to amend and restate Resolution R-103-11 relating to its Renewable Portfolio Standard policy to comply with the procurement and enforcement requirements adopted in the RPS Guidebook, 7th Ed. (Guidebook), and the Enforcement Procedures for POUs adopted by the CEC;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COLTON DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1: The adoption of the standards in this Resolution reflects the City of Colton Electric Utility's commitment to renewable resource procurement consistent with the provisions of SB X 1 2 and other applicable law, and is intended to supersede previous resolutions dealing with renewable resource procurement. Accordingly, the City Council hereby amends and restates Resolution No. R-103-11, provided that no actions taken by the City to comply with such resolutions shall be deemed to be invalidated by this amendment and restatement.

SECTION 2: SB X 1 2 established the following compliance periods and target levels for the procurement of electricity, pursuant to PUC §399.30(b) and PUC §399.30(c)(1)-(2), from eligible renewable resources, measured by the amount of energy procured in making retail sales of electricity:

Compliance Period One: January 1, 2011 through December 31, 2013.
Target 20%

Compliance Period Two: January 1, 2014 through December 31, 2016. Target 25%

Compliance Period Three: January 1, 2017 through December 31, 2020. Target 33%

Annually: Each calendar year starting with 2021. Target 33%.

SECTION 3: The Electric Utility Director shall assign all RPS-eligible resources procured by the Colton Electric Utility to their appropriate procurement content category in accordance with the provisions of PUC §399.16. The Electric Utility Director may count all resources that meet the conditions of PUC §399.16(d) in full towards meeting the procurement requirements.

Electricity produced from the following technologies constitute eligible resources: biomass, bio gas from within California, solar thermal, photovoltaic, wind, geothermal, fuel cells using renewable fuels, hydroelectric generation, digester gas, , landfill gas, ocean wave, ocean thermal, tidal current, renewable components of system sales from other parties, or renewable distributed generation on the customer side of the meter. Facilities can be located anywhere in the interconnected transmission system located in the west.

SECTION 4: In order to fulfill unmet long-term generation resource needs, Colton Electric Utility shall procure a minimum quantity of electricity products from eligible renewable sources, including short-term purchases of renewable energy from California sources as defined by the CEC.

SECTION 5: Colton Electric Utility plans to be in full compliance with the goals of SB X 1 2 (29% of its energy requirement from eligible renewable sources) by 2018 concurrent with the closure of SJ3.

SECTION 6: Colton Electric Utility may delay timely compliance with the Renewable Energy Requirement Procurement Plan until there is a significant unmet energy need, pursuant to PUC §399.30(c)(2), consistent with the requirements of PUC §399.15(b)(5).

SECTION 7 Colton Electric Utility will purchase energy from solar PV and wind resources in 2014 to 2016, to increase its RPS percentage. In 2016/2017, Colton Electric Utility will enter into a long-term baseload purchase for energy from eligible renewable energy resources to meet the unmet energy needs with the closure of SJ3 at the end of 2017. The Colton Electric Utility will use least-cost resource planning criteria to meet any additional resource requirements that may include both renewable and non-renewable resources.

SECTION 8: The above-market costs of renewable energy for the Colton Electric Utility may be subsidized by supplemental payments from the funds generated by the public benefits charge that Colton Electric Utility adds as a surcharge to retail bills pursuant to the provisions of AB 1890.

SECTION 7: Colton Electric Utility is authorized to purchase the environmental attributes or RECs from a renewable resource, without purchasing the associated energy, to

comply with this RPS so long as it does not exceed the maximum amount of RECs allowed in any compliance period. Also, Colton Electric Utility is authorized to accumulate, beginning January 1, 2011, excess procurement in one compliance period to be applied to any subsequent compliance period provided that the quantity of excess procurement is determined in the same manner as allowed for retail sellers pursuant to PUC §399.13(a)(4)(B).

SECTION 8: Colton Electric utility will limit annual cost increases to a level it believes is consistent with meeting RPS requirements.

Costs for procurement of in-state renewable energy resources shall not be excessive in comparison to the costs of comparable renewable energy resources located outside California. Determination of what constitutes excessive costs for in-state renewable energy resources will initially be made on a case-by-case basis. The City Council may limit procurement expenditures for all RPS-eligible resources used to comply with the RERPP in compliance with PUC §399.15(c)(1)-(3) and PUC §399.15(d).

SECTION 9: The Colton Electric Utility shall provide data annually to the California Energy Commission and to its electric utility customers in accordance with PUC §399.30(g), as follows:

Expenditures of public goods funds for development of renewable energy resources;

The mix of resources used to serve the Utility's customers, by energy source; and

Status and progress in the procurement of renewable resources toward meeting the time periods and targets in Section 2.

PASSED, APPROVED AND ADOPTED this 16th day of July 2013.

SARAH S. ZAMORA, Mayor

ATTEST:

EILEEN C. GOMEZ, CMC
City Clerk

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss
CITY OF COLTON)

CERTIFICATION

I, EILEEN C. GOMEZ, City Clerk of the City of Colton, California, do hereby certify that the foregoing is a full, true and correct copy of **RESOLUTION NO. R-59-13**, duly adopted by the City Council of said City, and approved by the Mayor of said City, at its Regular Meeting of said City Council held on the **16th day of July, 2013**, and that it was adopted by the following vote, to wit:

AYES:	COUNCILMEMBER	Toro, Gonzales, Navarro, Oliva, Suchil, and Mayor Zamora
NOES:	COUNCILMEMBER	None
ABSTAIN:	COUNCILMEMBER	None
ABSENT:	COUNCILMEMBER	Bennett

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Colton, California, this _____ day of _____, 2013.

_____
EILEEN C. GOMEZ, CMC
City Clerk
City of Colton

(SEAL)