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**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 PORTFOLIO 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

1           **WHEREAS**, on April 13, 2013, the California Energy Commission (CEC) adopted the  
2 Renewable Portfolio Standard Eligibility Guidebook, 7<sup>th</sup> Edition (RPS Guidebook, 7<sup>th</sup> Ed.);  
3 and

4           **WHEREAS**, on June 12, 2013, the CEC adopted the Enforcement Procedures for the  
5 Renewables Portfolio Standard for Local Publically Owned Utilities (Enforcement Procedures  
6 for POU); and

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

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

14           **WHEREAS**, the City desires to amend and restate Resolution R-103-11 relating to its  
15 Renewable Portfolio Standard policy to comply with the procurement and enforcement  
16 requirements adopted in the RPS Guidebook, 7<sup>th</sup> Ed. (Guidebook), and the Enforcement  
17 Procedures for POU; adopted by the CEC;

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

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

27           **SECTION 2:** SB X 1 2 established the following compliance periods and target  
28 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%

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

3 Compliance Period Three: January 1, 2017 through December 31, 2020.

4 Target 33%

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

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

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

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

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

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

27 **SECTION 7** Colton Electric Utility will purchase energy from solar PV and wind  
28 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

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

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

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

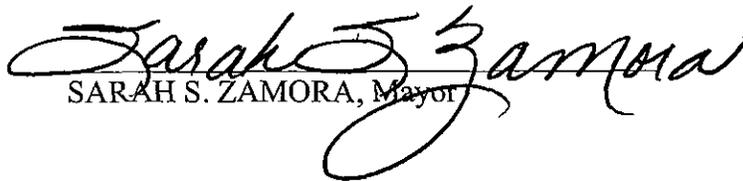
14 **SECTION 9:** The Colton Electric Utility shall provide data annually to the California  
15 Energy Commission and to its electric utility customers in accordance with PUC §399.30(g),  
16 as follows:

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

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

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

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

22   
23 SARAH S. ZAMORA, Mayor

24 ATTEST:

25   
26 EILEEN C. GOMEZ, CMC  
27 City Clerk  
28

1 STATE OF CALIFORNIA )  
2 COUNTY OF SAN BERNARDINO ) ss  
3 CITY OF COLTON )

4 CERTIFICATION

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

10 AYES: COUNCILMEMBER Toro, Gonzales, Navarro, Oliva,  
11 Suchil, and Mayor Zamora  
12 NOES: COUNCILMEMBER None  
13 ABSTAIN: COUNCILMEMBER None  
14 ABSENT: COUNCILMEMBER Bennett  
15

16 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official  
17 seal of the City of Colton, California, this \_\_\_\_\_ day of \_\_\_\_\_, 2013.  
18  
19  
20

21 \_\_\_\_\_  
EILEEN C. GOMEZ, CMC  
22 City Clerk  
23 City of Colton

24 (SEAL)  
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