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RESOLUTION NO. R-90-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLTON AMENDING THE CITY'S RENEWABLES PORTFOLIO STANDARD POLICY IN COMPLIANCE WITH SENATE BILL SB X1 2, THE RENEWABLES PORTFOLIO STANDARDS 7th EDITION, AND THE ENFORCEMENT PROCEDURES FOR THE RENEWABLES PORTFOLIO STANDARD FOR LOCAL PUBLICLY 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 only 6% 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 No. 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, 7th Edition (RPS Guidebook, 7th Ed.); and

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

5 **WHEREAS**, on July 18, 2013, the City Council adopted R-59-13 amending its
6 Renewable Portfolio Standard policy; 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 (SJG3) 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 its
13 energy needs; and

14 **WHEREAS**, the City desires to amend its Renewable Portfolio Standard policy to
15 comply with the procurement and enforcement requirements adopted in the RPS Guidebook,
16 7th Ed., and the Enforcement Procedures for POU; adopted by the CEC;

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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 of
21 Colton's commitment to renewable resource procurement consistent with the provisions of SB
22 X1 2 and other applicable law, and is intended to supersede previous resolutions dealing with
23 renewable resource procurement.

24 **SECTION 2:** SB X1 2 established the following compliance periods and target levels
25 for the procurement of electricity, pursuant to California Public Utility Code (PUC)
26 §399.30(b) and PUC §399.30(c)(1)-(2), from eligible renewable resources, measured by the
27 amount of energy procured in making retail sales of electricity:

28 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%.

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

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

14 **SECTION 4:** In order to fulfill all unmet long-term generation resource needs, Colton
15 Electric Utility shall procure electricity products from eligible renewable sources, including
16 short-term purchases of renewable energy from California sources to extent necessary to meet
17 the goals established in Section 2.

18 **SECTION 5:** Colton Electric Utility will divest itself of all coal-fired generation by
19 2020 and plans to be in full compliance with the goals of SB X 1 2 (33% of its energy
20 requirement from eligible renewable sources) by 2018 with the anticipated decommissioning
21 of SJG3.

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

25 **SECTION 7:** Colton Electric Utility will purchase energy from solar PV and wind
26 resources in 2014 to 2016, to increase its RPS percentage. In 2016/2017, Colton Electric
27 Utility intends to enter into a long-term baseload purchase for energy from eligible renewable
28 energy resources to meet the unmet energy needs with the closure of SJG3 at the end of 2017
to extent necessary to meet goals established in Section 2.

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 9: 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. Also, Colton Electric Utility is authorized to accumulate, beginning
January 1, 2011, excess procurement in one compliance period to be applied to any subsequent

1 compliance period provided that the quantity of excess procurement is determined in the same
2 manner as allowed for retail sellers pursuant to PUC §399.13(a)(4)(B).

3 **SECTION 10:** Colton Electric Utility will limit annual cost increases to a level it
4 believes is consistent with meeting RPS requirements.

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

11 Colton Electric Utility may annually set a Procurement Expenditure Limit (“PEL”)
12 such that the purchase of renewable energy does not cause disproportionate rate impacts. The
13 City Council hereby finds that rate impacts in excess of the following are disproportionate:

12	2013	2%
13	2014	2%
14	2015	3%
15	2016	4%
16	2017-2020	5%

17 **SECTION 11:** The Colton Electric Utility shall provide data annually to the California
18 Energy Commission and to its electric utility customers in accordance with PUC §399.30(g),
19 as follows:

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

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

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

24 **SECTION 12:** The City Council directs the Colton Electric Utility to develop and
25 present a RERPP to the City Council. At a minimum, the RERPP shall include: (a) the
26 specified resources that the City plans to use to meet the procurement targets adopted in
27 Section 2 above; and (b) the flexible compliance mechanisms to be utilized by the City
28 pursuant to Section 6, 7, 8, 9 and 10 above. The City shall post a public notice whenever the
City Council will deliberate in public on the RERPP.

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2 **SECTION 13:** The City Council directs the Colton Electric Utility Director to inform
3 the City Council at a public meeting in the event that the City will not meet the procurement
4 requirements set out in Section 2, and subject to the flexible compliance mechanisms, as set
5 forth above. As soon as reasonably practicable following his/her informing the City Council
6 the Colton Electric Utility Director shall develop and present a plan to bring the City into
7 compliance.

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9 **PASSED, APPROVED AND ADOPTED** this 19th day of November, 2013.

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11 
12 SARAH S. ZAMORA, Mayor

13 ATTEST:

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16 EILEEN C. GOMEZ, CMC
17 City Clerk
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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-90-13,
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 19th day of November, 2013, and
9 that it 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

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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 _____, 20__.

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21 _____
22 EILEEN C. GOMEZ, CMC
23 City Clerk
24 City of Colton

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28 (SEAL)