



## City Council Agenda Item

**City Council Meeting Date:** March 19, 2019

**TO:** Jim Throop, City Manager

**FROM:** Tikan Singh P.E., Electric Utility Manager  
t\_singh@ci.lompoc.ca.us

**SUBJECT:** Adoption of Resolution No. 6244(19) Attestation of the 2017 Power Source Disclosure Report

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### **Recommendation:**

Staff recommends the City Council adopt Resolution No. 6244(19) (Attachment 1) to attest the veracity of the 2017 Power Source Disclosure (PSD) report (Attachment 2).

### **Background:**

The California Energy Commission (CEC) regulations require any electric utility, including municipal utilities, making any claim regarding energy sources for marketing or communication purposes to provide a Power Source Disclosure (PSD) report. The purpose of the PSD report is to address deregulation concerns about protecting consumers from misleading and fraudulent promotional efforts.

Since 2001, the information contained in the PSD report includes the City's operating data for City-owned power plants, and generation plants operated by the Northern California Power Agency (NCPA), of which the City is a member. The 2017 PSD report contains specific energy resources from which the City obtained the required energy resources to meet the 2017 energy demand. The information was compiled with data from NCPA, Renewable Energy Credits (RECs) and energy invoices. When a specific generation source cannot be determined, the guidelines require such resources be bundled under "unspecified power."

The City's 2017 resource mix consists of 25% renewable resources, 29% large hydroelectric, 11% natural gas, and 34% unspecified power.

**Discussion:**

The City has completed its evaluation of the energy resources used to serve its retail customers for 2017 under the CEC guidelines. Since its inception, the reporting has been considered an operational report and attestation of its veracity was performed by the Manager/Superintendent of Public Owned Utilities (POU).

In 2017, the regulation for the PSD reporting was updated and the changes were effective retroactively to October 2016. The changes included a provision that requires utilities to engage a third-party certified public accountant (CPA) to perform an audit to verify the specific purchases, resales, and self-consumption of energy by fuel type. The regulation includes an exemption from the audit requirement for publicly owned electric utilities, "if the governing board of directors approves at a public meeting the submission to the Energy Commission of an attestation of the veracity of the annual report." The Electric Division filed the annual PSD report to the CEC in May 2018 when it was due. The Attestation Form was completed and signed by the Electric Utility Manager. The Power Content Label (PCL) was displayed on our website and the City Hall bulletin board in October 2018, in accordance with the regulation.

Resolution No. 6244(19) approves the annual PSD report submission and provides the attestation to the veracity of the report as required for exemption from the third party audit.

**Fiscal Impact:**

The annual report submission has minimal fiscal impact to the General Fund. Costs associated with this report utilized staff resources and compiled with data from NCPA and RECs.

**Conclusion:**

The PSD report has been compiled in a joint effort between the Electric Division and NCPA and has been deemed accurate by both parties.

Respectfully submitted,

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Tikan Singh P.E., Electric Utility Manager

**APPROVED FOR SUBMITTAL TO THE CITY MANAGER:**

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Brad Wilkie, Utility Director

**APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:**

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Jim Throop, City Manager

Attachments: 1) Resolution No. 6244(19)  
2) Annual Report to the California Energy Commission