



City Council Agenda Item

City Council Meeting Date: January 19, 2021

TO: Jim Throop, City Manager

FROM: Tikan Singh P.E., Electric Utility Manager
t_singh@ci.lompoc.ca.us

SUBJECT: Adoption of Resolution No. 6378(21) Attestation to the Veracity of the 2019 Power Source Disclosure Report and 2019 Power Content Label

Recommendation:

Staff recommends the City Council adopt Resolution No. 6378(21) to attest the veracity of the 2019 Power Source Disclosure Report and the 2019 Power Content Label.

Background:

Senate Bill 1305 (SB 1305) was approved in 1997 to ensure that all retail suppliers of electricity disclose to consumers the sources of energy used to provide electric service in an accurate, and reliable and easy to understand manner. The SB 1305 Report is commonly referred to as the Power Source Disclosure (PSD) report, which shows the City's electric portfolio purchases for the prior calendar year. This report is submitted annually to the California Energy Commission (CEC).

The information contained in the PSD Report also contains the fuel mix for the City's retail electricity sales for the prior year, which is used to prepare the City's annual Power Content Label (PCL). The City's 2019 fuel mix consists of 21.6% renewable resources, 27.1% large hydroelectric, 21.6% natural gas, and 29.7% unspecified power.

The CEC regulations require any electric utility, including municipal utilities, making any claim regarding energy sources for marketing or communication purposes to provide a 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 2019 PSD report contains specific energy resources from which the City obtained the required energy resources to meet the 2019 energy demand. The information was compiled with data from NCPA, Renewable Energy Credits (RECs) and energy invoices. When a specific generation

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source cannot be determined, the guidelines require such resources be bundled under “unspecified power.”

Discussion:

The City has completed its evaluation of the energy resources used to serve its retail customers for 2019 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.

In 2017, the CEC updated the regulation for the PSD reporting 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 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 to the veracity of the annual PSD report and PCL.

The Electric Division filed the annual PSD report to the CEC in July 2020 when it was due. The Attestation Form was completed and signed by the Electric Utility Manager. The Power Content Label will be displayed on the City’s website and the City Hall bulletin board on January 20, 2021 in accordance with the regulation.

Resolution No. 6378(21) approves the annual PSD report submission and provides the attestation to the veracity of the PSD report and PCL as required for exemption from the third party audit.

Fiscal Impact:

The annual report submission has no fiscal impact to the General Fund. Costs associated with this report utilized staff resources and compiled 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,

Tikan Singh P.E., Electric Utility Manager

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APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

Charles J. Berry, Utility Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Jim Throop, City Manager

Attachment: Resolution No. 6378(21)