



CITY OF LODI  
COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt Resolution Approving the Revised City of Lodi Renewables Portfolio Standard Procurement Plan and Enforcement Program

**MEETING DATE:** November 20, 2013

**PREPARED BY:** Electric Utility Director

**RECOMMENDED ACTION:** Adopt a resolution approving the Revised City of Lodi Renewables Portfolio Standard Procurement Plan and Enforcement Program.

**BACKGROUND INFORMATION:** On April 12, 2011, Senate Bill SBX1-2 (*California Renewable Energy Resources Act*) was signed into law which modified the State's Renewables Portfolio Standard (RPS) requirements in addition to setting forth new requirements applicable to Publicly Owned Utilities (POUs). SBX1-2 requires that 20, 25, and 33 percent of the City's energy sales is supplied by renewable energy generation by the end of Compliance Years 2013, 2016 and 2020, respectively.

Pursuant to Public Utilities Code, Section 399.30(a) and 399.30(e), POUs must adopt and implement a renewable energy resources procurement plan (RPS Procurement Plan) and a program for the enforcement of the RPS Procurement Plan (RPS Enforcement Program) and update these documents as appropriate. Attached as Exhibit A, the Revised City of Lodi Renewables Portfolio Standard Procurement Plan and Enforcement Program (Revised Plan), replaces the prior RPS Enforcement Program and RPS Procurement Plan approved by the City Council on December 11, 2011 (Resolution 2011-195) and on December 19, 2012 (Resolution 2012-206), respectively and reflects changes as a result of the California Energy Commission's (CEC) regulations that became effective October 1, 2013 as presented to the City Council at its October 1, 2013 Shirtsleeve Session.

In general, the Revised Plan outlines a strategy for fulfilling unmet long-term generation resource needs that requires the City to procure a minimum quantity of electricity products from eligible renewable energy resources, including renewable energy credits, as a specified percentage of the total kilowatt-hours sold to the City's retail end-use customers each compliance period to achieve specified procurement targets. The Revised Plan requires the Electric Utility (EU), through the Risk Oversight Committee (ROC), to annually review the City's progress toward meeting RPS goals and determine whether reasonable progress is being made to sufficiently meet compliance year targets. If targets are not being met, the City can review the applicability of applying historic carryover from renewable energy procured through 2010 and/or review the applicability of applying Excess Procurement from prior Compliance Periods. The City can use Historic Carryover to satisfy any renewable shortcomings beyond 2011. In addition, the City may review the applicability and appropriateness of excusing performance based on the cost limitations expenditure provisions included in the Revised Plan.

APPROVED:   
Konradt Bartlam, City Manager

EU staff expects its annual production of renewable energy from its geothermal, small hydro and solar resources will continue to exceed targets through 2015 and overall will meet the requirements through 2016 (Compliance Period 2). When Historic Carryover and Excess Procurement are taken into consideration, Lodi can meet its targets through 2018. EU staff, through the ROC, will continue to evaluate the feasibility of additional renewable energy resources and opportunities to meet its 2020 target.

The Revised Plan will be effective November 20, 2013 and must be adopted by the City Council and transmitted to the CEC by November 27, 2013.

**FISCAL IMPACT:** There is no direct financial impact associated with the development and approval of the Revised Plan. Staff time and costs associated with reviewing and reporting are included within the current budget. Any future purchases of renewable energy will be brought forward on a case-by-case basis through the ROC for City Council consideration.

**FUNDING:** Not applicable.



Elizabeth A. Kirkley  
Electric Utility Director

**PREPARED BY:** Melissa Price, Rates & Resources Manager

EAK/MCP/lt

RESOLUTION NO. 2013-207

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING THE  
REVISED CITY OF LODI RENEWABLES PORTFOLIO STANDARD  
PROCUREMENT PLAN AND ENFORCEMENT PROGRAM

WHEREAS, on April 12, 2011, Senate Bill SBX1-2 was signed into law that modified the State's Renewables Portfolio Standard (RPS) requirements in addition to setting forth new requirements applicable to Publicly Owned Utilities (POUs); and

WHEREAS, pursuant to Public Utilities Code, Section 399.30(a) and 399.30(e), POUs must adopt and implement a renewable energy resources procurement plan (RPS Procurement Plan) and a program for the enforcement of the RPS Procurement Plan (RPS Enforcement Program) and update these documents as appropriate; and

WHEREAS, on December 11, 2011, by Resolution 2011-195, the City Council adopted its RPS Enforcement Program; and

WHEREAS, on December 19, 2012, by Resolution 2012-206, the City Council adopted its RPS Procurement Plan; and

WHEREAS, as a result of the California Energy Commission's (CEC) adoption of regulations that became effective October 1, 2013, the City proposes to adopt a Revised City of Lodi Renewables Portfolio Standard Procurement Plan and Enforcement Program (Revised Plan); and

WHEREAS, the Revised Plan has been prepared and will be implemented in accordance with all applicable RPS regulations including, but not limited to: 1) Identification of Compliance Periods, Procurement Targets, Content Categories; 2) Rules for application of Historic Carryover and Excess Procurement; 3) Provisions that address a demonstration of reasonable progress; 4) Conditions for delaying timely compliance and employment procedures for a Waiver of Timely Compliance; and 5) Procedures for addressing cost limitations; and

WHEREAS, review and implementation of the Revised Plan will be conducted by the Electric Utility (EU), through the City's Risk Oversight Committee, on an annual basis.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby rescind Resolutions 2011-195 and 2012-206 and approves the City of Lodi Renewables Portfolio Standard Procurement Plan and Enforcement Program (Revised Plan) and authorizes the EU, through the Risk Oversight Committee, to implement the Revised Plan.

Dated: November 20, 2013

I hereby certify that Resolution No. 2013-207 was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 20, 2013, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Johnson, Katzakian, Mounce, and Mayor Nakanishi

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

  
RANDI JOWL-OLSON  
City Clerk

**CITY OF LODI**  
**REVISED RENEWABLES PORTFOLIO STANDARD**  
**PROCUREMENT PLAN AND ENFORCEMENT PROGRAM**

## **1.0 INTRODUCTION AND PURPOSE**

Senate Bill X1-2 (SB X1-2) of the first extraordinary session was chaptered into the Public Utilities Code (PUC) §399 by Governor Jerry Brown. Under SB X1-2 the City of Lodi (City), a publicly owned utility, must adopt and implement a Procurement Plan in accordance with the Renewables Portfolio Standard (RPS) guidelines as adopted by the California Energy Commission (CEC) to reach and maintain a renewable energy content of 33 percent of Retail Sales<sup>1</sup> by the end of calendar year 2020. At the end of calendar year 2012, the City was compliant with the energy purchase requirements of SB X1-2. The City's RPS Procurement Plan was approved by Lodi City Council Resolution 2012-206 on December 19, 2012.

This document outlines the requirements of SB X1-2 and the City's minimum requirements for the procurement of renewable energy. In addition to the development of an RPS Procurement Plan, SB X1-2 requires the City to adopt and implement a separate program for the enforcement of the RPS Procurement Plan.<sup>2</sup> The City's RPS Enforcement Program was approved by Lodi City Council Resolution 2011-195 on December 21, 2011. This Revised RPS Procurement Plan and Enforcement Program (RPS Plan) combines and replaces the two previously adopted documents and is effective November 20, 2013.

With all future resource needs, the City's Electric Utility (EU), through the Risk Oversight Committee, shall apply this document, as approved by the City Council, to assure that the City's retail electric customers are provided at least a minimum quantity of electricity products from eligible renewable energy resources and products consistent with the targets set by SB X1-2.

### **1.1 PLAN MODIFICATIONS/AMENDMENTS**

This RPS Plan may be modified or amended by an affirmative vote of the Lodi City Council during a publicly noticed meeting. Before the Lodi City Council publicly deliberates on any

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<sup>1</sup> "Retail Sales" means sales of electricity by a local publicly owned electric utility (POU) to end-use customers and their tenants measured in megawatt hours (MWh). This does not include energy consumption by a POU, electricity used by a POU for water pumping, or electricity produced for onsite consumption (self-generation).

<sup>2</sup> Pursuant to PUC §399.30(e), POUs must have adopted a "program for enforcement" of the RPS Procurement Plan on or before January 1, 2012 at a publicly noticed meeting.

portion of the RPS Plan, a notice of a public meeting must be posted in accordance with the requirements of the PUC and/or applicable sections of the Government Code.

Contemporaneous with the posting of a notice for such a meeting, the City shall notify the CEC of the date, time, and location of the meeting in order to enable the CEC to post the information on its website. When City staff present information to a majority of the City Council that relates to the adopted RPS Plan, this information shall also be made available to the public and the CEC through the electronic posting of the documentation.

### **1.2 PROCUREMENT REQUIREMENTS FOR RENEWABLE ENERGY**

SB X1-2 created several very specific requirements for the procurement of renewable energy for the resale to electric customers. This document details the procurement requirements of SB X1-2 and adopts these requirements as minimum standards for the City's procurement of retail energy.

### **1.3 COMPLIANCE PERIODS (PUC §399.30(b))**

The amendment of SB X1-2 created three distinct Compliance Periods. At the end of each Compliance Period, a specific target for renewable energy must be met unless "waivers of timely compliance" are incurred. Each of the Compliance Periods includes the following: 1) the Retail Sales percentage target for renewable energy; and 2) the allowed percentage from each Content Category.

#### **A. Compliance Period 1: January 1, 2011, to December 31, 2013, inclusive.**

The City must procure by the end of Compliance Period 1, renewable energy at least equal to an average of 20 percent of Retail Sales, over the three calendar years. Renewable energy procured for this Compliance Period shall be comprised of not less than 50 percent of Content Category 1 and not more than 25 percent from Content Category 3.

#### **B. Compliance Period 2: January 1, 2014, to December 31, 2016, inclusive.**

The City must procure, by the end of Compliance Period 2, renewable energy at least equal to the sum of 20 percent of calendar year 2014 Retail Sales, 20 percent of calendar year 2015 Retail Sales, and 25 percent of 2016 Retail Sales. Renewable energy procured for this Compliance Period shall be comprised of not less than 65 percent of Content Category 1 and not more than 15 percent from Content Category 3.

**C. Compliance Period 3: January 1, 2017, to December 31, 2020, inclusive.**

The City must procure, by the end of Compliance Period 3, renewable energy at least equal to the sum of 27 percent of calendar year 2017 Retail Sales, 29 percent of calendar year 2018 Retail Sales, 31 percent of calendar year 2019 Retail Sales, and 33 percent of calendar year 2020's Retail Sales renewable energy procured for this Compliance Period shall be comprised of not less than 75 percent of Content Category 1 and not more than 10 percent from Content Category 3.

For each calendar year ending December 31, 2021 and each calendar year thereafter, the City must procure electricity products sufficient to meet or exceed 33 percent of its Retail Sales by the end of that year. Renewable energy procured for each calendar year shall be comprised of not less than 75 percent of Content Category 1 and not more than 10 percent from Content Category 3.

**1.4 REASONABLE PROGRESS TOWARDS MEETING COMPLIANCE PERIOD TARGETS DURING INTERVENING YEARS (PUC §§399.30(c)(1) and (2))**

- A. By December 31, 2014, the City shall demonstrate that it is making reasonable progress towards ensuring that it shall meet Compliance Period 2 requirements by 2016.
- B. By December 31, 2015, the City shall demonstrate that it is making reasonable progress towards ensuring that it shall meet Compliance Period 2 requirements by 2016.
- C. By December 31, 2017, the City shall demonstrate that it is making reasonable progress towards ensuring that it shall meet Compliance Period 3 requirements by 2020.
- D. By December 31, 2018, the City shall demonstrate that it is making reasonable progress towards ensuring that it shall meet the Compliance Period 3 requirements by 2020.
- E. By December 31, 2019, the City shall demonstrate that it is making reasonable progress towards ensuring that it shall meet Compliance Period 3 requirements by 2020.

**1.5 CONTENT CATEGORY DEFINITIONS (PUC §399.30(c)(3))**

As required by the PUC, each Compliance Period shall further restrict the procurement of energy through the concept of Portfolio Content Categories (PCCs) (sometimes referred to as energy buckets) that describe the criteria for differing eligible renewable energy resource electricity products:

- A. PCC 1 (consistent with PUC §399.16(b)(1)):** Resources in this category shall either:
- (1) Have a first point of interconnection with a California balancing authority, have a first point of interconnection with distribution facilities used to serve end users within a California balancing authority area, or are scheduled from the eligible renewable energy resource into a California balancing authority without substituting electricity from another source. The use of another source to provide real-time ancillary services required to maintain an hourly or sub-hourly import schedule into a California balancing authority shall be permitted, but only the fraction of the schedule actually generated by the eligible renewable energy resource shall count toward this PCC.
  - (2) Have an agreement to dynamically transfer electricity to a California balancing authority.
- B. PCC 2 (consistent with PUC §399.16(b)(2)):** Resources in this category shall include firmed and shaped eligible renewable energy resource electricity products providing incremental electricity and scheduled into a California balancing authority.
- C. PCC 3 (consistent with PUC §399.16(b)(3)):** Resources in this category shall include eligible renewable energy resource electricity products, or any fraction of the electricity generated, including unbundled renewable energy credits, that do not qualify under the criteria of PCC 1 or PCC 2.
- D. Grandfathered Resources (PUC §399.16(d)):** Any contract or ownership agreement originally executed prior to June 1, 2010, shall count in full towards the procurement requirements, if all of the following conditions are met:
- (1) The renewable energy resource was eligible under the rules in place as of the date when the contract was executed.

- (2) Any contract amendments or modifications occurring after June 1, 2010, do not increase the nameplate capacity or expected quantities of annual generation, or substitute a different renewable energy resource.
- (3) The duration of the contract may be extended if the original contract specified a procurement commitment of fifteen (15) or more years.
- (4) "Eligible renewable energy resource" means an electrical generating facility that meets the definition of a "renewable electrical generation facility" in §25741 of the Public Resources Code, subject to the following: A facility approved by the governing board of a local publicly owned electric utility prior to June 1, 2010, for procurement to satisfy renewable energy procurement obligations adopted pursuant to former PUC §387, shall be certified as an eligible renewable energy resource by the CEC pursuant to this article, if the facility is a "renewable electrical generation facility" as defined in §25741 of the Public Resources Code and PUC §399.12(e)(1)(C).

Resources procured prior to June 1, 2010 shall be counted for RPS compliance (Grandfathered) without regard to the limitations on the use of each PCC as described above.

#### **1.6 QUALIFYING CONDITIONS OF COMPLIANCE**

Provisions of SB X1-2 allow the adoption of Optional Compliance Measures for Excess Procurement, Historic Carry-over and for unforeseen circumstances beyond the control of the City. The section below details the conditions of these Optional Compliance Measures allowed by the amendments of SB X1-2.

##### **A. Excess Procurement (PUC §399.30(d)(1), PUC §399.13(a)(4)(B))**

The City shall be allowed to apply Excess Procurement from one Compliance Period to subsequent Compliance Periods as long as the following conditions are met:

- (1) The accumulation of excess procurement of a Compliance Period beginning on or after January 1, 2011, can be applied to any subsequent Compliance Period.
- (2) In calculating the total quantity of excess procurement, the amount of procurement associated with contracts of less than ten (10) years in duration shall be deducted (not counted) from actual procurement quantities.

- (3) Excess procurement applied to future Compliance Periods must comply with the definitions of PCC 1, PCC 2, or Grandfathered Resources.
- (4) Resources from PCC 3 shall not be counted as excess procurement.

**B. Historic Carry-over**

- (1) The City shall be allowed to apply historic carry-over, generated before January 1, 2011, procured prior to June 1, 2010, and was not applied to the RPS program established by the City pursuant to former PUC §387.
- (2) Historic carry-over must be from facilities that were RPS-eligible under the rules in place for retail sellers at the time of procurement, except that such facilities need not be tracked in the Western Renewable Energy Information System (WREGIS).
- (3) Historic carry-over shall be calculated by subtracting procurement generated between January 1, 2004 and December 31, 2010, that was applied to the City's RPS compliance obligation during that same period.
- (4) The City will submit claims for any historic carry-over to the CEC by December 31, 2013.

**C. Waiver Of Timely Compliance PUC §399.30(d)(2), PUC §399.15(b)(5))**

Under the concept of "Waiver of Timely Compliance," enforcement of timely compliance shall be waived if it can be demonstrated that any of the conditions described in the PUC or any condition beyond the direct control of the City will prevent timely compliance. In making its findings relative to the existence of this condition, deliberations shall include only conditions within the direct control of the City and consistent with the applicable PUC.

In the event of a Waiver of Timely Compliance due to any of the factors set forth above, the City may implement one or more of the following procedures:

- (1) Establish additional reporting for intervening years to demonstrate that reasonable actions under the City's control are being taken (PUC §399.15(b)(6)).
- (2) Require a demonstration that all reasonable actions within the City's control have been taken to ensure compliance in order to grant the waiver (PUC §399.15(b)(7)).

As described in the PUC §399.15(b)(9), in no event shall deficits from prior Compliance Periods be added to future Compliance Periods. However, excess procurement from previous years may be used to gain compliance due any of the unforeseen conditions allowing waiver of timely compliance.

**D. Cost Limitations For Expenditures (PUC §399.30(D)(3), PUC §399.15(C))**

The City, at its sole discretion, may elect to establish cost limitations for all eligible renewable energy resources used to comply with the RPS. Any such cost limitations will be developed consistent with PUC §399.15(c) and PUC §399.15(d).

- (1) In adopting these rules, the City shall rely on this RPS Plan, as well as: 1) procurement expenditures that approximate the expected cost of building, owning, and operating eligible renewable energy resources; and 2) the potential that some planned resource additions may be delayed or cancelled.
- (2) In addition to PUC §399.15(c), the City may take into account local and regional economic conditions and the ability of the City's customers to afford produced or procured energy products. These economic conditions may include, but are not limited to, unemployment, wages, cost of living expenses, the housing market, and cost burden of other utility rates on the same customers. The City may also consider cost disparities between customer classes within the City, and between the City customers and other POU and investor owned utility (IOU) customers in the region.
- (3) The City shall review the need for cost limitations as part of the annual review process described in this RPS Plan.

**1.7 EXCLUSIVE CONTROL (PUC §399.30(m))**

In all matters regarding compliance with the RPS Plan, the Lodi City Council shall retain exclusive control and discretion over the following; the mix (type) of eligible renewable energy resources procured, additional generation resources procured for purposes of ensuring resource adequacy and reliability, and the reasonable costs incurred for eligible renewable energy resources owned by it.

**1.8 REPORTING REQUIREMENTS (PUC §399.30(f), PUC §399.30(g), PUC §399.30(l))**

As required by the PUC, POUs must provide periodic reporting on their progress and status of compliance with the legislated renewable energy requirements. The following sections outline these requirements and the applicable PUC.

**A. Deliberations Or Changes Regarding RPS Plan (PUC §399.30(F))**

Before the Lodi City Council publicly deliberates on any portion of the RPS Plan, a notice of a public meeting must be posted in accordance with the requirements of the PUC. Contemporaneous with the posting of a notice for such a meeting, the City shall notify the CEC of the date, time, and location of the meeting in order to enable the CEC to post the information on its website. When City staff present information to a majority of the City Council that relates to the adopted RPS Plan, this information shall also be made available to the public and the CEC through the electronic posting of the documentation.

**B. Compliance Reporting (CEC RPS Regulations §3207)**

(1) Annual Reports – Beginning with Compliance Year 2013: by July 1 for each year, the City shall submit an annual report to the CEC that includes the information as specified below for the prior calendar year. The report submitted in 2013 shall include information as specified below for both the 2011 and 2012 calendar years. The format for the annual report shall be specified by the CEC, but the information contained in the annual report may be combined with other existing reports that contain the same information and are also supplied to the CEC. If the annual report refers to information provided to the CEC through existing reports, the annual report shall reference the information by identifying the name, submittal date, and page number of the existing report. Included in the report will be the following:

(a) Identifying information, including:

- i. POU name, contact name, mailing address, phone number, and e-mail address.
- ii. Year the City's electric utility was established.
- iii. Number of end-use retail customer accounts in the City.

(b) RPS annual progress information for the prior calendar year, including:

- i. Amount of total Retail Sales to end-use customers, in MWh, and projected Retail Sales for the current compliance period.
- ii. Amount of procured electricity products retired, in MWh.
- iii. WREGIS compliance report for procurement claims in the prior calendar year. For any procurement claims not tracked through WREGIS as permitted by the RPS Regulations, the City shall report

- procurement claims using the interim tracking system established by the CEC prior to the implementation of WREGIS.
- iv. An initial, nonbinding classification of retired electricity products qualifying for each portfolio content category or qualifying to count in full in accordance with RPS Regulations §3202(a)(2).
  - v. A description of each of the eligible renewable energy resources with which the City has executed contracts or ownership agreements during the prior year, including but not limited to the contracted amount of MWh, the contracted amount of MWh as a percentage of Retail Sales, resource fuel type, the execution date of the procurement contract or ownership agreement, the duration of the procurement contract or ownership agreement, a summary of the procurement contract or ownership agreement, the operational status of the resource, the date the resource came on-line, the date the resource came on-line using a renewable fuel or technology, if different, the date on which procurement of electricity products begins, if different, RPS certification status, the county, state, and country in which the resource is located, and a summary of the resource names and identification numbers.
  - vi. Documentation demonstrating the PCC classification claimed for procured electricity products. This documentation may include interconnection agreements, NERC e-Tag data, scheduling agreements, firming and shaping agreements, and electricity product contract information.
  - vii. An explanation of any public goods funds collected for eligible renewable energy resource development, including a description of programs, expenditures, and expected or actual results.
  - viii. A description of any identified issues that occurred that have the potential to delay timely compliance with the RPS procurement requirements defined in RPS Regulations §3204, and planned actions to minimize the delay of timely compliance. Such issues may include, but are not limited to, inadequate transmission to allow for procurement to be delivered from eligible renewable energy resources, permitting, interconnection, or other circumstances that have delayed the procurement from eligible renewable energy resources, unanticipated curtailment of a contracted or owned eligible renewable energy resource, and higher-than-expected costs for the procurement or development of eligible renewable energy resources.
  - ix. An attestation, signed by an authorized agent, affirming that the information provided in the report is true and correct.

(c) Actions taken by the City demonstrating reasonable progress toward meeting its RPS procurement requirements. The information reported shall include, but not be limited to, a discussion of the following actions taken by the City during the prior calendar year:

- i. Solicitations released to solicit bid for contracts to procure electricity products from eligible renewable energy resources to satisfy the City's RPS procurement requirements.
- ii. Solicitations released to solicit bid for ownership agreements for eligible renewable energy resources to satisfy the City's RPS procurement requirements.
- iii. Actions taken to develop eligible renewable energy resources to satisfy the City's RPS procurement requirements, including initiating environmental studies, completing environmental studies, acquiring interests in land for facility siting or transmission, filing applications for facility or transmission siting permits, and receiving approval for facility or transmission siting permits.
- iv. Interconnection requests filed for eligible renewable energy resources to satisfy the City's RPS procurement requirements.
- v. Interconnection agreements negotiated and executed for eligible renewable energy resources to satisfy the City's RPS procurement requirements.
- vi. Transmission-related agreements negotiated and executed to transmit electricity products procured from eligible renewable energy resources to satisfy the City's RPS procurement requirements.
- vii. Other planning activities to procure electricity products from eligible renewable energy resources.

(d) The City shall include a description of all actions planned in the current calendar year to demonstrate progress towards achieving its RPS procurement requirements.

(2) Compliance Period Reports – By July 1, 2014; July 1, 2017; July 1, 2021; and by July 1 of each year thereafter, the City shall submit to the CEC a compliance report that addresses the reporting requirements of the previous section and the following information for the preceding compliance period.

(a) Classification per RPS-eligible facility of the amount of procurement qualifying for each PCC and procurement that shall count in full.

- (b) The City's RPS procurement target for the compliance period, in MWh.
- (c) The amount of excess procurement, in MWh, from previous compliance periods, if any, and historic carry-over, if any, that the City is applying to the compliance period.
- (d) The amount of procurement retired, in MWh, that the City wishes to claim toward the RPS procurement target for calculating the portfolio balance requirements.
- (e) The amount of excess procurement, in MWh, for the compliance period, if any, that may be applied toward future compliance periods.
- (f) If the compliance report indicates that the City's RPS procurement requirements were not met, the City shall provide documentation to justify the application of any optional compliance measures adopted in accordance with this RPS Plan. The documentation shall include all reports, analyses, proposed findings, and any other information upon which the City relied in applying the measure. The City shall also submit an updated enforcement program and/or procurement plan that includes a schedule identifying potential sources of electricity products currently available or anticipated to be available in the future for meeting the shortfall.
- (g) If the City applies adopted cost limitation measures, it shall report that cost limitation to the CEC in dollars spent during the compliance period. The City shall also provide the CEC with an estimate of the total cost to procure sufficient electricity products to meet its RPS procurement requirements for the preceding compliance period. A report on actions taken in response to RPS procurement expenditures meeting or exceeding the cost limitation shall also be provided.

**C. Reports to the CEC and City Customers (PUC §399.30(I))**

Annually, the City will provide information to the CEC and customers regarding renewable resources. The information to the CEC regarding renewable resources shall include each of the following components:

- (1) Expenditures of public goods funds collected pursuant to PUC §385 for eligible renewable energy resource development, including a description of programs, expenditures, and expected or actual results.
- (2) The resource mix used to serve its customers by energy source type.
- (3) The City's status in implementing and/or maintaining the renewable portfolio standards pursuant to PUC §399.30(a).

## **2.0 PROGRAM FOR ENFORCEMENT OF THE RPS PROCUREMENT PLAN**

- A. The City shall have a program for the enforcement of the RPS Procurement Plan, which shall include all of the provisions, set forth herein and shall be included in the City's RPS Plan.
- B. Annual review of the RPS Procurement Plan shall include consideration of each of the following elements:
  - (1) By December 31, 2013 (end of Compliance Period 1):
    - (a) Verify that the City has met an average of 20 percent of Retail Sales with eligible renewable resources from the specified PCCs for the period January 1, 2011 to December 31, 2013.
    - (b) If targets are not met, the City must:
      - i. Ensure that any Waiver of Timely Compliance was compliant with the provisions in the RPS Plan.
      - ii. Review the applicability and appropriateness of excusing performance based on the Cost Limitations on Expenditures provisions of the RPS Plan.
  - (2) By December 31, 2014, ensure that the City is making reasonable progress toward meeting the December 31, 2016 compliance obligation.
  - (3) By December 31, 2015, ensure that the City is making reasonable progress toward meeting the December 31, 2016 compliance obligation.

- (4) By December 31, 2016 (end of Compliance Period 2):
- (a) Verify that the City has met 25 percent of Retail Sales with eligible renewable resources from the specified PCCs for the period ending December 31, 2016.
  - (b) If targets are not met, the City must:
    - i. Review the applicability of applying Excess Procurement from Compliance Period 1 consistent with the provisions of the RPS Plan.
    - ii. Ensure that any Waiver of Timely Compliance was compliant with the provisions in the RPS Plan.
    - iii. Review applicability and appropriateness of excusing performance based on the Cost Limitations on Expenditures provisions of the RPS Plan.
- (5) By December 31, 2017, ensure that the City is making reasonable progress toward meeting the December 31, 2020 compliance obligation.
- (6) By December 31, 2018, ensure that the City is making reasonable progress toward meeting the December 31, 2020 compliance obligation.
- (7) By December 31, 2019, ensure that the City is making reasonable progress toward meeting the December 31, 2020 compliance obligation.
- (8) December 31, 2020 (end of Compliance Period 3), and annually thereafter:
- (a) Verify that that the City met 33 percent of Retail Sales with eligible renewable resources from the specified PCCs, consistent with the RPS Plan.
  - (b) If targets are not met, the City must:
    - i. Review the applicability of applying Excess Procurement from a previous Compliance Period consistent with the provisions of the RPS Plan.
    - ii. Ensure than any Waiver of Timely Compliance was compliant with the provisions in the RPS Plan.
    - iii. Review applicability and appropriateness of excusing performance based on the Cost Limitations on Expenditures provisions of the RPS Plan.

- C. If it is determined that the City has failed to comply with the provisions of its RPS Plan, the City Council shall take steps to correct any untimely compliance, including:
- (1) Review the City's RPS Plan to determine what changes, if any, are necessary to ensure compliance in the next Compliance Period.
  - (2) Report quarterly to the City Council regarding the progress being made toward meeting the compliance obligation for the next Compliance Period.
  - (3) Report to the City Council regarding the status of meeting subsequent compliance targets, and all steps being taken to ensure that the obligation is timely met.

**CITY OF LODI**  
**REVISED RENEWABLES PORTFOLIO STANDARD**  
**PROCUREMENT PLAN AND ENFORCEMENT PROGRAM**  
**EXECUTIVE SUMMARY**

**Background (Timeline of Significant Events)**

- (2002) – SB 1078 defined initial Renewables Portfolio Standard (RPS) legislation (20% by 2017)
- (2006) – SB 107 accelerated RPS requirements (20% by 2010)
- (2011) – SB X1-2 expanded RPS requirements to cover Publicly Owned Utilities (POUs) (33% by 2020)
- (2011) – Lodi RPS Enforcement Program adopted 12/21/11 (Resolution 2011-195)
- (2012) – Lodi RPS Procurement Plan adopted 12/19/2012 (Resolution 2012-206)
- (2013) – Regulations for POUs adopted by California Energy Commission (CEC) effective 10/1/2013
- (2013) – Annual Compliance Reports submitted for 2011 and 2012 to CEC 10/31/2013
- (2013) – Revised Procurement Plan and Enforcement Program by 11/27/2013
- (2013) – Reporting of Historic Carry-over by 12/31/13

**Highlights (Major Changes)**

- Combines Lodi RPS Enforcement Program and Procurement Plan into single document titled “City of Lodi Revised Renewables Portfolio Standard Procurement Plan and Enforcement Program”
- Defines “Retail Sales” as sales of electricity by a POU to end-use customers and their tenants, not including energy consumption by a POU, electricity used by a POU for water pumping, or electricity produced for onsite consumption (self-generation) as per CEC regulations.
- Identifies Compliance Periods and Targets
  - *Compliance Period 1* (2011-2013) – 20% over 3 years
  - *Compliance Period 2* (2014-2016) – 20% (2014), 20% (2015), 25% (2016)
    - Must report reasonable progress toward meeting 2016 target
  - *Compliance Period 3* (2017-2020) – 27% (2017), 29% (2018), 31% (2019), 33% (2020)
    - Must report reasonable progress toward meeting 2020 target
  - Year 2021 and beyond – 33%
- Historic Carry-over Provisions
  - Historic Carry-over – Generated before 1/1/11; procured prior to 6/1/10

- Lodi can claim credit for renewable energy procured prior to 2010 and use these credits toward future year shortages
- To be reported by 12/31/2013
- Cost Limitation Revision
  - Revised from 2 percent rate limiter to evaluation of local and regional economic conditions and ability of customers to afford produced or procured energy products. The City may also consider cost disparities between customer classes within the City and between the City, customers and other POU and IOU customers within the region.
- Plan Modifications/Amendments
  - Publicly noticed meetings of City Council with information to be provided to CEC.