

RESOLUTION NO. 21-9022

**A RESOLUTION OF THE CITY OF SANTA CLARA,
CALIFORNIA, ESTABLISHING SILICON VALLEY POWER
LARGE CUSTOMER RENEWABLE ENERGY PROGRAM**

BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, all electric energy and power furnished to customers of the Electric Department of the City of Santa Clara, California, doing business as Silicon Valley Power, shall be supplied and charged to such customers, and paid for by such customers in accordance with certain electric rate schedules, tariffs and rules and regulations adopted and amended from time to time by the City Council;

WHEREAS, Chapter 13.05 of the Santa Clara City Code ("Code") pertains to Operation of an Electric Utility, and Section 13.05.040 of the Code provides that the City Council may, by resolution, from time to time as it deems necessary for the administration or implementation of the intent of this chapter, review, revise, adopt and/or promulgate new or amended rate schedules and regulations concerning the operation or administration of the Electric Utility;

WHEREAS, the Electric Department presented a Report To Council to City Council at its regularly scheduled meeting on November 16, 2021 to establish Silicon Valley Power Large Customer Renewable Energy (LCRE) Program, a voluntary green program for large customers to purchase additional renewable energy above the amount of renewable energy already included in SVP's energy delivery portfolio to accelerate customers' higher corporate renewable and sustainability goals; and,

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WHEREAS, the City Council reviewed and approved the recommendations contained in the Report to Council, which included the recommendation to the City Council to establish Silicon Valley Power LCRE Program, which allows eligible customers to purchase additional renewable energy above the amount of renewable energy already included in SVP's energy delivery portfolio; and the recommendation that the City Manager, or designee, be authorized to execute on behalf of City all LCRE Program-related long-term agreements, for a term not to exceed 10 years in length.be left justified and double spaced.

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the Large Customer Renewable Energy (LCRE) Program, which is attached to this Resolution and incorporated by reference, included and memorialized the provisions as presented by City Staff to the City Council during its regularly scheduled meeting on November 16, 2021, is hereby approved and adopted by the City Council and said Program is designated to become effective January 1, 2022.
2. The Council hereby delegates authority to the City Manager, or designee, to execute on behalf of City all LCRE Program-related agreements, including but not limited to any energy related commodity contract or credit enhancement document, for a term not to exceed 10 years in length.
3. That the provisions of LCRE Program adopted by the City Council in this Resolution are necessary to enable the Electric Department to provide enhanced and high-quality electric service.
4. That a true and correct copy of the Resolution, including LCRE Program, shall be kept on file in the Office of the City Clerk and in the Billing Division of the City Finance Department at all times while the Program is effective and, until further amended or replaced, shall be open to public investigation and inspection during the regular business hours of such offices.

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5. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE 16TH DAY OF NOVEMBER, 2021, BY THE FOLLOWING VOTE:


AYES: COUNCILORS: Becker, Chahal, Hardy, Jain, Park, and Watanabe,
and Mayor Gillmor

NOES: COUNCILORS: None

ABSENT: COUNCILORS: None

ABSTAINED: COUNCILORS: None

ATTEST:



NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference:

1. Large Customer Renewable Energy (LCRE) Program to be Effective January 1, 2022

Silicon Valley Power Large Customer Renewable Energy (LCRE) Program

The LCRE Program is a voluntary pilot rider to enable large SVP customers to purchase supplemental renewable energy (RE) above the amount of renewable energy already included in SVP's energy delivery portfolio. Supplemental RE under this Program will be Portfolio Content Category 1 (commonly known as PCC 1) bundled energy as described in California Public Utilities Code Section 399.16 (b).

Eligibility:

Commercial and industrial customers served under a demand metered Rate Schedule with billing demands over 3,000 kilowatts per month, or with billing demands over 1,000 kilowatts per month and enrolled in SVP's Green Program as of October 1, 2021. Customers may aggregate their accounts or meters to reach the 3,000 kilowatts participant threshold.

Contract Structure:

Customers can elect a level of supplemental RE up to 100% of their annual energy usage (Contract Quantity). Customers have two options to participate in this program, and under either option, a contract between SVP and customer (Customer Agreement) setting forth the Contract Quantity and the Contract Price is required:

Option A: SVP procures supplemental RE for customers for a one (1) year term (Program Year begins on January 1 and ends on December 31). SVP will post the Contract Price which includes the cost of PCC1 RECs and the Program administrative fee for the upcoming Program Year during the open enrollment period. Customers can select a Contract Quantity as a percentage of their monthly energy consumption. Customers enrolled in the program shall remain for a minimum term of 12 months. Customer Agreement will be automatically renewed for the next Program Year unless a written termination request is received by SVP during the open enrollment period.

Energy sold to the customer under Option A is guaranteed to be 100% RPS-certified renewable through certification tracked by the Western Renewable Energy Generation Information System ("WREGIS"). RECs will be retired in SVP's WREGIS subaccount designated for the benefit of participating customers, following WREGIS operating procedures and CEC RPS retirement protocols. Customer will receive their individual Power Content Label & carbon intensity number for each Program Year.

Option B: Customer provides their own supplemental RE resource under a five (5) year or ten (10) year term Customer Agreement with SVP. Customer remains a full-service SVP customer but can either develop their own RE facility or obtain RE from a third party. Customer will be responsible for securing their own RE power sources and offering the energy from such resource into the CAISO market for energy payment. SVP and customer will execute a Customer Agreement for SVP to purchase the Contract Quantity from customer at a mutually agreed price and sell such energy back to customer at the same price. This exchange is necessary so that SVP and customer can document, trace, and retire RECs related to customer's SVP energy usage. Customer will receive their individual Power Content Label & carbon intensity number for each Program Year.

If, during a calendar year or a RPS compliance year, the Contract Quantity exceeds customer's actual supplemental RE requirement, SVP may purchase such excess RECs at a mutually agreeable price from customer, or customer can choose to have SVP bank the excess RECs in a WREGIS subaccount designated for the benefit of customer for their subsequent use. If customer determines, at least 60 days prior to the end of the calendar year, that its Contract Quantity will be less than customer's actual

supplemental RE requirement, customer may request, and SVP may agree, to supply additional RE quantities to mitigate such shortfall on customer's behalf. Due to the expected complexity of the structure and administrative burden under Option B, participation is initially limited to eight (8) customers, on a first come, first serve basis

Cost Structure:

Under Option A, customer's payment obligations include charges under customer's otherwise applicable rate schedule, the cost of PCC1 RECs for the supplemental RE delivered by SVP and the Program administrative fee.

Under Option B, customer's payment obligations include charges under customer's otherwise applicable rate schedule, and Program administrative fee. Customer will receive an annual credit for the market value of the RECs included in SVP's energy deliveries to customer only if SVP is able to exclude customer's energy usage from SVP's retail sales in determining renewable energy delivery obligation under Section 3024 (b) (9) of California Code of Regulation, Title 20, Division 2, Chapter 13.

Special Conditions:

1. SVP will post an Enrollment Procedure setting forth an open enrollment period during which customers may designate desired Contract Quantities.
2. New LCRE Program participants may choose a one-time enrollment outside the open enrollment period, as describe in the Enrollment Procedure.
3. If customer terminates or change its Contract Quantities for any reason other than Customer Agreement expiration, customer must provide 90 days written notice of such termination or modification, and must indemnify SVP for the mark-to-market value of the remaining Contract Quantities.
4. Customer holds SVP harmless if, under Option B, SVP is unable to, using reasonable commercial efforts, timely procure additional RE quantities acceptable to customer.
5. Customer will reimburse SVP for SVP's out-of-pocket costs of administering the LCRE program that are reasonably allocable to customer.
6. Except as provided in the Customer Agreement, service under LCRE Program will be furnished subject to SVP's Rules and Regulations, and any subsequent revisions.