



Agenda Report

20-757

Agenda Date: 11/10/2020

REPORT TO COUNCIL

SUBJECT

Action on the 2019 Power Source Disclosure Reports and Power Content Label

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

The Power Source Disclosure (PSD) program was established by Senate Bill (SB) 1305 (Stats. 1997, ch. 796) in an effort to provide retail electricity consumers “accurate, reliable, and simple to understand information on the sources of energy that are used to provide electric services.”

In 2016, the California Energy Commission (CEC) adopted modifications to the regulations to incorporate statutory changes to program rules and reporting requirements as required by Assembly Bill (AB) 162 (Stats. 2009, ch. 313) and AB 2227 (Stats. 2012, ch. 616). AB 1110 (Stats. 2016, ch. 656) modified the PSD Program and Power Content Label by requiring retail suppliers to disclose the greenhouse gas (GHG) emissions intensity (the rate of emissions per unit of electricity) associated with each electricity portfolio beginning in 2020 for the 2019 reporting year. AB 1110 also required the CEC among other things, to determine a format for disclosing unbundled renewable energy credits (RECs) as a percentage of annual retail sales.

The law requires that electricity retail suppliers, like the City of Santa Clara’s Electric Department, dba Silicon Valley Power (SVP), disclose to customers which types of resources are used to generate the electricity being sold to them. SVP is required to use the format developed by the CEC called the Power Content Label (PCL). As part of this reporting, SVP is required to submit a detailed report of SVP’s resource mix per energy product offered to the public as part of the Power Source Disclosure (PSD) report.

The disclosure requirements are intended, in part, to address concerns about protecting consumers from misleading and fraudulent promotional efforts. The PCL, which resembles nutrition labels, with a breakdown of energy sources such as solar, wind, geothermal, nuclear, large hydroelectric, and natural gas. For comparison, the labels include a summary of California’s energy mix, which is called total system power.

As of May 15, 2020, the CEC guidelines now allow the governing body of a publicly owned electric utility to submit an attestation of the veracity of each annual report and power content label per section 1394.2(2). The electricity that SVP provides to its customers meets this standard.

DISCUSSION

SVP served the City's residential load with a 100% Carbon-Free and renewable energy mix comprising of large hydro, solar and wind. SVP's 2019 overall resource mix is more concentrated in renewable and hydroelectric resources than the statewide energy mix. California eligible renewable resources are biomass and waste, geothermal, solar, small-hydroelectric under 30 MW capacity, and wind. SVP's 2019 non-residential power mix consists of 39.3% renewable resources, compared to 31.7% for the statewide mix. This fully accounts for all sales of renewable energy made to other utilities and the grid. With the inclusion of large hydroelectric generation over 30 MW capacity, SVP's 2019 power mix is 65.2% greenhouse gas (GHG) free, compared to 55% for the California statewide mix.

Beginning in 2020 for the 2019 reporting year, CEC requires retail suppliers to disclose both the GHG emissions intensity associated with each electricity portfolio and the unbundled Renewable Energy Credits (RECs) as a percentage of annual retail sales. The CEC also requires SVP to include Santa Clara's Green Power Program as a product on the Power Content Label as of reporting year 2018. This is a voluntary program that does not directly deliver energy to the retail customers and has no impact on SVP's delivered energy.

Information reported in the Power Content Label is the SVP operating data for City-owned power plants, generation plants operated by the Northern California Power Agency, and Power Purchase agreements. For other specific energy resources, SVP uses information from invoices and RECs that are accounted for in SVP's Western Renewable Energy Generation Information System (WREGIS) account. For those agencies or utilities where a specific generation source (i.e. wind, solar, geothermal, hydro, coal, natural gas, etc.) could not be identified, per the guidelines, staff must assign these resources as "unspecified source of power".

A notice of PCL availability and link to the SVP website was published on customers' electric utility bill in August/September and will be published on the Silicon Valley Power website. The PCL will be used in other publications and marketing materials as needed.

The completed State of California forms for the Power Source Disclosure Report documents are attached. The PCL attachment compares SVP's PCL standard mix, residential customer mix, and the Santa Clara Green Power program to the State of California's overall PCL mix. The Annual Report to the CEC Year Ending December 31, 2019 and Attestation Form attachment includes the CEC required Schedule 1 "Procurements and Retail Sales" and Schedule 3 "Annual Power Content Label Data" that contains a detailed list of electrical resources and the Power Source Disclosure attestation for each product SVP delivers.

The CEC reporting requirements requires the attestation by the City Manager on behalf of the City Council for all of the power source disclosure and the standard SVP energy product. The CEC requirements require a third-party auditor to attest to the other SVP products to our customers.

ENVIRONMENTAL REVIEW

This action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b (5)) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

There is no economic or fiscal impact with the exception of staff time in preparing this report.

COORDINATION

This report has been coordinated with the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>>.

RECOMMENDATION

Adopt a Resolution approving the attestations of the veracity of the 2019 Power Source Disclosure Reports and the Power Content Label for submission to the California Energy Commission.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Resolution
2. 2019 Power Content Label
3. Power Source Disclosure Report - Green Power National Mix - with Attestation
4. Power Source Disclosure Report - Green Power Standard Mix - with Attestation
5. Power Source Disclosure Report - Non-Residential - with Attestation
6. Power Source Disclosure Report - Residential - with Attestation