



Agenda Report

18-1016

Agenda Date: 8/28/2018

REPORT TO COUNCIL

SUBJECT

Action on the Approval of the 2017 Power Source Disclosure Report

BACKGROUND

Enacted in 1997, Senate Bill 1305 established the California Energy Commission (CEC) Power Source Disclosure (PSD) program to provide “accurate, reliable, and simple-to-understand information on the sources of energy, and the associated emissions of greenhouse gases, that are used to provide electric services” to California consumers (Public Utilities Code Section 398.1(b)).

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.

The disclosure requirements are intended, in part, to address concerns about protecting consumers from misleading and fraudulent promotional efforts. The PCL is considered a “nutrition label” for electricity. The PCL provides information about the energy resources used to generate electricity for our customers. Just as a nutrition label provides information about the food you eat, the power content label provides information about what our electric customers consume.

The CEC guidelines allow the governing body of a publically owned electric utility that offers only one electricity product to its customers, to approve, at a public meeting, the submission of an attestation of the veracity of the annual reports to the CEC in lieu of engaging a third-party certified public account to perform an audit (2 Cal. Code of Regulations § 1394(b)(2)). The electricity that SVP provides to its customers meets this standard.

DISCUSSION

SVP's 2017 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 2017 power mix consists of 38% renewable resources, compared to 29% 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 2017 power mix is 72% greenhouse gas (GHG) free, compared to 44% for the California statewide mix. The 2017 calendar year was a record year for large and small hydroelectric production.

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

Renewable Energy Credits (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 will be published on customers' electric utility bill in August and will be published in the Fall 2018 Inside Santa Clara publication issued by the City of Santa Clara. 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 mix to the State of California's overall PCL mix. The Annual Report to the California Energy Commission Year Ending December 31, 2017 and Attestation Form attachment includes the CEC required Schedule 1 "Power Procurement and Retail Sales" and Schedule 2 "Annual Power Content Label Calculation" that contains a detailed list of electrical resources and the Power Source Disclosure attestation. Submission of the PCL and attestation by the City Manager on behalf of the City Council complies with the CEC reporting requirements.

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

The 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>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Adopt a Resolution approving the attestation of the veracity of the 2017 Power Source Disclosure Report and the submission of the Report to the California Energy Commission.

Reviewed by: John C. Roukema, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Resolution
2. 2017 Power Content Label

3. Annual Report to the California Energy Commission Year Ending December 31, 2017 and Attestation Form