



Staff Report

File #: 23-0714

REQUEST FOR CITY COUNCIL ACTION

DATE: 09/20/2023

TO: Honorable Mayor and City Council Members

FROM: Utilities Department

SUBJECT:

RESOLUTION FOR THE 2022 POWER SOURCE DISCLOSURE PROGRAM ANNUAL REPORT AND ASSOCIATED POWER CONTENT LABEL FOR THE YEAR ENDING DECEMBER 31, 2022

EXECUTIVE SUMMARY:

This staff report asks the City Council to adopt Resolution No. 2023-095 and attest to the veracity of the 2022 Power Source Disclosure Program Annual Report and associated Power Content Label to the California Energy Commission. For compliance under the California Energy Commission regulation, all Publicly-Owned Utilities must either engage a third-party certified public accountant or have their governing bodies approve and attest to the veracity of the Power Source Disclosure Program Annual Reports and the associated Power Content Label by October 1st of each year.

RECOMMENDED ACTION:

That the City Council adopt Resolution No. 2023-095, approving and attesting to the veracity of the 2022 Power Source Disclosure Program Annual Report and associated Power Content Label to the California Energy Commission for the year ending December 31, 2022.

BACKGROUND & HISTORY:

In 1997, Senate Bill 1305 (SB 1305) established a requirement for retail electric energy suppliers to submit an annual report to the California Energy Commission (CEC) disclosing the sources of energy used to provide electric service. This report is commonly referred to as the Power Source Disclosure Report (PSD) and is due to the CEC by June 1st of each year for the previous calendar year.

The information in this report is used to prepare the annual Power Content Label (PCL), which is provided to our customers by October 1st of each year by posting the PCL on the City's website as well as the CEC's website. This information must be presented in an accurate, reliable, and easy-to-understand manner to provide consumers with a detailed view into the sources of energy purchased

by their retail suppliers to power their homes and businesses.

ANALYSIS:

In 2016, the CEC adopted modifications to the regulations implemented by SB 1305 to incorporate statutory changes to program rules and requirements, as required by Assembly Bill 162 (AB 162), Assembly Bill 2227 (AB 2227), and Assembly Bill 1110 (AB 1110). AB 162 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 utility's governing board approves and attests to the veracity of the data contained in the PSD Report and PCL at a public meeting.

The aforementioned audit exemption can only be applied to one electric service product offered by the utility; any additional products are required to go through an auditing process to satisfy the audit requirement. In the City of Corona's case, this means that the standard power mix can be approved by the City Council, as described above.

AB 1110 also required retail suppliers to disclose greenhouse gas (GHG) emission intensity (the rate of emissions per unit of electricity) associated with each electricity portfolio. A requirement was included to disclose unbundled renewable energy credits (RECs) as a percentage of annual retail sales.

The final version of the annual PSD Report for Calendar Year 2022 was submitted to the CEC in June 2023, along with an associated staff attestation form. The 2022 PCL was posted on the City's website in accordance with the CEC regulations. The attached Resolution No. 2023-095 approves the annual PSD Report and PCL submission. Further, it provides the attestation to the veracity of both the PSD Report and PCL, as required for exemption from the third-party audit requirement for the City's standard power mix.

Adoption of Resolution No. 2023-095 will enable the City to comply with the CEC regulation implemented by SB 1305.

FINANCIAL IMPACT:

There are no fiscal impacts associated with this item.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the commonsense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action approves and attests to the veracity of the 2022 Power Source Disclosure Program Annual Report and associated Power Content Label and there is no possibility that adopting Resolution No. 2023-095 will have a significant effect on the environment. Therefore, no environmental analysis is required.

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PREPARED BY: ERIN KUNKLE, ELECTRIC UTILITY MANAGER

REVIEWED BY: TOM MOODY, DIRECTOR OF UTILITIES

Attachment:

1. Exhibit 1 - Resolution No. 2023-095