

CITY OF CERRITOS

RESOLUTION NO. 2014-27

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CERRITOS
ADOPTING TARGETS FOR THE CERRITOS ELECTRIC UTILITY TO
PROCURE COST-EFFECTIVE ENERGY STORAGE SYSTEMS**

WHEREAS, State Assembly Bill 2514 (Chapter 469, Statutes of 2010) added sections 2835 and 2836 to the Public Utilities Code; and

WHEREAS, Section 2836(b) (1) of the Public Utilities Code requires the governing board of each local publicly owned electric utility ("POU") to initiate a process to determine appropriate targets, if any, for the POU to procure viable and cost-effective energy storage systems to be achieved by December 31, 2016, and December 31, 2020; and

WHEREAS, Section 2836(b) (2) of the Public Utilities Code requires the governing board of each POU to adopt procurement targets, if determined to be appropriate, by October 1, 2014; and

WHEREAS, Section 2836(b) (3) of the Public Utilities Code requires the governing board of each POU to reevaluate these determinations at least once every three years; and

WHEREAS, Section 9506 (3) of the Public Utilities Code requires each POU to report to the California Energy Commission the energy storage system procurement targets, if any, adopted by the POU's governing board;

WHEREAS, the City of Cerritos ("City") operates a municipal electric utility; and

WHEREAS, as a municipal electric utility, the City is generally subject to the legislative and regulator requirements applicable to POU's; and

WHEREAS, To conform to California Public Utilities Code § 2836(b)(1) and § 2836.6, staff evaluated the viability and cost-effectiveness of applicable energy storage technologies to serve the City's electric utility customers; and

WHEREAS, The evaluation included applicable energy storage technologies and costs, load forecasts, potential on-site customer generation and market alternatives; and

WHEREAS, Based on that evaluation, staff found that the application of utility-owned and operated energy storage technology to serve the City's electric utility customers over the next three years is more costly than the value of benefits; and

WHEREAS, AB 2514 requires City to reevaluate the feasibility of applicable cost effective energy storage procurement target not less than once every three years; and

WHEREAS, It is anticipated that with the passage-of-time and improved technology energy storage systems will become cost-competitive with other resources; and

WHEREAS, To capture market opportunities, it is recommended that the City establish an energy storage targets for cost-effective applications equal to one (1) percent of the peak load during calendar years 2015 and 2020, with installation no later than the end of calendar years 2016 and 2021. However, if a cost-effective applicable energy storage is not identified, the appropriateness of these targets will be reevaluated by June 2016 and 2021 respectively; and

WHEREAS, The City Council has reviewed staff's evaluation and recommendation and determined that a target to procure cost-effective energy storage systems is appropriate.

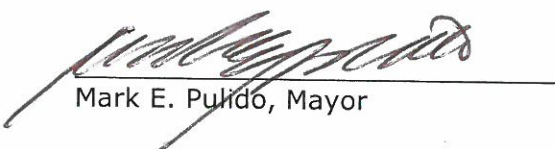
NOW, THEREFORE, THE CITY OF CERRITOS CITY COUNCIL DOES FIND, DETERMINE AND DECLARE AS FOLLOWS:

Section 1. The recitals and findings set forth above are true and correct and are hereby incorporated in their entirety as part of this Resolution by this reference.

Section 2. To satisfy the City's obligations pursuant to AB 2514, the Council determines that establishing energy storage targets for cost-effective applications equal to one (1) percent of the 2015 and 2020 peak load with installation no later than the end of 2016 and 2021 is appropriate.

Section 3. If a cost-effective applicable energy storage application is not identified, the appropriateness of these targets will be reevaluated by June 2016 and 2021 respectively.

PASSED, APPROVED and ADOPTED this 11th day of September 2014.


Mark E. Pulido, Mayor

ATTEST:




Vida Barone, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF CERRITOS)

I, Vida Barone, City Clerk of the City of Cerritos, California, DO HEREBY CERTIFY that the foregoing **Resolution No. 2014-27** was duly adopted by the City Council of the City of Cerritos at a Regular Meeting held on the **11th Day of September, 2014**, and that it was so adopted as follows:

AYES: Councilmembers – **Chen, Cho, Ray, Pulido, Barrows**
NOES: Councilmembers – None.
ABSENT: Councilmembers – None.
ABSTAIN: Councilmembers – None.

DATED: **September 12, 2014**



Vida Barone, City Clerk