

Lompoc City Council Agenda Item

City Council Meeting Date: December 6, 2011

TO: Laurel M. Barcelona, City Administrator

FROM: Marty Hostler, P.E, Electric Utility Division Manager

SUBJECT: **Renewable Energy Resources Procurement Plan and Renewable Portfolio Standard Enforcement Program**



Recommendation:

Staff recommends the City Council

1. Approve Resolution No. 5754(11) adopting a Renewable Energy Resources Procurement Plan.
2. Approve Resolution No. 5755(11) adopting a Renewable Portfolio Standard Enforcement Program.

Background:

City of Lompoc Resolution No. 5085(03) established the City's initial Renewable Energy Portfolio Policy which was in-line with the 2002 State of California Renewable Portfolio Standard Program ("RPS Program") goals of 20% renewable energy generation mix by 2017 and the California Energy Commission's ("CEC") 2003 Integrated Energy Policy Report that recommended accelerating the 20% renewable goal to 2010.

The Electric Division has reached the 20% renewable energy generation target set forth in Resolution 5085(03) "Renewable Energy Portfolio Policy" shown in Exhibit No. 1. In 2010, the Electric Division supplied 24.1% of its retail energy sales with renewable energy. This was achieved through ownership in Northern California Power Agency ("NCPA") geothermal generation projects and small hydroelectric projects, along with power purchases from the Western Area Power Administration's Sierra Nevada Region ("Western") small hydroelectric generation projects.

Senate Bill SBX1-2 was signed by Governor Brown on April 12, 2011 enacting new Renewable Portfolio Standard ("RPS") Program legislation. Pursuant to Public Utilities Code (PUC) subsection 399.30(e) each Public Owned Utility ("POU") shall adopt and implement a Renewable Energy Resources Procurement Plan ("RPS Procurement Plan") and a RPS Enforcement Program by January 1, 2012 at a publically noticed meeting with not less than 30-days' prior notice given to the public. A public notice was advertised in the Lompoc Record newspaper on November 6, 2011 informing the public of the hearing to discuss the RPS Procurement Plan and the RPS Enforcement Program during the December 6, 2011 Lompoc City Council meeting. The City of Lompoc Electric Division's proposed RPS Procurement Plan is provided in Exhibit No. 2

SUBJECT: Renewable Energy Resources Procurement Plan and Renewable Portfolio Standard Enforcement Program (continued)

and the proposed Enforcement Program is provided in Exhibit No. 3. The attached RPS Procurement Plan includes the “mandatory provisions” set forth in the statute, the optional measures addressed in PUC subsection 399.30(d), and the reporting provisions set forth in SBX1-2.

Discussion:

Renewable Energy Resources Procurement Plan

The proposed City of Lompoc Electric Division’s RPS Procurement Plan is provided in Exhibit No. 2 and is broken down into ten major sections. This plan will be effective January 1, 2012. A summary of each section is provided below.

1. Compliance Periods

Section No. 1 defines the RPS compliance periods.

- a. Compliance Period 1: January 1, 2011 to December 31, 2013.
- b. Compliance Period 2: January 1, 2014 to December 31, 2016.
- c. Compliance Period 3: January 1, 2017 to December 31, 2020.
- d. Annual compliance periods: January 1, 2021 to December 31, 2021 and annually every calendar year thereafter.

2. Procurement Targets

Section No. 2 defines the percentage of Retail Sales that need to be supplied from Eligible Renewable Energy Resources (“ERER”) for each compliance period.

- a. Period 1: 20% of the average annual retail energy sales during the period.
- b. Period 2: 25% by the end of the period, December 31, 2016.
- c. Period 3: 33% by the end of the period, December 31, 2020.
- d. Annual compliance periods: 33% annually after 2020.

3. Reasonable Progress Towards Meeting Compliance Period Targets

Section No. 3 contains statements designed to indicate the Electric Division will demonstrate it is making reasonable annual progress, during compliance periods 2 and 3, towards ensuring it will meet the December 31, 2016 25% and the December 31, 2020 33% RPS targets.

We are not required to assign a specific percentage of retail sales between Compliance Periods. However, we have elected to escalate RPS targets annually.

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4. Procurement Requirements -Definitions for Content Categories

Section No. 4 defines the four recognized EREC content categories.

- a. Category 1: EREC generated within or scheduled into a California Balancing Authority. This includes our NCPA Geothermal, NCPA small Hydroelectric, and Western small Hydroelectric Energy.
- b. Category 2: Firmed and Shaped energy – At this time Lompoc will not use this Category.
- c. Category 3: Resources not included in Category 1 or 2. For instance Tradable Renewable Energy Credits (“TREC”).
- d. Category 4: Grandfathered Resources – At this time Lompoc will not use this Category.

5. Procurement Requirements –Content Category Quantities

Section No. 5 defines the minimum/maximum percentage of EREC by Content Category per Compliance Period.

- a. Period 1: At least 50% of EREC must come from Category 1 and no more than 25% can come from Category 3.
- b. Period 2: At least 65% of EREC must come from Category 1 and no more than 15% can come from Category 3.
- c. Period 3: At least 75% of EREC must come from Category 1 and no more than 10% can come from Category 3.
- d. Annual Compliance Periods: At least 75% of EREC must come from Category 1 and no more than 10% can come from Category 3.

6. Excess Procurement

Section No. 6 details how excess Compliance Period Renewable Energy Resources (“RECs”), ERECs in excess of minimum compliance period requirements, will be utilized. Excess RECs can be credited to future Compliance Period requirements.

7. Waiver of Timely Compliance

Section No. 7 explains the conditions when timely compliance will be waived. Timely compliance will be waived if there is inadequate transmission to deliver EREC to the City or if there are project permitting, interconnection, or other

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factors that caused the delay in procurement.

8. Cost Limitations for Expenditures

Section No. 8 establishes the cost limitation for procurement of EREC and the maximum cost to avoid disproportionate rate impacts. The ceiling limit per MWh is \$150 and the maximum rate impact is \$0.005/kWh.

9. Exclusive Control

Section No. 9 states the City retains exclusive control of procurement of its mix of EREC.

10. Reporting

Section No. 10 details how and when the Public and the California Electric Commission (“CEC”) will be given notices for RPS Procurement Plan status and Plans, along with public meetings. This section also details reporting requirements to the CEC and our customers.

Public Notices shall be noticed to the Public and the CEC, if the City Council elects to deliberate in public and when information related to the RPS procurement plan is provided to the City Council.

This section also requires annual reports related to procurement contracts be provided to the CEC and annual reports detailing expenditures of public goods funds for EREC procurement, the resource mix used to serve retail sales, and the status of RPS implementation shall be provided to the Public and CEC.

RPS Enforcement Program

The RPS Enforcement Program is broken down into five major sections. A summary of each section is provided below. Reference the attached RPS Enforcement Plan for details of each major section. The attached plan will become effective January 1, 2012.

1. RPS Enforcement Program Effective Date

Section No. 1 states the RPS enforcement Program is effective January 1, 2012.

2. Public Notice for Changes to the RPS Enforcement Plan

Section No. 2 states a minimum of 10-days’ notice shall be given to the public before any meeting is held to make substantive changes to the RPS Enforcement Plan.

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3. Public Notice for Changes to the RPS Enforcement Plan

Section No. 3 states the Electric Division shall review the RPS Procurement Plan annually to determine compliance with the State's RPS Program. However, this does not mean the Plan needs to be changed annually.

4. Procurement Targets

Section No. 4 requires the Electric Division to perform an annual review of the RPS Procurement Plan to insure:

- a. EREC requirements for each Compliance Period are on target.
- b. Resource Content Category requirements for each Compliance Period are on target.

5. Corrective Measures in the Event of Non-Compliance

Section No. 5 details an action plan for the Council to take in the event of untimely compliance, namely; review of the RPS Procurement Plan to determine prudent changes which will be made to ensure future compliance, modification of compliance reporting from annually to quarterly, and development of interim Compliance Period goals to facilitate timely compliance goals.

Fiscal Impact:

Current EREC projections indicate that the City will earn 25,678 excess RECs by the end of Compliance Period 1. Staff also projects that during Compliance Period 2 we will earn 32,822 excess RECs. During Compliance Period 3 (2020) staff projects earning 11,312 excess RECs. Staff recommends banking these RECs at this time in case we have an issue with our renewable energy generators and happen to be "short" in a future Compliance period. RECs have monetary value and can be sold. Projections of Lompoc's future RECs indicate a positive fiscal impact that is of unknown value at this time.

Conclusion:

Staff recommends Council

1. Approval of Resolution No. 5754(11).
2. Approval of Resolution No. 5755(11).

Marty Hostler, P.E.
Electric Utility Division Manager

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SUBJECT: Renewable Energy Resources Procurement Plan and Renewable Portfolio Standard Enforcement Program (continued)

APPROVED:

Ronald V. Stassi, P.E.
Utilities Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Laurel M. Barcelona, City Administrator

Attachments:

- Exhibit No. 1: Resolution No. 5085(03)
- Exhibit No. 2: Renewable Energy Resources Procurement Plan
- Exhibit No. 3: Renewable Portfolio Standard Enforcement Program
- Exhibit No. 4: Resolution No. 5754(11)
- Exhibit No. 5: Resolution No. 5755(11)

Exhibit No. 1

RESOLUTION NO. 5085(03)
A Resolution Of The Council Of The City Of Lompoc
County Of Santa Barbara, State of California,
Renewable Energy Portfolio Policy

WHEREAS, the State of California requires the City to establish a Renewable Energy Portfolio Policy; and

WHEREAS, The City Council wishes to encourage use of Renewable Energy sources,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMPOC, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City will seek to add 1% per year of new renewable generation to the City's generation portfolio until a total of 20% has been reached through plant ownership or contract. However, the City's annual renewable generation investment will not be required to exceed the available Public Benefit Funds collected on an annual basis. Additionally, the City's renewable generation investment will be limited to purchasing generation projects needed to meet actual and forecast City load. This policy does not require the City to purchase resources beyond the reasonable generation needed to meet City's electric loads.

SECTION 2. In the event the City fails to procure sufficient renewable resources in a given year, the City will in later years endeavor to procure sufficient additional renewable resources to cover the missed years.

SECTION 3. New Renewable Generation will consist of projects that became available after 1996, or incremental improvements to renewable projects after 1996. Investments into older projects may be counted, if the investment extends the life of a project or slows the decline of the output of the project.

SECTION 4. Renewable Generation Projects include, but are not limited to, biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells using renewable fuels, small hydroelectric of 30MW or less, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and any additions or enhancements to an existing facility using that technology.

SECTION 5. Preference may also be given to renewable energy generators based on location. Priority of any such preference is given to renewable energy generators located in Lompoc, Santa Barbara County, and in the State of California.

SECTION 6. This Resolution is effective on the day of its adoption.

Resolution No. 5085(03)
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The above and foregoing Resolution was proposed by Councilmember Holmdahl, seconded by Councilmember Siminski, and was duly passed and adopted by the Council of the City of Lompoc at its regular meeting on May 6, 2003 by the following vote:

AYES: Councilmember: DeWayne Holmdahl, Janice Keller, Will Schuyler,
Michael Siminski, and Mayor Dick DeWees.


NOES: Councilmember: None.

ABSENT: Councilmember: None.



Dick DeWees, Mayor
City of Lompoc

ATTEST:



Jane C. Green
City Clerk, City of Lompoc

Exhibit No. 2

Renewable Energy Resources Procurement Plan

Senate Bill SBX 1-2 was signed by Governor Brown on April 12, 2011, enacting new Renewable Portfolio Standard (“RPS”) Program legislation. Pursuant to Public Utilities Code (PUC) subsection 399.30(a) each POU must adopt and implement a renewable energy resources procurement plan (“RPS Procurement Plan”). This RPS Procurement Plan includes the mandatory provisions, the optional measures addressed in PUC subsection 399.30(d), and the reporting provisions set forth in the statute.

Consistent with state standards, the City of Lompoc (“City”) staff uses California’s definition of qualifying renewable resources, which are defined as electricity generating resources powered by energy sources limited to wind, solar, biomass, landfill gas, geothermal, small hydroelectric (project capacity of less than 30 MW), ocean wave, tidal and thermal energy, digester gas, bio-gas, municipal solid waste and fuel cells using renewable fuels. Projects located outside of California are considered qualifying resources, provided that they are located in the Western Electricity Coordinating Council (“WECC”) region (i.e., in the western U.S.) and have an initial online date no earlier than January 1, 2005.

The provisions listed below make up the City’s RPS Procurement Plan.

1. Compliance Periods (PUC subsection 399.30(b))

The City hereby adopts the following RPS Procurement Compliance Periods:

- A. Compliance Period 1: January 1, 2011, to December 31, 2013, inclusive.
- B. Compliance Period 2: January 1, 2014, to December 31, 2016, inclusive.
- C. Compliance Period 3: January 1, 2017, to December 31, 2020, inclusive.
- D. Annual Compliance Periods: January 1, 2021 to December 31, 2021 and annually by calendar year thereafter.

2. Procurement Targets of Renewable Energy Resources for Each Compliance Period (PUC subsections 399.30(c)(1) and (2))

- A. During Compliance Period 1, January 1, 2011 to December 31, 2011, the City shall procure renewable energy resources equivalent to an average of twenty percent (20%) of retail energy sales.

Exhibit No. 2: Renewable Energy Resources Procurement Plan (continued)

Table No. 1 listed below shows projected City retail energy sales, required RECs, projected RECs, annual projected excess RECs, and cumulative projected excess RECs for 2011, 2012, and 2013.

Table No. 1 Compliance Period 1

Year	Retail Sales (MWh)	Required RECs (MWh / %)	Projected RECs (MWh / %)	Annual Projected Excess RECs	Cumulative Projected Excess RECs
2011	133,283	26,657 / 20.0%	32,183 / 24.1%	5,526	5,526
2012	135,000	27,000 / 20.0%	37,022 / 27.4%	10,022	15,548
2013	135,000	27,000 / 20.0%	37,130 / 27.5%	10,130	25,678

Looking at the column labeled “Projected RECs (MWh/%)” in the table above it is clear the City is on target to exceed the 20% Compliance Period 1 RPS target. In fact the City anticipates having an excess of 25,678 RECs at the end of Compliance Period 1. Currently we plan to bank these excess RECs and carry them over to future Compliance Periods.

- B. By the end of Compliance Period 2, December 31, 2016, the City shall procure renewable energy resources equivalent to twenty-five percent (25%) of retail energy sales.

Table No. 2 listed below shows projected City retail energy sales, required RECs, projected RECs, annual projected excess RECs, and cumulative projected excess RECs for 2014, 2015, and 2016.

Table No. 2 Compliance Period 2

Year	Retail Sales (MWh)	Required RECs (MWh / %)	Projected RECs (MWh / %)	Annual Projected Excess RECs	Cumulative Projected Excess RECs
2014	135,000	29,250 / 21.7%	39,666 / 29.4%	10,416	10,416
2015	135,000	31,500 / 23.3%	44,180 / 32.7%	12,680	23,096
2016	135,000	33,750 / 25.0%	43,476 / 32.2%	9,726	32,822

Looking at the column labeled “Projected RECs (MWh/%)” in the table above it is clear the City is on target to exceed the 25% end of Compliance Period 2 RPS target. In fact the City anticipates having an excess of 32,822 RECs during Compliance Period 2. These Compliance Period 2 excess RECs plus the 25,678 carried over from Compliance Period 1, total 58,500 excess RECs. The City intends to carry over these RECs over into Compliance Period 3.

Exhibit No. 2: Renewable Energy Resources Procurement Plan (continued)

- C. By the end of Compliance Period 3, December 31, 2020, the City shall procure renewable energy resources equivalent to thirty-three percent (33%) of retail energy sales.

Table No. 3 listed below shows projected City retail energy sales, required RECs, projected RECs, annual projected excess RECs, and cumulative projected excess RECs for 2017, 2018, 2019, and 2020.

Table No. 3 Compliance Period 3

Year	Retail Sales (MWh)	Required RECs (MWh / %)	Projected RECs (MWh / %)	Annual Projected Excess RECs	Cummulative Projected Excess RECs
2017	135,000	36,450 / 27.0%	44,295 / 32.8%	7,845	7,845
2018	135,000	39,150 / 29.0%	43,629 / 32.3%	4,479	12,324
2019	135,000	41,850 / 31.0%	42,996 / 31.8%	1,146	13,470
2020	135,000	44,550 / 33.0%	42,392 / 31.4%	-2,158	11,312

Looking at the column labeled “Projected RECs (MWh/%)” in the table above it is clear that the City is on target to exceed the 2017, 2018, and 2019 RPS targets. In fact, the City anticipates earning 13,470 excess RECs from 2017 to 2019.

The City anticipates being short about 2,158 RECs during 2020. The City intends on using excess RECs earned in 2017, 2018, and 2019 (13,470 RECs) to cover this 2,258 REC shortfall. Consequently the City will carryover 11,312 RECs (13,470 – 2,158) from Compliance Period 3 to 2021 and beyond.

Additionally, we will add the Compliance Period 1 and 2 excess RECs of 58,500 RECs to the Compliance Period 3 carry over RECs, the resulting total is 69,812 RECs. We will carry over these RECs to 2021.

Table No. 4 Projected Excess Procurement Per Compliance Period

Compliance Period	End of Compliance Period Year	Compliance Period Projected Excess RECs	Cummulative Projected Excess RECs
1	2013	25,678	25,678
2	2016	32,822	58,500
3	2020	11,312	69,812
Annually	2021+	-2,158	67,654

D. Commencing 2021, and annually thereafter, the City intends on procuring renewable energy resources equivalent to thirty-three percent (33%) of retail energy sales by procuring either Category 1 or 3 resources unless the City has enough current year purchases or banked RECs from prior Compliance Periods to meet the 33% RPS target.

Table No. 5 listed below shows projected City retail energy sales, required RECs, projected RECs, annual projected excess RECs, and cumulative projected excess RECs for 2021.

Table No. 5 Annual Compliance Periods Beginning January 1, 2021

Year	Retail Sales (MWh)	Required RECs (MWh / %)	Projected RECs (MWh / %)	Annual Projected Excess RECs	Cummulative Projected Excess RECs
2021+	135,000	44,550 / 33.0%	42,392 / 31.4%	-2,158	-2,158

Looking at the column labeled “Projected RECs (MWh/%)” in the table below it is clear the City anticipates being short about 2,158 RECs in 2021.

The City intends on using excess RECs earned in Compliance Periods 1, 2, and 3, which total 68,812 RECs to cover any potential year 2021 REC shortfall.

**3. Reasonable Progress Towards Meeting Compliance Period Targets
(PUC subsections 399.30(c)(1) and (2))**

- A. By December 31, 2014, the City shall demonstrate that it is making reasonable progress towards ensuring that it shall meet the twenty-five percent (25%) RPS target by December 31, 2016.

Compliance Period 2 is broken down into three years 2014, 2015, and 2016 and during that period the City will increase eligible renewable resources supplying retail energy sales from 20% to 25%. Consequently the City will show reasonable progress by increasing RPS targets 1.33% per year (5.00% / 3 years) during Compliance Period 2.

The City's 2014 RPS target is 21.33%, which is anticipated to be met. See the Column titled "Projected RECs (MWhr/%)” in Table No. 2, page 2.

- B. By December 31, 2015, the City shall demonstrate that it is making reasonable progress towards ensuring that it shall meet the twenty-five percent (25%) RPS target by 2016.

The City will show reasonable progress by increasing the City's RPS target by 1.33% from 2014 to 2015. Thus the City's 2015 target is 22.67%, which is anticipated to be met. See the Column titled "Projected RECs (MWhr/%) in Table No. 2.

- C. By December 31, 2017, City shall demonstrate that it is making reasonable progress towards ensuring that it shall meet the thirty-three percent (33%) RPS target by 2020.

Compliance Period 3 is broken down into four years 2017, 2018, 2019 and 2020 and during that period the City will increase eligible renewable resources supplying retail energy sales from 25% to 33%. Consequently the City will show reasonable progress by increasing RPS targets 2.00% per year (8.00% / 4 years).

The City's 2017 target is 27.00%, which is anticipated to be met. See the Column titled "Projected RECs (MWhr/%)” in Table No. 3, page 3.

- D. By December 31, 2018, the City shall demonstrate that it is making reasonable progress towards ensuring that it shall meet the thirty-three percent (33%) RPS target by 2020.

The City's 2018 target is 29.00%, which is anticipated to be met. See the Column titled "Projected RECs (MWhr/%)” in Table No. 3.

- E. By December 31, 2019, the City shall demonstrate that it is making reasonable progress towards ensuring that it shall meet the thirty-three percent (33%) RPS target by 2020.

The City's 2019 RPS target is 31.00%, which is anticipated to be met. See the Column titled "Projected RECs (MWhr/%)” in Table No. 3.

**4. Procurement Requirements – Definitions for Content Categories
(PUC subsection 399.30(c)(3))**

The City shall adopt procurement Content Categories that meet the criteria for the following eligible renewable energy resource electricity products:

- A. Content Category 1 (consistent with PUC subsection 399.16(b)(1)):
Resources in this category shall either:

1. Have a first point of interconnection within a California balancing authority, have a first point of interconnection with distribution facilities used to serve end users within a California balancing authority area, or be scheduled from the eligible renewable energy resource into a California balancing authority without substituting electricity from another source. The use of another source to provide real-time ancillary services required to maintain an hourly or sub-hourly import schedule into a California balancing authority shall be permitted, but only the fraction of the schedule actually generated by the eligible renewable energy resource shall count toward this portfolio content category.

All of the City's current and planned renewable resources fall under this Category. They are listed in the following Table No. 6.

Table No. 6

<u>Projects</u>	<u>Lompoc % Ownership</u>	<u>Capacity (MW)</u>	<u>Inservice Year</u>
Geothermal	3.681%	4.1	Existing
Spicer - Sm Hydro	2.300%	6.0	Existing
Western - Sm Hydro	Varies	1.3	Existing
Lompoc Solar PV	Purchase	0.6	Existing
Steam Wells Modification	3.681%	0.1	2012
Geothermal Unit 2 Mods	3.681%	0.1	2014
Geothermal Unit 1 Mods	3.681%	0.2	2017
Solar PPA (Ken Adams)	Purchase	0.5	2012
Solar PPA (Drive Inn)	Purchase	1.0	2014
Western Geothermal	Purchase	1.0	2014

2. Have an agreement to dynamically transfer electricity to a California balancing authority.

The City does not plan on using this option.

- B. Content Category 2 (consistent with PUC subsection 399.16(b)(2)): Resources in this category shall include firmed and shaped eligible renewable energy resource electricity products providing incremental electricity that is scheduled into a California balancing authority.

The second type of renewable energy Category 2 consists of renewable energy generated out-of-state that is used by the out-of-state grid as it is generated, and then later an equal amount of energy from a different resource is delivered into the California grid. This type of arrangement is referred to as “firming and shaping” the resource’s *output* (One example of this could be a wind resource that generates four megawatts for six hours (24 megawatt-hours) into an out-of-state grid and the seller then transmits one megawatt for 24 hours to California from whatever sources are available, along with the RECs from the original wind resource). In the short-term Category 2 resources carry the same premium as Category 1 resources; however Category 2 resource premiums are likely to decrease relative to Category 1 as the requirements to meet RPS through Category 1 resources increase. As the minimum procurement requirement on Category 1 renewable increases from 50% to 75% of the overall RPS requirement, the upper limit on usage of Category 2 renewable decreases from 50% to 25% of the overall requirement.

The City does not plan on procuring Category 2 energy resources.

- C. Content Category 3 (consistent with PUC subsection 399.16(b)(3)): Resources in this category shall include eligible renewable energy resource electricity products, or any fraction of the electricity generated, including unbundled renewable energy credits, that do not qualify under the criteria of Content Category 1 or Content Category 2.

At this time the City does not plan on procuring Category 3 energy. However, in the future the City may use these Category 3 resources to meet RPS requirements.

- D. Grandfathered Resources (PUC subsection 399.16(d)): Any contract or ownership agreement originally executed prior to June 1, 2010, shall count in full towards the procurement requirements, if all of the following conditions are met:

(1) The renewable energy resource was eligible under the rules in place as of the date when the contract was executed.

(2) Any contract amendments or modifications occurring after June 1, 2010 that do not increase the nameplate capacity or expected quantities of annual generation, or substitute a different renewable energy resource.

(3) The duration of the contract may be extended if the original contract specified a procurement commitment of fifteen (15) or more years.

(4) "Eligible renewable energy resource" means an electrical generating facility that meets the definition of an a "renewable electrical generation facility" in Section 25741 of the Public Resources Code, subject to the following: A facility approved by the governing board of a local publicly owned electric utility prior to June 1, 2010, for procurement to satisfy renewable energy procurement obligations adopted pursuant to former Section 387, shall be certified as an eligible renewable energy resource by the Energy Commission pursuant to this article, if the facility is a "renewable electrical generation facility" as defined in Section 25741 of the Public Resources Code. (PUC subsection 399.12(e)(1)(C)).

At this time the City is not claiming any grandfathered resources.

**5. Procurement Requirements – Quantity for Content Categories
(PUC subsections § 399.16(c)(1) and (2) and 399.30(c)(3))**

A. Compliance Period 1 Procurement Requirements: For Compliance Period 1, The City shall procure not less than fifty percent (50%) of the eligible renewable energy resource electricity products with resources listed in Section 4A above or with contracts executed after June 1, 2010 from Content Category 1, and not more than twenty-five percent (25%) from Content Category 3.

The City currently projects to exceed the RPS Content Category 1 procurement requirement every year during Compliance Period 1. See Table No. 7 column labeled (“Projected REC % by Category”).

Table No. 7 Compliance Period 1

Year	Retail Sales (MWh)	RPS Program Total Required RECs (MWh / %)	Projected RECs % Sales RECs (MWh / %)	RPS Projected Excess RECs	Projected REC % by Category Cat No. 1 / Cat No. 3
2011	133,283	26,657 / 20.0%	32,183 / 24.1%	5,526	120.7% / 0.0%
2012	135,000	27,000 / 20.0%	37,022 / 27.4%	10,022	137.1% / 0.0%
2013	135,000	27,000 / 20.0%	37,130 / 27.5%	10,130	137.5% / 0.0%

B. Compliance Period 2 Procurement Requirements: For Compliance Period 2, City shall procure not less than sixty-five percent (65%) of the eligible renewable energy resource electricity products listed in Section 4A above or with contracts executed after June 1, 2010 from Content Category 1, and not more than fifteen percent (15%) from Content Category 3.

The City currently projects to exceed the RPS Content Category 1, Compliance Period 2, procurement requirement. See Table No. 8 column labeled (“Projected REC % by Category”).

Table No. 8 Compliance Period 2

Year	Retail Sales (MWh)	RPS Program Total Required RECs (MWh / %)	Projected RECs % Sales RECs (MWh / %)	RPS Projected Excess RECs	Projected REC % by Category Cat No. 1 / Cat No. 3
2014	135,000	29,250 / 21.7%	39,666 / 29.4%	10,416	111.4% / 0.0%
2015	135,000	31,500 / 23.3%	44,180 / 32.7%	12,680	102.7% / 0.0%
2016	135,000	33,750 / 25.0%	43,476 / 32.2%	9,726	95.2% / 0.0%

C. Compliance Period 3 Procurement Requirements: For Compliance Period 3, City shall procure not less than seventy-five percent (75%) of the eligible renewable energy resource electricity products with resources listed in Section 4A above or with contracts executed after June 1, 2010 from Content

Exhibit No. 2: Renewable Energy Resources Procurement Plan (continued)

Category 1, and not more than ten percent (10%) from Content Category 3. See Table No. 9.

The City currently projects to exceed the RPS Category procurement requirement from 2017 to 2019 during Compliance Period 3. The City projects being short 2,158 MWh during 2020 and intends on meeting compliance via Section No. 6 of our procurement plan “Excess Procurement”, i.e. banked prior Compliance Period RECs. See Table No. 9 column labeled (“Projected REC % by Category”).

No. 9 Compliance Period 3

Year	Retail Sales (MWh)	RPS Program Total Required RECs (MWh / %)	Projected RECs % Sales RECs (MWh / %)	RPS Projected Excess RECs	Projected REC % by Category Cat No. 1 / Cat No. 3
2017	135,000	36,450 / 27.0%	44,295 / 32.8%	7,845	121.5% / 0.0%
2018	135,000	39,150 / 29.0%	43,629 / 32.3%	4,479	111.4% / 0.0%
2019	135,000	41,850 / 31.0%	42,996 / 31.8%	1,146	102.7% / 0.0%
2020	135,000	44,550 / 33.0%	42,392 / 31.4%	-2,158	95.2% / 0.0%

D. Annual Procurement Requirements After 2020: Beginning in calendar year 2021 and annually thereafter, City shall procure not less than seventy-five percent (75%) of the eligible renewable energy resource electricity products with resources listed in Section 4A above or with contracts executed after June 1, 2010 from Content Category 1, and not more than ten percent (10%) from Content Category 3.

The City projects being short 2,158 MWh during 2021 and each year thereafter. At this time the City plans on complying via section No. 6 of the City’s procurement plan “Excess Procurement”, i.e. banked prior Compliance Period RECs. See Table No. 10 column labeled (“Projected REC % by Category”) and Table No. 4.

Table No. 10 Annual Compliance Periods Beginning January 1, 2021

Year	Retail Sales (MWh)	RPS Program Total Required RECs (MWh / %)	Projected RECs % Sales RECs (MWh / %)	RPS Projected Excess RECs	Projected REC % by Category Cat No. 1 / Cat No. 3
2021+	135,000	44,550 / 33.0%	42,392 / 31.4%	-2,158	95.2% / 0.0%

6. Excess Procurement (PUC subsections §399.13(a)(4)(B) and 399.30(d)(1))

City shall be allowed to apply excess procurement (“Excess Procurement”) from one compliance period to subsequent compliance periods as long as the

following conditions are met:

- A. City may accumulate, beginning on January 1, 2011, Excess Procurement from one Compliance Period to be applied in any subsequent Compliance Period.
- B. In calculating the quantity of Excess Procurement, City shall deduct from actual procurement quantities, the total amount of procurement associated with contracts of less than ten (10) years in duration.
- C. Eligible resources must be from Content Category 1 or Content Category 2 or Grandfathered Resources to be Excess Procurement.

7. Waiver of Timely Compliance (PUC subsections 399.15(b)(5) and 399.30(d)(2))

- A. Waiver of Timely Compliance: Enforcement of timely compliance shall be waived if the City demonstrates that any of the following conditions are beyond the control of the City, and will prevent timely compliance:
 - 1. *Inadequate Transmission* (PUC subsection 399.15(b)(5)(A)): There is inadequate transmission capacity to allow for sufficient electricity to be delivered from the City's proposed eligible renewable energy resource projects using the current operational protocols of City's Balancing Authority. In making its findings relative to the existence of this condition, City's deliberations shall include, but not be limited to the following:
 - (i) Whether the City has undertaken, in a timely fashion, reasonable measures under its control and consistent with its obligations under local, state, and federal laws and regulations, to develop and construct new transmission lines or upgrades to existing lines intended to transmit electricity generated by eligible renewable energy resources. In determining the reasonableness of a City's actions, the City shall consider its expectations for full-cost recovery for these transmission lines and upgrades, and
 - (ii) Whether the City has taken all reasonable operational measures to maximize cost-effective deliveries of electricity from eligible renewable energy resources in advance of transmission availability.
 - 2. *Permitting, interconnection, or other factors that delayed procurement or insufficient supply* (PUC subsection

399.15(b)(5)(B)). In making its findings relative to the existence of this condition, City's deliberations shall include, but not be limited to the following:

(i) Whether the City prudently managed portfolio risks, including relying on a sufficient number of viable projects;

(ii) Whether the City sought to develop one of the following: its own eligible renewable energy resources, transmission to interconnect to eligible renewable energy resources, or energy storage used to integrate eligible renewable energy resources.

(iii) Whether the City procured an appropriate minimum margin of procurement above the minimum procurement level necessary to comply with the RPS standard to compensate for foreseeable delays or insufficient supply;

(iv) Whether the City has taken reasonable measures, under its control to procure cost-effective distributed generation and allowable unbundled renewable energy credits;

3. *Unanticipated curtailment to address needs of the balancing authority* (PUC subsection 399.15(b)(5)(C)).

B. Procedures Upon Approving Waiver: In the event of a Waiver of Timely Compliance due to any of the factors set forth above, City shall implement the following procedures:

1. Establish additional reporting for intervening years to show demonstration of reasonable actions under the POU's control are being taken (PUC subsection 399.15(b)(6)).
2. Require a demonstration that all reasonable actions within the City's control have been taken to ensure compliance in order to grant the waiver (PUC subsection 399.15(b)(7)).

C. Prior Deficits: In no event shall deficits from prior compliance periods be added to future compliance periods (PUC subsection 399.15(b)(9))

8. Cost Limitations for Expenditures (PUC subsections 399.15(c) and 399.30(d)(3))

A. Cost Limitations for Expenditures: The City shall establish a cost limitation for all eligible renewable energy resources used to comply with the

Exhibit No. 2: Renewable Energy Resources Procurement Plan (continued)

renewable portfolio standard. The cost limitations are \$150/MWh and \$0.005/kWh maximum impact on rates.

B. Cost Limitation Factors (PUC subsection 399.15(c)): In establishing the Cost Limitation for Expenditures, City shall take into consideration the following factors:

1. The most recent RPS Procurement Plan.
2. Procurement expenditures that approximate the expected cost of building, owning, and operating eligible renewable energy resources.
3. The potential that some planned resource additions may be delayed or canceled.

C. In developing the Cost Limitation for Expenditures, the City shall ensure all of the following:

1. The limitation is set at a level that prevents disproportionate rate impacts.
2. The costs of all procurement credited toward achieving the RPS are counted towards the limitation.
3. Procurement expenditures do not include any indirect expenses, including imbalance energy charges, sale of excess energy, decreased generation from existing resources, transmission upgrades, or the costs associated with relicensing any utility-owned hydroelectric facilities

9. Exclusive Control (PUC subsection 399.30(m)):

In all matters regarding compliance with the RPS program, the City shall retain exclusive control and discretion over the following:

- A. The mix of eligible renewable energy resources procured by the City and those additional generation resources procured by the City for purposes of ensuring resource adequacy and reliability.
- B. The reasonable costs incurred by the City for eligible renewable energy resources owned by it.

10. **Reporting (PUC subsections 399.30(f), 399.30(g) and 399.30(l))**

A. **Deliberations on Procurement Plan (PUC subsection 399.30(f)):**

1. *Public Notice:* Annually, the City shall post notice of meetings if the City Council will deliberate in public regarding this RPS Procurement Plan.
2. *Notice to the California Energy Commission (CEC):* Contemporaneous with the posting of a notice for such a meeting, the City shall notify the CEC of the date, time and location of the meeting in order to enable the CEC to post the information on its Internet website.
3. *Documents and Materials Related to Procurement Status and Plans:* When the City Staff provides information to its City Council related to its renewable energy resources procurement status and future plans, for the Council's consideration at a noticed public meeting, the City shall make that information available to the public and shall provide the CEC with an electronic copy of the documents for posting on the City's Internet website.

B. **Annual Report to CEC regarding Contract Execution (PUC subsection 399.30(g))**

1. Annually, the City shall submit a report to the CEC regarding procurement contracts executed during the prior year.
2. The City's annual report to the CEC regarding contract execution shall include all of the following:
 - a. A description of the eligible renewable energy resource, including the duration of the contract or electricity purchase agreement.
 - b. A description and identification of the electrical generating facility providing the eligible renewable energy resource under the contract.
 - c. An estimate of the percentage increase in the City's total retail energy sales of electricity from eligible renewable energy resources that will result from the contract.

C. Report to CEC and Customers (PUC subsection 399.30(l))

1. Annually, the City shall provide a report to the CEC and customers regarding renewable resources.
2. The City's annual report to the CEC regarding renewable resources shall include all of the following:
 - a. Expenditures of public goods funds collected pursuant to Section 385 for eligible renewable energy resource development, including a description of programs, expenditures, and expected or actual results.
 - b. The resource mix used to serve its customers by energy source.
 - c. The City's status in implementing the RPS pursuant to PUC subsection 399.30(a) and the City's progress toward attaining the standard following implementation of the RPS Procurement Plan.

Exhibit No. 3

Renewable Portfolio Standard Enforcement Program

Senate Bill SBX 1-2 was signed by Governor Brown on April 12, 2011 enacting new Renewable Portfolio Standard (“RPS”) Program legislation. Pursuant to PUC subsection 399.30(e) each Public Owned Utility (“POU”) shall adopt and implement a RPS Enforcement Program by January 1, 2012 at a publically noticed meeting with not less than 30-days’ prior notice given to the public. A public notice was advertised in the Lompoc Record newspaper on November 6, 2011 informing the public of the hearing to discuss the RPS Enforcement Plan during the December 6, 2011 Lompoc City Council meeting. The provisions listed below make up the RPS Enforcement Program.

1. The RPS Enforcement Program shall be effective January 1, 2012.
2. Not less than 10-days’ advance notice shall be given to the public before any meeting is held to make a substantive change to the RPS Enforcement Program.
3. Annually the City’s Utility Director shall cause to be reviewed the City’s Renewable Energy Resources Procurement Plan (“RPS Procurement Plan”) to determine compliance with the State’s RPS Program.
4. Annual review of the RPS Procurement Plan shall include consideration of each of the following elements:
 - A. By December 31, 2013 (end of Compliance Period 1):
 - Verify that City has supplied an average of twenty percent (20%) of retail energy sales with eligible renewable resources from the specified Content Categories for the period January 1, 2011 to December 31, 2013.
 - If targets are not met, the City must:
 - Ensure that any Waiver of Timely Compliance was compliant with the provisions in the RPS Procurement Plan.
 - Review the applicability and appropriateness of excusing performance based on the Cost Limitations on Expenditures provisions of the RPS Procurement Plan.
 - B. By December 31, 2014:
 - Ensure that the City is making reasonable progress toward meeting the December 31, 2016 compliance obligation of supplying twenty-five percent (25%) of retail energy sales with

Exhibit No. 3: Renewable Portfolio Standard Enforcement Program (continued)

eligible renewable resources, consistent with the RPS Procurement Plan.

- C. By December 31, 2015:
 - Ensure that the City is making reasonable progress toward meeting the December 31, 2016 compliance obligation of supplying twenty-five percent (25%) of retail energy sales with eligible renewable resources, consistent with the RPS Procurement Plan.

- D. December 31, 2016 (end of Compliance Period 2):
 - Verify that the City has supplied twenty-five percent (25%) of retail energy sales with eligible renewable resources from the specified Content Categories for the period ending December 31, 2016;

 - If targets are not met, the City must:
 - Review the applicability of applying Excess Procurement (Excess RECs from Compliance Period 1 consistent with the provisions of the RPS Procurement Plan).
 - Ensure that any Waiver of Timely Compliance was compliant with the provisions in the RPS Procurement Plan.
 - Review applicability and appropriateness of excusing performance based on the Cost Limitations on Expenditures provisions within the RPS Procurement Plan.

- E. By December 31, 2017:
 - Ensure that the City is making reasonable progress toward meeting the December 31, 2020 compliance obligation of supplying thirty-three percent (33%) of retail energy sales with eligible renewable electricity, consistent with the RPS Procurement Plan.

- F. By December 31, 2018:
 - Ensure that the City is making reasonable progress toward meeting the December 31, 2020 compliance obligation of supplying thirty-three percent (33%) of retail energy sales with eligible renewable resources, consistent with the RPS Procurement Plan.

- G. By December 31, 2019:
 - Ensure that the City is making reasonable progress toward meeting the December 31, 2020 compliance obligation of supplying thirty three percent (33%) of retail energy sales with eligible renewable resources, consistent with the RPS Procurement Plan.

Exhibit No. 3: Renewable Portfolio Standard Enforcement Program (continued)

- H. December 31, 2020 (end of Compliance Period 3), and annually thereafter,
- Verify that the city has supplied thirty-three percent (33%) of retail energy sales with eligible renewable resources from the specified Content Categories, consistent with the RPS Procurement Plan.
 - If targets are not met, the City must:
 - Review the applicability of applying Excess Procurement from a previous Compliance Period consistent with the provisions of the RPS Procurement Plan.
 - Ensure that any Waiver of Timely Compliance was compliant with the provisions in the RPS Procurement Plan.
 - Review applicability and appropriateness of excusing performance based on the Cost Limitations on Expenditures provisions of the RPS Procurement Plan.
5. If it is determined the City has failed to comply with the provisions of its RPS Procurement Plan, then the City Council shall take steps to correct any untimely compliance, including:
- a. Review the City's RPS Procurement Plan to determine what changes, if any, are necessary to ensure compliance in the next Compliance Period.
 - b. Report quarterly to the City Council regarding the progress being made toward meeting the compliance obligation for the next Compliance Period.
 - c. Report to the City Council regarding the status of meeting subsequent compliance targets, and all steps being taken to ensure that the obligation is timely met.

Exhibit No. 4

RESOLUTION NO. 5754

A Resolution Of The City Of Lompoc California, Adopting A Renewable Energy Resources Procurement Plan

WHEREAS, on April 12, 2011, the Governor of the State of California signed California Senate Bill 2 of the First Extraordinary Session ("SBX1-2"), the new Renewable Portfolio Standard ("RPS") Program legislation; and

WHEREAS, pursuant to the provisions of Public Utilities Code (PUC) subsection 399.30(a), the City must adopt and implement a renewable energy resources procurement plan (hereinafter referred to as the "RPS Procurement Plan") to fulfill unmet long-term generation resource needs, that requires the City to procure a minimum quantity of electricity products from eligible renewable energy resources, including renewable energy credits, as a specified percentage of the total kilowatt-hours sold to the City's retail end-use customers each compliance period, to achieve specified procurement targets; and

WHEREAS, the City has developed an RPS Procurement Plan that includes compliance periods (Compliance Periods) pursuant to PUC subsection 399.30(b). Such Compliance Periods shall be January 1, 2011, to December 31, 2013, inclusive (Compliance Period 1), January 1, 2014 to December 31, 2016, inclusive (Compliance Period 2), January 1, 2017 to December 31, 2020, inclusive (Compliance Period 3), and each calendar year after 2020; and

WHEREAS, the City has developed an RPS Procurement Plan that includes specified procurement targets (Procurement Targets) of renewable energy resources for each Compliance Period pursuant to PUC subsection 399.30(c)(1) and (2). Procurement Targets must average twenty percent (20%) of retail energy sales for the period January 1, 2011 to December 31, 2013, must meet twenty-five percent (25%) of retail energy sales by December 31, 2016, must meet thirty-three percent (33%) of retail sales by December 31, 2020, and must meet thirty-three percent (33%) of retail energy sales for all years thereafter; and

WHEREAS, the City has developed an RPS Procurement Plan that includes provisions that address a demonstration of reasonable progress in 2014 and 2015 to ensure the twenty five percent (25%) retail energy sales RPS procurement requirement by 2016, and reasonable progress in each of 2017, 2018, and 2019 to ensure the thirty three percent (33%) retail energy sales RPS procurement requirement by 2020, pursuant to PUC subsection 399.30(c)(2); and

WHEREAS, the City has developed an RPS Procurement Plan that includes definitions for three renewable product content categories (Content Categories)

**Exhibit No. 4: Resolution No. 5754 Adoption of a Renewable Energy Resources Procurement Plan
(continued)**

pursuant to PUC subsection 399.30(c)(3) and consistent with PUC subsection 399.16; and

WHEREAS, the City's RPS Procurement Plan includes "Content Category 1"; consistent with PUC subsection 399.16(b)(1) (A) and (B), Content Category 1, shall include renewable energy resource electricity products that either (a) have a first point of interconnection with a California balancing authority, have a first point of interconnection with distribution facilities used to serve end users within a California balancing authority area, or are scheduled from the eligible renewable energy resource into a California balancing authority without substituting electricity from another source, and which may include the use of another source to provide real-time ancillary services required to maintain an hourly or sub-hourly import schedule into a California balancing authority, but only the fraction of the schedule actually generated by the eligible renewable energy resource shall count toward this portfolio Content Category, or (B) have an agreement to dynamically transfer electricity to a California balancing authority;

WHEREAS, the City's RPS Procurement Plan contains "Content Category 2" language consistent with PUC subsection 399.16(b)(2), Content Category 2 shall include firmed and shaped eligible renewable energy resource electricity products providing incremental electricity and scheduled into a California balancing authority, though the City has elected not to use Content Category 2 resources at this time; and

WHEREAS, the City's RPS Procurement Plan includes Content Category 1 Procurement Requirements of not less than fifty percent (50%) of the eligible renewable energy resource electricity for Compliance Period 1, not less than sixty-five percent (65%) of the eligible renewable energy resource electricity for Compliance Period 2, and not less than seventy-five percent (75%) of the eligible renewable energy resource electricity for Compliance Period 3 and every year thereafter, consistent with PUC subsection 399.16(c)(1); and

WHEREAS, the City's RPS Procurement Plan includes Content Category 3 Procurement Requirements of not more than twenty-five percent (25%) of the eligible renewable energy resource electricity for Compliance Period 1, not more than fifteen percent (15%) of the eligible renewable energy resource electricity for Compliance Period 2, and not more than ten percent (10%) of the eligible renewable energy resource electricity for Compliance Period 3, consistent with PUC subsection 399.16(c)(2); and

WHEREAS, the City has developed an RPS Procurement Plan that includes rules for application of excess procurement (Excess Procurement) of eligible renewable energy resource electricity from one Compliance Period to a subsequent Compliance Period consistent with PUC subsection 399.30(d)(1) and in the same manner as PUC subsection 399.13(a)(4)(B). Beginning January 1, 2011, Excess Procurement from one Compliance Period may be applied to a subsequent Compliance Period; to determine the quantity of Excess Procurement for the applicable Compliance Period, the City shall deduct from actual procurement quantities, the total amount of procurement associated

**Exhibit No. 4: Resolution No. 5754 Adoption of a Renewable Energy Resources Procurement Plan
(continued)**

with contracts of less than ten (10) years in duration, and shall not include any resources designated as Content Category 3; and

WHEREAS, the City has developed an RPS Procurement Plan that includes conditions for delaying timely compliance consistent with PUC subsections 399.15(b) and 399.30(d)(2). The City may approve a waiver of timely compliance (Waiver of Timely Compliance) in the event that there is inadequate transmission capacity (§ 399.15(b)(5)(A)), permitting, interconnection, or other factors that delay procurement, or insufficient supply (PUC subsection 399.15(b)(5)(B)), unanticipated curtailment are mandated to address needs of the balancing authority (PUC subsection 399.15(b)(5)(C)), or related factors existed; and

WHEREAS, the City has developed an RPS Procurement Plan that establishes procedures to employ in the event of an approval of a Waiver of Timely Compliance, which provisions require the City to establish additional reporting for intervening years to demonstrate that reasonable actions under the City's control are being taken (PUC subsection 399.15(b)(6)) and to demonstrate that all reasonable actions within the City's control have been taken to ensure compliance in the future (PUC subsection 399.15(b)(7)); in no event shall the deficit from prior compliance periods be added to subsequent compliance periods in the event of a Waiver of Timely Compliance (PUC subsection 399.15(b)(9)); and

WHEREAS, the City has developed an RPS Procurement Plan that establishes procedures that address cost limitations for expenditures on renewable resources (Cost Limitations for Expenditures) consistent with PUC subsections section 399.15(c) and 399.30(d)(3). Cost Limitations for Expenditures shall be applicable to procurement expenditures for all eligible renewable energy resources used to comply with the RPS, and shall be based on factors that include, but are not limited to, the most recent renewable energy procurement plan, procurement expenditures that approximate the expected cost of building, owning, and operating eligible renewable energy resources, and the potential that some planned resource additions may be delayed or canceled; and

WHEREAS, pursuant to the provisions of PUC subsection 399.30(m), the City shall retain discretion over the mix of eligible renewable energy resources procured by the City and those additional generation resources procured by the City for purposes of ensuring resource adequacy and reliability, and the reasonable costs incurred by the City for eligible renewable energy resources owned by it; and

NOW, THEREFORE, The City Council of the City of Lompoc, California, does hereby resolve as follows:

Section 1: The Lompoc Renewable Energy Resources Procurement Plan is hereby approved.

The foregoing Resolution was proposed by Councilmember _____, seconded by Councilmember _____, and duly passed and adopted by the

**Exhibit No. 4: Resolution No. 5754 Adoption of a Renewable Energy Resources Procurement Plan
(continued)**

Council of the City of Lompoc at its regular meeting on December 6, 2011, by the following electronic vote:

AYE: Councilmember(s):

NO: Councilmember(s):

John H. Linn, Mayor
City of Lompoc

ATTEST:

Stacey Alvarez
City Clerk, City of Lompoc

Exhibit No. 5

RESOLUTION NO. 5755

A Resolution Of The City Of Lompoc, California, Adopting Renewable Portfolio Standard Enforcement Program

WHEREAS, on April 12, 2011, the Governor of the State of California signed California Senate Bill 2 of the First Extraordinary Session ("SBX1-2"), the new Renewable Portfolio Standard ("RPS") Program legislation; and

WHEREAS, pursuant to the provisions of Public Utilities Code (PUC) subsection 399.30(e), the City is required to adopt a RPS Enforcement Program before January 1, 2012; and

WHEREAS, the City Council, in compliance with PUC subsection 399.30(e), desires to adopt a RPS Enforcement Program; and

WHEREAS, the City Council, in compliance with PUC subsection 399.30(e) has provided not less than ten-days' notice of the proposed adoption of the Renewable Energy Resources Procurement Plan and had made said information available to the public; and

NOW, THEREFORE, The City Council of the City of Lompoc, California, does hereby resolve as follows:

Section 1: The Lompoc Renewable Portfolio Standard Enforcement Program is hereby approved.

The foregoing Resolution was proposed by Councilmember _____, seconded by Councilmember _____, and duly passed and adopted by the Council of the City of Lompoc at its regular meeting on December 6, 2011, by the following electronic vote:

AYE: Councilmember(s):

NO: Councilmember(s):

John H. Linn, Mayor
City of Lompoc

ATTEST:

Stacey Alvarez
City Clerk, City of Lompoc