



# Lompoc City Council Agenda Item

**City Council Meeting Date:** October 15, 2013

**TO:** Teresa Gallavan, Interim City Administrator

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

**SUBJECT:** Revised Renewable Energy Resources Procurement Plan

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## **Recommendation:**

Staff recommends the City Council Approve Resolution No. 5877(13), adopting the City of Lompoc's ("City's") Revised Renewable Energy Resources Procurement Plan ("Plan").

## **Background:**

Resolution No. 5754(11) established the City's initial plan, which was in-line with Senate Bill SBX1-2, Renewable Portfolio Standard ("RPS") legislation, signed by Governor Brown on April 12, 2011. That legislation modified the State's RPS and sets forth new RPS requirements applicable to Publicly Owned Utilities ("POUs"). The City's Electric Utility, as a POU, is covered under the new legislation. Recently drafted RPS regulations became effective October 1, 2013. Pursuant to these regulations, some new language needed to be added to, and some language deleted from, the City's plan. Exhibit No. 1 presents the City's revised Plan.

In order to fulfill long-term renewable energy generation resource needs, the City needs to adopt and implement the revised Plan by November 27, 2013. The revised Plan requires the City's POU to procure a minimum quantity of electricity products from eligible renewable energy resources as a specified percentage of the City's total kilowatt hours sold to its retail end-use customers to achieve the targets specified in SBX1-2.

The primary purpose of the legislation is to have 20, 25, and 33 percent of the City's energy sales supplied by renewable energy generation by the end of 2013, 2016, and 2020, respectively. Renewable energy generation includes solar, geothermal, small hydroelectric, and wind, among other sources.

## **Discussion:**

In 2010, 2011, and 2012, the Electric Division supplied 24.1, 25.1, and 25.5 percent of its retail energy sales with renewable energy. That was achieved through ownership in Northern California Power Agency ("NCPA") geothermal generation projects and small

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hydroelectric projects, along with power purchases from the Western Area Power Administration's Sierra Nevada Region ("Western") small hydroelectric generation projects.

Table No. 1 below details the City's renewable energy generation type, retail energy sales, percentage of sales supplied by renewable generation, percentage of renewable generation required, required renewable generation based on energy sales, excess renewable generation procured, cumulative excess generation procured, and historic renewable energy carryover from 2004 to 2010. For years 2011 and 2012, the numbers shown are actual historic numbers and for 2013 to 2020, the numbers are projected.

The historic carryover, 50,560 renewable energy credits ("RECs"), is the amount of renewable energy procured from 2004 to 2010 that exceeded 20 percent of City energy sales. The City can use this historic carryover to satisfy any renewable energy shortcomings the City has beyond 2011.

Table No. 1

			2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	Lompoc %	Capacity	Energy									
Projects	Ownership	(MW)	MWh									
Geothermal	3.681%	4.1	31,621	32,222	29,967	29,142	28,362	27,619	26,915	26,249	25,616	25,012
Spicer - Sm Hydro	2.300%	6.0	694	265	265	265	265	265	265	265	265	265
Western - Sm Hydro	Varies	1.3	144	220	220	220	220	220	220	220	220	220
Lompoc Private Solar	Purchase	0.6				701	736	773	811	852	894	939
Solar PPA (Wastewater)	Purchase	0.5				1160	1160	1160	1160	1160	1160	1160
Calpine PPA (2015-25)	Purchase	2.0					15768	15768	15768	15768	15768	15768
<b>Projected RECs</b>			32,459	32,707	30,452	31,488	46,511	45,805	45,139	44,514	43,923	43,364
Lompoc Retail Sales (MWh/yr)			129,317	128,385	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
% Renewables based on Retail Sales			25.1%	25.5%	23.4%	24.2%	35.8%	35.2%	34.7%	34.2%	33.8%	33.4%
% Renewables Required			20.0%	20.0%	20.0%	20.0%	20.0%	25.0%	27.0%	29.0%	31.0%	33.0%
Required RECs based on Retail Sales			25,863	25,677	26,000	26,000	26,000	32,500	35,100	37,700	40,300	42,900
<b>Excess Procurement Current Year (RECs)</b>			6,596	7,030	4,452	5,488	20,511	13,305	10,039	6,814	3,623	464
<b>Cummulative Excess Procurement (RECs)</b>			6,596	13,626	18,078	23,566	44,077	57,381	67,421	74,235	77,858	78,322
Historic Carryover Used During Current Year (RECs)				0	0	0	0	0	0	0	0	0
Historic Carryover Balance (RECs)				50,560	50,560	50,560	50,560	50,560	50,560	50,560	50,560	50,560

The City's revised Plan contains: (1) plan elements that are directly mandated by the RPS legislation; (2) measures that address each of the optional provisions set forth in RPS legislation subsection 399.30(d) and section 3206; and (3) RPS reporting legislation provisions. Where appropriate, this Plan includes citations to the Public Utilities Code (PUC) sections 399.11, et seq., as last revised in 2012.

Proposed changes to the Renewable Energy Resources Procurement Plan

Proposed Plan changes are provided below and the proposed revised Plan is provided as Attachment No. 1. That plan will be effective October 15, 2013.

1. Compliance Periods: No change.
2. Procurement Targets of Renewable Energy Resources for Each Compliance Period: The title was changed from “Procurement Targets” to “Procurement Targets of Renewable Energy Resources for Each Compliance Period,” in accordance with adopted regulations.

Renewable energy procurement formulas were added to sections 2A, 2B, 2C, and 2D. Tables 1, 2, 3, 4, and 5 were updated to show 2011 and 2012 actual retail sales and earned RECs. Additionally, updates were made to projected retail sales and RECs for 2013 to 2020.

3. Reasonable Progress Towards Meeting Compliance Period Targets During Intervening Years: “During Intervening Years” was added to the end of the title, in accordance with adopted regulations.
4. Procurement Requirements – Definitions for Content Categories: Updates were made to Table No. 4 by combining “Steam Well Modification” and “Geothermal Unit No. 1 and 2 Modifications” with “Geothermal”.
5. Portfolio Balancing Requirements – Quantity for Content Categories: The title was changed from “Procurement Requirement – Definitions of Content Categories” to “Portfolio Balancing Requirements – Quantity for Content Categories,” in accordance with adopted regulations.

Tables 7, 8, 9, and 10 were modified to show 2011 and 2012 actual retail sales and earned RECs. Additionally, updates were made to projected retail sales and RECs for 2013 to 2020.

The following language was deleted from Section 5C: “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.”

The following language was added to Section 5C: “The City currently projects to exceed the RPS Content Category 1, Compliance Period 3, procurement requirements. See Table No. 9 column labeled “Projected REC % by Category”.”

The following language was deleted from Section 5D: “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."

The following language was added to Section 5D: "The City currently projects to exceed the RPS Content Category 1 procurement requirements beyond 2020. See Table No. 9 column labeled "Projected REC % by Category"."

6. Excess Procurement: No change.
7. Waiver of Timely Compliance: No change.
8. Cost Limitations for Expenditures: Old language was removed and new language was drafted to be consistent with new regulations.
9. Exclusive Control: In the title "Section 399.30(m)" was changed to "399.30(k)", in accordance with new regulation numbering change.
10. Reporting: Old language was removed and new language was drafted to be consistent with new regulations.
11. Historic Carryover: New regulations required this new section to be added.
12. Program Review: New regulations required this new section to be added.
13. Plan Modifications/Amendments: New regulations required this new section to be added.

**Fiscal Impact:**

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 approval of Resolution No. 5877(13).

Respectfully submitted:

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Marty Hostler, P.E., Electric Utility Manager

**APPROVED FOR SUBMITTAL TO THE INTERIM CITY ADMINISTRATOR:**

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Larry A. Bean, P.E., Utilities Director

**APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:**

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Teresa Gallavan, Interim City Administrator

Attachments: 1) Revised Renewable Energy Resources Procurement Plan  
2) Resolution No. 5877(13)

**Revised Renewable Energy Resources  
Procurement Plan, October 15, 2013**

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 Publicly Owned Utility (“POU”) must adopt and implement a renewable energy resources procurement plan (“Plan”). This 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 megawatts), 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.

In order to fulfill long-term renewable energy generation resource needs, the City needs to adopt and implement the revised Plan by November 27, 2013, which requires the City’s POU to procure a minimum quantity of electricity products from eligible renewable energy resources as a specified percentage of the City’s total megawatt-hours (“MWh”) sold to its retail end-use customers to achieve the targets specified in SBX1-2. Retail Sales is defined as “sales of electricity by a Public Owned Utility to end-use customers and their tenants, measured in MWh. This does not include energy consumption by a POU, electricity used by a POU for water pumping, or electricity produced for onsite consumption (self generation).”

The provisions listed below make up the City’s 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;  
and
- 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 20 percent of retail energy sales, applying the following formula:

$$EP_{2011} + EP_{2012} + EP_{2013} \geq 0.20 (RS_{2011} + RS_{2012} + RS_{2013})$$

Where:

RS<sub>x</sub> = total retail sales made by POU for the specified year x  
 EP<sub>x</sub> = electricity products retired for the specified year x; this may include excess procurement and historic carryover that the POU has chosen to apply to the compliance period containing year x.

Table No. 1 listed below shows actual (2011 and 2012) and projected (2013) City retail energy sales, required RECs, projected renewable energy credits ("RECs"), annual projected excess RECs, and cumulative projected excess RECs for 2011, 2012, and 2013.

**Table No. 1 Compliance Period 1**

	Retail Sales	Required	Projected	Annual Projected	Cummulative Projected
Year	(MWh)	RECs (MWh / %)	RECs (MWh / %)	Excess RECs	Excess RECs
2011	129,317	25,863 / 20.0%	32,459 / 25.1%	6,596	6,596
2012	128,385	25,677 / 20.0%	32,707 / 25.5%	7,030	13,626
2013	130,000	26,000 / 20.0%	30,452 / 23.4%	4,452	18,078

Looking at the column labeled "Projected RECs (MWh/%)” in the table above, it is clear the City is on target to exceed the 20 percent Compliance Period 1 RPS target. In fact, the City anticipates having an excess of 18,078 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 25 percent of retail energy sales, applying the following formula.

$$EP_{2014} + EP_{2015} + EP_{2016} \geq 0.20(RS_{2014}) + 0.20 (RS_{2015}) + 0.25 (RS_{2016})$$

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**

	Retail	Required		Projected		Annual	Cummulative
	Sales	Required		Projected		Projected	Projected
Year	(MWh)	RECs (MWh / %)	Excess RECs	Excess RECs			
2014	130,000	26,000 / 20.0%	26,000 / 20.0%	31,488 / 24.2%	31,488 / 24.2%	5,488	5,488
2015	130,000	26,000 / 20.0%	26,000 / 20.0%	46,511 / 35.8%	46,511 / 35.8%	20,511	25,999
2016	130,000	32,500 / 25.0%	32,500 / 25.0%	45,805 / 35.2%	45,805 / 35.2%	13,305	39,304

Looking at the column labeled “Projected RECs (MWh/%)” in the table above, it is clear the City is on target to exceed the 25 percent end of Compliance Period 2 RPS target. In fact, the City anticipates having an excess of 39,304 RECs during Compliance Period 2. These Compliance Period 2 excess RECs, plus the 18,078 carried over from Compliance Period 1, total 57,381 excess RECs. The City intends to carry over these RECs into Compliance Period 3.

- C. By the end of Compliance Period 3, December 31, 2020, the City shall procure renewable energy resources equivalent to 33 percent of retail energy sales. During the intervening years of Compliance Period 3, the City shall increase procurement annually to reflect an imputed 2020 compliance obligation expressed as:

$$(EP_{2017}+EP_{2018}+EP_{2019}+EP_{2020}) \geq 0.27(RS_{2017})+0.29(RS_{2018})+0.31(RS_{2019})+0.33(RS_{2020})$$

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**

	Retail	Required		Projected		Annual	Cummulative
	Sales	Required		Projected		Projected	Projected
Year	(MWh)	RECs (MWh / %)	Excess RECs	Excess RECs			
2017	130,000	35,100 / 27.0%	35,100 / 27.0%	45,139 / 34.7%	45,139 / 34.7%	10,039	10,039
2018	130,000	37,700 / 29.0%	37,700 / 29.0%	44,514 / 34.2%	44,514 / 34.2%	6,814	16,853
2019	130,000	40,300 / 31.0%	40,300 / 31.0%	43,923 / 33.8%	43,923 / 33.8%	3,623	20,476
2020	130,000	42,900 / 33.0%	42,900 / 33.0%	43,364 / 33.4%	43,364 / 33.4%	464	20,940

Looking at the column labeled “Projected RECs (MWh/%)” in the table above, it is clear the City is on target to exceed the 33 percent end of Compliance Period 3 RPS target. In fact, the City anticipates having an excess of 20,940 RECs during Compliance Period 3. Compliance Period 3 excess RECs, plus the 18,078 RECs carried over from Compliance Period 1, plus the 39,304 RECs carried over from Compliance Period 2 total 78,322 excess RECs. The City intends to carry over these RECs over into 2021 and beyond.

**Table No. 4 Projected Excess Procurement for Compliance Period**

	End of Compliance Period	Compliance Period Projected Excess RECs	Cummulative Projected Excess RECs
Compliance Period	Compliance Period Year	Excess RECs	Excess RECs
1	2013	18,078	18,078
2	2016	39,304	57,381
3	2020	20,940	78,322
Annually	2021+	464	78,786

- D. Commencing 2021, and annually thereafter, the City intends on procuring renewable energy resources equivalent to 33 percent of retail energy sales by procuring Category 1 resources, unless the City has enough current year purchases or banked RECs from prior Compliance Periods to meet the 33 percent RPS target. The Compliance obligation is expressed as:

$$EP_{2021+} \geq 0.33 (RS_{2021+})$$

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**

	Retail Sales (MWh)	Required RECs (MWh / %)	Projected RECs (MWh / %)	Annual Projected Excess RECs	Cummulative Projected Excess RECs
Year	(MWh)	RECs (MWh / %)	RECs (MWh / %)	Excess RECs	Excess RECs
2021+	130,000	42,900 / 33.0%	43,364 / 33.4%	464	464

Looking at the column labeled “Projected RECs (MWh/%)” in the table above it is clear the City anticipates having an excess of 464 RECs in 2021.

**3. Reasonable Progress Towards Meeting Compliance Period Targets During Intervening Years (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 25 percent 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 percent. Consequently, the City will show reasonable progress by increasing RPS targets 1.67 percent per year (5.00% / 3 years) during Compliance Period 2. However, for year 2014 only 20 percent is required. The City's 2014 RPS target is 21.67 percent, which is anticipated to be met. See the Column titled "Projected RECs (MWh/%)" in Table No. 2, page 3.

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

The City will show reasonable progress by increasing the City's RPS target by 1.33 percent from 2014 to 2015. Thus, the City's 2015 target is 23.34 percent, which is anticipated to be met. See the Column titled "Projected RECs (MWh/%)" in Table No. 2, page 3. However for year 2015, only 20 percent is required.

- C. By December 31, 2017, the City shall demonstrate that it is making reasonable progress towards ensuring that it shall meet the 33 percent 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 percent. Consequently, the City will show reasonable progress by increasing RPS targets 2.00 percent per year (8.00% / 4 years). The City's 2017 target is 27.00 percent, which is anticipated to be met. See the Column titled "Projected RECs (MWh/%)" 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 33 percent RPS target by 2020. The City's 2018 target is 29.00 percent, which is anticipated to be met. See the Column titled "Projected RECs (MWh/%)" in Table No. 3, page 3.

- E. By December 31, 2019, the City shall demonstrate that it is making reasonable progress towards ensuring that it shall meet the 33 percent RPS

target by 2020. The City's 2019 RPS target is 31.00 percent, which is anticipated to be met. See the Column titled "Projected RECs (MWh/%)” in Table No. 3, page 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 private solar installations, the planned Wastewater Treatment Plant Solar Project, and the planned Calpine Geothermal Power Purchase Agreement fall into this Category. They are listed in the following Table No. 6, page 8

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 percent of the overall RPS requirement, the upper limit on usage of Category 2 renewable decreases from 50 to 25 percent 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 15 or more years; and
- (4) “Eligible renewable energy resource” means an electrical generating facility that meets the definition of 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).)

The City is claiming its share of Northern California Power Agency (“NCPA”) Geothermal and New Spicer Meadows Small Hydroelectric Generating Facilities along with Sierra Nevada Region Western Power Area Administration purchased energy as grandfathered resources. They are listed in Table No. 6, below:

**Table No. 6**

<b><u>Projects</u></b>	<b><u>Lompoc % Ownership</u></b>	<b><u>Capacity (MW)</u></b>	<b><u>Inservice Year</u></b>
Geothermal	3.681%	4.1	Existing
Spicer - Sm Hydro	2.300%	6.0	Existing
Western - Sm Hydro	Varies	1.3	Existing
Lompoc Private Solar	Purchase	0.6	Existing
Solar PPA (Wastewater)	Purchase	0.5	2014
Calpine	Purchase	2.0	2015

**5. Portfolio Balancing 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 50 percent 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 25 percent 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**

Year	Retail Sales (MWh)	RPS Program		Projected		RPS	Projected REC	
		Total Required		RECs % Sales		Projected	% by Category	
		RECs (MWh / %)	Excess RECs	Cat No. 1 / Cat No. 3				
2011	129,317	25,863 / 20.0%	32,459 / 25.1%	6,596	125.5% / 0.0%			
2012	128,385	25,677 / 20.0%	32,707 / 25.5%	7,030	127.4% / 0.0%			
2013	130,000	26,000 / 20.0%	30,452 / 23.4%	4,452	117.1% / 0.0%			

**B. Compliance Period 2 Procurement Requirements:**

For Compliance Period 2, City shall procure not less than 65 percent 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 15 percent 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		Projected		RPS	Projected REC	
		Total Required		RECs % Sales		Projected	% by Category	
		RECs (MWh / %)	Excess RECs	Cat No. 1 / Cat No. 3				
2014	130,000	26,000 / 20.0%	31,488 / 24.2%	5,488	118.1% / 0.0%			
2015	130,000	26,000 / 20.0%	46,511 / 35.8%	20,511	109.0% / 0.0%			
2016	130,000	32,500 / 25.0%	45,805 / 35.2%	13,305	101.1% / 0.0%			

**C. Compliance Period 3 Procurement Requirements:**

For Compliance Period 3, City shall procure not less than 75 percent 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 10 percent from Content Category 3. See Table No. 9.

The City currently projects to exceed the RPS Content Category 1, Compliance Period 3, procurement requirement. See Table No. 9 column labeled “Projected REC % by Category”.

**No. 9 Compliance Period 3**

Year	Retail Sales (MWh)	RPS Program		Projected		RPS	Projected REC
		Total Required		RECs % Sales		Projected	% by Category
		RECs (MWh / %)	Excess RECs	Cat No. 1 / Cat No. 3			
2017	130,000	35,100 / 27.0%	45,139 / 34.7%	10,039	128.6% / 0.0%		
2018	130,000	37,700 / 29.0%	44,514 / 34.2%	6,814	118.1% / 0.0%		
2019	130,000	40,300 / 31.0%	43,923 / 33.8%	3,623	109.0% / 0.0%		
2020	130,000	42,900 / 33.0%	43,364 / 33.4%	464	101.1% / 0.0%		

**D. Annual Procurement Requirements After 2020:**

Beginning in calendar year 2021 and annually thereafter, City shall procure not less than 75 percent 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 10 percent from Content Category 3.

The City currently projects to exceed the RPS Content Category 1 procurement requirements beyond 2020. See Table No. 10 column labeled (“Projected REC % by Category”).

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

		RPS Program	Projected	RPS	Projected REC
	Retail Sales	Total Required	RECs % Sales	Projected	% by Category
Year	(MWh)	RECs (MWh / %)	RECs (MWh / %)	Excess RECs	Cat No. 1 / Cat No. 3
2021+	130,000	42,900 / 33.0%	43,364 / 33.4%	464	101.1% / 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 10 years in duration; and
- 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; and
- (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)); and
- (2) Require a demonstration that all reasonable actions within the POU'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))**

The City, at its sole discretion, may elect to establish cost limitations for all eligible renewable resources used to comply with the renewable portfolio standard. Any such cost limitations will be developed consistent with subsection 399.15(c).

- A. In adopting these rules, the City shall rely on this Plan, as well as:
  - 1) procurement expenditures that approximate the expected cost of building, owning, and operating eligible renewable energy resources; and
  - 2) the potential that some planned resource additions may be delayed or canceled.
- B. In addition to subsection 399.15(c), the City may take into account local and regional economic conditions and the ability of the City's customers to afford produced or procured energy products. These economic conditions may include, but are not limited to unemployment, wages, cost of living expenses, the housing market, and cost burden of other utility rates on the same customers. The City may also consider cost disparities between customer classes within the City, and between the City's customers and other POU and Investor Owner Utilities ("IOU") customers in the region.
- C. The City shall review the need for cost limitations as part of the annual review process described in Section 12.

**9. Exclusive Control (PUC subsection 399.30(k)):**

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), 9605)**

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 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 Compliance Reporting (per Section 3207 of the CEC RPS Regulations):

Annual Reports will be submitted by July 1 for each year (see subsection 3206(c)). The City shall submit an annual report to the CEC that includes the information in paragraphs one through four below for the prior calendar year. The report submitted in 2013 shall include information required by paragraphs one through four below for both the 2011 and 2012 calendar years. The format for the annual report shall be specified by the CEC, but the information contained in the annual report may be combined with other existing reports that contain the same information and are also supplied to the CEC. If the annual report refers to information provided to the CEC through existing reports, the annual report shall reference the information by identifying the name, submittal date, and page number of the existing report. Included in the report will be the following:

- (1) Identifying information, including:
  - a. POU name, contact name, mailing address, phone number, and email address.
  - b. Year the City's electric utility was established.
  - c. Number of end-use retail customer accounts in California.

- (2) RPS annual progress information for the prior calendar year, including:
- a. Amount of total retail sales to end use customers, in MWh, and projected retail sales for the current compliance period.
  - b. Amount of procured electricity products retired, RECs in MWh.
  - c. Western Regional Energy Generation Information System (“WREGIS”) compliance report for procurement claims in the prior calendar year. For any procurement claims not tracked through WREGIS as permitted by the RPS Guidelines, the City shall report procurement claims using the interim tracking system established by the CEC prior to the implementation of WREGIS.
  - d. An initial, nonbinding classification of retired electricity products qualifying for each portfolio content category or qualifying to count in full in accordance with subsection 3202 (a)(2).
  - e. A description of each of the eligible renewable energy resources with which the City has executed contracts or ownership agreements during the prior year, including but not limited to the contracted amount of MWh, the contracted amount of MWh as a percentage of retail sales, resource fuel type, the execution date of the procurement contract or ownership agreement, the duration of the procurement contract or ownership agreement, a summary of the procurement contract or ownership agreement, the operational status of the resource, the date the resource came online, the date the resource came online using a renewable fuel or technology, if different, the date on which procurement of electricity products begins, if different, RPS certification status, the county, state, and country in which the resource is located, and a summary of the resource names and identification numbers.
  - f. Documentation demonstrating the portfolio content category classification claimed for procured electricity products. This documentation may include interconnection agreements, North American Electricity Reliability Corporation (“NERC”) eTag data, scheduling agreements, firming and shaping agreements, and electricity product contract information.
  - g. An explanation of any public goods funds collected for eligible renewable energy resource development, including a description of programs, expenditures, and expected or actual results.

- h. A description of any identified issues that occurred that have the potential to delay timely compliance with the RPS procurement requirements defined in section 3204, and planned actions to minimize the delay of timely compliance. Such issues may include, but are not limited to, inadequate transmission to allow for procurement to be delivered from eligible renewable energy resources, permitting, interconnection, or other circumstances that have delayed the procurement from eligible renewable energy resources, unanticipated curtailment of a contracted or owned eligible renewable energy resource, and higher than expected costs for the procurement or development of eligible renewable energy resources.
  - i. An attestation, signed by an authorized agent, affirming that the information provided in the report is true and correct.
- (3) Actions taken by the City demonstrating reasonable progress toward meeting its RPS procurement requirements.

The information reported shall include, but not be limited to, a discussion of the following actions taken by the City during the prior calendar year:

- a. Solicitations released to solicit bids for contracts to procure electricity products from eligible renewable energy resources to satisfy the City's RPS procurement requirements.
- b. Solicitations released to solicit bids for ownership agreements for eligible renewable energy resources to satisfy the City's RPS procurement requirements.
- c. Actions taken to develop eligible renewable energy resources to satisfy the City's RPS procurement requirements, including initiating environmental studies, completing environmental studies, acquiring interest in land for facility siting or transmission, filing applications for facility or transmission siting permits, and receiving approval for facility or transmission siting permits.
- d. Interconnection requests filed for eligible renewable energy resources to satisfy the City's RPS procurement requirements.
- e. Interconnection agreements negotiated and executed for eligible renewable energy resources to satisfy the City's RPS procurement requirements.

- f. Transmission related agreements negotiated and executed to transmit electricity products procured from eligible renewable energy resources to satisfy the City's RPS procurement requirements.
- g. Other planning activities to procure electricity products from eligible renewable energy resources.

(4) The City shall include a description of all actions planned in the current calendar year to demonstrate progress towards achieving its RPS procurement requirements.

C. Annual Compliance Period Reporting (per Section 3207 of the CEC RPS Regulations):

Compliance Period Reports will be submitted by July 1 of 2014, 2017, 2021, and annually thereafter. (see subsection 3207(d) of the CEC RPS Regulations). By July 1, 2014, July 1, 2017, July 1, 2021, and by July 1 of each year thereafter, the City shall submit to the CEC a compliance report that addresses the reporting requirements of the previous section and the following information for the preceding compliance period.

- (1) Classification per RPS certified facility of the amount of procurement qualifying for each portfolio content category and procurement that shall count in full.
- (2) The City's RPS procurement target for the compliance period, in MWh.
- (3) The amount of excess procurement, in MWh, from previous compliance periods, if any, and historic carryover, if any, that the City is applying to the compliance period.
- (4) The amount of procurement (RECs) retired, in MWh that the City wishes to claim toward the RPS procurement target for calculating the portfolio balancing requirements.
- (5) The amount of excess procurement, in MWh, for the compliance period, if any, that may be applied toward future compliance periods.
- (6) If the compliance report indicates that the City's RPS procurement requirements were not met, the City shall provide documentation to justify the application of any optional compliance measures adopted in accordance with this plan. The documentation shall include all reports,

analyses, proposed findings, and any other information upon which the City relied in applying the measure. The City shall also submit an updated enforcement program and/or procurement plan that includes a schedule identifying potential sources of electricity products currently available or anticipated to be available in the future for meeting the shortfall.

If the City applies adopted cost limitation measures, it shall report that cost limitation to the CEC in dollars spent during the compliance period. The City shall also provide the CEC with an estimate of the total cost to procure sufficient electricity products to meet its RPS procurement requirements for the preceding compliance period. A report on actions taken in response to RPS procurement expenditures meeting or exceeding the cost limitation shall also be provided.

D. 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 Plan.

**11. Historic Carryover**

- A. The City, at its sole discretion, may elect to adopt rules that allow for procurement generated before January 1, 2011, that meets the criteria of subsection 3202 (a)(2), that is in excess of the sum of the 2004-2010 annual procurement targets defined in subsection 3206(a)(5)(D) and that was not applied to the RPS of another state or to a voluntary claim, to be applied to the POU's RPS procurement target for the compliance period ending December 31, 2013, or for any subsequent compliance period.

- B. Both the historic carryover and the procurement applied to the POU's annual procurement target must be from eligible renewable resources that were RPS-eligible under the rules in place at the time of execution of ownership agreement. Historic carryover must be procured pursuant to a contract or ownership agreement executed before June 1, 2010.
- C. Historic carryover will be calculated based on the following:
  - 1. A baseline of an amount equal to 2001 procurement divided by 2001 retail sales, multiplied by 2003 total retail sales, plus one percent of 2001 retail sales.
  - 2. Annual procurement targets for 2004-2010 that are equal to the lesser of 20 percent of the previous year's retail sales or one percent of the previous year's retail sales greater than the annual procurement target for the previous year.
- D. All applicable historic procurement claims for January 1, 2004, through December 31, 2010, baseline calculations, annual procurement target calculations, and any other pertinent data must be submitted to the California Energy Commission by January 1, 2014.

## **12. Program Review**

The City's Plan shall be reviewed by the Council in accordance with the City's "Renewable Portfolio Standard Enforcement Program," Resolution 5755(11).

## **13. Plan Modifications/Amendments**

This Plan may be modified or amended by an affirmative vote of the Council during a public meeting. Any Council action to modify or amend the Plan must be publicly noticed in accordance with Section 10.

## **RESOLUTION NO. 5877(13)**

A Resolution of the Council of the City of Lompoc,  
**County of Santa Barbara, State of California,**  
**Adopting a Revised Renewable Energy Resources**  
**Procurement Plan, October 15, 2013**

**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 "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 megawatt-hours sold to the City's retail end-use customers each compliance period, to achieve specified procurement targets; and

**WHEREAS**, the City has adopted a Renewable Energy Resources Plan on December 11, 2011 consistent with SBX1-2 in accordance with SBX1-2 prior to CEC adoption of RPS regulations; and

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

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

**WHEREAS**, the City has developed a Plan that includes definitions for three renewable product content categories (Content Categories) pursuant to PUC subsection 399.30(c)(3) and consistent with PUC subsection 399.16; and

**WHEREAS**, the City's Plan includes "Content Category 1"; consistent with PUC subsections 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 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, although the City has elected not to use Content Category 2 resources at this time; and

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

**WHEREAS**, the City's Plan includes Content Category 1 Procurement Requirements of not less than 50 percent of the eligible renewable energy resource electricity for Compliance Period 1, not less than 65 percent of the eligible renewable energy resource electricity for Compliance Period 2, and not less than 75 percent 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 has developed a 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

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

**WHEREAS**, the City has developed a 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 (PUC subsection 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 a 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 a Plan that establishes procedures that address cost limitations for expenditures on renewable resources (Cost Limitations for Expenditures) consistent with PUC subsections 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. In addition to subsection 399.15(c), the City may take into account local and regional economic conditions and the ability of the City's customers to afford produced or procured energy products. These economic conditions may include but are not limited to unemployment, wages, cost of living expenses, the housing market, and cost burden of other utility rates on the same customers. The City may also consider cost disparities between customer classes within the City, and between the City's customers and other POU and Investor Owner Utilities customers in the region. The City shall review the need for cost limitations as part of the annual review process described in Section 12 of the Plan; 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

**WHEREAS**, the City has developed a Plan that establishes annual and compliance period reporting procedures (Reporting) consistent with RPS regulations; and

**WHEREAS**, the City has developed a Plan that includes provisions for crediting the City with Historic carryover RECs that the City can use during compliance periods to satisfy any compliance shortfall; and

**WHEREAS**, the City has developed a Plan that includes provisions for reviewing the RPS Program that are consistent with RPS regulations; and

**WHEREAS**, the City has developed a Plan that includes provisions for reviewing Plan Modification and Amendments that are consistent with RPS regulations.

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

**SECTION 1:** Rescind Resolution No. 5754(11).

**SECTION 2:** The revised Renewable Energy Resources Procurement Plan is hereby approved.

The foregoing Resolution was proposed by Councilmember \_\_\_\_\_, seconded by Councilmember \_\_\_\_\_, and was duly passed and adopted by the Council of the City of Lompoc at its regular meeting on October 15, 2013, by the following vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

\_\_\_\_\_  
John H. Linn, Mayor  
City of Lompoc

ATTEST:

\_\_\_\_\_  
Stacey Alvarez, City Clerk  
City of Lompoc