

RESOLUTION NO. 15-172

APPROVING THE UPDATED ROSEVILLE RENEWABLES PORTOLIO STANDARD  
PROCUREMENT PLAN

WHEREAS, the California Renewable Energy Resources Act requires electric utilities to procure a minimum of 33% of their electricity from renewable sources by 2020; and

WHEREAS, the law also required that the city adopt and implement a renewable energy Resource Procurement Standard (RPS) Procurement Plan which was adopted in December 2012; and

WHEREAS, in November 2013, the Roseville City Council adopted an updated RPS Procurement Plan to align the plan with regulations adopted by the California Energy Commission (CEC); and

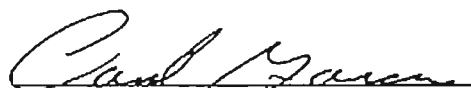
WHEREAS, the 2015 Procurement Plan incorporates two renewable energy contracts that were previously approved by the City Council that will make Roseville compliant with the Renewables Portfolio Standard requirements through 2024; and

WHEREAS, the City Council has reviewed the updated Renewables Portfolio Standard Procurement Plan dated May 2015;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Roseville that the updated Roseville Renewables Portfolio Standard Procurement Plan is hereby adopted.

PASSED AND ADOPTED by the Council of the City of Roseville this 6<sup>th</sup> day of  
May, 2015 by the following vote on roll call:

AYES	COUNCILMEMBERS:	Gore, Rohan, Herman, Roccucci, Garcia
NOES	COUNCILMEMBERS:	None
ABSENT	COUNCILMEMBERS:	None

  
MAYOR

ATTEST:

  
City Clerk



# Renewables Portfolio Standard Procurement Plan

May 2015

**Roseville Electric**  
2090 Hilltop Circle  
Roseville, California 95747-9704  
*Reliable Energy. Dependable Service.*



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## 1. Introduction

A Renewables Portfolio Standard (RPS) Procurement Plan is required by Senate Bill (SB) X1-2 (Simitian, Stats. 2011, 1<sup>st</sup> Ex. Session, Ch. 1), the “California Renewable Energy Resources Act” and must be approved by the Roseville City Council. This document describes the City of Roseville’s RPS Procurement Plan, as required by the Public Utility Code § 399.30, and section 3206 of the California Energy Commission’s (CEC) regulations for *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities (RPS Regulation)*.

## 2. Notifications

Pursuant to Public Utilities Code § 399.30(f), City Council’s consideration of this RPS Procurement Plan will be posted using the standard City Council agenda posting process. The CEC will be notified of the date, time, and location of the meeting. Within 30 days of adoption, this RPS Procurement Plan will be sent to the CEC. Notice must be published and the CEC must be notified whenever the City Council will deliberate in public on the RPS Procurement Plan. Information distributed to the City Council regarding Roseville’s renewable energy resources procurement status and future plans for consideration at a public meeting shall be made available to the public and shall be provided to the CEC electronically for posting.

Pursuant to Public Utilities Code § 399.30(d), this RPS Procurement Plan includes optional measures for adoption by the City Council. Optional measures must be adopted at a publicly noticed meeting prior to the end of the compliance period in which they will be used. All optional measures adopted must be sent to the CEC within 30 days of adoption.

## 3. Compliance Periods and Procurement Requirements

The Public Utility Code § 399.30 (b) and (c) mandates that state-defined renewable resources make up a specified percentage of each utility’s retail sales with an ultimate goal of 33% by 2020. This is accomplished with minimum targets and compliance periods.

- i. Compliance Period 1 is calendar years 2011 through 2013 and requires an average of twenty percent (20%) renewables, applying the following formula:

$$\sum_{x=2011}^{2013} EP_x \geq .20 (RS_{2011} + RS_{2012} + RS_{2013})$$

Where:  $EP_x$  = Electricity products retired for the specified year x; this may include excess that Roseville has chosen to apply to the compliance period containing year x.

$RS_x$  = Total retail sales made by Roseville for the specified year x.

- ii. Compliance Period 2 is calendar years 2014 through 2016 and requires twenty-five percent (25%) renewables by the end of the compliance period, applying the following formula:

$$\sum_{x=2014}^{2016} EP_x \geq .20(RS_{2014}) + .20(RS_{2015}) + .25(RS_{2016})$$

- iii. Compliance Period 3 is calendar years 2017 through 2020 and requires thirty-three percent (33%) renewables by the end of the compliance period, applying the following formula:

$$\sum_{x=2017}^{2020} EP_x \geq .27(RS_{2017}) + .29(RS_{2018}) + .31(RS_{2019}) + .33(RS_{2020})$$

- iv. Beginning in 2021, and annually thereafter, there is an annual requirement to maintain the 33% renewable standard.

Roseville shall demonstrate reasonable progress toward meeting the Compliance Period 2 target in years 2014 and 2015, and shall demonstrate reasonable progress toward meeting the Compliance Period 3 target in years 2017, 2018, and 2019. The following table summarizes the annual “soft” targets, but compliance is determined over the entire compliance period using the formulas above.

Compliance Period 1			Compliance Period 2			Compliance Period 3				Annually
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021-2024
average of 20%			20%	20%	25%	27%	29%	31%	33%	33%

Table 1. Renewables Portfolio Standard requirements for renewable energy

## 4. Portfolio Content Categories and Portfolio Balance Requirements

### A. Portfolio Content Categories

In addition to meeting the renewable energy procurement target, the renewable energy must meet portfolio content category requirements as defined in the Public Utilities Code § 399.16(b); however, as defined in the Public Utilities Code § 399.16(d) renewable energy procured prior to June 1, 2010, is termed “grandfathered” and does not have to meet the category requirements. There are four categories of renewable energy, as follows:

- i. Portfolio Content Category 1 (PCC1) energy is eligible renewable energy resource electricity products that meet either of the following criteria:
  - 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. 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.
  - b. Have an agreement to dynamically transfer electricity to a California balancing authority.
- ii. Portfolio Content Category 2 (PCC2) energy is firmed and shaped<sup>1</sup> eligible renewable energy resource electricity products providing incremental electricity and scheduled into a California Balancing Authority.
- iii. Portfolio Content Category 3 (PCC3) energy is 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 PCC1 or PCC2.
- iv. Grandfathered Resources (also referred to as PCC0) include any contract or ownership agreement originally executed prior to June 1, 2010, and shall “count in full” towards the procurement requirements, if all of the following conditions are met:
  - a. The renewable energy resource was eligible under the rules in place as of the date when the contract was executed.
  - b. Any contract amendments or modifications occurring after June 1, 2010, do not increase the nameplate capacity or expected quantities of annual generation, or substitute a different renewable energy resource. The

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<sup>1</sup> Firming and shaping establishes a guaranteed delivery of energy during a given time period, irrespective of the actual output of the renewable power plant by substituting electricity from another resource to make up for generation shortfalls or selling excess generation to the market.



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

**B. Portfolio Balance Requirements**

In meeting the RPS procurement requirements identified in section 3 of this RPS Procurement Plan, Roseville shall also be subject to the portfolio balance requirements. Public Resources Code sections 399.16(c)(1), 399.16(c)(2), and 399.30(c)(3) identify minimum procurement requirements for PCC1, and maximum procurement requirements for PCC3 for each compliance period. Renewable energy that is classified as “grandfathered” is not subject to these portfolio balance requirements. The following table summarizes the portfolio balance requirements for renewable energy that is not grandfathered.

<b>Product Content Category</b>	<b>Compliance Period 1 2011 - 2013</b>	<b>Compliance Period 2 2014 - 2016</b>	<b>Compliance Period 3 2017 - 2020</b>
<b>PCC1</b> (Must Be At Least)	50%	65%	75%
<b>PCC2</b> (No Direct Restriction)	n/a	n/a	n/a
<b>PCC3</b> (Cannot Exceed)	25%	15%	10%
The requirements starting in 2021 and annually thereafter are the same as for Compliance Period 3			

Table 2. Renewables Portfolio Standard portfolio balance requirements

**5. Plan for Roseville’s RPS Requirement**

**A. Procurement/Retirement Strategy**

The City of Roseville Electric Utility (Roseville Electric) plans to pursue a procurement strategy that maximizes flexibility and allows for retirement and banking of excess renewable energy credits (REC). This strategy will allow Roseville Electric to bank excess PCC1 and PCC2 RECs and apply them to “any” future compliance period. In order to implement this strategy, all RECs that are retired for a compliance period and subject to the portfolio balance requirements, must be procured from long-term contracts (ten plus years).

Because RECs must be retired within three years of being created, the only way to “bank” a REC for longer periods is to take advantage of the excess procurement optional compliance measure identified later in this document (section 7.A.).

**B. Grandfathered and “Other” Resources not Subject to Portfolio Balance Requirements**

Roseville Electric entered into several contracts prior to June 1, 2010, which makes them grandfathered resources; or PCC1, PCC2, or PCC3 resources (“other”), that are not

subject to the portfolio balance requirements. “Other” resources are defined as those from pre-June 1, 2010, contracts that meet the current RPS requirements, but did not meet the RPS “rules in place” at the time the contract was signed. The following list describes Roseville’s grandfathered resources and “other” resources not subject to the portfolio balance requirements.

- i. Roseville has a contract with the Western Area Power Administration (WAPA) for a share of the output of the Central Valley Project Base Resource, located in California. A portion of this project is small hydro which qualifies as renewable.
- ii. Roseville has a contract with Northern California Power Agency for 12% of the Calaveras hydro project which includes the 6 MW New Spicer power plant located in California. The energy from the New Spicer plant qualifies as small hydro.
- iii. Roseville has contracts with Northern California Power Agency for a combined total of 7.883% of the Geothermal projects output. The projects have a total capacity of 220 MW and are located in California.

The following table shows Roseville’s grandfathered renewables by year.

	Compliance Period 1	Compliance Period 2			Compliance Period 3				Annual Compliance Periods			
		CY2014	CY2015	CY2016	CY2017	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023	CY2024
Grandfathered Renewables (MWh)	308,309	80,337	68,947	64,387	65,661	64,141	62,674	58,573	59,880	58,656	57,361	56,297
% of Retail Sales	9%	7%	6%	5%	5%	5%	5%	5%	5%	5%	5%	5%

Table 3. Roseville’s Grandfathered Renewables

### C. Portfolio Content Category Resources

The following table shows Roseville’s procurement requirement by category.

	Compliance Period 1	Compliance Period 2			Compliance Period 3				Annual Compliance Periods			
		CY2014	CY2015	CY2016	CY2017	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023	CY2024
Retail Sales (MWh)	3,550,667	1,195,356	1,188,293	1,195,272	1,199,236	1,199,761	1,201,540	1,203,225	1,204,389	1,201,554	1,196,897	1,192,581
Total Required Renewables (MWh)	710,133	239,071	237,659	298,818	323,794	347,931	372,477	397,064	397,448	396,513	394,976	393,552
Grandfathered Renewables (MWh)	308,309	80,337	68,947	64,387	65,661	64,141	62,674	58,573	59,880	58,656	57,361	56,297
Categorized Renewables Required												
PCC1 (MWh)	200,912	103,177	109,662	152,380	193,600	212,843	232,353	253,868	253,176	253,393	253,211	252,941
PCC2 (MWh)	100,456	31,747	33,742	46,886	38,720	42,569	46,471	50,774	50,635	50,679	50,642	50,588
PCC3 (MWh)	100,456	23,810	25,307	35,165	25,813	28,379	30,980	33,849	33,757	33,786	33,761	33,725

Table 4. Roseville’s Renewables Portfolio Standard Requirements

In general, the PCC1 renewable energy is the most expensive and PCC3 is the least expensive. To meet the RPS in the most cost effective way, PCC3 energy should be maximized in order to minimize the amount of PCC1 needed, with the remainder being PCC2 energy.

In September 2014, Roseville entered into a contract with Iberdrola Renewables, LLC, to procure PCC1, PCC2, and PCC3 energy and/or RECs. With the addition of this contract, Roseville had contracted for sufficient PCC1, PCC2, and PCC3 renewables to meet our Compliance Period 2 obligation and approximately ninety-four percent (94%) of our Compliance Period 3 obligation.

In March 2015, Roseville entered into a contract with Powerex, Inc., to procure PCC1 energy and RECs. With the addition of this contract, Roseville has contracted for sufficient renewables to meet the Compliance Period 3 obligation, in addition to meeting our obligations for the years 2021 through 2024. Roseville began working on this contract in late 2014, 1) to meet our obligations for Compliance Period 3, and 2) in anticipation of an announcement for a higher RPS standard, which could result in higher prices. This contract provides sufficient renewables to meet Roseville's RPS obligations through the year 2024 under the Governor's recently announced fifty percent (50%) RPS standard.

The following table shows the status of procurement for each Compliance Period through 2024.

<b>Required / Retired</b>							
Compliance Periods *	Compliance Period 1	Compliance Period 2	Compliance Period 3	CY2021	CY2022	CY2023	CY2024
Grandfathered Renewables (MWh)	296,918	213,671	251,048	59,880	58,656	57,361	56,297
PCC1 (MWh)	206,608	365,220	892,664	253,176	253,393	253,211	252,941
PCC2 (MWh)	103,304	112,375	178,533	50,635	50,679	50,642	50,588
PCC3 (MWh)	103,304	84,282	119,022	33,757	33,786	33,761	33,725
<b>Total Renewables (MWh)</b>	<b>710,134</b>	<b>775,548</b>	<b>1,441,266</b>	<b>397,448</b>	<b>396,513</b>	<b>394,976</b>	<b>393,552</b>
<b>Procured</b>							
Grandfathered Renewables (MWh)	308,309	213,671	251,048	59,880	58,656	57,361	56,297
PCC1 (MWh)	210,000	484,605	1,024,997	280,795	280,792	280,784	280,778
PCC2 (MWh)	103,304	125,000	180,000	55,000	55,000	55,000	55,000
PCC3 (MWh)	104,000	95,000	120,000	35,000	35,000	35,000	35,000
<b>Total Renewables (MWh)</b>	<b>725,613</b>	<b>918,276</b>	<b>1,576,045</b>	<b>430,675</b>	<b>429,448</b>	<b>428,145</b>	<b>427,075</b>
<b>Needed**</b>							
PCC1 (MWh)	0	0	0	0	0	0	0
PCC2 (MWh)	0	0	0	0	0	0	0
PCC3 (MWh)	0	0	0	0	0	0	0
<b>Total Renewables (MWh)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess**</b>							
Grandfathered Renewables (MWh)	11,391						
PCC1 (MWh)	3,392	122,777	255,110	282,729	310,127	337,700	365,537
PCC2 (MWh)	0	12,625	14,092	18,457	22,778	27,136	31,547
PCC3 (MWh)	0	10,718	11,697	12,940	14,154	15,393	16,667
<b>Total Renewables (MWh)</b>	<b>14,783</b>	<b>146,120</b>	<b>280,898</b>	<b>314,125</b>	<b>347,059</b>	<b>380,229</b>	<b>413,752</b>

\* Compliance Period 1 represents actual values, including actual retirement of RECs to maximize our Excess Procurement strategy going forward.

\*\* Needed and Excess values take into account any excess procurement carried forward from previous compliance periods

Table 5. Roseville's Procurement Status by Compliance Period

“Required” energy is based on forecast data. “Procured” is the amount of energy under contract and includes excess energy from previous Compliance Periods. “Needed” energy still needs to be procured to meet the forecasted requirement. “Excess” energy is energy that was generated in the current compliance period but will be applied towards the requirements of a later Compliance Period.

## 6. Procurement Process

Pursuant to Public Utilities Code § 399.30(k), in all manners regarding compliance with the RPS, the City of Roseville shall retain exclusive control and discretion over both of the following:

- i. The mix of eligible renewable energy resources procured by the utility and those additional generation resources procured by the utility for purposes of ensuring resource adequacy and reliability.
- ii. The reasonable costs incurred by the utility for eligible renewable energy resources owned by the utility.

The Power Supply section regularly analyzes the City of Roseville's RPS procurement needs. Portfolio supply and demand are assessed. If needed, a solicitation for renewable energy is conducted. The best offers of each PCC and generator type are identified and short-listed. These offers are the first to be considered. Offers received outside the solicitation process are only considered if they are competitive with the most recent solicitation short-listed offers.

Offers are evaluated for:

- i. Cost including contract price of energy and REC, plus transmission and integration costs
- ii. Risk including cost risk, regulatory risk, and project viability
- iii. Impact to Roseville's system
- iv. Portfolio fit

Offers are pursued and contracts are negotiated within the cost limitations for expenditures, set in section 7 of this RPS Procurement Plan.

Pursuant to Public Utilities Code § 399.21(a), all RECs will be retired within 36 months from the initial date of generation of the associated electricity.

## **7. Optional Measures**

Specific optional measures are allowed pursuant to Public Utilities Code § 399.30(d). Measures must be adopted by City Council prior to the end of the Compliance Period in which they will be used. The City of Roseville is adopting the following optional measures as part of this RPS Procurement Plan.

### **A. Excess Procurement**

Pursuant to Public Utilities Code § 399.30(d) and § 399.13(a)(4)(B), the City of Roseville shall be allowed to apply excess procurement in one compliance period to subsequent compliance periods as long as the following conditions are met:

- i. Excess procurement must be generated no earlier than January 1, 2011,
- ii. The total amount of procurement associated with contracts of less than 10 years in duration shall be deducted from actual procurement quantities,

- iii. Renewable energy from Portfolio Content Category 3 resources shall not be counted as excess procurement.

Excess procurement shall be calculated using the following formula as specified in the *RPS Regulations*, Section 3206(a)(1):

$$(Excess\ Procurement)_x = EPR_x - (RPS_x + S3_x + STC_x)$$

- Where:
- x = Compliance Period: 2011 – 2013, 2014 – 2016, 2017 – 2020, and individual year from 2021 forward.
  - EPR<sub>x</sub> = Electricity Products Retired and applied toward the RPS procurement target for compliance period x
  - RPS<sub>x</sub> = The RPS procurement target for compliance period x
  - S3<sub>x</sub> = Retired PCC 3 RECs in excess of the maximum allowed for compliance period x
  - STC<sub>x</sub> = Short-term Contract

**B. Waiver of Timely Compliance**

Pursuant to Public Utilities Code § 399.30(d) and § 399.15(b), the City of Roseville shall be allowed a Waiver of Timely Compliance if it demonstrates any of the following conditions are beyond its control and will prevent compliance:

- i. There is inadequate transmission capacity to allow for sufficient electricity to be delivered from proposed eligible renewable energy resource projects using the current operational protocols of the Independent System Operator and other relevant Balancing Authorities. In making findings relative to the existence of this condition, deliberations shall minimally consider the following:
  - a. Whether the City of Roseville 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 the City’s actions, the City shall consider its expectations for full-cost recovery for these transmission lines and upgrades, and
  - b. Whether the City of Roseville has taken all reasonable operational measures to maximize cost-effective deliveries of electricity from eligible renewable energy resources in advance of transmission availability.
- ii. Permitting, interconnection, or other circumstances that resulted in delays of procured eligible renewable energy resource projects, or there is an insufficient supply of eligible renewable resources available to the City of Roseville. The City

of Roseville shall consider all the following in making a finding that this condition prevents timely compliance:

- a. Prudently managed portfolio risks, including relying on a sufficient number of viable projects.
  - b. Sought to develop one of the following: its own eligible renewable energy resources, transmission to interconnect to eligible renewable resources, or energy storage used to integrate eligible renewable resources.
  - c. Procured an appropriate minimum margin of procurement above the minimum procurement level necessary to comply with the renewables portfolio standard to compensate for foreseeable delays or insufficient supply.
  - d. Taken reasonable measures, under its control, to procure cost-effective distributed generation and allowable unbundled renewable energy credits.
- iii. Unanticipated curtailment of eligible renewable energy resources necessary to address the needs of a balancing authority.

If a Waiver of Timely Compliance is allowed, the City of Roseville shall establish additional reporting requirements to demonstrate that all reasonable actions under its control are taken in each of the intervening years sufficient to satisfy future procurement requirements.

Pursuant to Public Utilities Code § 399.15(b)(9), in no event shall a deficit from a prior Compliance Period be added to a future Compliance Period.

### ***C. Cost Limitations for Expenditures***

Pursuant to Public Utilities Code § 399.30(d) and § 399.15(c), the City of Roseville shall establish a cost limitation for all eligible renewable energy resources used to comply with the renewables portfolio standard. In establishing the limitation, the following factors shall be relied on:

- i. The most recent renewable energy procurement plan.
- ii. Procurement expenditures that approximate the expected cost of building, owning, and operating eligible renewable energy resources.
- iii. The potential that some planned resource additions may be delayed or canceled.

Roseville's cost limitation for expenditures sets a cap on the cost of renewable energy procured for each Portfolio Content Category for each Compliance Period. The cost limitations are based on actual offers for renewable energy. In calculating the cap, only the renewable attribute portion of the cost is considered. The value of the energy and other costs, such as transmission and integration are not included. For contracts that do not split the price between the energy cost and the renewable attribute, the market

price for energy will be used to determine the renewable attribute portion of the cost. For each Compliance Period and each Portfolio Content Category, at least three offers were used to calculate the average price per megawatt-hour. The sum of energy from the offers had to exceed Roseville's required energy by at least 50% to account for the potential that some planned resource additions may be delayed or canceled. The forecasted renewable energy requirement and the average price were used to create the cost limitation.

The City of Roseville has entered into contracts to procure intermittent resources because these contracts are economically beneficial and provide RPS-eligible RECs that will help meet Roseville's Compliance Period 2 and 3 obligations. However, the City of Roseville remains cautious about procuring additional intermittent resources until integration issues are resolved and the costs and impacts of intermittent resources are clearer. Therefore, baseload resource offers were used to determine the cost limitation for PCC1. PCC2 and PCC3 do not have the same integration issues so do not have the same restriction.

Using the above methodology, the following cost limitations were calculated for Compliance Periods through 2020.

	CY2011- CY2013	CY2014- CY2016	CY2017- CY2020	CY2021	CY2022	CY2023	CY2024
PCC1 Cap	\$8,469,657	\$17,012,177	\$39,789,295	\$11,510,699	\$11,750,962	\$11,977,371	\$12,203,901
PCC2 Cap	\$1,507,189	\$1,711,376	\$2,183,701	\$631,726	\$644,912	\$657,338	\$669,770
PCC3 Cap	\$1,086,318	\$1,064,252	\$1,428,262	\$413,184	\$421,808	\$429,935	\$438,067
Total Cap	\$11,063,165	\$19,787,805	\$43,401,258	\$12,555,608	\$12,817,682	\$13,064,644	\$13,311,738

Table 5. Cost Limitations for Expenditures

When evaluating compliance with the cost limitations, the following will be taken into consideration:

- i. Grandfathered contracts are not included in the cost limitation.
- ii. Spending below the cost limitation in one compliance period does not roll into the next Compliance Period or between Portfolio Content Categories.
- iii. The cost limitation is only for the renewable portion of the cost of energy. For contracts that do not split the price between the energy cost and the renewable attribute, the market price for energy will be used to determine the renewable attribute portion of the cost.
- iv. Energy that is generated and purchased in one Compliance Period, but is counted towards compliance in a subsequent Compliance Period, will be applied against the cap in the Compliance Period in which it is counted.



The following table shows the status of cost limitations for each Compliance Period and Portfolio Content Category through 2020. To this point, Roseville has successfully procured PCC1, PCC2, and PCC3 energy for Compliance Period 1 at costs below the cost limitations.

	CY2011- CY2013	CY2014- CY2016	CY2017- CY2020	CY2021	CY2022	CY2023	CY2024
<b>PCC1</b>							
Procured Cost	\$7,749,325	\$9,150,907	\$20,848,758	\$5,839,237	\$6,400,498	\$6,523,128	\$5,786,791
Funds Remaining	\$720,332	\$7,861,270	\$18,940,537	\$5,671,462	\$5,350,464	\$5,454,243	\$6,417,110
Energy not Procured	0	0	0	0	0	0	0
<b>PCC2</b>							
Procured Cost	\$1,064,471	\$840,448	\$1,752,977	\$542,580	\$557,465	\$557,064	\$556,471
Funds Remaining	\$442,719	\$870,928	\$430,725	\$89,145	\$87,447	\$100,273	\$113,299
Energy not Procured	0	0	0	0	0	0	0
<b>PCC3</b>							
Procured Cost	\$99,400	\$166,698	\$560,155	\$226,823	\$253,393	\$253,211	\$252,941
Funds Remaining	\$986,918	\$897,555	\$868,106	\$186,361	\$168,415	\$176,724	\$185,126
Energy not Procured	0	0	0	0	0	0	0

Table 6. Cost Limitations Status

“Procured Cost” is the expected cost of existing or signed contracts. “Funds Remaining” represents the funds available for additional contracts to procure sufficient energy to meet the RPS compliance target, and is the difference between the Cap on costs (Table 6) minus the “Procured Cost”. If the number is negative then the Cap has been exceeded. If it is a positive number, it represents the funds remaining to procure what is identified in the table as “Energy not Procured”. If “Energy not Procured” is zero then the “Funds Remaining” is how much procurement costs were below the Cap.

Additionally, the cost limitations may be further reduced to ensure that compliance with the 33% RPS standard does not drive rate increases greater than the rate of inflation. The City of Roseville may consider pursuing renewable energy contracts that would cause rates to change by more than the rate of inflation if such procurement provides sufficient benefits to the City of Roseville’s ratepayers, or for other reasons such as if other budget elements offset renewable increases so that the overall rate change is less than the rate of inflation.

**D. Portfolio Balance Requirement Reduction**

Pursuant to Public Utilities Code § 399.16(e), the City of Roseville shall be allowed to reduce the portfolio balance requirement for PCC 1 for a specified compliance period. In applying this provision, the City of Roseville must consider all of the following:

- i. The City of Roseville must demonstrate that the need to reduce the portfolio balance requirement for PCC1 occurred as a result of conditions beyond its

control, as spelled out earlier in this plan in the Waiver of Timely Compliance section (items i, ii, and iii).

- ii. A reduction of the portfolio balance requirement for PCC 1 below sixty-five percent (65%) for any compliance period after December 31, 2016, will not be considered consistent with Public Utilities Code section 399.16(e).
- iii. The City of Roseville must adopt this reduction at a publicly noticed meeting, providing at least ten (10) calendar days advance notice to the CEC, and must include this information in an updated procurement plan which is submitted to the CEC. A notice to consider the portfolio balance requirement reduction and the procurement plan must include the following information:
  - a. The compliance period for which the reduction may be adopted.
  - b. The level to which the POU has reduced the requirement
  - c. The reason or reasons the City of Roseville has proposed for adopting the reduction.
  - d. An explanation of how the needed reduction resulted from conditions beyond the control of the City of Roseville.

#### **E. Invoking Optional Measures**

Roseville Electric plans to invoke and take advantage of the Excess Procurement provisions as described in section 7.A. of this plan.

## **8. Reporting**

Pursuant to section 3207 of the CEC *RPS Regulations*, the City of Roseville shall submit annual and compliance period reports to the CEC as identified below.

#### **A. Annual Reports**

Within thirty (30) calendar days after the effective date of the CEC's *RPS Regulations*, and by July 1 of each year thereafter, the City of Roseville shall submit an annual report to the CEC that includes the information in paragraphs (1) - (4) below for the prior calendar year. The report submitted in 2013 shall include information required by paragraphs (1)-(4) 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 that information by identifying the name, submittal date, and page number of the existing report. The following shall be included in the report:

- i. Identifying information, including:

- a. Publicly Owned Utility (POU) name, contact name, mailing address, phone number, and e-mail address.
- b. Year Roseville Electric was established.
- c. Number of end-use retail customer accounts in California.
- ii. 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, in MWh.
  - c. Western Renewable 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 Eligibility Guidebook*, the City of Roseville 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 section 3202 (a)(2) of the *RPS Regulation*.
  - e. A description of each of the eligible renewable energy resources with which the City of Roseville 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 on-line, the date the resource came on-line 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, NERC e-Tag 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.



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

**B. Compliance Period Reports**

By July 1, 2014; July 1, 2017; July 1, 2021; and by July 1 of each year thereafter, the City of Roseville shall submit to the CEC a compliance report that addresses the reporting requirements identified above for Annual Reports, and the following information for the preceding compliance period:

- i. Classification per RPS-certified facility of the amount of procurement qualifying for each portfolio content category and procurement that shall count in full in accordance with section 3202 (a)(2).
- ii. The City of Roseville's RPS procurement target for the compliance period, in MWh.
- iii. The amount of excess procurement, in MWh, from previous compliance periods, if any, and historic carryover, if any, that the City of Roseville is applying to the compliance period.
- iv. The amount of procurement retired, in MWh, which the City of Roseville wishes to claim toward the RPS procurement target for calculating the portfolio balance requirements.
- v. The amount of excess procurement, in MWh, for the compliance period, if any, that may be applied toward future compliance periods, as determined by applying the calculation in section 3206 (a)(1)(D), as applicable.
- vi. If the compliance report indicates that the City of Roseville's RPS procurement requirements were not met, the City of Roseville's 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 of Roseville relied in applying the measure. The City of Roseville 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.
  - a. If the City of Roseville applies adopted cost limitation measures, it shall report that cost limitation to the CEC in dollars spent during the compliance period. The City of Roseville shall also provide the CEC with an estimate of the total cost to procure sufficient electricity products to meet the RPS procurement requirements for the preceding compliance period. The City of Roseville shall also report on actions taken in response to RPS procurement expenditures meeting or exceeding the cost limitation.