



CITY OF GLENDALE CALIFORNIA  
REPORT TO CITY COUNCIL

September 27, 2011

**AGENDA ITEM**

Report: Status of Activities to Meet the Glendale *Water & Power* Renewable Portfolio Standard.

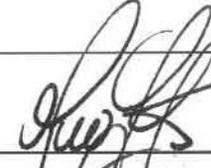
- 1. Motion to Note and File.

**COUNCIL ACTION**

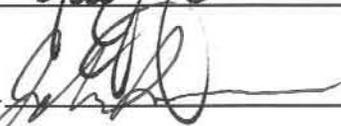
Public Hearing  Ordinance  Consent Calendar  Action Item  Report Only   
Approved for 9/27/11 calendar

**ADMINISTRATIVE ACTION**

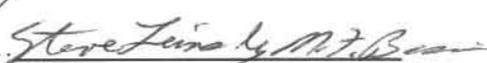
**Submitted**

Glenn O. Steiger, General Manager – GWP.....  Signature

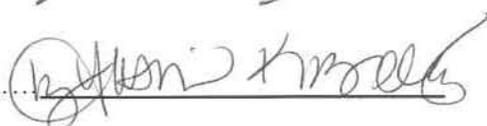
**Prepared**

Jack Dolan, Integrated Resources Planning Administrator..... 

**Reviewed**

Steven G. Lins, Assistant General Manager – Supply..... 

**Approved**

James E. Starbird, City Manager..... 

**Reviewed**

Michael Garcia, City Attorney..... 

**RECOMMENDATION**

It is recommended that the City Council note and file this report regarding the status of activities to meet the Glendale *Water & Power* (GWP) Renewables Portfolio Standard.

## **SUMMARY**

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In December 2003, the City of Glendale (Glendale) formally adopted a Renewables Portfolio Standard (RPS) Policy to comply with Senate Bill 1078 (SB1078). SB1078 established RPS standards and reporting requirement for municipal utilities. The *GWP* RPS goal has been set by Council at 20% renewable energy by the year 2017 and 23% if the goal can be reached at a reasonable cost. Furthermore, *GWP* is required to annually report to its customers and the California Energy Commission (CEC) generation by resource.

Earlier this year, Senate Bill X 1 2 (SBX1 2) was signed by Governor Brown, which requires all utilities, including publicly owned utilities (POUs), to adopt a renewable energy resources procurement plan to meet a target of 33% renewable energy by the year 2020. Staff will be coming back to Council prior to the end of the year to request adoption of an enforcement program to meet the new requirements set forth by SBX1 2. Currently, staff is working with the CEC, California Municipal Utilities Associations (CMUA), and Southern California Public Power Authority (SCPPA) to help develop the language in the guidelines to meet the statutory requirements.

## **FISCAL IMPACT**

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There is no impact on the General Fund. *GWP* operating revenues, and separately Council-approved funds, will cover costs of renewable resources.

## **BACKGROUND**

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SB1078, which became law on January 1, 2003, established a Renewable Portfolio Standard for California retail sellers of electricity and requires investor-owned utilities (IOUs) to procure additional renewable resources at 1% per year until the renewable resource mix reached 20%. SB1078 excluded large hydropower from the definition of eligible renewable resources for IOUs and directed the IOUs to procure in-state renewables.

Recognizing the large differences among municipal utility service territories, SB1078 anticipated that compliance might require different responses from local municipal utilities in supporting the public policy goals of SB1078. SB1078 affords municipal utilities a great deal of discretion for determining how to devise and implement an RPS that meets the unique needs of local service territories. Moreover, it allows each governing body of a local POU to set the requirements for its RPS.

The City Council adopted a Renewables Portfolio Standard (RPS) for Glendale on December 16, 2003. The RPS calls for the addition of cost-effective renewable resources to meet 20%, and the possibility of 23%, of Glendale's retail electric energy needs by 2017. Additionally, the RPS outlined the strategies for accomplishing said goals through a combination of long-term, short-term, and local projects. Glendale's 2003 RPS allows Glendale to include Hoover Dam, a large hydroelectric power project, as an eligible renewable resource, and to procure resources from within the western United States.

In April 2011, SBX1 2, which offers the outline of meeting a renewable target of 33% by 2020 for all California utilities, was signed by Governor Brown. An average of 20% must be met in 2013, 25% by the end of 2016 and 33% by the end of 2020 and beyond. This new bill may change the way we procure our resources in the future. The guidance and rules around this bill have yet to be solidified, and future action by the Council will be necessary.

Glendale's current renewable resources represent a mixture of wind, solar, geothermal, hydro-electric and landfill gas. In calendar year 2010, Glendale added another renewable resource, our ownership in Tieton Hydropower (small hydro-electric), to the generation mix.

The calendar year annual requirement for publication and notification of the resources mix is required to be shown in kilowatt-hours as a percentage of Retail Sales.

<b>GLENDALE WATER &amp; POWER CALENDAR YEAR 2010 RESOURCE MIX</b>			
<b>NAME</b>	<b>RESOURCE</b>	<b>2010 KWH</b>	<b>PERCENTAGE</b>
HIGHWINDS	WIND	21,691,000	2.0%
PLEASANT VALLEY	WIND	23,108,000	2.1%
PEBBLE SPRINGS	WIND	44,840,000	4.2%
ORMAT	GEOHERMAL	16,170,000	1.5%
GRAYSON LANDFILL GAS	BIOGAS	42,776,000	4.0%
HOOVER	LARGE HYDROELECTRIC	56,313,000	5.2%
TIETON	SMALL HYDROELECTRIC	18,088,000	1.7%
SOLAR – Local/Glendale City College Rooftop	SOLAR	1,100,000	0.1%
SAN JUAN	COAL	102,617,000	9.5%
INTERMOUNTAIN POWER PROJECT	COAL	219,850,000	20.4%
GRAYSON NATURAL GAS	NATURAL GAS	108,337,000	10.1%
MAGNOLIA	NATURAL GAS	271,126,000	25.2%
PALO VERDE	NUCLEAR	74,872,000	7.0%
MISC. POWER PURCHASES	NOT SPECIFIED	75,242,000	7.0%

<b>RETAIL SALES - KILOWATTHOURS</b>	<b>1,076,131,387</b>
RENEWABLES	21%
COAL	30%
NATURAL GAS	35%
NUCLEAR	7%
UNSPECIFIED	7%
<b>TOTAL</b>	<b>100%</b>

*GWP* continues to look for additional renewable resources to meet our procurement goals and the goals of the state. With several renewable layoff agreements with Los Angeles Department of Water and Power, *GWP* has options in place to increase our purchases of energy from wind projects. Council has just approved a study to investigate additional geothermal resources. *GWP* is also looking at biogas and solar possibilities, and is working with SCPPA to solicit and evaluate new proposals for renewable energy supplies.

**EXHIBIT(S)**

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Exhibit A      Power Content Label

**M O T I O N**

Moved by Council Member \_\_\_\_\_, seconded by  
Council Member \_\_\_\_\_, that the report on the status of the  
City's activities to meet its Renewables Energy Portfolio Standard (RPS) policy is  
hereby noted and filed.

Vote as follows:

Ayes:

Noes:

Absent:

Abstain:

**APPROVED AS TO FORM**

  
**CITY ATTORNEY**

**DATE** 9/16/11

# POWER CONTENT LABEL 2010

# ANNUAL

Energy Resources	GWP Power* (2010)	GWP - GCC Solar 1** (2010)	GWP Green Partners*** (2010)	CALIFORNIA POWER MIX***** (2010)
<b>Eligible Renewable****</b>	<b>21%</b>	<b>100%</b>	<b>100%</b>	<b>14%</b>
-Biomass & waste	4%			2%
-Geothermal	2%			5%
-Small hydroelectric	2%			2%
-Solar	<1%	100%		0%
-Wind	8%		100%	5%
-Large Hydroelectric	5%			11%
<b>Coal</b>	<b>30%</b>			<b>7%</b>
<b>Natural Gas</b>	<b>35%</b>			<b>42%</b>
<b>Nuclear</b>	<b>7%</b>			<b>14%</b>
<b>Other- Unspecified Sources</b>	<b>7%</b>			<b>12%</b>
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\* 93% of GWP Power is specifically purchased from individual suppliers.

\*\* 100% of GCC Solar Project is purchased from individual suppliers

\*\*\* 100% of GWP Green Power charges are specifically used to secure new renewable resources.

\*\*\*\* City of Glendale includes Large Hydroelectric as an Eligible Renewable Resource for CY 2010.

\*\*\*\*\* Percentages are estimated annually by the California Energy Commission based on the electricity sold to California consumers during the previous year.

For specific information about this electricity product, contact Glendale Water & Power. For general information about the Power Content Label, contact the California Energy Commission at 1-800-555-7794 or [www.energy.ca.gov/consumer](http://www.energy.ca.gov/consumer).