

Power & Water Resources Pooling Authority
Resolution 13-11-13

RESOLUTION ADOPTING A
RENEWABLE ENERGY RESOURCES PROCUREMENT PLAN

WHEREAS, the Power and Water Resources Pooling Authority (“Pooling Authority”) is a local publicly-owned electric utility (“POU”) as defined in the Public Utilities Code Section 224.3; and

WHEREAS, on April 2, 2008, the Pooling Authority adopted Resolution 08-04-04 which implemented its current Renewable Portfolio Standard; and

WHEREAS, on December 19, 2011, the Pooling Authority adopted a Renewable Energy Resources Enforcement Program (“RPS Enforcement Program”); and

WHEREAS, Section 11 of the RPS Enforcement Program directs the Pooling Authority General Manager to develop and present a Renewable Energy Resources Procurement Plan to the Governing Board (“RPS Procurement Plan”); and

WHEREAS, on October 1, 2013, the California Energy Commission adopted the Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities (“CEC RPS Regulations”) became effective; and

WHEREAS, the CEC RPS Regulations require that within 60 calendar days of the regulation’s effective date, each POU shall adopt a renewable energy resources procurement plan detailing how it will achieve its RPS procurement requirements for each compliance period.

NOW, THEREFORE, BE IT RESOLVED that the Pooling Authority Board of Directors hereby:

1. Repeals the Pooling Authority Renewable Portfolio Standard established pursuant to Resolution 08-04-04.
2. Adopts the “Renewable Energy Resources Procurement Plan,” attached hereto as Attachment A, and in so doing:
 - a. Finds that the Pooling Authority is a joint powers authority that meets the definition of Public Utilities Code Section 399.30(i) because it is a joint powers authority comprised of irrigation districts that was formed on or before January 1, 2005, and only provides electric service to non-residential customers.
 - b. Adopts specific renewable energy resource procurement targets for the three compliance periods ending on December 31, 2013, December 31, 2016, and December 31, 2020.
 - c. Adopts rules to allow procurement that is generated before January 1, 2011 that is in excess of the 2004-2010 annual procurement targets, to be applied to the Pooling Authority’s RPS procurement targets for Compliance Period 1, or for subsequent compliance periods (“Historic Carryover”).

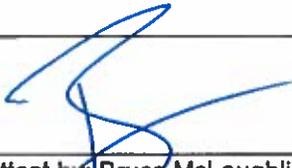
- d. Finds that the generation from Warm Springs Dam, Sonoma County Land Fill Gas, and the Western REC Program, that occurred during the 2004-2010 time period meets the qualifications specified in Section 3206(a)(5) of the CEC RPS Regulations for Historic Carryover.
 - e. Finds that pursuant to the calculation specified in Section 3206(a)(5)(D) of the CEC RPS Regulations, the Pooling Authority has eligible Historic Carryover that may count towards the Pooling Authority's Compliance Period 1 RPS procurement targets.
 - f. Directs the General Manager to ensure that all reporting and verification requirements regarding Historic Carryover are completed.
 - g. Finds that the Pooling Authority will meet its Compliance Period 1 obligations completely through procurement associated with contracts executed prior to June 1, 2010, and will therefore, not have any procurement subject to the portfolio content category requirements described in Public Utilities Code Sections 399.16(b)-(c) and Section 3203 of the CEC RPS Regulations.
 - h. Adopts rules for excess procurement pursuant to Public Utilities Code Section 399.30(d)(1) that are consistent with Section 8 of the Pooling Authority's RPS Enforcement Program.
 - i. Adopts rules for cost limitations pursuant to Public Utilities Code Section 399.30(d)(3) that are consistent with Section 9 of the Pooling Authority's RPS Enforcement Program.
 - j. Adopts rules allowing for the delay of timely compliance pursuant to Public Utilities Code Section 399.30(d)(2) that are consistent with Section 3206(a)(2) of the CEC RPS Regulations.
3. Authorizes this Resolution to take effect immediately upon its adoption.

PASSED AND ADOPTED by the Pooling Authority Board of Directors this 6th day of November 2013, by the following vote on roll call:

AYES	Arvin-Edison WSD, Banta Carbona ID, Cawelo WD, James ID, Princeton/Provident ID, RD 108, The West Side ID, Lower Tule River ID, Santa Clara Valley WD, Sonoma County Water Agency, West Stanislaus ID, Westlands Water District (94.6% voting shares)
NOES	None
ABSENT	Glenn-Colusa ID (5.4% voting shares)



 David Weisenberger
 Chairman



 Attest by: Bruce McLaughlin
 Secretary

Attachment A to Resolution 13-11-13

Attachment A
Renewable Energy Resources Procurement Plan

This Renewable Energy Resources Procurement Plan (“RPS Procurement Plan”) shall apply to the Power and Water Resources Pooling Authority (“the Pooling Authority”).

Section 1: Purpose

This document comprises the Pooling Authority’s RPS Procurement Plan. This RPS Procurement Plan describes how the Pooling Authority will achieve its RPS procurement requirements in each compliance period.

Section 2: Definitions

The definitions set forth in Public Resources Code (“PRC”) § 25741 and Public Utilities Code (“PUC”) § 399.12 are incorporated herein. Capitalized terms in this RPS Procurement Plan, as first identified in parentheses, shall have the meaning given to such term in the body of this RPS Procurement Plan

Section 3: Previous Adoption of the RPS Enforcement Program

As required by PUC § 399.30, the Governing Board adopted the Renewable Energy Resources Enforcement Program (“RPS Enforcement Program”) on December 19, 2011. Through the RPS Enforcement Program, the Governing Board established three compliance periods, adopted RPS-eligible procurement goals for each of the three compliance periods, and described the framework for how the Pooling Authority would implement the RPS Program requirements. Section 10 of the RPS Enforcement Program directed the General Manager to develop and present an RPS Procurement Plan to the Governing Board.

Section 4: Application of PUC § 399.30(i)

PUC § 399.30(i) applies to a POU that meets the following requirements: (1) is a joint powers authority of districts; (2) was established on or before January 1, 2005; (3) only provides electric service to non-residential customers; and (4) is formed pursuant to the Irrigation District Law. If a POU meets the requirements of PUC § 399.30(i), the retail sales number used for calculating the POU’s RPS procurement obligations shall be based on the POU’s average retail sales over the previous seven years. If the POU has not furnished electric service for seven years, then the calculation shall be based on average retail sales over the number of completed years during which the POU has provided electric service.

The Pooling Authority is a joint powers authority that meets the definition of PUC § 399.30(i). Therefore, the Pooling Authority will calculate its retail sales for the RPS procurement requirements calculation based on its average retail sales over the previous seven years. In any individual year where the Pooling Authority has not furnished electricity for the previous seven years, that year’s retail sales shall be calculated based on the number of completed years during which the Pooling Authority has provided electric service.

Section 5: Specified RPS Procurement Targets

In the RPS Enforcement Program, the Governing Board adopted general RPS procurement targets for each of the three compliance periods. Pursuant to PUC § 399.30(b) and (c), the Governing Board adopts and further specifies the RPS procurement targets, as follows:

Compliance Period 1

For the three-year period beginning January 1, 2011 and ending December 31, 2013, the Pooling Authority shall procure sufficient RPS-eligible resources to equal an average of 20 percent of retail sales. The Pooling Authority shall not be required to procure a specific quantity of RPS-eligible resources in any individual year during this compliance period.

Compliance Period 2

For the three-year period beginning January 1, 2014 and ending December 31, 2016, the Pooling Authority shall procure sufficient RPS-eligible resources to equal the sum of the following: (20 percent of 2014 retail sales) + (20 percent of 2015 retail sales) + (25 percent of 2016 retail sales). The Pooling Authority shall not be required to procure a specific quantity of RPS-eligible resources in any individual year during this compliance period.

Compliance Period 3

For the four-year period beginning January 1, 2017 and ending December 31, 2020, the Pooling Authority shall procure sufficient RPS-eligible resources to equal the sum of the following: (27 percent of 2017 retail sales) + (29 percent of 2018 retail sales) + (31 percent of 2019 retail sales) + (33 percent of 2020 retail sales). The Pooling Authority shall not be required to procure a specific quantity of RPS-eligible resources in any individual year during this compliance period.

Subsequent Annual Compliance Periods

For each subsequent annual compliance period, the Pooling Authority shall procure sufficient RPS-eligible resources to equal an average of 33 percent of retail sales.

Section 6: RPS Procurement Requirements

PUC § 399.30(c)(3), consistent with PUC § 399.16, as implemented by the Energy Commission's RPS Regulations specifies certain procurement requirements that are applicable to "electricity products," which refers to either: (1) electricity and the associated renewable energy credit ("REC") generated by an eligible renewable energy resource; or (2) and unbundled REC.

A. Procurement Associated with Pre-June 2010 Contracts and Ownership Agreements

Pursuant to PUC § 399.16(d), electricity products associated with contracts or ownership agreements that were executed prior to June 1, 2010 and which met certain specified eligibility requirements, must count toward the POU’s RPS Procurement Targets without regard to the portfolio content categories (“PCCs”).

B. Procurement Associated with Post June 2010 Contracts and Ownership Agreements

Pursuant to PUC § 399.16(b)-(c), as implemented by the Energy Commission’s RPS Regulations, electricity products associated with contracts or ownership agreements that were executed after June 1, 2010 must be classified into the following three PCCs:

PCC1: Electricity products that are procured as bundled and that are associated with an eligible renewable energy resource that either: (1) has its first point on interconnection within a California balancing authority (“BA”); (2) has its first point of interconnection to a distribution system used to serve end users within a California BA; (3) is scheduled into a California BA without substituting electricity from another source; or (4) is dynamically transferred into a California BA.

PCC2: Electricity products that are procured as bundled and that are associated with an eligible renewable energy resource that is located within the WECC but outside of a California BA, and for which the renewable energy is matched with an equal amount of incremental energy that is scheduled into a California BA.

PCC3: All electricity products that are associated with eligible renewable energy resources, but that do not meet the definition of PCC1 or PCC2.

C. Portfolio Balance Requirements Applicable to Procurement Associated with Post June 2010 Contracts and Ownership Agreements

Pursuant to PUC § 399.16(c), as implemented by the Energy Commission’s RPS Regulations, the following portfolio balance requirements are applicable to all electricity products that are credited towards the RPS Procurement Quantity Requirements that are associated with contracts or ownership agreements executed after June 1, 2010:

	Compliance Period 1	Compliance Period 2	Compliance Period 3	Subsequent Annual
PCC1	≥ 50%	≥ 65%	≥ 75%	≥ 75%
PCC2	No Limitation	No Limitation	No Limitation	No Limitation
PCC3	≤ 25%	≤ 15%	≤ 10%	≤ 10%

Section 7: RPS Procurement

A. RPS Contracts Executed Prior to June 1, 2010

Existing RPS Procurement			
Facility Owner	Sonoma County Water Agency	Sonoma County Water Agency	Western Area Power Administration
Resource Name(s)	Warm Springs Dam	County of Sonoma, Landfill Gas Power Plant	Lewiston Powerplant; Nimbus Powerplant; Stampede Powerplant (“Western REC Program”)
Technology Type	Small Hydroelectric	Landfill Gas	Small Hydroelectric
Contract Execution Date	July 1, 2009	November 8, 2005	August 4, 2004
CP 1 Forecasted Generation (MWh)	36,884	101,798	14,817

B. Planned RPS Procurement

The Pooling Authority is actively engaged in pursuing both contracts for renewable generation as well as considering developing its own renewable generation resources. The Pooling Authority fully anticipates that its planned activities will be sufficient to meet its future RPS obligations.

Section 8: Historic Carry Over

The Governing Board hereby adopts rules to allow procurement generated before January 1, 2011 that is in excess of the 2004-2010 annual procurement targets, to be applied to the Pooling Authority’s RPS procurement targets for Compliance Period 1, or for subsequent compliance periods. Such excess shall be referred to as “historic carryover.” The Governing Board directs the Pooling Authority to determine the amount of historic carryover available to the Pooling Authority consistent with the definitions and calculations specified in Section 3206(a)(5) of the Energy Commission’s RPS Regulations.

Pursuant to Section 3206(a)(5), the Governing Board finds that generation from Warm Springs Dam, Land Fill Gas, and the Western REC Program, that occurred during the 2004-2010 time period meets the qualifications specified in Section 3206(a)(5) of the Energy Commission’s RPS Regulations for historic Carryover. The Governing Board further finds that pursuant to the calculation specified in Section 3206(a)(5)(D), the Pooling Authority has 154,004.6875 MWh of eligible historic carryover that may count towards the Pooling Authority’s Compliance Period 1 RPS procurement targets. The Governing Board directs the General Manager to ensure that all reporting and verification requirements regarding historic carryover are completed.

Section 9: Forecast of Retail Sales and RPS Compliance Obligations

Compliance Period 1

January 1, 2011 – December 31, 2013

	2011	2012	2013	Total
Actual/Forecasted Retail Sales	284,975	416,837	529,174	1,230,987
PUC § 399.30(i) Adjustment	394,240	410,141	445,280	1,249,662
RPS Procurement Obligation (% of total)				20%
RPS Procurement Obligation (MWh)				249,932
Historic Carryover				154,005
Procurement from Pre June 1, 2010 Contracts				153,499
Remaining RPS Obligation after Historic Carryover and Pre-June 2010 Contracts				(57,572)
Potential Excess Procurement				57,572

Note: The Pooling Authority will meet its Compliance Period 1 obligations completely through procurement associated with contracts executed prior to June 1, 2010, and will therefore, not have any procurement that is subject to the PCC requirements described in Section 6B and 6C, above.

Compliance Period 2

January 1, 2013 – December 31, 2016

	2014	2015	2016	Total
Forecasted Retail Sales	450,000	463,500	447,405	1,360,905
PUC § 399.30(i) Adjustment	444,689	435,146	426,707	1,306,542
RPS Procurement Obligation (% of total)	20%	20%	25%	
RPS Procurement Obligation (MWh)	88,938	87,029	106,677	282,644

Note: Any procurement associated with contracts that are executed after June 1, 2010 will be subject to the Portfolio Balance Requirements described in Section 6C, above.

Compliance Period 3

January 1, 2017 – December 31, 2020

	2017	2018	2019	2020	Total
Forecasted Retail Sales	491,727	506,479	521,673	537,324	2,057,203
PUC § 399.30(i) Adjustment	444,803	476,446	491,422	492,587	1,905,258
RPS Procurement Obligation (% of total)	27%	29%	31%	33%	
RPS Procurement Obligation (MWh)	120,097	138,169	152,341	162,554	573,161

Note: Any procurement associated with contracts that are executed after June 1, 2010 will be subject to the Portfolio Balance Requirements described in Section 6C, above.

Section 8: Banking Rules

Pursuant to PUC § 399.30(d)(1), and consistent with Section 8 of the RPS Enforcement Program, the Governing Board adopts the following rules for excess procurement:

- A. The Pooling Authority may apply excess procurement in one compliance period to a subsequent compliance period, subject to the following limitations:
 1. Electricity products that exceed the maximum limit for PCC3, as specified in PUC § 399.16(c), must be subtracted from the calculation of excess procurement.
 2. Electricity products procured under contracts of less than 10 years in duration shall be subtracted from the calculation of excess procurement, unless the electricity product meets the grandfathering requirements of PUC § 399.16(d).
- B. The Pooling Authority may begin accruing excess procurement as of January 1, 2011.
- C. Excess procurement meeting these requirements may be applied to any future compliance period and shall not expire.

Section 10: Cost Limitation

A. Cost Limitation Rule

Pursuant to PUC § 399.30(d)(3), and consistent with Section 9 of the RPS Enforcement Program, the Governing Board shall rely on the following information to establish a limitation on the procurement expenditures for all RPS-eligible resources:

1. The information contained in this RPS Procurement Plan.

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

In developing the cost limitation, the Governing Board shall ensure that:

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

This Procurement Plan does not include a specific recommendation for a cost limitation at this time. Should conditions change such that the Pooling Authority's customers may face disproportionate rate impacts, the General Manager will return to the Governing Board with an adjusted Procurement Plan for consideration.

Section 11: Delay of Timely Compliance

Pursuant to the authority granted to the Governing Board by PUC § 399.30(d)(2) to adopt conditions that allow for delaying timely compliance consistent with PUC § 399.15, and consistent with Section 3206(a)(2) of the CEC Regulations, the Governing Board adopts the following rules:

- A. Enforcement of timely compliance shall be waived if Pooling Authority demonstrates that any of the following conditions are beyond Pooling Authority's control, will prevent timely compliance, and Pooling Authority would have met its RPS procurement requirements but for the cause of delay:
 1. There is inadequate transmission capacity to allow sufficient electricity to be delivered from eligible renewable energy resources, or proposed eligible renewable energy resource projects, to the extent applicable, using the current operational protocols of the California Independent System Operator ("CAISO").
 2. Permitting, interconnection, or other circumstances have delayed procured eligible renewable energy resource projects, or there is an insufficient supply of eligible renewable energy resources available to the Pooling Authority.
 3. Unanticipated curtailment of eligible renewable energy resources was necessary to address the needs of a balancing authority.

The Pooling Authority does not anticipate that any of the above conditions will occur, such that it would prevent timely compliance with the RPS procurement requirements. Should conditions change, the General Manager will return to the Governing Board with an adjusted Procurement Plan for consideration.