RESOLUTION NO. 2017-142

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM DETERMINING THAT A PROCUREMENT TARGET OF UP TO 11 MEGAWATTS OF ENERGY STORAGE SYSTEMS BY DECEMBER 31, 2026 IS APPROPRIATE SUBJECT TO CITY COUNCIL AUTHORIZATION FOR FUTURE CAPITAL EXPENDITURES AND AUTHORIZING THE PUBLIC UTILITIES GENERAL MANAGER OR DESIGNEE TO PREPARE, EXECUTE, AND SUBMIT DOCUMENTS AND TAKE SUCH ACTIONS AS NECESSARY IN CONNECTION WITH THE DETERMINATION MADE HEREUNDER.

WHEREAS, California Public Utilities Code section 2836 (AB 2514) requires the governing boards of each publicly-owned utility, including the City of Anaheim (Anaheim), to determine any cost-effective and viable energy storage technologies for its utility systems, to set procurement targets by October 1, 2014, and to reevaluate the determinations no less than once every three years (by October 1, 2017); and

WHEREAS, on August 12, 2014, the City Council approved Resolution No. 2014-146 in which it was determined that the adoption of procurement targets for energy storage (ES) systems for either December 31, 2016 or December 31, 2021 was not appropriate; and

WHEREAS, this determination was based on the Energy Storage System Plan dated July 2014 which concluded that Anaheim already had high system reliability and ES technologies were not cost-effective energy storage system options; and

WHEREAS, since 2014, the Anaheim Public Utilities Department (Department) has reevaluated ES technologies, their viability and availability as well the cost effectiveness of these systems for the Department and its electric service system; and

WHEREAS, the Updated Energy Storage System Plan dated July 2017 (the "Updated Plan"), which is attached to the staff report accompanying this resolution, lays out the Department's reevaluation of ES systems and contains its findings; and

WHEREAS, the Updated Plan found that ES technologies may be an area of opportunity for Anaheim to mitigate the intermittency of renewable power resources and address ancillary service requirements; provided ES technologies do not adversely affect Department customer rates; and

WHEREAS, the Update Plan recommended establishing ES procurement targets for December 31, 2021 at 1 megawatt (MW) for the Harbor Substation ES pilot project (Pilot Project) to allow the Department to (1) fully evaluate the cost-effectiveness and viability of ES for energy time-shift and the self-provision of ancillary services; (2) gain first-hand experience with the operating characteristics of the selected technology; and (3) evaluate the feasibility of
expanded uses such as backup resource adequacy capacity; and

WHEREAS, the Pilot Project will further assist the Department whether a 10 MW ES expansion at the Canyon Power Plant is feasible, suitable, and cost-effective.

NOW, THEREFORE, BE IT RESOLVED by the Anaheim City Council as follows:

1. The findings set forth above and within the Updated Plan are hereby adopted by the Anaheim City Council.

2. Based on the foregoing, the Anaheim City Council determines that a procurement target of 1 MW of energy storage by December 31, 2021 for the Pilot Project is appropriate and, if it is determined feasible, suitable, and cost-effective based on the Department's evaluation of the Pilot Project and future development of ES technologies, the Anaheim City Council determines that a procurement target of up to an additional 10 MW of energy storage by December 31, 2026 is appropriate for a total of 11 MW. Any future capital expenditures for ES technology procurement shall require further Anaheim City Council authorization.

3. The Anaheim City Council authorizes the Public Utilities General Manager, or designee, on behalf of Anaheim, to prepare, execute, and submit any documents and take such actions, as necessary, in connection with the determination made hereunder.

THE FOREGOING RESOLUTION is approved and adopted by the City Council of the City of Anaheim this 26th day of September, 2017, by the following roll call vote:

AYES: Mayor Pro Tem Vanderbilt and Council Members Barnes, Moreno, Kring, and Faessel

NOES: None

ABSENT: Mayor Tait and Council Member Murray

ABSTAIN: None

CITY OF ANAHEIM

[Signature]
MAYOR PRO TEM OF THE CITY OF ANAHEIM

ATTEST:

[Signature]
ACTING CITY CLERK OF THE CITY OF ANAHEIM

123964
CLERK'S CERTIFICATE

STATE OF CALIFORNIA       )
COUNTY OF ORANGE         ) ss.
CITY OF ANAHEIM          )

I, THERESA BASS, Acting City Clerk of the City of Anaheim, do hereby certify that the foregoing is the original Resolution No. 2017-142 adopted at a regular meeting provided by law, of the Anaheim City Council held on the 26th day of September, 2017 by the following vote of the members thereof:

AYES: Mayor Pro Tem Vanderbilt and Council Members Barnes, Moreno, Kring, and Faessel

NOES: None

ABSTAIN: None

ABSENT: Mayor Tait and Council Member Murray

IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of September, 2017.

[Signature]

ACTING CITY CLERK OF THE CITY OFANAHEIM

(SEAL)