

AGENDA ITEM SUMMARY

City Council



STAFF

Brian Tholl, Energy Services Manager, Fort Collins Utilities
Travis Walker, Light & Power Director

SUBJECT

Resolution 2024-146 Concerning Implementation of Standards Created by Amendments to the Public Utility Regulatory Policies Act of 1978 by the Infrastructure Investment and Jobs Act (“IIJA”).

EXECUTIVE SUMMARY

The purpose of this item is to present for Council consideration the recommendation from the City electric utility and the Energy Board, not to adopt the new revisions to the Public Utility Regulatory Policies Act of 1978 (PURPA) into the electric utility polices. Light & Power (L&P) is a “nonregulated utility” under PURPA, and can make a determination whether or not to implement the amended PURPA standards or establish a rule that differs from the standards. A complete review and evaluation of amended PUPRA standards has been completed and the findings support the recommendation not to adopt the amended PURPA standards. Staff is recommending Council adopt the written determinations made by Utility staff establishing local standards that differ from the amended PURPA standards.

STAFF RECOMMENDATION

Staff recommends adoption of the Resolution.

BACKGROUND / DISCUSSION

The Public Utility Regulatory Policies Act of 1978 (PURPA) was written to encourage energy conservation and efficiency. The Infrastructure Investment and Jobs Act (IIJA) (2021) amended PURPA, as previously amended by the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007.

Previous PURPA amendments added standards including time-based metering, integrated resource planning, rate design modifications to promote energy efficiency investments, and smart grid investment and information. Fort Collins Light & Power (L&P), is a “nonregulated utility” under PURPA, and is permitted under the Act to adopt any standard or rule that differs from a standard established in PURPA.

Nevertheless, the City honored the PURPA requirement to consider the standards in the 2005 and 2007 amendments, and Council adopted Resolutions 2007-066 and 2009-098, respectively, considered the amended standards and adopting the written determinations made by Utility staff establishing local standards that differ from the amended PURPA standards.

The IIJA added two additional standards to PURPA and again required all public utilities to consider them. The new 2021 PURPA standards are summarized as follows:

1. Demand Response and Demand Flexibility: the utility "may establish rate mechanisms for the timely recovery of the costs of promoting demand-response and demand flexibility practices."
2. Electric Vehicle Charging Programs: the utility shall consider measures to promote greater electrification of the transportation sector, including the establishment of rates that promote electric vehicle infrastructure and "appropriately recover the marginal costs of delivering electricity to" EV infrastructure.

As with prior amendments, PURPA permits a nonregulated utility to determine that it is not appropriate to implement the 2021 amended standards and decline to do so if the utility sets its reasons in writing. Utilities staff reviewed each of the new federal standards required by the 2021 amendments, considered and made determinations regarding each standard, and made recommendations to the Fort Collins Energy Board in a staff report that explained how the Utility meets or exceeds each standard or is working in a joint effort with Platte River Power Authority ("PRPA") to meet or exceed the given standard as shown in the Staff presentation to Energy Board, attached hereto.

At its regular meeting held on December 14, 2023, the Energy Board held a public hearing to consider the staff report, a staff presentation, and input from City utility customers and the public. At the hearing, the Board voted to recommend to Council to pass a resolution adopting the determinations made by Utilities staff in the staff report.

Council is asked to consider the staff report and Energy Board recommendation regarding the 2021 amended PURPA standards and adopt the written determinations made by Utility staff in establishing local standards that differ from the amended PURPA standards.

CITY FINANCIAL IMPACTS

None.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

The Energy Board recommended that Council support the Resolution.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Resolution for Consideration
2. Exhibit A to the Resolution
3. Staff Presentation to Energy Board
4. Energy Board Minutes, December 14, 2023