



City of Needles, California Request for Commission Action

☐ CITY COUNCIL ☒ BOARD OF PUBLIC UTILITIES

☒ Regular ☐ Special

Meeting Date: December 3, 2024

Title: Adopt the City of Needles Renewable Energy Resources Procurement Plan dated December 11, 2024

Background: California's RPS program was established in 2002 by Senate Bill (SB) 1078 (Sher, 2002) with the initial requirement that 20% of electricity retail sales must be served by renewable resources by 2017. The program was accelerated in 2015 with SB 350 (de León, 2015), which mandated a 50% RPS by 2030. SB 350 includes interim annual RPS targets with three-year compliance periods and requires 65% of RPS procurement to be derived from long-term contracts of 10 or more years. In 2018, SB 100 (de León, 2018) was signed into law, which again increases the RPS to 60% by 2030 and requires all the state's electricity to come from carbon-free resources by 2045.

The CPUC implements and administers RPS compliance rules for California's retail sellers of electricity, which include large and small investor-owned utilities (IOUs), electric service providers (ESPs), and community choice aggregators (CCAs). The California Energy Commission (CEC) is responsible for certifying electrical generation facilities as eligible renewable energy resources and for adopting regulations for enforcing of RPS procurement requirements of public-owned utilities (POUs).

Long-Term Contract Requirement

Pursuant to Public Utilities (PUC) Code Section 399.13(b), CP 4, and subsequent CPs, includes a Long-Term Procurement Requirement requiring that 65% of an LSE's RPS procurement shall be from long-term procurement. Long-term procurement refers to procurement from long-term contracts, ownership, or ownership agreements, as specified in Section 3204(d) of the RPS POU Regulations and further discussed in the Regulatory Advisory RPS POU 2022-09-21.

Optional Compliance Measures

Each POU should ensure its Optional Compliance Measures (OCMs), are up-to-date and have been adopted at a noticed public meeting of the governing board of the POU prior to the end of CP 4, consistent with RPS POU Regulations Section 3205 and 3206. OCM rules adopted under RPS POU Regulations Section 3206 shall be in place and described in a POU's renewable energy resources procurement plan or enforcement program for a given compliance period if the POU intends to rely on these rules to satisfy or delay its RPS procurement requirements.

Fiscal Impact: The renewable energy resources procurement plan establishes a cost limitation for procuring RPS. The cost limitation is set at \$454,000 and is included the NPUA's adopted fiscal year budget. Staff have determined that any expenditure greater than 10% would have a negative impact on the ratepayers.

Environmental Impact: All of the State of California's electricity to come from carbon-free resources by 2045.

Recommended Action: Adopt the City of Needles Renewable Energy Resources Procurement Plan dated December 11, 2024, for a cost not to exceed \$454,000.

Submitted By: Rainie Torrance, Utility Manager

City Manager Approval: Patrick J. Martinez

Date: 11/25/2024

Other Department Approval (when required): _____

Date: _____

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: _____