



DATE: September 17, 2024

TO: Mayor and Members of the City Council

FROM: John R. Gillison, City Manager

INITIATED BY: Jason C. Welday, Director of Engineering Services/City Engineer
Trina Valdez, Utilities Operations Supervisor

SUBJECT: Consideration of Resolution Authorizing the Attestation of Veracity for the Rancho Cucamonga Municipal Utility 2023 Power Source Disclosure Annual Report and Power Content Label. **(RESOLUTION NO. 2024-093)**
(CITY)

RECOMMENDATION:

Staff recommends the City Council adopt the attached resolution authorizing the attestation of veracity for the Rancho Cucamonga Municipal Utility (RCMU) 2023 Power Source Disclosure Annual Report and Power Content Label.

BACKGROUND:

In 1997, the California Legislature adopted Senate Bill 1305, Article 5, amended by Assembly Bill 162 (2009), requiring retail suppliers of electricity to disclose sources of energy being used to the California Energy Commission (CEC) and to consumers in the form of the Power Source Disclosure Annual Report and Annual Power Content Label.

The legislation also requires that the information used to calculate the Power Content Label for each calendar year be independently audited. In lieu of an independent audit and verification, an authorized agent of the City may submit to the CEC, under penalty of perjury, an attestation confirming the accuracy of the report. The CEC requires that the submission of the attestation be approved by the City Council at a public meeting.

ANALYSIS:

RCMU submitted the 2023 Power Source Disclosure Annual Report and Power Content Label (PCL) to the CEC on June 3, 2024, including the staff attestation, and provided the required information to its customers by posting the 2023 Power Content Label on the City's website (<https://www.CityofRC.us/RCMU>). Approval of the attached resolution satisfies the statutory requirement for approval by the City Council.

In 2023, RCMU's total power procurements and generation for retail sales came from three (3) sources: 27.3% of power was renewable procurements (solar), 3.7% was large hydroelectric, and 69% was unspecified power. Unspecified power refers to electricity that has been purchased through open market transactions and is not traceable to a specific generation source.

Additionally, 16,000-megawatt hours (MWhs) of Unbundled Renewable Energy Credits (RECs) were also purchased and retired in 2023. REC's represent renewable generation that was not

delivered to serve retail sales. RECs are purchased because a portion of the requirements qualifies under the state's Renewable Portfolio Standard Regulation. Lastly, because RECs are no longer incorporated into the Eligible Renewable category of the PCL, this contributes to the variance between RCMU's PCL percentage and its Renewable Portfolio Standard percentage.

As RCMU continues to move forward in increasing its procurement of renewable energy, RCMU will seek renewable energy opportunities both regionally and locally. This power source diversity will allow RCMU to be more reliable and resilient by supporting renewable generation projects, as well as supporting goals addressed in the City's Climate Action Plan, including the reduction in Greenhouse Gas emissions and the transition of the power grid to renewable sources.

FISCAL IMPACT:

None.

COUNCIL MISSION / VISION / VALUE(S) ADDRESSED:

This item addresses the City Council's vision by ensuring compliance with state regulations and building on our success as a world class and sustainable community.

ATTACHMENTS:

Attachment 1 – 2023 PSD Report

Attachment 2 – Resolution