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STAFF DRAFT REPORT

Renewables Portfolio Standard Verification Results

City of Vernon

Compliance Period 3 (2017-2020)

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California Energy Commission

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DISCLAIMER

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RPS Verification Results: Compliance Period 3

City of Vernon

Background

The California Energy Commission (CEC) administers the state's landmark Renewables Portfolio Standard (RPS), ensures the state's utilities disclose electricity sources to consumers, supports renewable energy development, and tracks the state's progress toward its renewable energy goals. Enacted by Senate Bill 1078 (Sher, Chapter 516, Statutes of 2002) and accelerated and expanded by subsequent legislation, California's RPS establishes increasing renewable energy procurement targets spanning multiyear compliance periods for the state's electric load-serving entities (LSE). Originally applicable to retail sellers, the statewide mandatory RPS was expanded by Senate Bill X1-2 (Simitian, Chapter 1, Statutes of 2011, First Extraordinary Session) to include local publicly owned electric utilities (POU). As a result of Senate Bill 100 (DeLeón, Chapter 312, Statutes of 2018), LSEs are required to increase their procurement of eligible renewable energy resources to 60 percent of retail sales by 2030.

As part of its responsibilities, the CEC verifies the eligibility of renewable energy procured by LSEs, which include retail sellers and POUs that are obligated to participate in California's RPS. The CEC is also responsible for certifying RPS-eligible renewable energy resources, designing and implementing an accounting system to track and report renewable energy procurement for all program participants, and overseeing compliance and enforcement of POUs. The CEC participated in the development of the Western Renewable Energy Generation Information System (WREGIS), an independently administered renewable energy tracking system to verify renewable energy procurement for all program participants. The California Public Utilities Commission is responsible for compliance and enforcement for retail sellers.

Report Overview

This report covers the RPS verification results for POU procurement claims for Compliance Period 3, which covers years 2017 through 2020. The verification report provides an overview of the identified POU's results and tables, including:¹

- The POU's procurement target and portfolio balance requirements and limitations.
- The amount of eligible renewable energy credits (REC) retired, and the amount applied to meet the compliance period requirements, both shown by Portfolio Content Category classification and Long-Term Procurement Requirement classification, as applicable.
- Any deficits in meeting RPS procurement requirements for the compliance period.
- Any optional compliance measures being applied by the POU for the compliance period.

¹ The contents of verification results reports will vary for POUs with specific exclusions, exceptions, or different procurement requirements under the RPS statutes and as described in the *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities* based on the requirements specific to that POU.

- A calculation of excess procurement accumulated in this compliance period.
- A summary of the POU's excess procurement and historic carryover, if any, including any prior balance, the amount accumulated and used in the current compliance period, and remaining balance.

In adopting this report, the CEC finds the procurement claim amounts listed are consistent with RPS certification and procurement requirements specified in the *Renewables Portfolio Standard Eligibility Guidebook, Ninth Edition (Revised)* and the *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities* and are eligible for the RPS as indicated. Therefore, the procurement claim amounts count toward meeting the identified POU's RPS procurement requirements.

Verification Process

The methods used by the CEC to verify load-serving entity procurement claims are detailed in the *Renewables Portfolio Standard Eligibility Guidebook, Ninth Edition (Revised)*² and further explained in the *Renewables Portfolio Standard Verification Methodology Report, Third Edition*, both of which can be found at <https://www.energy.ca.gov/programs-and-topics/programs/renewables-portfolio-standard/renewables-portfolio-standard>.

The verification results presented in this report are not a compliance determination. After the POU's verification results are adopted by the CEC, staff will use the verification results to determine if the POU complied with the RPS requirements for Compliance Period 3 in accordance with the *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities*.³ The CEC Executive Director will make a compliance determination informed by the verification results presented in each POU's verification results report and, if applicable, the application of optional compliance measures by the POU. The Executive Director will issue a letter to each POU documenting the RPS compliance determination.

Verification Results

For RPS Compliance Period 3 (2017–2020), City of Vernon retired and reported 1,386,200 RECs, and 1,386,200 RECs were verified by the CEC as RPS-eligible. Each [POU's Summary Claims Report](#), which includes claim eligibility details, is available at https://www.energy.ca.gov/portfolio/documents/rps_verification_pous.html.

For Compliance Period 3, City of Vernon had a procurement target of 1,293,236 RECs, which represents 30.03 percent of its retail sales over the years 2017-2020. City of Vernon applied 1,294,065 RECs from Compliance Period (CP) 3 RPS-eligible RECs toward its procurement requirements, exceeding the number of RECs needed to meet its procurement target.

² Refer to Chapter 7 of the [Renewables Portfolio Standard Eligibility Guidebook, Ninth Edition \(Revised\)](#).

³ The Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities, with the most recent update having taken effect July 12, 2021, are set forth in 20 CCR §§ 1240 and 3200–3208 and establish the rules and procedures by which the California Energy Commission will assess a POU's procurement actions and determine whether those actions meet the RPS requirements.

Procurement Target Calculation (MWh) ¹	Calendar Year	Annual Retail Sales	Green Pricing Program	Qualifying Hydroelectric Generation	Soft Target Percentage	Soft Targets
	2017	1,067,960	0	0	27	288,349
	2018	1,070,930	0	0	29	310,569
	2019	1,059,057	0	0	31	328,307
	2020	1,109,127	0	0	33	366,011
Procurement Target						1,293,236

Verification Results	
Target	1,293,236
Applied	1,294,065
Deficit	0
Renewable Percentage	30.05%

RECs Available ²	Surplus RECs	Eligible RECs Retired in CP3	Prior Balances Available	Total RECs Available
Category 0 (PCC 0)	0	0	0	0
Pre June 2010 PCC 1	0	0	0	0
Pre June 2010 PCC 2	0	0	0	0
Pre June 2010 PCC 3	0	0	0	0
Category 1 (PCC 1)	0	1,062,064	50,960	1,113,024
Category 2 (PCC 2)	0	215,000	0	215,000
Category 3 (PCC 3)	0	109,136	0	109,136
Historic Carryover	0	0	0	0
Total				1,437,160

RECs Applied	Surplus RECs	Eligible RECs Retired in CP3	Prior Balances Applied	Total RECs Applied
Category 0 (PCC 0)	0	0	0	0
Pre June 2010 PCC 1	0	0	0	0
Pre June 2010 PCC 2	0	0	0	0
Pre June 2010 PCC 3	0	0	0	0
Category 1 (PCC 1)	0	969,929	0	969,929
Category 2 (PCC 2)	0	215,000	0	215,000
Category 3 (PCC 3)	0	109,136	0	109,136
Historic Carryover	0	0	0	0
Total				1,294,065

RPS Portfolio Balance Requirements (MWh) ³	
Category 1 Balance Requirement	969,927
Category 1 Requirement Deficit	0
Category 3 Balance Limitation	129,323
Category 3 Disallowed	0

Optional Compliance Measures Applied	
Cost Limitation	No
Delay of Timely Compliance	No
Portfolio Balance Reduction	No

CP3 Excess Procurement Calculation (MWh) ⁴	Eligible RECs Retired	RECs Applied	Deductions	Accumulated in CP3
Category 0 (PCC 0)	0	0	0	0
Pre June 2010 PCC 1	0	0	0	0
Pre June 2010 PCC 2	0	0	0	0
Category 1 (PCC 1)	1,062,064	969,929	357,660	92,135
Category 2 (PCC 2)	215,000	215,000	215,000	0

Balance of Excess Procurement and Historic Carryover (MWh)	Beginning Balance	Applied in CP3	Accumulated in CP3	Ending Balance
Category 0 (PCC 0)	0	0	0	0
Pre June 2010 PCC 1	0	0	0	0
Pre June 2010 PCC 2	0	0	0	0
Category 1 (PCC 1)	50,960	0	92,135	143,095
Category 2 (PCC 2)	0	0	0	0
Historic Carryover	0	0	0	0

1. "Soft Target" is defined in section 3204(a)(3) of the RPS POU Regulations.
2. Total RECs Verified as Available during CP 3, does not include Disallowed PCC 3 RECs.
3. Calculated as specified in Section 3204(c) of the RPS POU Regulations.
4. Calculated as described in the RPS Verification Methodology Report, Third Edition and in section 3206(a)(1) of the RPS POU Regulations.