

DOCKETED

Docket Number:	21-RPS-01
Project Title:	Renewables Portfolio Standard Compliance Period 3 (2017 - 2020) Verification and Compliance
TN #:	254127
Document Title:	Palo Alto, City of - Final RPS Verification Results Report for Compliance Period 3
Description:	N/A
Filer:	Gregory Chin
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	1/25/2024 3:00:21 PM
Docketed Date:	1/25/2024



**CALIFORNIA
ENERGY COMMISSION**



**CALIFORNIA
NATURAL
RESOURCES
AGENCY**

California Energy Commission

COMMISSION FINAL REPORT

Renewables Portfolio Standard Verification Results

City of Palo Alto

Compliance Period 3 (2017-2020)

Gavin Newsom, Governor

January 2024 | CEC-300-2023-026-CMF

California Energy Commission

David Hochschild

Chair

Siva Gunda

Vice Chair

Commissioners

J. Andrew McAllister, Ph.D.

Patty Monahan

Noemí Otilia Osuna Gallardo, J.D.

Gregory Chin

Kevin Chou

Sophia Bird

Rong (Grace) Jiang

Primary Author(s)

Yoseph Saeed

Supervisor

Sean Simon

Branch Manager (Acting)

RENEWABLES PORTFOLIO STANDARD BRANCH

Sean Simon

Deputy Director

RENEWABLES AND ELECTRICITY PLANNING

Elizabeth Huber

Director

**SITING, TRANSMISSION, AND ENVIRONMENTAL PROTECTION
DIVISION**

Drew Bohan

Executive Director

DISCLAIMER

The Renewables Portfolio Standard Verification Results Reports were prepared by the California Energy Commission (CEC) staff as part of the Renewables Portfolio Standard Compliance Period 3 (2017 – 2020) Program Docket #21-RPS-01. After considering public comments, this Final Compliance Report was adopted at the December 13, 2023, business meeting. The information contained in this report is intended to be final

RPS Verification Results: Compliance Period 3

City of Palo Alto

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.

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.

- Any deficits in meeting RPS procurement requirements for the compliance period.
- Any optional compliance measures being applied by the POU for the compliance period.
- 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 Palo Alto retired and reported 1,619,219 RECs, and 1,619,219 RECs were verified by the CEC as RPS-eligible. Each [POU's Summary](#)

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.

[Claims Report](https://www.energy.ca.gov/portfolio/documents/rps_verification_pous.html), 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 Palo Alto had a procurement target of 1,043,424 RECs, which represents 29.92 percent of its retail sales over the years 2017-2020. City of Palo Alto applied 1,043,424 RECs from CP 3 RPS-eligible RECs toward its procurement requirements, equaling the number of RECs needed to meet its procurement target.

Procurement Target Calculation (MWh) ¹	Calendar Year	Annual Retail Sales	Soft Target Percentage	Soft Targets
	2017	912,623	27	246,408
	2018	888,033	29	257,529
	2019	861,561	31	267,083
	2020	825,469	33	272,404
Procurement Target				1,043,424

Verification Results	
Target	1,043,424
Applied	1,043,424
Deficit	0
Renewable Percentage	29.92%

RECs Available ²	Surplus RECs	Eligible RECs Retired in CP3	Prior Balances Available	Total RECs Available
Category 0 (PCC 0)	0	659,505	77,020	736,525
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
Category 1 (PCC 1)	0	959,714	180,623	1,140,337
Category 2 (PCC 2)	0	0	0	0
Category 3 (PCC 3)	0	0		0
Historic Carryover			368,733	368,733
Total				2,245,595

RECs Applied	Surplus RECs	Eligible RECs Retired in CP3	Prior Balances Applied	Total RECs Applied
Category 0 (PCC 0)	0	659,505	0	659,505
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
Category 1 (PCC 1)	0	383,919	0	383,919
Category 2 (PCC 2)	0	0	0	0
Category 3 (PCC 3)	0	0		0
Historic Carryover			0	0
Total				1,043,424

RPS Portfolio Balance Requirements (MWh) ³	
Category 1 Balance Requirement	287,939
Category 1 Requirement Deficit	0
Category 3 Balance Limitation	38,391
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)	659,505	659,505		0
Pre June 2010 PCC 1	0	0	0	0
Pre June 2010 PCC 2	0	0	0	0
Category 1 (PCC 1)	959,714	383,919	0	575,795
Category 2 (PCC 2)	0	0	0	0

Balance of Excess Procurement and Historic Carryover (MWh)	Beginning Balance	Applied in CP3	Accumulated in CP3	Ending Balance
Category 0 (PCC 0)	77,020	0	0	77,020
Pre June 2010 PCC 1	0	0	0	0
Pre June 2010 PCC 2	0	0	0	0
Category 1 (PCC 1)	180,623	0	575,795	756,418
Category 2 (PCC 2)	0	0	0	0
Historic Carryover	368,733	0		368,733

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.