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**CALIFORNIA
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California Energy Commission
STAFF DRAFT REPORT

Renewables Portfolio Standard Verification Results

**City of Needles
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 Needles

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 Needles retired and reported 85,000 RECs, and 63,000 RECs were verified by the CEC as RPS-eligible.⁴ 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.

In accordance with 20 CCR section 3204 (b)(4) of the RPS POU Regulations, a POU that was in existence on or before January 1, 2009, that provides retail electric service to 15,000 or fewer

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.

⁴ The number of RECs verified by the CEC is fewer than the number of RECs retired and reported because claims were determined to be ineligible due to RECs being retired more than 36 months after the vintage. Please refer to the POU's Summary Claims Report for more detail.

customer accounts in California, and that is interconnected to a balancing authority primarily located outside California but within the Western Electricity Coordinating Council, is exempt from the portfolio balancing requirements. The City of Needles submitted documentation demonstrating that it meets the criteria of 20 CCR section 3204 (b)(4), and therefore is not subject to portfolio balance requirements.

For Compliance Period 3, City of Needles had a procurement target of 75,840 RECs, which represents 30.19 percent of its retail sales over the years 2017-2020. City of Needles applied 63,000 RPS-eligible RECs toward its procurement requirements, equal to 25.08 percent of its retail sales for the compliance period, and had a procurement target deficit of 12,840 RECs.

City of Needles applied the cost limitation optional compliance measure to meet its procurement requirements. CEC staff will evaluate City of Needles' application of optional compliance measures following adoption of City of Needles Compliance Period (CP) 3 (2017–2020) verification results.

Procurement Target Calculation (MWh)	Calendar Year	Annual Retail Sales	Soft Target Percentage	Soft Targets
	2017	56,097	27	15,146
	2018	61,207	29	17,750
	2019	62,417	31	19,349
	2020	71,500	33	23,595
Procurement Target				75,840

Verification Results	
Target	75,840
Applied	63,000
Deficit	12,840
Renewable Percentage	25.08%

RECs Available	Surplus RECs	Eligible RECs Retired in CP3	Prior Balances Available	Total RECs Available
Category 0 (PCC 0)		0	0	0
Bundled RECs (BNDL)	0	0	0	0
Unbundled RECs (TREC)	0	63,000		63,000
Historic Carryover			0	0
Total				63,000

RECs Applied	Surplus RECs	Eligible RECs Retired in CP3	Prior Balances Applied	Total RECs Applied
Category 0 (PCC 0)		0	0	0
Bundled RECs (BNDL)	0	0	0	0
Unbundled RECs (TREC)	0	63,000		63,000
Historic Carryover			0	0
Total				63,000

RPS Portfolio Balance Requirements (MWh) ¹	
Category 1 Balance Requirement	N/A
Category 1 Requirement Deficit	N/A
Category 3 Balance Limitation	N/A
Category 3 Disallowed	N/A

Optional Compliance Measures Applied	
Cost Limitation	Yes
Delay of Timely Compliance	No
Portfolio Balance Reduction	N/A

CP3 Excess Procurement Calculation (MWh) ²	Eligible RECs Retired	RECs Applied	Deductions	Accumulated in CP3
Category 0 (PCC0)	0	0	0	0
Bundled RECs (BNDL)	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)	0	0	0	0
Bundled RECs (BNDL)	0	0	0	0
Historic Carryover	0	0		0

1. POUs not interconnected to a California Balancing Authority are not subject to the Portfolio Balance Requirements, as stated in Section 3204(b)(4) of the RPS POU Regulations.
2. Calculated as described in the RPS Verification and Compliance Methodology Report, Third Edition and in section 3206(a)(1) of the RPS POU Regulations.