



## Truckee Donner PUD Renewable Portfolio Standard

### **PURPOSE:**

Truckee Donner Public Utility District's policy regarding SB1078 – Renewable Portfolio Standard (RPS). This RPS will replace and update the RPS approved by the Board in 2003.

### **BACKGROUND:**

State Senate Bill 1078 (SB1078) was signed into law on September 12, 2002 and was effective January 1, 2003. The SB1078 legislation modifies the California Public Utilities Code to include a specific renewable resource requirement for investor owned utilities (IOUs). SB1078 required IOU's to maintain a minimum of 20% of their power from eligible renewable resources by 2017. SB107 (Simitan) was passed in 2006 and accelerates the IOU target to 20% by 2010. The legislation (SB1078) also includes provisions that apply to publicly owned utilities. These provisions would include:

- Requirement that the governing body implement and enforce a renewable portfolio standard to encourage renewable resources
- Each public utility governing board must define the terms of its RPS. The terms would include:
  - What qualifies as a renewable resource (i.e. whether or not to count large hydroelectric projects (in excess of 30MW)
  - The percentage of the total energy resources that are to be renewable
  - The time frame in which to meet the "goal" of the defined standard

### **Discussion points:**

1. Although excluded for the purposes of the IOU's requirements under SB1078, TDPUD's future share in "large" hydroelectric projects is a valuable and critical component of the energy needs of the community. TDPUD's allocation of the Western Area Power Administration (WAPA) started on January 1, 2005. This power is under a long term contract with the Department of Energy's Western Area Power Administration (WAPA). Truckee Donner Public Utility District believes that a separation of large and small hydroelectric projects at a 30MW level is arbitrary and ignores the unique nature of the resources provided by WAPA and the Department of Interior's Bureau of Reclamation. Truckee Donner Public Utility District will include all hydroelectric regardless of size and location as meeting the District's renewable portfolio standard.
2. The District's location in the Sierra Pacific Power transmission control area differs from all of the other publically-owned utilities in California. TDPUD is a transmission dependent utility (TDU) electrically internal to Sierra Pacific Power's control area. The interconnection points to Sierra Pacific Power's control area are Summit Intertie (to CAISO), Alturas Line (to near COB), Gonder Substation near Utah (this is the current location of our existing contract deliveries and includes the Pacific Corp and LADWP control areas), and Midpoint Substation (to Idaho Power). This transmission configuration must be taken into account when trying to identify future renewable resources.

### **Truckee Donner Public Utility District RPS Objectives**

- Meet the intent of SB 1078 to encourage renewable resources.
- Maintain reliable overall energy supply portfolio.
- Minimize adverse impact of acquiring new renewable energy resources on customer electric rates.

### **Truckee Donner Public Utility District Electric Qualified RPS Resources**

- Renewable resources are defined as non-fossil fueled electric generating resources, including hydroelectric. These would include but may not be limited to any resource that meets the definition of “Eligible renewables” pursuant to section 398.4(h)(1) of the California SB 1305, which sets forth the requirements for power content labels:
  - Geothermal (including low-temperature geothermal heat pumps)
  - Hydroelectric
  - Solar
  - Wind
  - Biomass and waste
  - Fuel cells

### **RPS Target:**

- At such time that projected resources do not exceed projected demand, TDPUD will strive to include qualifying resources to meet projected demand.
- Truckee Donner Public Utility District resource mix will have a minimum of 21% of renewable resources by 2010. Renewable resources are defined as non-fossil fueled electric generating resources, including hydroelectric.

### **Strategies for meeting RPS objectives:**

- Public benefit funds may be used to implement projects and may be used to supplement the production projects.
- TDPUD’s allocation of the Western Area Power Administration (WAPA) started on January 1, 2005 is a non-fossil fuel resource will be included in the RPS objective. TDPUD will strive to acquire small hydro electric from WAPA within the Sierra Pacific control area.
- In the future, TDPUD may contract for geothermal generation in Northern Nevada and Wind generation backed by Natural Gas.

### **Ongoing Review of Truckee Donner Public Utility District RPS**

- An ongoing five-year review standard of the RPS will address changes in the Truckee Donner Public Utility District power portfolio including market power purchases, entitlement shares of projects and potential changes in the renewable energy technologies.