



CITY OF POMONA

COUNCIL REPORT

September 18, 2023

To: Honorable Mayor and Members of the City Council

From: James W. Makshanoff, City Manager

Submitted By: Chris Diggs, Water Resources Director

**SUBJECT: PROVIDE THE 2022 CALIFORNIA POWER SOURCE DISCLOSURE
ATTESTATION FOR POMONA CHOICE ENERGY**

RECOMMENDATION:

It is recommended that the City Council provide the attestation specified under California's Power Source Disclosure Program for Pomona Choice Energy.

EXECUTIVE SUMMARY:

Pomona Choice Energy is required to submit this staff report and related meeting minutes to the California Energy Commission (Commission) per Power Source Disclosure Program regulations to demonstrate compliance for the previous year. In the case of Pomona Choice Energy, such attestations will be based on the California Choice Energy Authority's (CalChoice) technical review and will address the 2022 Annual Reports and Power Content Labels prepared for the Pomona Choice Energy community choice aggregation (CCA) program.

FISCAL IMPACT:

None.

PREVIOUS RELATED ACTION:

None.

DISCUSSION:

California Public Utilities Code requires all retail sellers of electric energy, including Pomona Choice Energy, to disclose "accurate, reliable, and simple-to-understand information on sources of energy" that are delivered to their respective customers via an annual Power Content Label (Label). The Label is analogous to a nutrition label, conveying information regarding the various power sources/products that are procured on behalf of each retail electricity customer. Each of California's retail electricity sellers, including Pomona Choice Energy, will have unique Labels based on internally adopted procurement policies, statutory procurement mandates, and related power purchases that were completed during the reporting year.

The Label format is highly prescriptive, offering little flexibility to retail sellers when presenting such information to customers – the Commission administers these requirements under California’s Power Source Disclosure Program. Information presented in the Label includes the proportionate share of total energy supply related to specific fuel sources/resource categories, including both renewable and conventional generating technologies.

An emission factor, as calculated using the Commission’s prescribed methodology, is also provided in the Label. If Pomona Choice Energy procures power from the market at large (meaning a sources of power that cannot be traced back to a specific generator), the Label must identify such purchases as “unspecified sources of power,” which is not uncommon.

In accordance with statewide mandates and internally adopted planning targets, Pomona Choice Energy procured a substantial portion of its power supply from generating resources utilizing various renewable fuel sources in 2022. Renewable fuel sources may include biomass and waste, hydroelectricity, solar, geothermal, and wind. For Pomona Choice Energy customers, 39.9 percent of total energy supply was sourced from renewable energy resources the additional 60 percent comes from non-renewable resources. Pomona Choice 100 customers, 100 percent of power deliveries were sourced from renewable energy resources.

Recent changes to power source disclosure regulations have also altered the manner in which certain renewable energy purchases must be reported/reflected on the Label. More specifically, “unbundled” renewable energy certificates (meaning, renewable energy attributes that are sold/purchased separately from associated electric power) must now be displayed outside the area in which “bundled” renewable energy purchases (meaning, renewable energy attributes that are sold/purchased with associated electric power) are reported.

This adaptation to the Label format may result in some customer confusion, as determining the total quantity of renewable energy purchased on behalf of each customer now requires the summation of two values: “Eligible Renewable,” plus “Percentage of Retail Sales Covered by Retired Unbundled RECs.” Pomona Choice Energy is prepared to answer customer related questions, should they arise.

To fulfill its Power Source Disclosure Program reporting obligations for 2022, Pomona Choice Energy as a public agency, must provide the Commission with the City Council’s attestation regarding the accuracy of information included in its annual Power Source Disclosure Report (submitted to the Commission earlier in 2023, according to the applicable reporting deadline) and Label, consistent with the following element.

A retail supplier that is a public agency providing electric services is not required to comply with the provisions of subdivision (a)(1) if the board of directors of the public agency submits to the Energy Commission an attestation of the veracity of each annual report and power content label for the previous year.

The above excerpt from applicable regulations, subdivision (a)(1) refers to a third-party audit, which is not necessary for public agencies, including the City.

While developing Pomona Choice Energy’s Label, CalChoice performed a detailed review of all power purchases completed in 2022. The review performed found no inaccuracies or inconsistencies in Pomona Choice Energy’s annual Power Source Disclosure reports and Label.

To fulfill its attestation requirements for 2022, Council is being asked to provide an attestation covering both the Label and associated Annual Reports, as specified in the excerpt above – both elements of the Power Source Disclosure Program reflect information that was consistently and accurately presented for the Pomona Choice Energy Community Choice Aggregation Program. Consistent with applicable regulations, all customers currently enrolled in the Pomona Choice Energy programs will soon receive the Label via U.S. mail by the beginning of November.

Prepared by:
Julie Carver, Environmental Compliance Supervisor

ATTACHMENTS:

Attachment No. 1 – 2022 Power Content Label Pomona Choice Energy
Attachment No. 2 – Pomona Choice 2022 Power Source Disclosure Annual Report
Attachment No. 3 – Pomona Choice 100 2022 Power Source Disclosure Annual Report