



Town Council Agenda Report

Date: September 10, 2019 Item No. 13

To: Honorable Mayor and Town Council

Subject: APPLE VALLEY CHOICE ENERGY – 2018 POWER CONTENT LABEL AND ATTESTATION

From: Douglas Robertson, Town Manager

Submitted by: Sydnie Harris, Director of Finance
Finance Department

Budgeted Item: Yes No N/A

RECOMMENDED ACTION

Endorse the accuracy of information presented in Apple Valley Choice Energy's 2018 Power Content Label based on staff's review and independent auditor report.

SUMMARY:

Apple Valley Choice Energy (AVCE) is required to submit this staff report and related meeting minutes to the California Energy Commission (CEC) per Power Source Disclosure Program regulations to demonstrate compliance.

BACKGROUND

California Public Utilities Code requires all retail sellers of electric energy, including AVCE, to disclose "accurate, reliable, and simple-to-understand information on sources of energy" that are delivered to their respective customers. Applicable regulations direct retail sellers to provide such communications prior to October 1st of each year. The format for requisite communications is highly prescriptive, offering little flexibility to retail sellers when presenting such information to customers. This format has been termed the Power Content Label, or PCL, by the CEC.

Information presented in the PCL includes the share of total energy supply related to various resource types, including both renewable and conventional fuel sources. If a retail seller meets a certain percentage of its supply obligation from unspecified resources, the report must identify such purchases as "unspecified sources of power". Unspecified sources of power refer to electricity that cannot be traced back to a specific generator,

such as energy purchased from the market at large or from broadly defined portfolios of generating resources.

During the 2018 calendar year, AVCE delivered a substantial portion of its electric energy supply from various renewable energy sources, including biomass & waste, geothermal, eligible hydroelectric, and wind. For AVCE Core Choice customers, 37% of total energy supply was sourced from renewable energy resources. For AVCE More Choice customers, 50% of energy deliveries were sourced from renewable energy resources. The PCL form is a CEC template, which each retail seller is expected to complete. A copy of AVCE's PCL is attached for reference.

Consistent with applicable regulations, AVCE will complete required customer communications on or before October 1st. All customers currently enrolled in the AVCE program will receive the PCL via U.S. mail.

To fulfill its Power Source Disclosure Program reporting obligations for 2018, AVCE must also provide the CEC with your Council's attestation regarding the accuracy of information included in the PCL. Current Power Source Disclosure Program regulations allow public agencies, including AVCE, to provide a self-attestation with regard to the accuracy of information reported for one retail electric service offering (in this case, Core Choice) so long as any other retail service offering (in this case, More Choice) is subject to a third-party review in accordance with procedures reflected in the current Power Source Disclosure Program regulations.

Staff is requesting that, based on reviews previously completed by staff and external technical consultants, that Council attest to the accuracy of information included in the 2018 PCL related to the Core Choice supply portfolio. Staff also advises Council that, in conformance with applicable regulations, the requisite third-party audit is now underway for the 2018 More Choice supply portfolio with timely completion expected around mid-September 2019.

Upon approval, a copy of this staff report and related meeting minutes will be forwarded to the CEC, thereby completing AVCE's PCL reporting obligation for the 2018 calendar year.

FISCAL IMPACT

None.

ATTACHMENTS

Power Content Label

2018 POWER CONTENT LABEL			
APPLE VALLEY CHOICE ENERGY			
https://avchoiceenergy.com/power-sources/			
ENERGY RESOURCES	2018 AVCE CORE CHOICE POWER MIX	2018 AVCE MORE CHOICE POWER MIX	2018 CA Power Mix**
Eligible Renewable	37%	50%	31%
Biomass & Biowaste	15%	50%	2%
Geothermal	15%	0%	5%
Eligible Hydroelectric	2%	0%	2%
Solar	0%	0%	11%
Wind	5%	0%	11%
Coal	0%	0%	3%
Large Hydroelectric	0%	0%	11%
Natural Gas	0%	0%	35%
Nuclear	0%	0%	9%
Other	0%	0%	<1%
Unspecified sources of power*	63%	50%	11%
TOTAL	100%	100%	100%
* "Unspecified sources of power" means electricity from transactions that are not traceable to specific generation sources.			
** Percentages are estimated annually by the California Energy Commission based on the electricity generated in California and net imports as reported to the Quarterly Fuel and Energy Report database and the Power Source Disclosure program.			
For specific information about this electricity product, contact:	Apple Valley Choice Energy 1 (760) 573-AVCE (2823)		
For general information about the Power Content Label, please visit:	http://www.energy.ca.gov/pcl/		
For additional questions, please contact the California Energy Commission at:	Toll-free in California: 844-454-2906 Outside California: 916-653-0237		