

Renewable Energy Ordinance Recommendations (DRAFT FOR BOARD DISCUSSION)

Water and Light Advisory Board

March 13, 2024

- 1) Change ordinance to coordinate with the City's fiscal calendar to ease the record keeping and reporting by City Utility staff.
 - a. Keep the Annual Report submission at February 1 to allow sufficient time to obtain records and assemble the report.
- 2) Better define what "renewable energy" means.
 - a. Consider using a State or Federal definition of renewable energy (DOE, EPA, etc.)
 - b. Establish whether Renewable Energy Credits (RECs) are acceptable or not. Note – WLAB currently does not support using RECs to meet goals.
 - c. Question – Do assets and methods need to be defined? (Owned/leased local or regional assets, PPA's, virtual PPA's, etc.)
- 3) Establish an achievable long-term renewable goal for City supplied electricity consistent with similar community's goals. (WLAB should plan to make recommendation to Council)
 - a. A review of other similar communities show that most who have established renewable energy goals range between 2040 and 2050.
 - b. The annual report should show share progress and proposed plans to reach the long-term goal.
 - c. Expect the goal(s) is a net renewable goal.
- 4) Establish annual or bi-annual targets beyond the 2028 goal of 30% which support incremental milestones necessary to achieve the long-term renewable energy goal for City supplied electricity.
 - a. The incremental goals need to be flexible and adjustable to reflect contractual, market, and availability conditions outside the control of City Utility staff.
- 5) Support the ongoing effort of community energy efficiency to reduce both electricity demand and energy.
 - a. Reducing or deferring electricity use will reduce the quantity of renewable energy needed to meet the goals.
- 6) Affirm or establish a revised rate cap and associated calculation methodology for renewable energy percentage to protect rate payers from excessive rate and PCA increases from renewable energy costs.

- a. Additionally, new renewable projects and PPA's should be evaluated using a life cycle analysis or similar to determine the full impact the renewable investment.
 - b. Evaluate the value of local solar to determine both cost and impact used to meet the City's renewable energy ordinance.
- 7) Include a risk assessment in the renewable energy annual report which addresses both financial and physical risks to the City utility. Especially as the percentage of renewable energy increases.
 - a. Financial risk assessment shall be conducted which addresses impact to existing fossil assets and contracted PPA's.
 - b. A system capacity and energy impact shall be conducted to insure MISO and SERC compliance is met and the City utility supply reliability is maintained as the renewable energy portfolio increases.