

## RESOLUTION NO. 6768(25)

### **A Resolution of the City Council of the City of Lompoc, County of Santa Barbara, State of California, Approving a One-Time \$200 Utility Bill Rebate/Credit to Utility Customers with Electric Accounts and Appropriating \$3,005,000 from the Electric Utility Reserves for Such Rebates/Credits**

**WHEREAS**, the California Global Warming Solution Act (AB32) became effective on January 1, 2013; and

**WHEREAS**, the California Air Resources Board (CARB) annually issues the City's Electric Division freely-allocated greenhouse gas (GHG) allowances, which must be consigned for auction during the year they are issued; and

**WHEREAS**, in accordance with Title 17 California Code of Regulations Subsection 95892(d)(3), CARB GHG allowance auction proceeds and allowance value obtained by the City of Lompoc's Electric Division as an electrical distribution utility shall be used exclusively for the benefit of retail electric ratepayers consistent with the goals of AB32, including on-bill or off-bill non-volumetric distribution of such proceeds to such ratepayers, and may not be used for the benefit of entities or persons other than such ratepayers; and

**WHEREAS**, on February 18, 2014, the City Council of the City of Lompoc (City) adopted Resolution No. 5889(14) authorizing the use of GHG allowance proceeds for four specific purposes annually through at least calendar year 2020; and

**WHEREAS**, on May 19, 2020, the City Council adopted Resolution No. 6329(20), which amended Resolution No. 5889(14) and authorized the City's Electric Utility to distribute \$2,300,000 in GHG allowance proceeds from the sale of its allocated GHG allowances directly to electric utility customers; and

**WHEREAS**, on June 6, 2023, the City Council adopted Resolution No. 6759(23), which amended Resolution No. 5889(14) and expanded the authorized use of GHG allowance proceeds to include funding for projects that support fuel-switching and zero-emission vehicles; and

**WHEREAS**, on September 17, 2024, the City Council adopted Resolution No. 6706(24), which rescinded Resolution No. 5889(14), prohibited the use of GHG allowance proceeds from CARB GHG-allowance sales for purposes other than for the benefit of retail ratepayers consistent with the goals of AB32, and authorized the use of CARB freely-allocated GHG-allowance sales revenue to fund the following eligible programs and projects:

- Development of renewable energy including:
  - NCPA's Middletown geothermal power-plant generation efficiency and steam-feed upgrade projects up to \$100,000 per year,
  - Customer sized and utility sized photovoltaic systems (PV),
  - Battery Energy Storage System (BESS),

- Purchase of energy from renewable sources,
- Purchase of renewable energy projects;
- System upgrades including:
  - Electrification infrastructure improvement projects,
  - Efficiency and improvement updates to the distribution system's Supervisory Control and Data Acquisition (SCADA) management system,
  - Upgrade electric metering assets to advanced metering infrastructure (AMI),
  - Development of electric vehicle (EV) charging stations for municipal and public use,
  - Software to monitor PV systems and EV chargers within the City;
- Continued investment in energy efficiency for the City and customers including:
  - Equipment replacements such as heat pumps, water heaters, lighting, and motors,
  - Building efficiency improvements such as insulation improvements and high efficiency windows,
  - Education – outreach and engagement;
- EV purchases;
- Matching funds for eligible grant opportunities;
- Projects to reduce sulfur hexafluoride (SF6) in the electrical distribution system; and
- Operational efficiency performance studies.

Resolution 6706(24) also authorized distribution of CARB freely-allocated GHG-allowance sales revenue to some or all ratepayers in a non-volumetric manner, either on- or off-bill; and

**WHEREAS**, the City Council wishes to make a one-time distribution of a \$200 rebate/credit to each of City's customers with an open Electric account as of the date of this resolution, both business and residential, utilizing CARB GHG allowance reserves.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMPOC, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The following budget appropriations from the Electric Carbon Credit Proceed cash account to Electric revenues are approved:

Fiscal Year (FY) 2025-26 Supplemental Revenue Appropriations:

<u>Account Number</u>	<u>Account Name</u>	<u>Revenues</u>
752REL-456180	Electric Rebates	\$3,005,000

FY 2025-26 Fund Balance:

<u>Account Number</u>	<u>Account Name</u>	<u>Fund Balance</u>
752-100520	Electric Carbon Credit Restricted Cash	\$3,005,000

**SECTION 2.** A one-time \$200 utility bill credit shall be provided to each of City's Utility customers with open Electric accounts as of the date of this resolution, both business and residential, in the soonest billing cycle possible following August 5, 2025, which credit shall be applied to the customer's entire utility bill and unused portions of which shall roll over to subsequent months until the entire credit is used.

**SECTION 3. Effective Date.** This Resolution is effective on the day of its adoption.

The foregoing Resolution was proposed by Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, and was duly passed and adopted by the Council of the City of Lompoc at its regular meeting on August 5, 2025, by the following vote:

AYES: Council Member(s):

NOES: Council Member(s):

ABSENT: Council Member(s):

\_\_\_\_\_  
James Mosby, Mayor  
City of Lompoc

ATTEST:

\_\_\_\_\_  
Stacey Haddon, City Clerk  
City of Lompoc