



City Council Agenda Item

City Council Meeting Date: October 7, 2025

TO: Dean Albro, City Manager

FROM: Steven Valle, Electric Regulatory Compliance Coordinator
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SUBJECT: Adoption of Resolution No. 6780(25) Attesting to the Veracity of the 2024 Power Source Disclosure Report and 2024 Power Content Label

Recommendation:

Staff recommends the City Council adopt Resolution No. 6780(25) (Attachment 1) to attest to the veracity of the 2024 Power Source Disclosure Report (Attachment 2) and the 2024 Power Content Label (Attachment 3).

Background:

Senate Bill 1305 (SB 1305) was approved in 1997 to ensure that all retail suppliers of electricity disclose to consumers the sources of energy used to provide electric service in an accurate, reliable, and easy-to-understand manner. The SB 1305 Report is commonly referred to as the Power Source Disclosure (PSD) report, which shows the City of Lompoc's (City) electric portfolio purchases for the prior calendar year. The PSD report is submitted annually to the California Energy Commission (CEC).

The information contained in the PSD report also includes the fuel mix for the City's retail electricity sales for the prior year, which is used to prepare the City's annual Power Content Label (PCL). The City's 2024 fuel mix consists of 24% renewable resources, 27% large hydroelectric, 14% natural gas, and 35% unspecified power. The total non-emitting identifiable resources are in excess of 50% of the City's overall supply mix.

The CEC regulations require any electric utility, including municipal utilities such as the City, that makes any claim regarding energy sources for marketing or communication purposes to provide a PSD report. The purpose of the PSD report is to address concerns about deregulation and protecting consumers from misleading and fraudulent promotional efforts.

Since 2001, the information contained in the annual PSD report includes the City's operating data for City-owned power plants and generation plants operated by the Northern California Power Agency (NCPA), of which the City is a member. The 2024

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Attesting to the Veracity of the 2024 PSD Report and 2024 PCL

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PSD report outlines the specific energy resources from which the City obtained the required energy to meet its 2024 energy demand. The PSD report was completed with data from NCPA, Renewable Energy Credits (RECs), and energy invoices. When a specific generation source cannot be determined, the guidelines require such resources to be bundled under “unspecified power.”

Discussion:

The City has completed its evaluation of the energy resources used to serve its retail customers for 2024 under the CEC guidelines. Since its inception, the reporting has been considered an operational report, and attestation of its veracity was performed by the Utility Director or their designee.

In 2017, the CEC updated the regulation for the PSD reporting, and the changes were effective retroactively to October 2016. The changes included a provision that requires utilities to engage a third-party certified public accountant to perform an audit to verify the specific purchases, resales, and self-consumption of energy by fuel type. The regulation includes an exemption from the audit requirement for publicly owned electric utilities if the governing board of directors approves, at a public meeting, an attestation to the veracity of the annual PSD report and PCL.

In accordance with the regulation, the Electric Division filed the annual PSD report with the CEC on May 28, 2025. The Attestation Form was completed and signed by the Utility Director. The PCL has been displayed on the City’s website and the City Hall bulletin board since September 18, 2025.

Resolution No. 6780(25) approves the annual PSD report submission and provides the attestation to the veracity of the PSD report and PCL as required for exemption from the third-party audit.

Fiscal Impact:

The annual report submission has no fiscal impact to the General Fund. Costs associated with the PSD report and PCL utilized staff resources and compiled data from NCPA and RECs.

Conclusion:

The PSD report and PCL have been completed in a joint effort between the Electric Division and NCPA and have been deemed accurate by both parties.

Respectfully submitted,

Steven Valle, Electric Regulatory Compliance Coordinator

