



AGENDA
February 27, 2018

PUBLIC UTILITIES COMMISSION MEETING

7:00 p.m.

City Council Chambers
311 Vernon Street
Roseville, California

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENTS

5. CONSENT CALENDAR

5.1. Approval of January 23, 2018 Minutes

6. REQUESTS/PRESENTATIONS

6.1. Environmental Utilities Monthly Update

Report by Refuse and Stormwater Manager Devin Whittington summarizing monthly status of Environmental Utilities issues, for information.

6.2. Environmental Utilities Organics Program Overview

Presentation by Recycling and Organics Coordinator Larry Winter on the Organics Program Overview, for information.

6.3. State Legislative Overview

Presentation by Public Affairs Administrator Sean Bigley and Electric Administrative Analyst Chris Romero on the State Legislative Overview, for information.

6.4. Roseville Electric Utility Monthly Update

Report by Electric Assistant Utility Director Todd White summarizing monthly status of Electric issues, for information.

6.5. Roseville Electric Utility Greenhouse Gas Proceeds Spending Plan

Presentation by Electric Resource Analyst David Siao on the Greenhouse Gas Proceeds Spending Plan, for recommendation.

7. BOARD MEMBER / COMMISSIONER / STAFF REPORT

8. ADJOURNMENT

Title: Approval of January 23, 2018 Minutes

Meeting Date: 2/27/2018
Item #: 5.1.

ATTACHMENTS:

Description

January 23, 2018 Draft Minutes

MINUTES
Public Utilities Commission

January 24, 2017
7:00 p.m.

Council Chambers
311 Vernon Street
Roseville, CA 95678

1. Roll Call

PUC Commissioners Present: Blandon Granger
Gretchen Hildebrand
James McHan
Kerry Schmitz
John Speight
John Vertido
Jim Viele

Staff Present: Michelle Bertolino, Electric Utility Director
Mike Bloom, Electric Assistant Utility Director
Sonny Person, Electric Assistant Utility Director
Todd White, Electric Rates and Financial Administrator
Petra Wallace, Electric Resources Analyst
Philip McAvoy, Electric Rates & Financial Administrator
Lisa Gist, Electric Business Analyst
Dale Olson, Acting Director of Environmental Utilities
Kelye McKinney, Assistant Environmental Utilities Director
Jim Mulligan, Water Utility Manager
Ken Glotzbach, Wastewater Utility Manager
Todd Jordan, Senior Engineer
Joe Mandell, Senior Deputy City Attorney
Cheryl Hammond, Recording Secretary

2. Pledge of Allegiance

3. Minutes of November 22, 2016

The minutes of November 22, 2016 were approved as presented.

4. Oral Comments/Public Comment

None

5. New Business

a. Roseville Electric Utility Monthly Update

Report by Electric Utility Director Michelle Bertolino summarizing monthly status of Electric issues, for information.

Public Comment: None

b. Roseville Electric Utility Trading Authority Policy Update

Presentation by Electric Resources Analyst Petra Wallace providing an overview of Electric Utility Risk Management Policies and describing planned updates to the Energy Trading Authority Policy, for information.

Opening comments by Electric Rates and Financial Administrator Todd White.

Public Comment: None

c. Roseville Electric Utility Financial Policies

Presentation by Electric Finance and Administration Manager Philip McAvoy and Electric Business Analyst Lisa Gist summarizing updates to Roseville Electric's Financial Policies, for recommendation.

Public Comment: None

Motion: Commissioner Vertido made the motion, which was seconded by Commissioner Schmitz, to recommend approval of the Roseville Electric Utility Financial Policies to City Council.

Ayes: Granger, Hildebrand, McHan, Schmitz, Speight, Viele, Vertido

Noes:

Absent:

d. Environmental Utilities Monthly Update

Report by Acting Environmental Utilities Director Dale Olson summarizing monthly status of Environmental Utilities issues, for information.

Public Comment: None

e. Environmental Utilities "Making Water Conservation a California Way of Life"

Presentation by Assistant Environmental Utilities Director Kelye McKinney on "Making Water Conservation a Way of Life," for information.

Public Comment: None

f. Environmental Utilities Recycled Water Program Overview

Presentation by Senior Engineer Todd Jordan on the Recycled Water Program Overview, for information

Public Comment: None

6. Reports – Commission/Staff

None.

7. Proposed Future Agenda Items

None.

8. Adjournment

Commissioner Vertido moved for adjournment of the January 24, 2017 Public Utilities Commission meeting. Commissioner Schmitz seconded the motion. The motion passed unanimously at 8:31 p.m.

John Speight
Chairperson

Cheryl Hammond
Recording Secretary



PUBLIC UTILITIES COMMISSION

Title: Environmental Utilities Organics Program Overview

Meeting Date: 2/27/2018

Item #: 6.2.

ATTACHMENTS:

Description

Organics Program



City of Roseville Mandatory Commercial Organics Program

Larry Winter, Recycle & Organics Coordinator

February 27, 2018



- Mandatory separation and collection of organics materials
- Food scraps, food waste
- Food-soiled paper mixed with food waste
- Green waste, landscape and pruning waste, non-hazardous wood waste

Organic Materials included in AB-1826



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Implementation of a Phased Approach

- April 2016, 8 cubic yards of Organics - Phase 1
- **January 2017, 4 cubic yards of Organics - Phase 2**
- January 2019, 4 cubic yards of MSW - Phase 3
- Summer/Fall 2021- If statewide organics disposal has not been reduced by 50 percent any business that generates 2 yards or more of MSW

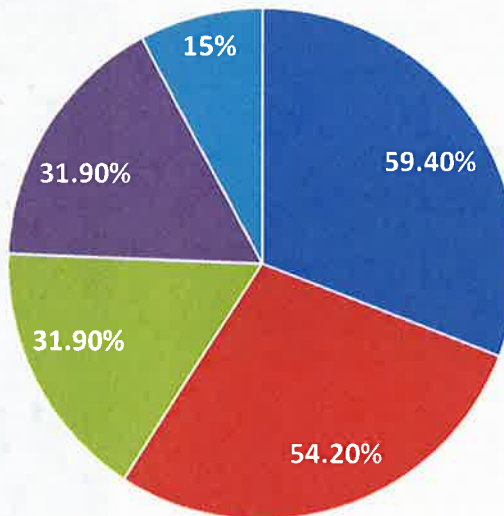
Solid Waste Response to AB-1826

- Waste Characterization study in July 2015
- Build a rate structure for organics
- Municipal Code for organics
- Research collection equipment
- Outreach development

Waste Characterization Results

Percentage of "Total Organics"

- Restaurant & Entertainment
- Shopping Centers
- Office Complexes
- Institutions
- Industrial





Organic Materials included in City Program

- Food scraps
- Food waste
- Limited food soiled paper
- No bags or packaging of any kind



- Truck & Trailer Combination
- 32, 65 Gallon Carts
- 2yd F/L Bins

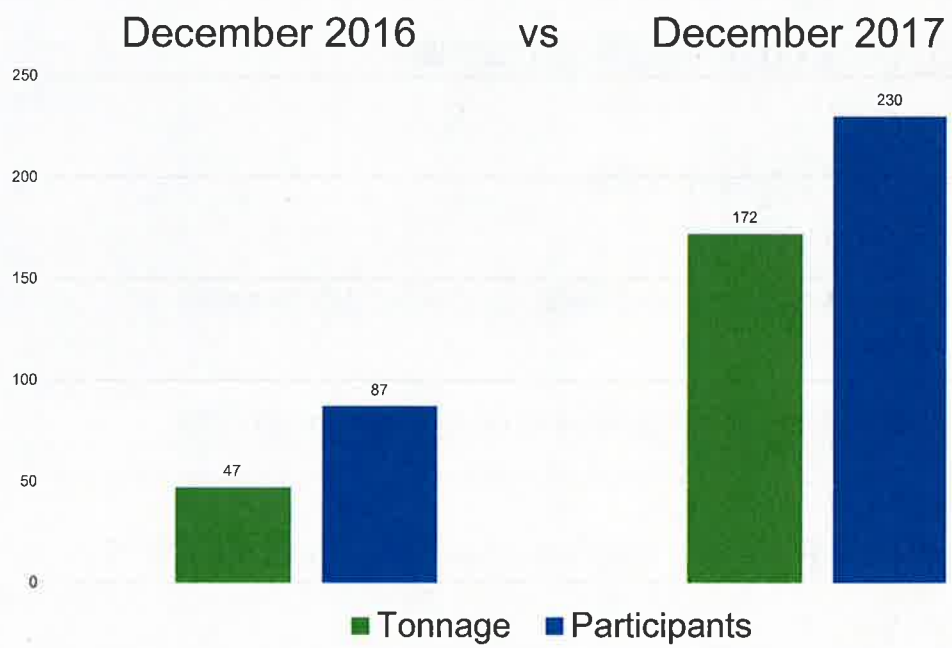
Organics Disposal Options

- Clean World Partners- Anaerobic Digestion
Bio-Fuel, Fertilizers
- WPWMA- Organics composting, high nutrient soil



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Phase 1 & 2 Comparison



Organics Program Today

- 190 organics commercial accounts
- 230 program participants
- 300 containers serviced weekly (1-5x per week)
- Over 2000 tons of organics diverted from landfill
- Planning for Phase 3 Implementation (January 2019)

Program Challenges

- Consistent participation
- Contamination
- Keeping containers clean
- Training for food service workers



In Summary

- Organics Program is on track with AB-1826 regulations, City is in compliance
- The City is diverting organic materials from the landfill
- We will continue to use our local Recovery Facility (WPWMA)
- The Organics Program is operating within the current annual budget
- Program Improvements



Questions ?



Title: State Legislative Overview

Meeting Date: 2/27/2018
Item #: 6.3.

ATTACHMENTS:

Description

Legislative Overview





ROSEVILLE ELECTRIC & ENVIRONMENTAL UTILITIES
Legislative/Regulatory Update
Sean Bigley & Chris Romero | February 27, 2018

Legislative landscape

- State priority issues: (Feb. 16 - Bill Deadline)
 - Cap and Trade program
 - 100% Renewable/Carbon Free
 - Grid Regionalization
 - State Water Tax
 - Water shutoff legislation
 - Water efficiency legislation
- Federal priority issues:
 - Protecting local government infrastructure
 - Privatization of Power Marketing Administrations
 - President Trump's Infrastructure Plan

State Energy Issues

- Cap and Trade Program
 - Program to help meet state greenhouse gas reduction mandates
 - Extended 10 years through 2030
- 100% Renewables/Carbon Free
 - SB 100 (de Leon) discussions ongoing
 - Many questions remain on feasibility
- Grid Regionalization - AB 813 (Holden)
 - Multi-state regional transmission system
 - Assm. Holden seeks two phase approach
 - Will need “buy in” from other states



Federal Energy Issues

- Protecting local government infrastructure
 - Communication companies seek deployment of equipment without proper assessment
 - Roseville leaders impact bill veto by the governor.
 - Federal proposals re-ignite issue
 - Municipalities seek to maintain local authority
- Privatization of Power Marketing Administrations (PMA's)
 - Provides reliable carbon-free power
 - Proposal to sell federal transmission assets
 - Any sale would result in increased electric rates

State Issues for EU



- State Water Tax - SB 623 (Monning) & Budget Trailer Bill Language
- Water shutoff policy - SB 998 (Dodd)
- Water efficiency legislation – AB 1668 & SB 606

Federal Issues for EU

- The Trump administration outlined its proposal for a \$1.5 trillion infrastructure plan, which includes \$200 billion in federal funding over 10 years.

Trump administration's proposed Infrastructure \$200B federal funding breakdown

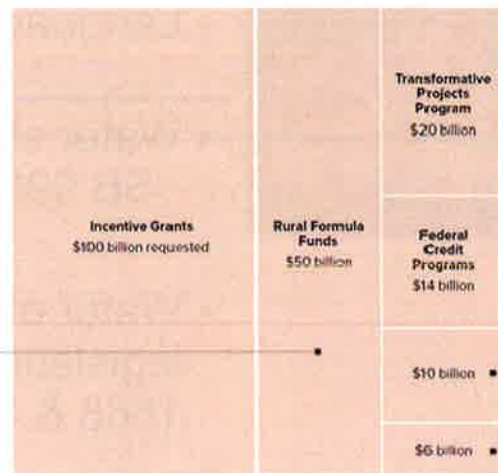
INFRASTRUCTURE INCENTIVES INITIATIVE

Federal grant funding for surface transportation, airports, passenger rail, maritime and inland waterway ports, flood control, hydropower, water supply, water resources, drinking water facilities, storm water facilities, Brownfield and Superfund sites

Who can apply: States or groups of states, territories, metropolitan planning organizations, local government(s), special purpose district or public authority responsible for maintaining infrastructure, public utilities, nonprofits, tribal governments, multi-jurisdictional group of entities, private entities with sponsorship from eligible public entity

RURAL INFRASTRUCTURE PROGRAM

Funding: 80 percent would be given to state's governor and 20 percent would be reserved for rural performance block grants
Eligible projects: Transportation, broadband, water and waste, power and electric, water resources



Sources: OMB, POLITICO staff reports

By Janie Boschma, POLITICO Pro DataPoint

TRANSFORMATIVE PROJECTS PROGRAM

Federal funding and technical assistance for high-risk, high-reward projects unable to secure private financing

Eligible sectors include: transportation, clean water, drinking water, energy, commercial space and telecommunications

FEDERAL CREDIT PROGRAMS

Increases the capacity of existing federal lending programs

FEDERAL CAPITAL REVOLVING FUND

Establishes a mandatory revolving fund to finance purchases of federally owned civilian real property

PRIVATE ACTIVITY BONDS

Expands list of projects eligible for PABs; eliminates Alternative Minimum Tax preference; removes state and transportation volume caps

Questions

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Chris Romero

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PUBLIC UTILITIES COMMISSION

Title: Roseville Electric Utility Greenhouse Gas Proceeds Spending Plan

Meeting Date: 2/27/2018

Item #: 6.5.

ATTACHMENTS:

Description

Greenhouse Gas Proceeds

STAFF REPORT

TO: Roseville Public Utilities Commission

WRITTEN BY: David Siao, Electric Resources Analyst

APPROVED BY: Michelle Bertolino, Electric Utility Director

SUBJECT: 2017 Greenhouse Gas Proceeds Spending Plan

Meeting Date: February 27, 2018

SUMMARY

Roseville Electric Utility staff recommends that the Commission recommend approval of the proposed spending plan for Greenhouse Gas (GHG) auction proceeds, totaling \$3,850,412, to the Roseville City Council.

Proposed Allocation	
AMI	\$2,850,411.88
Multi Family Retrofits	\$250,000
Low Income Refrigerator Replacement	\$500,000
Variable Speed Drive	\$250,000

Proposed Allocation of 2017 GHG Proceeds

BACKGROUND

California is reducing greenhouse gas (GHG) emissions through mechanisms such as its cap and trade program. The currency of this market-based mechanism is allowances. One allowance represents one metric ton of carbon dioxide (CO₂). A number of allowances are directly allocated to Roseville Electric Utility each year; the allowances allocated to the utility in 2017 were worth approximately \$7 million. Approximately half of these allowances were used to meet Roseville's compliance needs, while the other half were sold at auction.

Broadly speaking, auction proceeds must be used to reduce GHG emissions and benefit utility ratepayers. In addition to the stated requirements, legislative and regulatory proceedings state certain uses, including targeting of low income ratepayers, are preferred. Inappropriate use of proceeds may result in the loss of Roseville Electric Utility's directly allocated allowances. Accordingly, Roseville Electric Utility allocates proceeds to not only reduce GHG emissions and benefit its ratepayers, but also according to the following principles: reduce ratepayer and utility costs, meet the preferred needs specified in legislation and regulations, and leverage other utility programs.

DISCUSSION

Roseville Electric Utility proposes to allocate 2017 proceeds per the prior table. In previous years, Advanced Metering Infrastructure (AMI) and Multi-family Retrofits funding were approved by Roseville City Council. Low Income Refrigerator Replacement and Variable Speed Drive are two new programs being proposed this year that meet the principles previously mentioned. All projects financially benefit ratepayers and reduce GHG emissions due to the energy savings associated with greater efficiency. A brief description of each project follows.

Advanced Metering Infrastructure (AMI): AMI will enable Roseville Electric Utility to reduce GHG emissions and costs through volt-var optimization and support the State's efforts to integrate electric vehicles, among other things. With this recommendation for allocating 2017 GHG funds, Roseville will have committed \$8.79 million to AMI.

Multi Family Retrofits: Last year, Roseville Electric allocated \$400,000 in 2016 proceeds to this program to fund a year of energy efficiency measures for Roseville's qualifying multi-unit dwellings. The additional proposed amount, \$250,000, would expand the available measures to include newer, higher efficiency laundry machines. This would provide measurable, ongoing, long-term GHG emissions reductions and financial benefits to the targeted customers.

Low Income Refrigerator Replacement and Recycling: This turnkey refrigerator replacement program would be offered to qualifying low income ratepayers. In addition to the GHG savings associated with the greater energy efficiency of the newer refrigerators, high GHG potential refrigerants such as CFCs and HFCs in some refrigerators would be safely removed and destroyed. With \$500,000, an estimated 700 units would be replaced and recycled.

Variable Speed Drive (VSD): Currently, cooling tower fans at the Roseville Energy Park (REP) can only be "off" or "on" at full speed, even when a slower speed would be sufficient. When attached to a cooling tower fan, a VSD would vary the fan speed to what is required, reducing the annual energy needs of the cooling tower fans and associated operating costs and GHG emissions. The proposed funding would be used for converting one of the existing fan drives to a variable speed drive.

Staff recommends that the Roseville Public Utilities Commission recommend approval of the proposed spending plan to the Roseville City Council, as described above.



Proposed 2017 Greenhouse Gas Proceeds Spending Plan

David Siao
Public Utilities Commission Meeting
February 27, 2018



Outline

- Cap & Trade Background
- Cap & Trade and Roseville Electric
- 2017 Greenhouse Gas (GHG) Proceeds Proposal

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Cap & Trade Background

- California's Greenhouse Gas (GHG) Reduction Target: 40% below 1990 levels by 2030
 - Cap & Trade
 - History
 - Cap
 - Trade (of allowances)
 - Quarterly Auctions
 - Annual Direct Allocations
-

Cap & Trade and Roseville Electric

- Roseville was directly allocated GHG allowances in 2017 (market value ~\$7,000,000)
 - Roseville Energy Park compliance obligations
 - Remainder auctioned, proceeds must be used for GHG reduction & ratepayer benefit:
 - Utility infrastructure projects (such as advanced meters)
 - Preferential uses: includes disadvantaged communities, energy efficiency, transportation electrification, etc.

Inappropriate use may result in loss of directly allocated allowances

2017 GHG Proceeds Proposal

- Existing Programs (\$3,100,000)
 - Multi-Family Retrofits: \$250,000
 - Advanced meters: \$2,850,000
- New Programs (\$750,000)
 - Variable speed drive at Roseville Energy Park: \$250,000
 - Low-Income Refrigerator Replacement: \$500,000

Questions?