

Amended AZUSA Renewable Portfolio Standard Procurement Plan
Effective October 28, 2013

(Subject to changes and modifications, as needed or required)

- (1) Azusa will procure sufficient combined volumes of renewable energy products to meet obligations under Public Utilities Code (PUC) §399.30(b)(1) and PUC §399.30 (c)(1) and applicable regulations. Such procurements shall be subject to limitations and/or allowances provided for in PUC § 399.30 (a), PUC § 399.30 (d) and PUC § 399.30 (m), as such may be considered and invoked by Azusa Utility Board.
- (2) As of the date of this amended plan, Azusa is a fully-resourced utility and as such it does not require additional energy to balance its load. Azusa's preexisting power and associated fuel contracts do not provide for backing-off the energy and/or associated fuels. Based on Azusa's forward load and resource adequacy outlook, Azusa expects to be either fully resourced, or over-resourced, at least till the end of CY 2014.
- (3) Independent of its current and projected near-term resource/energy status, Azusa has been and will continue procuring renewable energy under existing long term contracts with the CEC-certified renewable resources interconnected in California.
- (4) Consistent with applicable regulations, Azusa can use its CEC-verified historic carryover (HCO) RECs for compliance in any compliance term.
- (5) Consistent with Sections (1), (2), (3) and (4) above, to the extent Azusa will have any unmet generation needs during any compliance term, Azusa shall procure/apply an appropriate balance of PCC1, PCC2, PCC3, and HCO products to meet the applicable RPS compliance requirements.
- (6) Consistent with Sections (1), (2), (3), (4), and (5) above, to the extent Azusa will not have any unmet year-ahead or quarter-ahead generation needs during the First Compliance Period, Azusa shall procure PCC3 (RECs) and/or apply HCO product such that when combined with Azusa's procurements from grandfathered resources Azusa's overall RPS compliance is met.
- (7) Consistent with the statute and/or applicable regulations, Azusa may bank excess of procured or produced compliance instruments (including historic carryover RECs – HCO and/or RECs from grandfathered contracts) for use in any future compliance term. There shall be no volumetric or time limitations to such banking.
- (8) Consistent with the statute and applicable regulations, Azusa Utility Board shall have the right to establish RPS procurement limits based on the overall cost of RPS compliance or a proportional weight or impact, as measured by % of the overall cost of Azusa Power Supply or impact on Azusa retail rates.
- (9) If circumstances beyond the control of Azusa, as stipulated in PUC §399.15(b)(5), interfere with the acquisition of renewable energy during any compliance term, then Azusa Utility Board may find reasonable cause for (a) a delay in timely compliance with RPS procurement requirements in that compliance term and/or (b) a reduction in the portfolio balance requirement for PCC1 (and/or PCC2 if any) during that compliance term.
- (10) Azusa shall continue reviewing its unmet long-term generation needs for forward Compliance Periods and address such consistent with applicable RPS statutes, regulations, and this plan.

- (11) Consistent with the RPS statute, this plan shall be administered consistent with Azusa RPS Enforcement Program established by Azusa Utility Board in 2011.
- (12) Consistent with the RPS statute, this plan may be modified by Azusa Utility Board at any time, provided that appropriate public notifications(s) are posted.