

CITY OF CERRITOS

RESOLUTION NO. 2015-20

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CERRITOS
ADOPTING THE UPDATED RENEWABLE ENERGY RESOURCES
PROCUREMENT PLAN FOR THE CITY OF CERRITOS ELECTRIC UTILITY**

WHEREAS, the City of Cerritos, a municipal corporation and charter city (City), is authorized under various provisions of the California Constitution and the general laws of California (including, specifically, Article XI, Section 9(a) of the California Constitution, Public Utilities Code Section 10004, and Government Code Section 39732(a)) to establish, purchase, and operate a public utility to furnish its inhabitants with, among other things, electricity; and

WHEREAS, the Cerritos City Council adopted and placed in effect Ordinance No. 861, Establishment of the Electric Utility, for the purpose of establishing a municipal electric utility (Cerritos Electric Utility/CEU) to provide electric service to the City for its own uses and to certain retail customers within the city of Cerritos; and

WHEREAS, in furtherance of Ordinance No. 861, the City has entered into various agreements with Southern California Edison Company that implement the City's right to deliver the City's output from the Magnolia Power Plant and other generation resources to the City for its own uses and to retail customers within the city of Cerritos; and

WHEREAS, as a municipal electric utility, CEU is generally subject to the legislative and regulatory requirements applicable to local publicly owned electric utilities (POUs); and

WHEREAS, the State of California passed Senate Bill 2 (1st Extraordinary Session) (SB 2-IX), effective as of December 10, 2011, requiring governing boards of POUs to adopt and implement, among other things, a renewable energy resources enforcement program that requires POUs, like CEU, to procure a minimum quantity of eligible renewable energy resources over certain periods, subject to cost limitation and other flexible compliance measures adopted by the POUs' respective governing board; and

WHEREAS, in accordance with Public Utilities Code Section 399.30(e) (added by SB 2-1X), the Cerritos City Council, as the governing board of CEU, adopted Resolution No. 2012-09 on February 9 2012, adopting and establishing a renewable energy resources enforcement program for the enforcement of CEU's obligations under SB 2-1X (RPS Enforcement Program); and

WHEREAS, in accordance with Public Utility Code Section 399.30(a), the City Council adopted Resolution No. 2013-22 on November 18, 2013, which established the initial RPS Procurement Plan; and

WHEREAS, the CEU has taken various steps, including participation in certain of the Southern California Public Power Authority Requests for Proposals for renewable energy offers to obtain information from market participants on the expected cost and sufficiency of supply of renewable resources meeting the

requirements of SB 2 1-X and the unique portfolio risks and cost limitations of small POU's (RPS Information); and

WHEREAS, the CEU has analyzed the RPS Information and factors underlying the use of flexible compliance measures in a manner that assures good faith compliance with SB 2 1-X while recognizing the unique circumstances facing CEU as a small POU; and

WHEREAS, based on information and factors analyzed by CEU, CEU has developed an updated RPS Procurement Plan that (1) describes the electricity products CEU plans to use to meet the procurement targets described in the RPS Enforcement Program and (2) includes a cost limitation that CEU requests the Cerritos City Council to adopt for the second, third and future annual compliance period under SB 2 1-X; and

WHEREAS, the City of Cerritos has provided notice and distributed material related to the RPS Procurement Plan in accordance with the provisions of Public Utilities Code Section 399.30(f).

NOW, THEREFORE, THE CITY OF CERRITOS CITY COUNCIL DOES FIND, DETERMINE AND DECLARE AS FOLLOWS:

Section 1. The updated RPS Procurement Plan for Cerritos Electric Utility set forth in Exhibit 2, which is attached hereto and incorporated herein, is hereby approved and adopted.

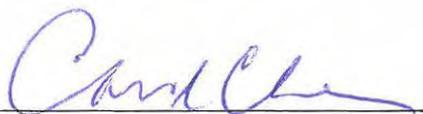
Section 2. As authorized in SB 2 1-X, the following flexible compliance measure is hereby approved and adopted:

A cost limitation for procurement expenditures by Cerritos Electric Utility is hereby approved and adopted (as described in Section 11.A.4 of the RPS Procurement Plan)

Section 3. Except as to matters specifically reserved for the Cerritos City Council, the City Manager or his designee is authorized and directed to do and perform all acts required to implement the updated RPS Procurement Plan, and to periodically report to the Cerritos City Council.

Section 4. This resolution shall take effect immediately upon its adoption.

PASSED, APPROVED and ADOPTED this 23rd day of July 2015.



Carol K. Chen, Mayor

ATTEST:

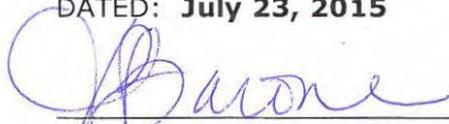

Vida Barone, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF CERRITOS)

I, Vida Barone, City Clerk of the City of Cerritos, California, DO HEREBY CERTIFY that the foregoing **Resolution No. 2015-20** was duly adopted by the City Council of the City of Cerritos at a Regular Meeting held on the **23rd day of July, 2015**, and that it was so adopted as follows:

AYES: Councilmembers – **Chen, Edwards, Pulido, Ray, Solanki**
NOES: Councilmembers – None.
ABSENT: Councilmembers – None.
ABSTAIN: Councilmembers – None.

DATED: **July 23, 2015**



Vida Barone, City Clerk