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TURLOCK IRRIGATION DISTRICT RENEWABLE RESOURCES PROCUREMENT PLAN

INTRODUCTION

Senate Bill (SB) 100, enacted in the 2018 Session of the California Legislature, modified the state's renewable portfolio standard (RPS) program and set forth new RPS requirements applicable to publicly owned utilities (POUs). TID, as a POU, must comply with the provisions of SB 100, which are codified at Section 399.30 of the California Public Utilities Code and in the California Energy Commission's Regulations, codified at 20 Cal. Code Reg. Sec. 3200 *et seq*.

The TID Renewable Resources Procurement Plan consists of:

A. Purpose of the Procurement Plan
B. Compliance Periods
C. Procurement Targets
D. Portfolio Content Category definitions
E. Portfolio Content Category requirements
F. TID Renewable Portfolio
G. TID Renewable Projections, Compliance Plan
H. Optional Compliance Measures
I. Reporting

A. PURPOSE

In order to comply with Public Utilities Code §399.30(a), which states "To fulfill unmet long-term generation resource needs, each local publicly owned electric utility shall adopt and implement a renewable energy resources procurement plan that requires the utility to procure a minimum quantity of electricity products from eligible renewable energy resources, including renewable energy credits, as a specified percentage of total kilowatt-hours sold to the utility's retail end-use customers..." in order to achieve the procurement targets specified in Section 399.30 of the Public Utilities Code.

B. COMPLIANCE PERIODS

a. Compliance Periods- Defined in Public Utilities Code § 399.30(b)

i. Compliance Period 1: January 1, 2011 to December 31, 2013, inclusive

ii. Compliance Period 2: January 1, 2014 to December 31, 2016, inclusive

iii. Compliance Period 3: January 1, 2017 to December 31, 2020, inclusive

iv. Compliance Period 4: January 1, 2021 to December 31, 2024 inclusive

v. Compliance Period 5: January 1, 2025 to December 31, 2027, inclusive

vi. Compliance Period 6: January 1, 2028 to December 31, 2030, inclusive.

C. PROCUREMENT TARGETS OF RENEWABLE ENERGY RESOURCES FOR EACH COMPLIANCE PERIOD

a. Renewable Energy Resources Procurement Targets- Defined in Public Utilities Code §399.30 (c)(1) and (2)

i. During Compliance Period 1, January 1, 2011 to December 31, 2013, TID shall procure eligible renewable energy resources equivalent to an average of twenty percent (20%) of retail sales.

ii. By the end of Compliance Period 2, December 31, 2016, TID shall procure eligible renewable energy resources equivalent to not less than twenty five percent (25%) of retail sales.

iii. By the end of Compliance Period 3, December 31, 2020, TID shall procure eligible renewable energy resources equivalent to not less than thirty three percent (33%) of retail sales.

iv. By the end of Compliance Period 4, December 31, 2024, TID shall procure eligible renewable energy resources equivalent to not less than forty four percent (44%) of retail sales.

v. By the end of Compliance Period 5, December 31, 2027, TID shall procure eligible renewable energy resources equivalent to not less than fifty two percent (52%) of retail sales.

vi. By the end of Compliance Period 6, December 31, 2030, TID shall procure eligible renewable energy resources equivalent to not less than sixty percent (60%) of retail sales.

vii. Commencing in 2031, and for each multiyear compliance period to be established by the California Energy Commission, TID shall procure eligible renewable energy resources equivalent to not less than sixty percent (60%) of retail sales.

D. PORTFOLIO CONTENT CATEGORIES

a. Portfolio Content Category 1 (PCC1)- (PUC § 399.16 (b)(1)(A,B))-Resources in this category must meet the following criteria:

   i. Have a first point of interconnection with a California balancing authority, have a first point of interconnection with distribution facilities used to serve end users within a California balancing authority area, or are scheduled from the eligible renewable energy resource into a California balancing authority without substituting electricity from another source. The use of another source to provide real-time ancillary services required to maintain an hourly or sub-hourly import schedule into a California balancing authority shall be permitted, but only the fraction of the schedule actually generated by the eligible renewable energy resource shall count toward this portfolio content category.

   ii. Have an agreement to dynamically transfer electricity to a California balancing authority

b. Portfolio Content Category 2 (PCC2)- (PUC § 399.16 (b)(2))-Resources in this category are:

   i. Firmed and shaped eligible renewable energy resource electricity products providing incremental electricity and scheduled in to a California balancing authority.

c. Portfolio Content Category 3 (PCC3)- (PUC § 399.16 (b)(3))- Resources in this category include:

   i. Eligible renewable energy resource electricity products or any fraction of the electricity generated, including unbundled renewable energy credits that do not qualify as PCC1 or PCC2.

d. Portfolio Content Category 0 (PCCO)- (PUC § 399.16 (d))- Resources in this category include:

   i. Any contract or ownership arrangement originally executed prior to June 1, 2010 for eligible renewable energy resources, and shall count in full towards the procurement requirements, if all the conditions below are met. Grandfathered resources shall be counted for RPS compliance without regard to the limitations on the use of each portfolio content category as described in section E.

      1. The renewable energy resource was eligible under the rules in place as of the date when the contract was executed.

2. Any contract amendments or modifications occurring after June 1, 2010, do not increase the nameplate capacity or expected quantities of annual generation, or substitute a different renewable energy resource.

3. The duration of the contract may be extended if the original contract specified a procurement commitment of fifteen or more years.

4. "Eligible renewable energy resource" means an electrical generating facility that meets the definition of a "renewable electrical generation facility" in section 25741 of the Public Resources Code, subject to the following: " A facility approved by the governing board of a local publicly owned electric utility prior to June 1, 2010, for procurement to satisfy renewable energy procurement obligations adopted pursuant to former section 387, shall be certified as an eligible renewable energy resource by the Energy Commission pursuant to this article, if the facility is a "renewable electrical generation facility" as defined in section 25741 of the Public Resources Code." (§ 399.12(e) (1) (C).1

E. PORTFOLIO CONTENT CATEGORY REQUIREMENTS

a. Compliance Period 1 Procurement Requirements: For Compliance Period 1, TID shall procure not less than fifty percent (50%) of the eligible renewable energy resource products associated with contracts executed after June 1, 2010 from PCC 1, and not more than twenty five percent (25%) from PCC 3, (not including purchases of PCC-0).

b. Compliance Period 2 Procurement Requirements: For Compliance Period 2, TID shall procure not less than sixty five percent (65%) of the eligible renewable energy resource products associated with contracts executed after June 1, 2010 from PCC 1, and not more than fifteen percent (15%) from PCC 3, (not including purchases of PCC-0).

c. Compliance Period 3 Procurement Requirements: For Compliance Period 3, TID shall procure not less than seventy five percent (75%) of the eligible renewable energy resource products associated with contracts executed after June 1, 2010

[1] It should be noted that even though Publicly Owned Utilities were able to count Large Hydro under former section 387, this precludes Large Hydro (over 30 MW) (not including efficiency improvements approved by the CEC) from counting towards RPS requirements, as Public Resource Code 25741 defines "renewable electrical generation facility" as follows : "The facility uses biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells using renewable fuels, small hydroelectric generation of 30 megawatts or less, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and any additions or enhancements to the facility using that technology.

from PCC 1, and not more than ten percent (10%) from PCC 3, (not including purchases of PCC-0).

d. Annual Procurement Requirements After 2020: Beginning in calendar year 2021, TID shall procure not less than seventy five percent (75%) of the eligible renewable energy resource products associated with contracts executed after June 1, 2010 from PCC 1, and not more than ten percent (10%) from PCC 3, (not including purchases of PCC-0).

e. Requirements Matrix:

RPS Requirements Summary Matrix						
Compliance Period	Year	CEC Renewables Procurement	Portfolio Balancing			
			PCC 0	PCC 1	PCC 2	PCC3
Compliance Period 1	2011	Average of 20%	No Limit	≥ 50%	Remainder after meeting PCC1 and PCC3	≤ 25%
	2012					
	2013					
Compliance Period 2	2014	20%	No Limit	≥ 65%	Remainder after meeting PCC1 and PCC3	≤ 15%
	2015	20%				
	2016	25%				
Compliance Period 3	2017	27%	No Limit	≥ 75%	Remainder after meeting PCC1 and PCC3	≤ 10%
	2018	29%				
	2019	31%				
	2020	33%				
Compliance Period 4	2021	35.75%	No Limit	≥ 75%	Remainder after meeting PCC1 and PCC3	≤ 10%
	2022	38.50%			Remainder after meeting PCC1 and PCC3	
	2023	41.25%				
	2024	44%				
Compliance Period 5	2025	46.%	No Limit	≥ 75%	Remainder after meeting PCC1 and PCC3	≤ 10%
	2026	50%			Remainder after meeting PCC1 and PCC3	
	2027	52%				
Compliance Period 6	2028	54.67%	No Limit	≥ 75%	Remainder after meeting PCC1 and PCC3	≤ 10%
	2029	57.33%				
	2030	60%				
Compliance Period After July 1, 2031	2031	60%	No Limit	≥ 75%	Remainder after meeting PCC1 and PCC3	≤ 10%

F. LONG-TERM PROCUREMENT REQUIREMENT

a. Beginning January 1, 2021, at least sixty-five (65) percent of the procurement TID counts toward the renewables portfolio standard requirement of each compliance period shall be from its contracts of 10 years or more in duration or in its ownership or ownership agreements for eligible renewable energy resources.

G. TID RENEWABLE PORTFOLIO

a. Tuolumne Wind Project: 136.6 MW Wind Farm

   i. Location: Klickitat County, WA

   ii. Expected Annual Generation: 374,000 Megawatt-hours (MWh)

   iii. Contract/Ownership Start Date: May 2009

   iv. Portfolio Content Category: PCC0 (Grandfathered)

b. NCPA Geothermal: TID owns a share of the NCPA Geothermal Plants 1 & 2

   i. Location: Middletown, California

   ii. Expected Annual Generation: Roughly 50,000 MWh[2]

   iii. Contract/Ownership Start Date: 1986

   iv. Portfolio Content Category: PCC0 (Grandfathered)

c. TID Small Hydro: TID owns and operates a fleet of four small Hydro units along the Tuolumne River and the TID Canal system (La Grange, Dawson, Turlock Lake, and Hickman). TID also operates, maintains, and has rights to the electrical output of five other small hydro units external to the TID service area (Frankenheimer, Woodward, Parker, Canal Creek, and Fairfield).

   i. Location: California

   ii. Expected Annual Generation: 80,000 MWh[3]

   iii. Contract/Ownership Start Date:

      1. La Grange - 1907

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[2] The geothermal project generation is expected to diminish gradually over time due to the slow degradation of the steam field used to power the units. This number represents the average expected generation from 2011¬2020.

[3] Based on average hydro conditions.

2. Dawson- 1983

3. Turlock Lake- 1980

4. Hickman- 1979

5. Frankenheimer- 1983

6. Woodward- 1982

7. Parker- 1982

8. Canal Creek- 1983

9. Fairfield- 1983

iv. Portfolio Content Category: PCC0 (Grandfathered)

d. TID Solar Facility: TID owns a 70 kW solar facility that that integrated into the TID parking structure.

i. Location: California

ii. Expected Annual Generation: 60 MWh

iii. Contract/Ownership Start Date: 2009

iv. Portfolio Content Category: PCC0 (Grandfathered)

e. TID Solar PPA: TID has contracted a 20 year PPA with Sunpower for a 54 MW utility scale solar PV facility.

i. Location: Kern County, California

ii. Expected Annual Generation: 155,000 MWh

iii. Contract Start Date: 2017

iv. Portfolio Content Category: PCC 1

f. TID SB1 Solar Rebates: TID has rebated our customers on behind the meter solar PV installations.

i. Location: TID Territory, California

ii. Expected Annual Generation: 16,000 MWh

iii. Contract Start Date: PCC3 post June 1, 2010

iv. Portfolio Content Category: PCC3

g. <u>TID Short-Term REC Purchases</u>: TID has contracted 2 and 3 year REC Purchase Agreements.

i. Location: Market, California

ii. Expected Annual Generation: 460,000 MWh

iv. Contract Start Date: January 2023

iv. Portfolio Content Category: PCC1

h. <u>Solar PPA nearing execution:</u>

i. Location: TID Territory, California

ii. Expected Annual Generation: 250,000 MWh

iii. Contract Start Date: January 2027 (est.)

iv: Portfolio Content Category: PCC1

i. <u>Tuolumne Wind Project Repower:</u> TID is nearing execution of a PPA for energy from a repowered Tuolumne Wind Project.

i. Location: Klickitat County, WA

ii. Expected Annual Incremental Generation: 90,000 MWh

iii. Estimated Contract Start Date: July 2027

iv. Portfolio Content Category: PCC1

H. TID RENEWABLE PROJECTIONS, COMPLIANCE PLAN[4]

TID RPS Compliance

Category	Compliance Period 1			Compliance Period 2			Compliance Period 3			
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Retail Sales (MWh)	1,894,540	1,956,531	1,985,531	2,005,754	2,011,258	2,000,288	2,047,898	2,045,839	2,045,817	2,163,508
RPS Requirements	378,908	391,306	397,106	401,151	402,251	500,072	552,933	593,293	634,203	713,958
PCCO	525,970	454,712	467,338	429,426	196,631	274,202	481,868	222,657	223,546	925,299
PCC1	0	0	0	0	0	0	0	15,593	0	568,256
PCC3	0	0	0	0	0	0	28,399	0	0	35,703
HCO	0	0	0	0	0	421,529	0	0	0	0
Annual Surplus/(Deficit)	147,062	63,406	70,232	28,275	(205,620)	(225,870)	(42,666)	(355,043)	(410,657)	815,300
Compliance Period Carryover	280,700			299,019			305,951			

TID RPS Compliance Projection

Category	Compliance Period 4				Compliance Period 5			Compliance Period 6			CP 7 and Beyond
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Post 2031
Retail Sales (MWh)	2,224,430	2,252,542	2,162,324	2,227,736	2,262,239	2,294,806	2,309,941	2,324,125	2,343,126	2,362,825	2,400,000
RPS Requirements	795,234	867,226	891,958	980,204	1,055,070	1,132,104	1,201,107	1,270,367	1,343,314	1,417,701	1,440,000
PCCO	434,363	421,050	658,577	465,652	492,883	487,663	477,341	489,614	491,989	479,793	
PCC1	0	0	275,911	866,421	255,860	280,462	1,203,246	1,230,992	1,221,107	1,192,682	
PCC3	17,495	8,509	36,693	44,000	28,429	31,162	131,235	136,777	135,679	132,520	
Annual Surplus/(Deficit)	(343,376)	(437,667)	79,223	395,869	(277,898)	(332,817)	588,583	587,016	505,461	387,294	
Compliance Period Carryover	0 0				0			0			0

[4] RPS projections based on average hydro and wind conditions, and base case retail load projections.

TID shall retain exclusive control and discretion over the mix of eligible renewable energy resources procured by TID and those additional generation resources procured by TID for purposes of ensuring resource adequacy and reliability, and the reasonable costs incurred by TID for eligible renewable energy resources owned by it, pursuant to § 399.30(m)

I. OPTIONAL COMPLIANCE MEASURES

a. <u>Excess Procurement:</u>

i. Through 2020, TID can apply excess procurement from one compliance period to a subsequent compliance period, subject to the following provisions:

1. Procurement classified in PCC3 may not be counted as excess procurement

2. Procurement from contracts less than 10 years may not be counted as excess procurement.

3. Excess Procurement accrual may start no earlier than January 1, 2011.

ii. After 2020, TID can apply excess procurement from one compliance period to a subsequent compliance period, subject to the following provisions.

iii. Procurement classified as PCC2 or PCC3 may not be counted as excess procurement.

iv. Excess procurement may be applied towards any future compliance period, including compliance years following 2020.

v. Excess procurement shall be calculated as follows:

1. Compliance Period 1

Excess Procurement = (EP2011-2013) — (RPS2011-2013 + S32011-2013 + STC2011-2013)

EPx= Electricity products retired and applied toward the RPS procurement target for the compliance period X

RPSx= The RPS procurement target calculated in section C for compliance period X

S3x = Retired PCC 3 RECs in excess of the maximum allowed per section E

STCx= All electricity products that meet the criteria of section E, are associated with contracts less than 10 years in duration, and are retired and applied toward the RPS procurement target for compliance period X

2. Compliance Period 2

   Excess Procurement = (EP2014-2016) — (RPS2014-2016 + S32014-2016 + STC2014-2016)

3. Compliance Period 3

   Excess Procurement = (EP2017-2020) — (RPS2017-2020+ S32017-2020 + STC2017-2020)

4. Compliance Period 4

   Excess Procurement = (EP2021-2024) – (RPS2021-2024 + S32021-2024 + S22021-2024)

S2x = Retired PCC 2 RECs in excess of the maximum allowed per section E

5. Compliance Period 5

   Excess Procurement = (EP2025-2027) – (RPS2025-2027 + S32025-2027 + S22025-2027)

6. Compliance Period 6

   Excess Procurement = (EP2028-2030) – (RPS2028-2030 + S32028-2030 + S22028-2030)

b. <u>Waiver of Timely Compliance:</u> Enforcement of timely compliance shall be waived if TID demonstrates that any of the following conditions are beyond the control of TID and will prevent timely compliance:

   i. Inadequate Transmission: There is inadequate transmission capacity to allow sufficient electricity to be delivered from the TID Renewable Portfolio. Consideration of:

      1. Whether TID has undertaken, in a timely fashion, reasonable measures under its control and consistent with obligations under local, state, and federal laws and regulations, to develop and construct new transmission lines or upgrades to existing lines intended to transmit electricity generated by the TID Renewable Portfolio

2. Whether TID has taken all reasonable operational measures to maximize cost-effective deliveries of electricity from eligible renewable energy resources in advance of transmission availability.

ii. Permitting, interconnection, or other delays, that delay eligible renewable resource projects, or there is an insufficient supply of eligible renewable energy resources available to TID. Consideration should be given whether TID has:

1. Prudently managed portfolio risks;

2. Sought to develop its own renewable resources, transmission to connect to renewable resources, or energy storage used to integrate renewable energy resources;

3. Procured an appropriate minimum margin of procurement above the minimum procurement level;

4. Taken reasonable measures to procure cost effective distributed generation and allowable renewable energy credits.

iii. Unanticipated curtailment of renewable energy resources necessary to address the needs of a balancing authority.

iv. Other actions beyond the control of TID which impact timely deliveries of eligible renewable energy resources.

c. Cost Limitations: TID's Board of Directors has exclusive jurisdiction to oversee rates and is responsible for ensuring that TID Ratepayers pay reasonable rates for reliable electric service that meets various California legal requirements, such as the RPS. TID's Board of Directors is committed to making every reasonable effort to comply with the requirements pursuant to §399.30 (c)(2) of a 44% RPS by December 31, 2024, 52% by December 2027, and 60% by December 31, 2030, but will not do so "at any cost," or unreasonable or imprudent expense to TID's ratepayer owners. As such, the TID Board of Directors has authority to invoke a "not to exceed" cost limitation on TID's RPS expenditures that is necessary to prevent disproportionate impacts on rates. In considering these cost limitations, the Board shall ensure that the cost limitation measures are consistent with PUC §399.15(c)-(e), which have not yet been implemented by the California Public Utilities Commission as of the date of this Renewable Resource Procurement Plan. In addition, the cost limitation must comport with the requirements of §399.30(d)(2)(B). Further, the Board directs TID staff to work with State regulators to ensure implementation of a cost limitation reasonably adheres to CEC RPS Regulations (3206 (a)(3)).

In determining that a cost limitation is necessary to prevent disproportionate rate impacts, the Board of Directors has considered the following factors:

1. Economic Hardship: The District serves customers in both Merced County and Stanislaus County. In Stanislaus County, the median household income is below the median household income for California, and the poverty rate in Stanislaus County is higher than the average in California.[5] In Merced County, the median household income is well below the median household income for California, and the poverty rate in Merced County is much higher than the average in California.[6] These higher poverty levels mean that the District's customers are disproportionately harmed by rate increases compared to other parts of the state.

2. Unemployment: Maintaining competitive electricity rates is essential to keeping local businesses from relocating to other parts of the state, and more importantly, from leaving the state altogether. The District has a long history of working with businesses to keep them viable. The District works closely with all of their customers to support their continued success. Protecting the local economy and creating opportunities for job growth in the local community is a central purpose for the District.

3. Financial Stability of the District: Maintaining the financial stability of the district is crucial to ensuring reasonable rates for TID's customers. The District must ensure, compliance with its cash reserve policy, debt management policy, and other related financial obligations.

4. Financial Analysis of total cost of historic and expected cost of compliance and determination of exact cost limitation % (i.e., % at which an increase in marginal RECs would constitute a disproportionate impact on rates).

5. Turlock Irrigation District conducted an Electric Rate Study in November 2024. The Electric Rate Study made the following conclusions:

    a. Revenue Requirement: based on the development of the Test Year Revenue Requirement, current rates are not sufficient to recover projected costs. On a systemwide basis, current rate revenues require a 15.3% increase to meet the 2027 Test Year Revenue Requirement.
    b. Cost of Service: All rate classes, with the exception of the street lighting classes, are below their respective Cost of Service.
    c. Rate Design: The proposed changes to rates provided are designed to align each customer class with their respective effective Cost of Service rate.

    Based on the Electric Rate Study in November 2024, the total Operations and Maintenance Expenses consists of power supply and non-power supply expenses. The Total Power Supply Administration account includes

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5 American Community Survey (2023) (Stanislaus County's median income is $82,758 while the median income for California is $95,521) (Stanislaus County's poverty rate is 12.3% while California's poverty rate is 12.0%).
6 American Community Survey (2023) (Merced County's median income is $57,570 while the median income for California is $95,521) (Merced County's poverty rate is 19.1% while California's poverty rate is 12.0%).

purchased power such as costs of RPS-compliance, which accounted for $295,692,000 in the Test Year, or 73% of the O&M expenses. This expenditure category represents a significant reason for the required 15.3% rate increase in order to meet TID's Test Year Revenue Requirements and also presents an opportunity to utilize a cost limitation measure to ensure affordability for ratepayers in light of rapidly fluctuating and increasing costs of RPS compliance.

Implementation of a cost limitation shall ensure the following:

i. The specified cost limitation prevents disproportionate rate impacts as required by PUC §399.30(d)(2)(B). TID's Board has determined that if compliance with RPS Regulations increases costs 2% (or another rate as determined by the Board and adopted via Resolution) above the expected Retail Revenue the District's ratepayers will incur disproportionate rate impacts, as that term is used in Section 399.30(d)(2)(B) and Section 399.15 of the Public Utilities Code. TID staff will apply the Board adopted cost limitation rate as directed by the Board, and will use 2% of expected Retail Revenue as the cost limitation measure unless the Board adopts a different cost limitation measure.

   TID's governing board has exclusive jurisdiction over its rates and state law provides the District with discretion to determine when there will be "Disproportionate Rate Impacts." Pursuant to that authority, "Disproportionate Rate impacts" are defined as limiting the cost impacts of RPS procurement to no higher than 2% of expected retail revenue, or another rate as set by the TID Board. PUC § 399.30(d)(2)(B) and 399.15(d) allows TID to act upon adopted cost-limitation procedures "unless eligible renewable resources can be procured without exceeding a de minims increase in rates." The Board's adopted definition of "Disproportionate Rate Impacts" limiting the cost of RPS procurement to no higher than 2% (or other rate as determined by the Board via resolution) of expected retail revenue is consistent with the principles of not exceeding a "de minimis" rate increase under PUC 399.15(d). The cost limitation shall ensure the goal of mitigating disproportionate rate impacts based upon the preceding definition to ensure TID ratepayers continue to pay reasonable rates.

ii. The costs of all procurement credited toward achieving the RPS are counted toward the limitation pursuant to CEC RPS Regulations 3206 (a)(3)(C) including those from both short and long-term contracts and any RPS-eligible facilities owned by TID.

iii. The expected cost of building, owning, and operating eligible renewable energy sources, shall be considered within the procurement expenditures.

iv. Based upon the cost of full compliance ($), the cost limitation shall be set to ($ or %) (optional). The cost of "Full compliance" and the specified "Cost Limit" shall be informed by the most recent rate study and shall be determined by TID staff consistent the Board's adopted cost limitation. TID staff shall regularly obtain REC market information, examining increases or decreases in cost percentages per CPI, and comparing that data to current inflation rates.

v. TID will continuously monitor the status of the cost limitation. If TID determines the cost limitation may be exceeded prior to achieving the RPS procurement standard, then within 90 days of that determination TID shall conduct action as contemplated by CEC RPS Regulations 3206 (a)(3)(D). The Board will then direct TID staff to take one or more of the following actions:

1. Refrain from entering new contracts (including purchasing RECs at market);

2. Construct facilities for eligible renewable energy resources beyond the quantity that can be procured within the cost limitation;

3. Adjust portfolio balance requirements until the cost limit is reached, except as limited by PUC Section 399.16(e).

d. <u>Prior Deficits:</u> In no event shall a deficit from a prior compliance periods be added to future compliance periods.

e. <u>Portfolio Balance Requirement Reduction:</u> TID may reduce the portfolio balance requirement for PCC1 for a specific Compliance Period, consistent with PUC §399.16(e) and the following:

i. The need to reduce the portfolio balance requirements for PCC1 must have resulted because of circumstances beyond TID's control.

ii. TID may not reduce its portfolio balance requirements for PCC1 below sixty-five percent (65%).

iii. Should TID reduce its portfolio balance requirements for PCC1, it must:

1. Adopt the changes at a publicly noticed meeting with at least 10 calendar days advance notice to the CEC including:
   a. The compliance period for which the reduction may be adopted.
   b. The level to which a POU has reduced the requirement.
   c. The reason or reasons the POU has proposed for adopting the reduction.
   d. An explanation of how the needed reduction resulted from conditions beyond TID's control as provided in Section H (b).

2. Send the CEC a revised Renewable Resources Procurement Plan.

f. Historical Carryover: TID, as an early adopter in renewable energy received 421,529 allowances as Historic Carryover that have been applied to Compliance Period 2 procurement obligation. This is over and above the requirements delineated in Section 3206 (a) (5) for use in Compliance Period 2.

J. REPORTING

a. Deliberations on Procurement Plan (399.30(e) and 399.30(f)):

i. Public Notice: TID shall post notice as required by the Public Utilities Code (30 days in advance or 10 days for substantive changes) if the TID Board will deliberate on this Procurement Plan.

ii. Notice to the California Energy Commission ("CEC"): Contemporaneous with the posting of a notice for deliberations, TID shall notify the CEC of the date, time, and location of the meeting so that the CEC can post publicly on the CEC website.

iii. Documents and Materials Related to the TID Procurement Plan: TID shall make available publicly, via electronic copy, all information and documents related to the TID Procurement Plan to the CEC. In addition, TID will make this information available to the public.

b. Compliance Reporting

i. TID shall submit the required reports to the CEC per Section 3207 of the California Code of Regulations, Title 20, Division 2, Chapter 13 *(Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities).*

TID shall submit the required reports to the CEC per Section 3206 of the California Code of Regulations, Title 20, Division 2, Chapter 13 (*Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities).* Section 3206(c) requires TID to submit any rule or rule revision, such as cost limitations, to the CEC within 30 calendar days after adoption along with all reports, analyses, findings, and any other information upon which the POU relied in adopting the rule or rule revision.