

Revised Resource Portfolio Standard (RPS) and Long Term PPA with Garnet Wind

September 24, 2007

Revised RPS

- Current RPS was established in 2003 in response to SB 1078
- It set the target of 20% of retail consumption served from renewables by December 31, 2017
- It set the impact to retail rates no greater than 5%

Rationale for revising the target:

- Legislative mandate accelerated the timing in meeting the 20% target by 2010 (SB 107)

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- Proposed Revision:
- Target 20% renewables by December 31, 2010
- Target no less than 33% renewables by December 31, 2020
- Set the impact to retail rates no greater than 7%

Long Term PPA with Garnet Wind

- Garnet Wind project participated in Southern California Public Power Authority's 2005 renewable RFP
- Due to its small size it was not selected for SCPPA negotiation
- Staff contacted Garnet Wind earlier this year for bilateral negotiation

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- Location: Palm Springs
- Size: 6.5 MW (13 wind turbines) with estimated energy production of 22,000 MWh per year
- Cost of power: will fluctuate with the spot market with a price floor of \$50/MWh and a price ceiling of \$100/MWh. Average price is estimated to be around \$75/MWh. It is cost competitive
- Term: 20-year contract
- Projected In-Service Date: No later than March 31, 2009



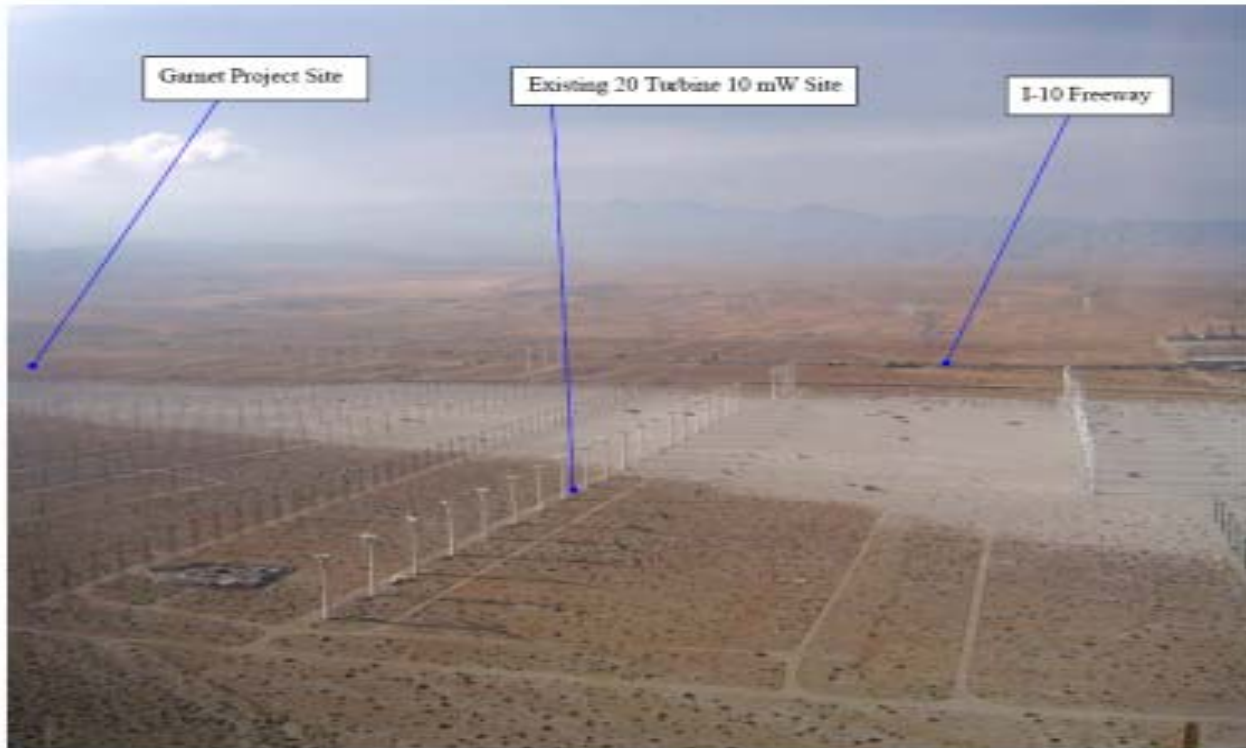
Aerial Photos



Aerial Photos



Aerial Photos



Summary of City's Renewable Resources

- 2 MW of firm windpower from PPM under a 20-year contract entered into in 2003 providing 7% of retail consumption
- 1 MW of small hydro generation from SGVMWD under a 10-year contract entered into in 2006 providing 1% of retail consumption
- Proposed PPA with Garnet Wind for 6.5 MW of windpower under a 20-year contract providing 9% of retail consumption
- Total % of renewables by 2009 is 17%