

Senate Bill 107 Report to Azusa Light and Water's Customers

Senate Bill 107 enacted in 2006 legislative session requires the local publicly owned utility to report to its customer owners its progress in implementing the renewable portfolio standard (RPS). This report provides Azusa Light and Water's customers with the information regarding Azusa's progress toward RPS implementation as follows:

1. Expenditures of public goods funds for eligible renewable energy resource development (program descriptions, expenditures, and expected or actual results)

The City established a public benefit charge (PBC) pursuant to AB 1890 to fund various energy efficiency and conservation programs. PBC is assessed on customer electric bills.

Although PBC funding can be used to procure renewable energy resources, the City currently does not utilize any public goods funds toward the procurement of eligible renewable energy resource thus preserving the PBC funding for cost effective energy efficiency and conservation programs in its entirety.

The procurement cost of renewable energy resources is currently funded through power procurement funds.

2. Resource mix used to serve customers by fuel type, including the contribution of each type of renewable resource, with separate categories for those fuels that are eligible renewable energy resources as defined in Public Utilities Code Section 399.12 and those fuels that would be eligible renewable energy resources as defined in Section 399.12, except that the electricity is delivered to the publicly owned utility and not a retail seller

Periodically but no less frequent than quarterly, the City publishes its Power Label Content information, informing Azusa's customer the fuel mix used in the generation of electricity provided to retail customers.

Please refer to annual and quarterly Azusa Light and Water's Power Label Content located at <http://www.azusalw.com>.

Azusa Light and Water's progress in implementing the RPS

The City has established a Renewable Portfolio Standard (RPS) in 2003, setting the goal of achieving 20% renewable energy by 2017. The RPS has been revised in September 2007; the current RPS goal is 20% renewable energy by 2010 and no less than 33% renewable energy by 2020.

As of calendar year 2007, Azusa Light and Water has 6% in eligible renewable resources to serve its retail customer energy consumption. Azusa signed two additional long term power purchase contracts with renewable energy providers in 2007. One contract is with San Gabriel Valley Municipal Water District (SGVMWD) for its one MW San Dimas

Wash small conduit hydro generating facility and the second contract is with Garnet Wind Energy Corporation for its 6.5 MW Garnet Wind Project in Palm Springs. San Dimas Wash project is an existing facility and Garnet Wind is a new generating facility currently under construction with a projected in-service date of summer 2008.

San Dimas Wash small hydro facility is expected to commence power delivery June 1, 2008 and is expected to provide 1% of Azusa's annual RPS requirement. Garnet Wind facility is expected to commence commercial operation by July 1, 2008 and is expected to provide 8% of Azusa's annual RPS requirement.

Please contact Bob Tang at (626) 812-5214 if you need further information.