

## Environmental Attributes Management Policy Resolution

<b>Date of this Brief</b>	April 2, 2010		
<b>Supersedes</b>	None		
<b>Key Contacts</b>		<b>Phone</b>	<b>Short Title</b>
	Robert Cromwell	4-3856	Director, PCRA
	Marilynn Semro	6-4539	Strategic Advisor 2
<b>Council Action Required?</b>	<b>Y</b>	<b>If YES, within the next 3 months?</b>	<b>Y</b>
<b>Presenters (if applicable)</b>	<b>Steve Kern, Officer PS&amp;EA</b> <b>Robert Cromwell, Director, PCRA</b>		

### Summary Statement

This resolution endorses City Light's Environmental Attributes Management Policy and establishes it as the policy governing wholesale transactions in Renewable Energy Credits (RECs) and greenhouse gas offsets (GHG offsets) in order to facilitate compliance with city, state, and potentially federal, requirements.

### Background

City Light has established a REC and GHG offset portfolio by virtue of its purchase of renewable generating resources, and REC-only and GHG offset purchases in the wholesale market. The RECs are necessary to meet certain legislative requirements and the GHG offsets are necessary to meet certain policy objectives. To the extent not necessary to meet regulatory requirements, the surplus RECs may be sold to minimize the net cost of regulatory compliance to our ratepayers. The purchase and sale of the RECs and purchase of GHG offsets exposes City Light to a certain amount of risk. This Environmental Attributes Management Policy establishes the framework for City Light to manage these risks and those of possible future carbon allowances.

City Light's Risk Oversight Council has reviewed and approved the proposed policy. Utility industry best practices requires that such policies be endorsed by it's governing body.

### Key Issues

None.

### Next Steps

Receive endorsement by the City Council of the Environmental Attributes Management Policy.

PCRA: MS