

**RMLD Policy No. 30
RENEWABLE AND GREENHOUSE GAS (GHG) REDUCTION
REGARDING POWER SUPPLY PROCUREMENT**

Revision No. 1

Commission Vote Date

General Manager/Date

Next Review Date

I. PREAMBLE

- A. Established in 1894, Reading Municipal Light Department is a public power, not-for-profit electric utility that serves its four communities.
- B. Public power means local control and local decision-making. Our customers help determine our electric rates and the policies and programs that meet local needs.
- C. RMLD’s electric rates reflect our customers’ priorities as expressed in RMLD’s Customer Satisfaction Surveys and adopted Mission and Vision statements:
 - a. Reliability — Customers expect and value excellent electric reliability.
 - b. Low Cost of Electricity — Customers value low-cost electricity.
 - c. Greenhouse Gas Reduction Goals — Our environmentally-conscious community wants RMLD to set greenhouse gas reduction goals while having little to no impact on rates.
 - d. RMLD’s electric rates also reflect RMLD’s franchise obligations. As a municipal light plant, RMLD is a public service corporation, having a legal franchise obligation to provide low-cost, reliable electric service to its ratepayers.
- D. Consistent with RMLD’s customers’ priorities and its franchise obligations, the RMLD adopts the following Policy addressing renewable and sustainable energy:

II. PURPOSE

- A. To establish general policy guidelines to aggressively pursue practical and cost-effective renewable and GHG reduction power supply opportunities that balance RMLD’s customers’ priorities, its franchise obligations, reliability, power supply risk mitigation, and financial risk mitigation, while complying with applicable laws and regulations pertaining to GHG power procurement requirements
- B. To provide an opportunity for customers who wish to go above and beyond RMLD’s other greenhouse gas reduction energy goals and requirements.

III. RESPONSIBILITIES

- A. RMLD Citizens’ Advisory Board
 - 1. Review and comment expeditiously on power purchase contracts recommended by the General Manager under this Policy.

- B. RMLD Board of Commissioners
 - 1. Responsible for approving this Policy.
 - 2. Review and comment expeditiously on power purchase contracts recommended by the General Manager under this Policy.
 - 3. Review, deliberate and vote on deviations and changes to this Policy.
- C. General Manager
 - 1. Responsible for implementing this Policy.
 - 2. Present power purchase contracts covered by this Policy to the RMLD Citizens' Advisory Board and the RMLD Board of Commissioners for review and comment.
 - 3. Present monthly updates to the RMLD Board concerning the RMLD's compliance and ability to comply with this Policy and any deviations or changes established by the RMLD Board, which will include impacts on cost and reliability.

IV. **POLICY ELEMENTS**

- A. The RMLD shall comply with all applicable law pertaining to renewable and GHG reduction power procurement requirements, including, but not limited to, so-called Roadmap 2050 requirements while balancing its customer priorities and franchise obligations. Roadmap 2050 requirements that are applicable as of the date of this Policy are attached hereto as Attachment 1.
- B. The RMLD shall develop the Renewable Choice Program, as an option available to all ratepayers. The Renewable Choice Program will allow RMLD customers to purchase "blocks" of renewable energy certificates ("RECs") for an additional monthly fee. Customer REC purchases through the Renewable Choice Program are above and beyond RMLD's other GHG reduction power procurement goals and requirements and are intended to help customers who have stated that they would be willing to pay more to reduce greenhouse gas emissions. The program will be developed as a tariffed rate.
- C. In order to balance RMLD's customer priorities and franchise obligations with compliance with all applicable laws pertaining to renewable and GHG reduction power procurement requirements, the General Manager may retain or may market RECs as she/he deems to be in the best interest of the RMLD and in compliance with all applicable law.
- D. If applicable laws pertaining to renewable and GHG reduction power procurement change after the effective date of this Policy, the General Manager will review such changes and report to the RMLD Board on such changes and shall present for review and comment by the Board a plan for compliance with such changes that is consistent with RMLD's customer priorities and franchise obligations.
- E. The RMLD Board may vote on changes to this Policy from time to time, and any changes to Attachment 1 shall be set forth below as shown and updated on Attachment 2.

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ATTACHMENT 1 – Update 0

ROADMAP to Net-Zero Carbon by 2050
 (a.k.a., S.9 or MLP GGES Legislation, amending chapter 25A)
 Legislation effective (XX/XX/XXXX)

<i>Provision</i>	<i>Key Elements</i>
Goals	This Legislation sets a minimum percentage of non-carbon emitting energy sold by MLPs (retail sales): 2030 - 50% non-carbon emitting energy sales 2040 - 75% non-carbon emitting energy sales 2050 - net-zero greenhouse gas emissions energy sales
Sources	In this Legislation, “non-carbon emitting” is defined as energy generated from: (1) solar photovoltaic; (2) solar thermal electric; (3) hydroelectric, including imports (4) nuclear; (5) marine or hydrokinetic energy; (6) geothermal energy; (7) landfill methane; (8) anaerobic digester gas; (9) wind energy; (10) biomass; and (11) any other generation qualifying as special cases per this Legislation.
Make / Buy	MLPs may either purchase or generate non-carbon emitting energy. Existing energy supply contracts that meet Legislation requirements count as compliance.
Certificates	Qualification requires the MLP retirement of certificates for these energy retail sales. These certificates consist of renewable energy credits, emission-free energy certificates, or other evidentiary non-carbon emitting documentation.
Reporting / Alternative Compliance Payment	MLPs shall file an annual report demonstrating compliance. If an MLP fails compliance, it shall make an alternative compliance payment (ACP). This ACP shall not exceed \$0.010 / kWh. This ACP shall be deposited into an MLP maintained and administered fund and shall be used by the MLP to fund greenhouse gas emissions reduction and related programs in its service territory. RMLD shall establish this fund effective the date of the Legislation.

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ATTACHMENT 2 – Update History of Attachment 1

Update	Effective Date	Exclusion Change	Description	Recommended by General Manager and approved by BOC and CAB (vote and date)
0	02/18/2021	new	Attachment 1 created to reflect MLP GGES pending Legislation that will apply to MLPs.	
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0	02/18/2021	new	Attachment 1 created to reflect MLP GGES pending Legislation that will apply to MLPs.	
1	02/18/2021	E	Excludes biomass (item 10 in the Sources Provision) as a qualifying resource under this Policy.	
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