

CITY OF HIGH POINT

AGENDA ITEM



TITLE: Resolution for New PURPA Standards	
FROM: Tyler Berrier, PE; Electric Utilities Director	MEETING DATE: October 2, 2023
PUBLIC HEARING: October 2 nd , 2023	ADVERTISED DATE/BY: September 22, 2023
ATTACHMENTS: Attachment A: Regulatory Standards Resolution Attachment B: PURPA Standards Information	

PURPOSE: The Federal Government has added 2 new regulatory standards pertaining to Public Utility Policy. Each qualifying utility had one year from the enactment of the IJA (November 15, 2022) to formally commence consideration of each of the two new regulatory standards, and has two years from the enactment of the IJA (November 15, 2023) to decide whether or not to adopt each such standard.

BACKGROUND: On November 15, 2021, President Biden signed into law the Infrastructure Investment and Jobs Act of 2021 (IIJA). Embedded within the IIJA are sections 40104(a)(1) and 40431(a), which amend Section 111(d) of the Public Utility Regulatory Policy Act of 1978 (PURPA) adding two new regulatory standards that each state regulatory commission, and each "nonregulated electric utility," such as The City of High Point Electric Utilities Department, must formally consider and decide on whether or not to adopt. The standards concern Demand Response Practices and Electric Vehicle Charging Programs.

BUDGET IMPACT: None

RECOMMENDATION/ACTION REQUESTED: : It is the recommendation of Electric Department Staff that City Council adopt at its regularly scheduled October 2nd, 2023 meeting, the attached Resolution, which would do the following:

1. Demand-Response Practices: the City has already adopted programs that promote demand-response and demand flexibility practices by commercial and industrial customers to reduce electricity consumption during periods of unusually high demand. As the technology is available through advanced metering infrastructure (AMI), the City will consider additional programs that will promote demand-response and demand flexibility practices.
2. Electric Vehicle Charging Programs: the City owns and operates four publicly available electric vehicle charging station locations. The City will continue to consider measures to promote greater electrification of the transportation sector as circumstances change and opportunities arise. As the technology is available through advanced metering infrastructure (AMI), the City will consider additional programs that will promote electric vehicle charging programs.



Mayor, Members of Council:

The Federal Government issued two 'shall consider' energy standards as part of the infrastructure investment and Jobs Act of 2021 which amended the Public Utility Regulatory Policies Act of 1978 (PURPA). PURPA was created to promote energy conservation (reduce demand) and promote greater use of domestic energy and renewable energy (increase supply). The two shall consider standards are promoting demand response and promoting electric vehicle charging programs.

The act required a public hearing to seek comments on the two shall consider standards. With the help of the Public Information office a public comment notice was conducted for 30 days. Also, we are holding a public hearing today. No comments were received during the public comment notice period.

As amended, PURPA Section 111(d)(20) directs state regulatory commissions and non-regulated electric utilities, like the City of High Point's Electric Department, to consider for adoption a very broad regulatory policy to promote demand response. The city has already adopted programs that promote demand response and demand flexibility practices with Time-of-Use Rates and Coincident Peak rates. As technology is available through advanced metering infrastructure (AMI), the city will consider additional programs that will promote demand response and demand flexibility practices. Also, we plan to adopt a residential TOU Rate.

As amended, PURPA Section 111(d)(21) directs non-regulated electric utilities, like the City of High Point's Electric Department, to consider for adoption a broad regulatory policy to promote electric vehicle charging programs in their retail service territories. For this second shall consider standard the city operates 4 publicly available electric vehicle charging stations which are currently free to charge. As technology is available through advanced metering infrastructure (AMI), the city will consider additional programs that will promote electric vehicle charging programs.

It is staff's recommendation to adopt the resolution in the agenda packet entitled, "Resolution for the Shall Consider Regulatory Standards Added to the PURPA by the Infrastructure Investment and Jobs Act of 2021." As a summary, staff has reviewed the two energy standards and found that the City already offers programs that promote demand response and EV charging. While maintaining our goal to consistently deliver reliable electric service in a timely and cost-efficient manner, the City will continue to consider additional programs as technological advances. By adopting the resolution, the city will meet the requirements of the PURPA standards.

**RESOLUTION FOR THE SHALL CONSIDER REGULATORY STANDARDS ADDED TO THE PURPA BY THE
INFRASTRUCTURE INVESTMENT ACT AND JOBS ACT OF 2021**

WHEREAS, on November 15, 2021, the infrastructure Investment and Jobs Act of 2021 (“IIJA”) was enacted into law, amending the Public Utility Regulatory Policies Act 1978, as previously amended (“PURPA”), requiring both state-regulated electric utilities and certain non-regulated electric utilities (as defined under PURPA) to either consider or to establish a date to hold a hearing after public notice, within one year from the date of enactment (i.e., by November 15, 2022 thereof), following which the affected electric utilities are to consider the proposed standards hereto; and

WHEREAS, on August 18, 2023, the City of High Point, a non-regulated utility, as that term is defined by PURPA, 16 U.S.S. 2602, initiated proceeding to make a determination whether or not it is appropriate for the City to implement either of the two new PURPA standards;

WHEREAS, the amendments to PURPA require the City to consider and make a final determination as to whether it is appropriate to implement the standards related to the Demand-Response Practices and Electric Vehicle Charging Programs to fulfill the purposes of PURPA, which are to encourage the conservation of energy supplied by the City; to optimize efficiency of electric utility facilities and resources; and to facilities equitable rate for electric customers; and

WHEREAS, as part of its consideration, the City is required to hold a public hearing and issue a final determination, in writing, based upon the evidence presented at the hearing and upon findings specifically included in its written determination, and thereafter make a final determination available to the public; and

WHEREAS, the City gave public notice and allowed for comment from August 18th, 2023, through September 20th, 2023 at 5 P.M. A Public Hearing was then held on October 2nd. This public comment period and hearing allowed for written and verbally submitted comments; and

WHEREAS, the City of High Point Council is of the opinion that all hearing proceedings were conducted and notices provided in full compliance with PURPA; and

WHEREAS, in considering each of the two new PURPA standards the City of High Point Council must make a determination “whether or not it is appropriate to implement such standards to carry out the purpose of this title” pursuant to 16 U.S.C.A. 2621(a)(2006); and

WHEREAS, in making these determinations, the City of Concord Council has considered how the implementation of these standards might affect the City of High Point and its citizens in the area of encouraging energy conservation by citizens, making efficient use of facilities and resources, and maintaining equitable rates to customers, as well as conditions and circumstances specific to the City in reaching its conclusions; and

WHEREAS; the current and planned demand-response and demand flexibility programs of the City are programs that promote demand-response and demand flexibility practices by commercial, residential, and industrial customers to reduce electricity consumption during periods of unusually high demand, to the extent that the City is reasonably able to do so based upon information available and circumstances specific to operations of the City Electric System; and

NOW, THEREFORE, on this 2nd day of October 2023, the City of High Point Council hereby issues its final determinations on the implementation of the Demand-Response Practices standards and the Electric Vehicle Charging Programs standard as follows, to-wit:

1. **Demand-Response Practices:** the City has already adopted programs that promote demand-response and demand flexibility practices by commercial and industrial customers to reduce electricity consumption during periods of unusually high demand. As the technology is available through advanced metering infrastructure (AMI), the City will consider additional programs that will promote demand-response and demand flexibility practices.
2. **Electric Vehicle Charging Programs:** the City owns and operates four publicly available electric vehicle charging station locations. The City will continue to consider measures to promote greater electrification of the transportation sector as circumstances change and opportunities arise. As the technology is available through advanced metering infrastructure (AMI), the City will consider additional programs that will promote electric vehicle charging programs.

NOW, FURTHER THEREFORE, the City of High Point, having completed the mandatory consideration of these two standards, shall cause this final determination to be made available to the public by posting it on the City's website through and until December 31, 2023.

CITY COUNCIL
CITY OF HIGH POINT
NORTH CAROLINA

Jay Wagner, Mayor

ATTEST:

Sandra Keeney, City Clerk