RECOMMENDATION
The Utilities Advisory Commission recommends that City Council approve proposed changes to the Long-term Electric Acquisition Plan (LEAP) Objectives and Guidelines.

BACKGROUND
The Long-term Electric Acquisition Plan (LEAP) objectives and guidelines set the direction for staff in planning and managing the electric supply portfolio. Council approved the LEAP Objectives and Guidelines in 2001 and 2002 (CMR:425:01 and CMR:398:02). Staff updates the Council at least annually on progress in implementing LEAP. The LEAP implementation tasks were most recently updated in April 2006 (CMR:169:06).

BOARD/COMMISSION REVIEW AND RECOMMENDATIONS
The Utilities Advisory Commission reviewed the new guidelines at its February 7, 2007 meeting and voted unanimously to recommend approval of the proposed changes to the LEAP Objectives and Guidelines.

RESOURCE IMPACT
There is no direct resource impact as a result of the proposed changes to the LEAP Objectives and Guidelines, but subsequent supporting implementation programs will impact resources, for which some of the alternatives and costs are not yet known. Implementation plans for various programs that support the Objective and Guidelines will be brought to Council for approval and will have a resource impact at that time. Implementation plans to increase the renewable resource energy purchase target under Guideline #6 may increase retail rates, but will be within the parameters specified in the guideline which maintains the existing rate impact limit of 0.5 ¢/kWh, equivalent to roughly $3.35/month for an average residential bill. Mandated new solar
program funding is projected to require an additional $1.1 million per year for ten years, with an associated 0.1 ¢/kWh increase, or 65 ¢/month for an average residential bill. Increased efforts in cost-effective energy efficiency and local generation programs are expected to have no adverse impact on average electricity bills.

**POLICY IMPLICATIONS**

**ATTACHMENTS**
B: Draft UAC meeting minutes excerpts February 7, 2007.

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