

RESOLUTION NUMBER R-259134

Adopted on August 22, 1983

WHEREAS, Public Utility Commission (PUC) regulations govern the charges that utility companies pay for electricity generated by private producers, such as waste-to-energy facilities by using an "avoided cost" method for determining the price; and

WHEREAS, the price is arrived at by figuring what it would cost the utility to produce or buy the electricity from a conventional source and this price fluctuates depending on market conditions; and

WHEREAS, in order to obtain necessary long-term financing, waste-to-energy projects require predictable and adequate levels of revenue; and

WHEREAS, given the recent, unexpected downward movement in energy prices, the avoided cost method may not provide sufficient revenue in low price years to meet debt service requirements; and

WHEREAS, AB 1909 (Campbell), sponsored by the California Waste Management Board, directs the PUC to establish guidelines allowing alternative payment structures more flexible than the avoided cost one, and under which waste-to-energy producers would be assured adequate revenue, and both electricity and garbage ratepayers would receive an expected benefit; and

WHEREAS, the bill also provides that a waste-to-energy producer receiving payment under an alternative structure shall not burn recyclable materials, this provision having been added as a result of pressure from a major firm with widespread paper recycling interests; and

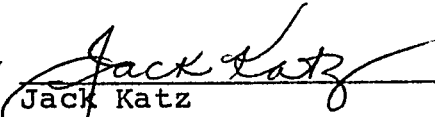
WHEREAS, City staff has reservations about supporting the bill because of the prohibition against burning recyclable materials since staff believes that existing laws already provide adequate protection for recycling and object to the fact that the bill would involve the PUC in questions where it has no expertise, such as the definition of recyclable materials and whether there is a market for such materials; and

WHEREAS, San Diego County is proposing that the bill be amended to include an alternative payment option based on 90% of the retail rate for electricity since this would afford waste-to-energy projects a substantially stable and predictable level of revenue; and

WHEREAS, on August 1, 1983, the Rules Committee discussed and considered the matter of waste-to-energy facilities as addressed by AB 1909 (Campbell) as contained in the report of the Intergovernmental Relations Department (IRD), IRD Report No. 83-54 and after such discussion and consideration, approved the recommendations set forth therein and now recommends approval and support of such recommendations to the full Council; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego,
that this Council hereby expresses its support of AB 1909
(Campbell).

APPROVED: John W. Witt, City Attorney

By 
Jack Katz
Chief Deputy City Attorney

JK:smm
8/11/83
REV. 8/26/83
R-84-288
Or. Dept: Rules
Form=r.none

AUG 22 1983

Passed and adopted by the Council of The City of San Diego on _____,
by the following vote:

Councilmen	Yeas	Nays	Not Present	Ineligible
Bill Mitchell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bill Cleator	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gloria McColl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
William Jones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Struiksmma	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mike Gotch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dick Murphy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Uvaldo Martinez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Roger Hedgecock	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

ROGER HEDGECOCK

Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR

City Clerk of The City of San Diego, California.

By *Maguel L. Pontecorvo*, Deputy.

(Seal)

Office of the City Clerk, San Diego, California

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By Maureen L. Pontecorvo, Deputy.

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