City of Needles, California
Request for Council Action

☐ CITY COUNCIL ☒ NPUA ☐ BOARD OF PUBLIC UTILITIES
☒ Regular ☐ Special

Meeting Date: August 13, 2019

Title: 2018 AB32 GHG Verification Report by Lincus Incorporated

Background: Lincus Incorporated completed the 2018 Greenhouse Gas (GHG) verification service for the City of Needles.

The California Air Resources Board requires a third party verifier of the GHG. Lincus Incorporated reported;

"The City of Needles' 2018 emission data reports for Electric Power Entity (ARB AD 3047) are found to be **free of material misstatement and in conformance** with the Mandatory Reporting Requirement".

The City's annual metric ton of CO2e is reported as;

Year	CO2e
2018	18,022
2017	11,311
2016	9,856

No Allowances were purchased through the California Auction or on the private market for 2018. Unobligated free Allowances from the prior years (2015-2016) will be used to meet triennial compliance obligation (2015-2017).

The City has 10,845 free allowances for 2018, unobligated allowances from the prior compliance period will be used however, allowances may need to be purchased to cover the compliance period of 2018 – 2020. **The Board of Public Utilities approved the recommended action on August 13, 2019.**

Fiscal Impact: None

Recommended Action: Accept the Lincus Inc. AB32 Emission Verification Report 2018 Emissions

Submitted By: Rainie Torrance, Senior Accountant

City Management Review: Rick **Date:** 8/8/19

Approved: ☐ Not Approved: ☐ Tabled: ☐ Other: ☐

Agenda Item: 9

LINCUS
INCORPORATED

City of Needles

ARB ID: 3047

AB32 Emission Verification Report
2018 Emissions

Verification Statement:

Positive

Prepared for:
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July 23, 2019

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July 23, 2019

Subject: 2018 GHG Emissions Verification Report for City of Needles ARB#3047.

Dear Rainie,

We have completed our verification of the 2018 greenhouse gas emissions report submitted in compliance with the Regulation for the Mandatory Reporting ("MRR") of Greenhouse Gas Emissions. We would like to inform you that:

> **City of Needles' (ARB ID 3047) 2018 emissions data report is reasonably assured of no material misstatement and in conformance with the MRR resulting in positive verification.**

This letter, and the documents that follow it, constitute our verification report to you. Consistent with §95131(c), this verification report consists of the following items:

- A detailed description of the facility including all emissions and product data sources and boundaries;
- A detailed description of the data acquisition, tracking, and emission calculation/product data systems;
- The Verification plan;
- The detailed comparison of the data checks conducted during verification services for emissions and product data sources;
- The log of issues identified during the verification activities and their resolution;
- Any qualifying comments on findings during verification services; and
- The calculations performed per section §95131(b) (12) (A) for emissions and product data.

Please feel free to contact me if you have any questions regarding our recommendation or the verification process.

Best Regards,

Yeshpal Gupta

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1 INTRODUCTION

1.1 Verification Objective

City of Needles (ARB ID 3047) has retained Lincus Inc. to conduct an independent verification of its reported greenhouse gas emissions 2018 report year. City of Needles's emissions data report was prepared in compliance to the California Global Warming Solutions Act of 2006 (AB 32) emissions reporting standards administered by the California Air Resources Board (ARB). This standard is referenced as the "Mandatory Reporting Requirement" or "MRR" throughout this report.

The GHG data collection period for this verification is between January 1, 2018 and December 31, 2018. The purposes of this verification exercise are, by review of objective evidence, to independently verify that the submitted emissions data report is:

- Free of material misstatement; and
- In full conformance with MRR.

1.2 Verification Scope

The scope of this verification includes GHG emissions from anthropogenic sources bounded by the City of Needles as specified in the MRR.

In accordance with the MRR (sec §95130(a)(1)), City of Needles is required to obtain annual verification services as specified in sec §95103(f) and is subject to full verification requirements for the 2018 GHG emissions report (MRR §95130(a)(1)(A).

Lincus evaluated the emissions data report to a standard of Reasonable Assurance. Reasonable Assurance statements are crafted in a positive fashion; a Verification Body provides reasonable assurance that an emission report is materially correct. A reasonable assurance statement is generally considered to generate the highest possible level of confidence.

Upon completion of the verification services, Lincus will issue a verification statement, and provide that statement to City of Needles and ARB. Before that statement is issued, Lincus will have the verification services and findings of the verification team independently reviewed within the Lincus team by a lead verifier not involved in verification services. Lincus will also provide to City of Needles a detailed verification report prior to submitting its verification findings to ARB to provide the opportunity to correct any misstatements, omissions, or discrepancies uncovered during verification activities.

1.3 Description of Emission Activities, Sources, and Boundaries

City of Needles (the Utility) is a retail provider that serves electric customers in the City of Needles. The Utility imports electricity from one (1) specified source and from several unspecified sources located outside of California. The utility also purchases electricity from in-state resources. The utility sells the electricity to end-use customers and does not sell excess electricity into CAISO. Needles resides in the Western Area Lower Colorado Balancing Authority (WALC BA), and as part of the services provided by the BA, Needles receives untagged Energy Imbalance to close the gap between actual load and scheduled energy. This untagged amount is reported under unspecified imports. The Utility does not export or wheel power and does not have RPS adjustments, QE adjustments, or Linked transactions in the 2018 reporting year. Table 1 and 2 summarizes emission activities and sources and emission boundaries. Western Area Power Authority (WAPA) does CARB GHG reporting for City of Needles.

Table 1: List of Transaction Types and Sources

Transaction Type	Transaction Source	Reported MWh	Reported CO2e
Unspecified Imports	Various	41,284	18,022.9
Specified Imports	Parker-Davis Project	24,386	0.0
RPS Adjustment	None reported	0	0.0
QE Adjustment	None reported	0	0.0
Linked	None reported	0	0.0
Totals		**65,670**	**18,022.9**

Unspecified Imports

Transaction Type	Transaction Source	Reported MWh	Reported CO2e
Unspecified Imports	APACHE115	256	112
	BPAPower	388	169
	BPAT.CHPD	30	13
	BPAT.GCPD	200	87
	BPAT.SCL	128	56
	BPAT.TPU	160	70
	CHOLLA500	608	265
	Centralia	208	91
	GILARIVER500_AZPS	664	290
	GILARIVER500_TEPC	424	185
	GMS.MCA.REV	160	70
	GRIFFITH230	8,832	3,856
	HA500	32	14
	HermistonCPN	440	192
	IPP	960	419
	KI	80	35
	LIBERTY230	376	164
	MDGT	280	122
	MDGT	296	129
	MEAD230	2,885	1,259
	NAVAJO500_SRP	4,187	1,828
	NAVAJO500_WALC	183	80
	PACE	1,911	834
	PALOVERDE500_AZPS	424	185
	PALOVERDE500_EPE	1,001	437
	PALOVERDE500_PNM	1,404	613
	PALOVERDE500_SRP	1,820	795
	PALOVERDE500_WALC	1,149	502
	PSEI.SYSTEM	112	49
	RUDD230	5,448	2,378
	SOUTHSYS	128	56
	SWAZSYS	3,366	1,469
	SWAZSYS	32	14
	Snohomish	224	98
	TESTTRACK230	64	28
	TPWR.SYS	112	49
	WESTWING230_SRP	2,168	946
	WESTWING230_WALC	144	63
	Totals	**41,284**	**18,023**

Table 2: List of Boundaries

Geographic Boundaries	City of Needles's service territory
Organizational Boundaries	City of Needles's operational control.
Greenhouse Gases Verified	CO_2, CH_4, N_2O
Reporting Year	2018 Emissions (January 1, 2018 through December 31, 2018)

1.4 Standards Used to Verify Emissions (Criteria)

Table 3 outlines the guidance and protocols used to conduct this verification:

Table 3: Standards Used to Verify Emissions

Topic	Description
Verification Standard	Regulation for the Reporting of Greenhouse Gas Emissions (subsequently referred to as the Mandatory Reporting Requirement (MRR) herein: Subchapter 10 "Climate Change" Sections §95100 to §9515, Title 17, California Code of Regulations.
Operational Boundaries	Electricity Imported and Exported from City of Needles 's service territory
Level of Assurance	Reasonable Assurance
Materiality Threshold	Discrepancies, Omissions, and Misreporting greater than plus or minus five (± 5) percent of the reported GHG emission are considered "material."

Non-compliance/Non-conformance Threshold	Items not in conformance with verification standard stated above that may lead to material misstatements, errors, or omissions and/or other items discovered during the verification process that may pose an elevated risk of these occurrences.

2 VERIFICATION PROCESS AND METHODOLOGY

The verification process was designed to gain clear understanding of City of Needles's emission sources; to evaluate and verify the collection and handling of data; to review the calculations that lead to the emissions report; and to evaluate the processes and procedures for reporting the associated data and results. Lincus personnel were particularly careful during this verification to refrain from providing advice to the reporting entity.

2.1 Verification Logistics

Upon acceptance of the verification proposal by the reporter and associated contractual obligations (e.g. proof of insurance, purchase order, etc.):

- A Lead Verifier to serve as a project manager and point of contact was assigned;
- The reporter was asked to assign Lincus, Inc. as the Verification body in Cal-eGGRT;
- The reporter was asked to provide electronic and/or physical copies of its GHG Monitoring or Inventory Plan and associated relevant data for review;
- The lead verifier assigned discussed the general timing of verification services with facility personnel including:
    - Types of proposed document and data reviews;
    - Expected date for completing verification services.

At such point in time that initial information had been received, the lead verifier contacted the reporter to discuss initial verification logistics and selected the verification team.

NOTE: If it was believed that a real or perceived Conflict of Interest (COI) existed during any point up to COI/NOVS approval by ARB, the Lead Verifier reserved the right to halt verification logistic activities until a COI determination could be made. Internal evaluation of COI was also conducted for each member of the verification team.

The Lincus verification team for this verification activity consisted of the individuals shown in Table 4. These individuals were selected based on their verification experience, as well as familiarity with the technical operations of this facility type. The lead verifier had operational control over the verification team and was the primary point of contact for all verification activities.

Table 4: List of Verification Team Members

Name	Project Role	Company Name	Phone No.
Yeshpal Gupta	Lead Verifier	Lincus, Inc.	480-227-6761
Hob Issa	Independent Reviewer	Lincus, Inc.	949-244-6528
Mark Kuria	Verifier-in-training	Lincus, Inc.	626-418-9380
Arash Kialashaki	Verifier	Lincus, Inc.	510-550-4612

2.2 Prepare and Submit COI/NOVS Forms

In accordance with MRR (§95131 and §95133), the Lead verifier then completed a Conflict of Interest (COI) and Notification of Verification Services (NOVS) form for combined submission to ARB under the agency's streamlined reviewing process. Approval to proceed with verification services was received on 04/29/2019. The COI risk for this verification was deemed to be ***low.***

2.3 Develop Information Request and Verification Plan

After receiving COI/NOVs approval from ARB, a verification plan was developed for the site in accordance with §95131(b)(1). The verification plan took into consideration the 2018 emissions report downloaded from the Cal-eGGRT website. The following documents were also requested before and after developing the sampling plan:

- 2018 GHG Monitoring/Inventory plan
- GHG emissions calculation workbook (Labelled as "Needles GHG Tag Analysis CY2018.xls")

  Calculation for WAPA imports and exports (labelled as "DSWM GHG Tag Breakdown 2018")
- Sample of raw e-tags
- Raw OATI report of all tags sinking at Needles (Collected during the site visit)
- CEC-1306A quarterly reports
- Monthly Utility reports (to verify retail sales)
- Electricity sales calculations labelled as "Electric Sales - CY 2018.xls"
- Power Contract for Parker-Davis Project
- Map of Parker Dam indicating Parker Dam's placement relative to the Arizona-California Border
- Notarized Attestation by City of Needles and associated e-tags for four incorrectly labelled e-tags (labelled as "Notarized Attestation")

2.4 Develop Sampling Plan

After initial review of data, Lincus developed a sampling plan in accordance with the procedures outlined in §95131(b)(7)(A)-(C) based on a strategic risk analysis of submitted data to assess the nature, scale, and complexity of the verification activity. The sampling plan for verification included a *quantitative assessment of materiality risk* for emission sources including (see Table 5a):

- Ranking of emission sources by amount of contribution to total CO_2 equivalent;
- Ranking of emissions sources by risk of calculation uncertainty.
- Fuel and electricity transactions were also ranked or evaluated relative to the amount of fuel or power exchanged.

The sampling plan also included a *qualitative assessment of conformity risk* as applicable, including as applicable under §95110 to §95123, §95129, and §95150 to §95157 including (see Table 6):

- Data acquisition equipment;
- Data sampling and frequency;
- Data processing and tracking;
- Emissions calculations;
- Product data (not applicable to this verification);
- Data reporting;
- Management policies or practices in developing emissions data reports.

The sections below describe the emissions sources targeted for document reviews, and data checks as specified in §95131(b)(8), which states that data checks should focus on the largest and most uncertain estimates of emissions, product data and fuel and electricity transactions. This section describes the methods used to check data for each source, and contains a summary of the information analyzed in the data checks and document reviews conducted for each emissions source. As specified, at minimum, these data checks included the following:

1. Tracing data in the emissions data report to its origin;
2. Examining the process for data compilation and collection;
3. Recalculating emission estimates to check original calculations;
4. Reviewing calculation methodologies used by the reporting entity for conformance
5. Reviewing meter and fuel analytical instrumentation measurement accuracy and calibration for consistency with the requirements of section §95103(k).

Table 5a: Quantitative Risk Assessment Summary

Transaction Type	Transaction Source	Reported MWh	Reported CO2e	MWh by Percent of Total	CO2e by Percent of Total	Ranking by Calculation Uncertainty	Uncertainty Risk Methodology
Unspecified Imports	Various	41,284	18,022.9	63%	100.0%	High	Highest CO2e source, highest MWh source
Specified Imports	Parker-Davis Project	24,386	0.0	37%	0.0%	Medium	Second Highest MWh source, some power comes from Parker (not an import) and some from Davis (import), so room for error in how power is allocated to Parker & Davis
RPS Adjustment	None reported	0	0.0	0%	0.0%	N/A	N/A
QE Adjustment	None reported	0	0.0	0%	0.0%	N/A	N/A
Linked	None reported	0	0.0	0%	0.0%	N/A	N/A
Totals		**65,670**	**18,022.9**				

Table 5b: Quantitative Risk Assessment Summary – Unspecified Sources

Transaction Type	Transaction Source	Reported MWh	Reported CO2e	MWh by Percent of Total	CO2e by Percent of Total	Ranking by Calculation Uncertainty	Uncertainty Risk Methodology
Unspecified Imports	APACHE115	256	112	0.6%	0.6%	Low	Low emissions
	BPAPower	388	169	0.9%	0.9%	Low	
	BPAT.CHPD	30	13	0.1%	0.1%	Low	
	BPAT.GCPD	200	87	0.5%	0.5%	Low	
	BPAT.SCL	128	56	0.3%	0.3%	Low	
	BPAT.TPU	160	70	0.4%	0.4%	Low	
	CHOLLA500	608	265	1.5%	1.5%	Low	
	Centralia	208	91	0.5%	0.5%	Low	
	GILARIVER500_AZPS	664	290	1.6%	1.6%	Low	
	GILARIVER500_TEPC	424	185	1.0%	1.0%	Low	
	GMS.MCA.REV	160	70	0.4%	0.4%	Low	
	GRIFFITH230	8,832	3,856	21.4%	21.4%	High	Highest emissions
	HA500	32	14	0.1%	0.1%	Low	Low emissions
	HermistonCPN	440	192	1.1%	1.1%	Low	
	IPP	960	419	2.3%	2.3%	Low	
	KI	80	35	0.2%	0.2%	Low	
	LIBERTY230	376	164	0.9%	0.9%	Low	
	MDGT	280	122	0.7%	0.7%	Low	
	MDGT	296	129	0.7%	0.7%	Low	
	MEAD230	2,885	1,259	7.0%	7.0%	Low	
	NAVAJO500_SRP	4,187	1,828	10.1%	10.1%	Medium	Third Highest Emissions
	NAVAJO500_WALC	183	80	0.4%	0.4%	Low	Low emissions
	PACE	1,911	834	4.6%	4.6%	Low	
	PALOVERDE500_AZPS	424	185	1.0%	1.0%	Low	
	PALOVERDE500_EPE	1,001	437	2.4%	2.4%	Low	
	PALOVERDE500_PNM	1,404	613	3.4%	3.4%	Low	
	PALOVERDE500_SRP	1,820	795	4.4%	4.4%	Low	
	PALOVERDE500_WALC	1,149	502	2.8%	2.8%	Low	
	PSEI.SYSTEM	112	49	0.3%	0.3%	Low	
	RUDD230	5,448	2,378	13.2%	13.2%	Medium	Second Highest Emissions
	SOUTHSYS	128	56	0.3%	0.3%	Low	Low emissions
	SWAZSYS	3,366	1,469	8.2%	8.2%	Low	
	SWAZSYS	32	14	0.1%	0.1%	Low	
	Snohomish	224	98	0.5%	0.5%	Low	
	TESTTRACK230	64	28	0.2%	0.2%	Low	
	TPWR.SYS	112	49	0.3%	0.3%	Low	
	WESTWING230_SRP	2,168	946	5.3%	5.3%	Low	
	WESTWING230_WALC	144	63	0.3%	0.3%	Low	
	Totals	**41,284**	**18,023**	**100%**	**100%**		

Additionally, the following non-covered data was checked for accuracy:

Table 5b: Non-covered Data Checks

Data	Reported MWh	Reported CO2e
CAISO Sales	0	0.0
Retail Sales	61,208	N/A

The Table below provides quantitative risk assessment summary:

Table 6: Qualitative Risk Assessment Summary

Risk Area	Uncertainty Risk/ Data Check Methodology
Data Acquisition Equipment	Medium Risk: Staff interviews were conducted, GHG Inventory Program was reviewed, OATI export was taken to ensure all tags were accounted for
Data Sampling and Frequency	Low Risk: Staff interviews were conducted and GHG Inventory Program was reviewed
Data Processing and Tracking	Low Risk: Staff interviews were conducted, GHG Inventory Program was reviewed, and had staff export raw OATI file of all tags sinking at City of Needles
Emission Calculations	Medium Risk: Staff interviews were conducted, GHG Inventory Program was reviewed, data checks were made of e-tags from Parker and Davis, and from other sources inside and outside CA. Retail sales and total MWh sunk at Needles was reviewed.
Data Reporting Methodology	Medium Risk: Staff interviews were conducted, GHG Inventory Program was reviewed, data checks were made of e-tags from Parker and Davis, and from other sources inside and outside CA
Management Policies and Practices in Developing Emissions Report	Medium Risk: The verification team requested the GHG Inventory Program and conducted staff interviews regarding management policies and reporting

2.5 On-Site Verification

Once the verification logistics, verification plan, and sampling plan were outlined, the verification team conducted an on-site verification with Stacy Russ (from WAPA) and Rainie Torrance (from City of Needles) at WAPA's Phoenix facility. The purpose of the site visit was to:

- Check that all sources specified in sections §95110 to 95124, and 95150 to 95157, as applicable to the reporting entity are identified appropriately as outlined in the sampling plan.
- Review and understand the data management systems used by the reporting entity to track, quantify, and report greenhouse gas emissions and, when applicable, product data, and electricity and fuel transactions to evaluate the uncertainty and effectiveness of these systems as outlined in the sampling plan.

The verification team carefully walked through the GHG calculations and sources for the data and asked questions, as needed. The verification team also witnessed Stacy Russ download the OATI report of all tags sinking at Needles, attach it to an e-mail, and send it to the verification team.

2.6 Assess Materiality

Table 7a below summarizes the specific sections of the MRR directly applicable to this facility.

Table 7a: Sections of the MRR Utilized to Verify Materiality

Mandatory Reporting Requirement	Applicable Section
Data Requirements and Calculation Methods for Electric Power Entities	§95111

2.7 Assess Conformity

Table 7b below summarizes the specific sections of the MRR directly applicable to this facility.

Table 7b: Sections of the MRR Utilized to Verify Conformity

Mandatory Reporting Requirement	Applicable Section
Applicability	§95101
Greenhouse Gas Reporting Requirements	§95103
Emissions Data Report Contents and Mechanism	§95104
Recordkeeping Requirements	§95105
Data Requirements and Calculation Methods for Electric Power Entities	§95111

2.8 Internal Quality Control

After the initial verification statement had been completed a draft verification report was developed, and it was provided to an Independent Reviewer for review. The Independent Reviewer ensured that all applicable verification procedures were followed and identified any areas of significant concern, including errors in planning, data sampling, and/or judgment by the verification team that are related to the draft verification statement.

2.9 Verification Report and Verification Statement

At the completion of the verification services, a detailed verification report, including sampling plan, data checks completed issues logged, and their resolution, as well as any additional qualifying verification findings was provided to the reporter. Ten business days were allowed for the entity to make corrections (if needed). Once a discussion had been held with the reporter regarding their verification report, a final report and verification statement was submitted to ARB.

3 VERIFICATION FINDINGS

3.1 Data Checks & Issues Log

The verification team conducted verification activities as outlined in Section 2.4 "Sampling Plan." In accordance with the MRR, the following "Data Checks" and "Issues Log" were developed to identify areas of material misstatement and/or nonconformance and any corrective action taken by the reporting entity prior to providing a verification statement to ARB. The Issues log table identifies issues found during the verification. The data checks tables identify the verifier calculated emissions and non-covered data (after issue log is addressed).

Table 8: Issue Logs

No.	Date	Issue Description	MRR Reference	Potential Impact	Resolution Date	Resolution
1	7/2/2019	Transmission Loss Factor of 1.0 is used for the specified imports even though it is not Measured at Busbar. Need explanation with supporting documents.	95111(b)(4)(A)	Failure to fix misreported data that do not affect covered emissions data as is the case here represents a non-conformance with MRR.	7/19/2019	Reporter updated the emissions data report by changing the TLF to 1.02.
2	7/2/2019	Provide supporting documents such as CEC-1306A to verify retail sales. The submitted excel spreadsheet "Electric Sales - CY 2018" is not a sufficiently strong evidence.	95111(c)(1)	Reviewer will not be able to provide reasonable assurance for retail sales. Failure to address this will result in non-conformance with MRR.	7/3/2019	Reporter provided the quarterly CEC1306-A Schedule A reports for CY 2018.
3	7/3/2019	Reported retail sales data does not match with the CEC1306-A Schedule A quarterly reports for any of the month. Reported data is over-estimated by more than 45%.	95111(c)(1)	Provide explanation for the discrepancy. Failure to address this will result in non-conformance with MRR.	7/12/2019	Reporter provided monthly detailed revenue reports to justify the retail sales. Per reporter contact, those figures are used for GHG, RPS and various other compliance reports including the NPUA bond reporting. Verifier accepted to explanation.
4	7/23/2019	Provide supporting documentation that Headgate_rock point is located in CA which is why transactions are not included in the report.	95111(a)(3)	Material misstatement; Non conformance	7/23/2019	These transactions are included in the report. Their first POR closest to the source is SWAZSYS and they are represented in the aggregated SWAZSYS under the Unspec Imports in the GHG Report.
5	7/23/2019	"MDGT" and "Swazsys" is listed twice as final point of delivery for unspecified exports instead of aggregated as per the regulation.	$95111(a)(6)	Non conformance	7/23/2019	These were purposely not aggregated because of the attestation (four e-tags that were incorrectly labelled). CARB asked the reporter that the tags that were part of the attestation should be separately aggregated and get their own lines on the GHG Report.

Table 9a: Data Checks

Transaction Type	Transaction Source	Reported MWh	Reported CO2e	Verifier MWh	Verifier CO2e	Difference	Percent Difference
Unspecified Imports	APACHE115	256	111.8	256	111.8	-	0%
	BPAPower	388	169.4	388	169.4	-	0%
	BPAT.CHPD	30	13.1	30	13.1	-	0%
	BPAT.GCPD	200	87.3	200	87.3	-	0%
	BPAT.SCL	128	55.9	128	55.9	-	0%
	BPAT.TPU	160	69.8	160	69.8	-	0%
	CHOLLA500	608	265.4	608	265.4	-	0%
	Centralia	208	90.8	208	90.8	-	0%
	GILARIVER500_AZPS	664	289.9	664	289.9	-	0%
	GILARIVER500_TEPC	424	185.1	424	185.1	-	0%
	GMS.MCA.REV	160	69.8	160	69.8	-	0%
	GRIFFITH230	8,832	3,855.7	8,832	3,855.7	-	0%
	HA500	32	14.0	32	14.0	-	0%
	HermistonCPN	440	192.1	440	192.1	-	0%
	IPP	960	419.1	960	419.1	-	0%
	KI	80	34.9	80	34.9	-	0%
	LIBERTY230	376	164.1	376	164.1	-	0%
	MDGT	280	122.2	280	122.2	-	0%
	MDGT	296	129.2	296	129.2	-	0%
	MEAD230	2,885	1,259.5	2,885	1,259.5	-	0%
	NAVAJO500_SRP	4,187	1,827.9	4,187	1,827.9	-	0%
	NAVAJO500_WALC	183	79.9	183	79.9	-	0%
	PACE	1,911	834.3	1,911	834.3	-	0%
	PALOVERDE500_AZPS	424	185.1	424	185.1	-	0%
	PALOVERDE500_EPE	1,001	437.0	1,001	437.0	-	0%
	PALOVERDE500_PNM	1,404	612.9	1,404	612.9	-	0%
	PALOVERDE500_SRP	1,820	794.5	1,820	794.5	-	0%
	PALOVERDE500_WALC	1,149	501.6	1,149	501.6	-	0%
	PSEI.SYSTEM	112	48.9	112	48.9	-	0%
	RUDD230	5,448	2,378.4	5,448	2,378.4	-	0%
	SOUTHSYS	128	55.9	128	55.9	-	0%
	SWAZSYS	3,366	1,469.5	3,366	1,469.5	-	0%
	SWAZSYS	32	14.0	32	14.0	-	0%
	Snohomish	224	97.8	224	97.8		0%
	TESTTRACK230	64	27.9	64	27.9		0%
	TPWR.SYS	112	48.9	112	48.9		0%
	WESTWING230_SRP	2,168	946.5	2,168	946.5		0%
	WESTWING230_WALC	144	62.9	144	62.9		0%
Specified Imports	Parker-Davis Project	24,386	0.0	24,386	0.0	-	#DIV/0!
RPS Adjustment	None reported	0	0.0	0	0.0	N/A	N/A
QE Adjustment	None reported	0	0.0	0	0.0	N/A	N/A
Linked	None reported	0	0.0	0	0.0	N/A	N/A
Totals		**65,670**	**18,022.9**	**65,670**	**18,022.9**	-	**0%**

Table 9b: Data Checks (Non-covered Data)

Data	Reported MWh	Reported CO2e	Verifire MWh	Verifier CO2e
CAISO Sales	0	0	-	0
High-Emitting GHG - Total Imported	0	0	0	0
Retail Sales	61,208	N/A	61,208	N/A

3.2 Materiality Assessment

The following formula was used to assess material misstatement, whereas the total reported emissions have emissions greater or less than five (5) percent:

$$\text{Percent Error} = \frac{\sum\big((\text{Discrepancies} + \text{Omissions} + \text{Misreporting}) \times 100\%\big)}{\text{Total Covered Reported Emissions}}$$

Whereas:

- "Discrepancies" - any differences between the covered emissions/product data and verifier calculated covered emissions/product data for a data source or product data subject to data checks in section 95131(b)(8).
- "Omissions" - any covered emissions or product data the verifier concludes must be part of the emissions data report, but were not included by the reporting entity in the emissions data report.
- "Misreporting" - duplicate, incomplete or other covered emissions the verifier concludes should, or should not, be part of the emissions data report or duplicate or other product data the verifier concludes should not be part of the emissions data report.

The materiality assessment for this facility was calculated as

$$\text{Percent Error} = \frac{(0.00)}{\mathbf{18,022.9\ CO_2e}}$$

$$= 0.00\%$$

The percent error is within an acceptable materiality threshold of ± 5% confidence.

3.3 Conformance Assessment

The Table below listed conformance assessment findings.

Table 10: Conformance Assessment

Requirement	Code Section	Assessment
Information to allow the verification team to develop a general understanding of entity boundaries, operations, and electricity transactions;	§95105(d) (1)	This entity is in conformance with the MRR.
Reference to management policies or practices applicable to reporting pursuant to section 95111;	§95105(d) (2)	This entity is in conformance with the MRR.
List of key personnel involved in compiling data and preparing the emissions data report;	§95105(d) (3)	This entity is in conformance with the MRR.
Training practices for personnel involved in reporting delivered electricity pursuant to section 95111 and responsible for data report certification, including documented training procedures;	§95105(d) (4)	This entity is in conformance with the MRR.
Query of NERC e-Tag source data to determine the quantity of electricity (MWh) imported, exported, and wheeled for transactions in which they are the purchasing-selling entity on the last physical path segment that crosses the border of the state of California, access to review the raw e-Tag data, a tabulated summary, and query description;	§95105(d) (5)	This entity is in conformance with the MRR.
Reference to other independent or internal data management systems and records, including written power contracts and associated verbal or electronic records, full or partial ownership, invoices, and settlements data used to document whether reported transactions are specified or unspecified and whether the requirements for adjustments to covered emissions pursuant to sections 95852(b)(1)(B), 95852(b)(4) and 95852(b)(5) of the cap-and-trade regulation are met;	§95105(d) (6)	This entity is in conformance with the MRR.
Description of steps taken and calculations made to aggregate data into reporting categories required pursuant to section 95111	§95105(d) (7)	This entity is in conformance with the MRR.
Records of preventive and corrective actions taken to address verifier and ARB findings of past non-conformances and material misstatements	§95105(d) (8)	This entity is in conformance with the MRR.
Log of emissions data report modifications made after initial certification;	§95105(d) (9)	This entity is in conformance with the MRR.
A written description of an internal audit program that includes emissions data report review and documents ongoing efforts to improve the GHG Inventory Program	§95105(d) (10)	This entity is in conformance with the MRR.

4 VERIFICATION RESULTS

Lincus, Inc. was retained by City of Needles to verify its reported greenhouse gas emissions for 2018 emissions year. The purpose of this verification activity was to confirm, on behalf of ARB that reported GHG emissions from this facility are free of material misstatement and in conformance with Subchapter 10 "Climate Change" Sections §95100 to §95157, Title 17, California Code of Regulations also referenced as "The California Global Warming Solutions Act of 2006 (AB 32)."

The verification team planned and performed various data checks and assessments to verify these reported emissions based on objective evidence to provide reasonable assurance that the amount of GHG emission reported are free of material misstatement; and in full conformance with the requirements of the Regulation. Based on these verification activities as outlined in the above sections, it is the conclusion of Lincus Inc. in its role as independent verifier that, City of Needles' reported emissions are **free of material misstatement and in full conformance with the regulation.**

5 VERIFICATION STATEMENT

To Be Included