

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager

DATE: August 15, 2018

SUBJECT: Approval of Membership in the Western Community Energy Joint Powers Authority

RECOMMENDATION: Adopt Resolution No. 2018-52, approving membership in the Western Community Energy Joint Powers Authority; appoint one regular director and one alternate director to act on behalf of the City of Norco within the powers of Western Community Energy Joint Powers Authority

SUMMARY: Staff is recommending that the City Council exercise its discretion in determining whether to join the Western Community Energy (WCE) Joint Powers Authority (JPA) for the implementation of a Community Choice Aggregation Program in the City of Norco. Should the City Council elect to join the JPA, it is recommended that City Council adopt the attached resolution electing to join the JPA and appointing one regular director and alternate director to act on behalf of the City within the powers of the Western Community Energy JPA.

BACKGROUND: At a previous City Council Meeting and Town Hall meeting, Western Riverside Council of Governments (WRCOG) made presentation to the City regarding Community Choice Aggregation (CCA) Program. Community Choice Aggregation allows a local government – either alone or as a group of jurisdictions in a Joint Powers Authority (JPA) to purchase power on behalf of its community, while utilizing the delivery system of the investor owned utility which is Southern California Edison (SCE). A CCA provides a choice for the City that it currently does not have. Under a CCA, residents and businesses have the ability to choose from new rates and power sources (that are often more renewable and at reduced cost) offered by the CCA, or they can choose to stay with SCE. The City, by participating in a CCA, will allow its businesses and residents to voluntarily make those choices.

While WRCOG is still studying and analyzing the economic and other benefits of implementing a CCA such as cost savings and local control, in order to meet the deadline to launch the CCA by 2020, cities interested in participating by 2020 must express their intent to join the JPA by August 15, 2018. By adopting the attached resolution, the City Council will be positively expressing the City's interest to join the JPA which is prelude to joining the CCA if it is formalized.

Agenda Item: 6.A.

Joining the WCE JPA by the August 15, 2018 deadline does not lock the City into implementation. It simply provides for a potential launch in 2020 should WCE's Governing Board make a determination to do so. The August 15, 2018 deadline is based on the requirement that an implementation plan must be submitted to California Public Utilities Commission (CPUC) in December 2018 to ensure a 2020 launch. In order to submit the Implementation Plan, jurisdictions must join the JPA so that WRCOG's consultants can develop a cost/environmental savings report to the WCE Governing Board in September. The savings report will indicate whether or not it is favorable for WCE to move forward. If favorable, WCE will prepare its Implementation Plan for a 30-day public review prior to submitting to CPUC. If it is not favorable, all work would stop.

Right to Withdraw Prior to Program Launch. After receiving bids from power suppliers, the JPA must provide to the Member Agencies the report from the electrical utility consultant retained by the Authority that compares the total estimated electrical rates that the Authority will be charging to customers as well as the estimated greenhouse gas emissions rate and the amount of estimated renewable energy used with that of SCE. If the report provides that the Authority is unable to provide total electrical rates, as part of its baseline offering, to the customers that are equal to or lower than the incumbent utility or to provide power in a manner that has a lower greenhouse gas emissions rate or uses more renewable energy than SCE, a Member Agency may immediately withdraw its membership in the Authority without any financial obligation, as long as the Member Agency provides written notice of its intent to withdraw to the Authority Board no more than thirty (30) days after receiving the report.

If the City Norco decides to move forward to formally join the WCE JPA, the applicable ordinance will be advertised and public hearing conducted before being implemented.

FISCAL IMPACT: None at this time.

RELATIONSHIP TO STRATEGIC PLAN: Joining WCE JPA if determined to provide savings to residents while providing choice and ensuring local control over certain portion of the electric rate is consistent with Community Outreach and Engagement.

Attachments:

Resolution No. 2018-53 Approving Joint Powers Authority
Western Community Energy Joint Powers Agreement