

# CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager

DATE: November 21, 2018

SUBJECT: Approval of First Amendment to the Western Community Energy Joint Powers Agreement

RECOMMENDATION: Approve first amendment to Western Community Energy Joint Powers Agreement.

**SUMMARY:** On August 15, 2018, the City Council adopted Resolution 2018-53 electing to join the Western Community Energy (WCE) Joint Powers Agreement (JPA). On September 19, 2018, the WCE Board of Directors approved the First Amendment to the WCE JPA (attached) and requested that members adopt the amendment no later than December 31, 2018. The amendment contains some clean language but the primary purpose of this amendment is to revise Section 5.2 – “Rights to Withdraw Prior to Program Launch” to provide for a Member Agency to withdraw its membership in the Authority without any financial obligation at any time prior to the Authority entering into initial energy contracts to serve loads. It is important to note that at this time, the City’s participation in WCE is tentative and the City has the option to withdraw from WCE at any time prior to WCE entering into energy purchase contracts.

**BACKGROUND:** On August 15, 2018, the City Council adopted Resolution 2018-53 electing to join the Western Community Energy (WCE) Joint Powers Agreement (JPA) for the City of Norco to participate in a Community Choice Aggregation (CCA) Program. Community Choice Aggregation allows a local government – either alone or as a group of jurisdictions in a Joint Powers Agreement (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.

Recently, the WCE completed a draft Community Choice Aggregation Implementation Plan, which is the blue print for potential launch of a CCA within the jurisdiction of the Member Agencies. The Implementation Plan includes, among other things, organizational structure of the program, operations, funding, financial plan, load forecast, rate setting and customer service. The draft Implementation Plan is available through the City’s website as well as through the Western Riverside Council of Government (WRCOG) website. A Public Hearing on the WCE Draft Implementation

**Agenda Item: 2.C.**

Plan has been scheduled on December 12, 2018, at the WRCOG's office in Riverside. Member Agency residents are encouraged to attend to provide input. The Draft Implementation Plan must be submitted to the California Public Utilities Plan by December 31, 2018 for approval.

If the City Council wishes to continue with the tentative participation in the JPA, staff is recommending the approval of the attached First Amendment to the JPA, which clarifies the timeline for any Member Agency to withdraw from the JPA without any financial obligation.

**FISCAL IMPACT:** None at this time.

**RELATIONSHIP TO STRATEGIC PLAN:** The City's participation in the WCE JPA 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.

Attachment: First Amendment to Western Community Energy Joint Powers Agreement