

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Andy Okoro, City Manager

DATE: November 21, 2018

SUBJECT: **Ordinance No. 1043: Western Community Energy Community Choice Aggregation Ordinance:** An Ordinance of the City of Norco Authorizing the Implementation of a Community Choice Aggregation Program

RECOMMENDATION: Adopt **Ordinance No. 1043** for first reading, authorizing implementation of a Community Choice Aggregation Program, and schedule the second reading for December 5, 2018.

SUMMARY: On October 10, 2018, the Western Community Energy (WCE) Board of Directors authorized the preparation of Implementation Plan (Plan) that will be submitted to the California Public Utilities Commission (CPUC) in late December. In order to submit the Plan, each of the member agencies must adopt the Community Choice Aggregation (CCA) Ordinance by the end of 2018. Adopting the ordinance does not affect the City's ability to withdraw from WCE if the City concludes that it is not the right thing for the community. The ordinance is just the next step in the process and allows WCE to submit a complete Plan to the CPUC for certification in order to secure a spot in the April 2020 potential launch if WCE Board determines that CCA is feasible.

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 April 2020 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 Western Riverside Council of Government (WRCOG) website. A Public Hearing on the WCE Draft Implementation Plan has been scheduled on December 12, 2018 at WRCOG Administrative Offices located at 3390 University Avenue, Suite 450 in the City of 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. The Implementation Plan is also required to be approved by all the agencies by adopting the attached ordinance. Staff is recommending that the City Council approve Ordinance No. 1043, Implementing Community Choice Aggregation in the City of Norco.

FISCAL IMPACT: None at this time.

RELATIONSHIP TO STRATEGIC PLAN: 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: Ordinance No. 1043, Community Choice Aggregation Program