



## **REPORT TO CITY COUNCIL**

**To:** Honorable Mayor and Members of the City Council

**From:** Grant Yates, City Manager

**Prepared by:** Nicole Dailey, Senior Management Analyst

**Date:** February 27, 2018

**Subject:** Western Community Energy Community Choice Aggregation Program

### **Recommendation**

Receive and file.

### **Background**

In 2002, the California legislature passed Assembly Bill 117 (this bill amended by Senate Bill 790 in 2011), which allows all cities, counties, or groups of cities and counties to provide electric service to customers currently served by Investor-Owned Utilities (IOUs) such as Southern California Edison (SCE). Community Choice Aggregation (CCA) is the legislative organization empowered to provide this service.

California CCAs are customer opt-out programs that provide power supply, data management and behind the meter services, while the incumbent IOUs continue to provide transmission and distribution (wires) service.

To summarize, CCAs allow cities and counties to aggregate their buying power to secure electrical energy supply contracts on a region-wide basis.

In 2016, the Western Riverside Council of Governments (WRCOG) completed a Feasibility Study to explore the potential formation of a Community Choice Aggregation (CCA) and its potential benefits. Using conservative numbers and assumptions, this study indicated that forming a CCA would be favorable for the sub-region.

Several local jurisdictions throughout California have or are currently exploring the formation of CCAs to lower energy costs and/or provide a “greener” energy supply.

### **Discussion**

Based on its Feasibility Study, WRCOG has developed a proposed CCA program called the *Western Community Energy (WCE): Your Neighborhood Power Authority* to serve interested communities in Western Riverside County. WRCOG's program objectives include:

- Provide local control over programs, rates, and power supply/generation options.
- Provide consumers a choice in energy supply.
- Offer competitive utility rates.
- Provide economic development through implementation of renewable energy projects.

WRCOG anticipates launching its WCE program in late 2018 with several participating jurisdictions. Initially, WRCOG will administer the WCE program while it establishes a Joint Powers Authority (JPA) and Governing Board.

The City's Energy Subcommittee, comprised of Mayor Natasha Johnson and Mayor Pro-Tem Steve Manos, have met with both WRCOG and SCE regarding the proposed program and/or CCAs.

WRCOG staff will provide an informational presentation on WCE and respond to any questions from the City Council or members of the community at the meeting.

### **Fiscal Impact**

There is no fiscal impact associated with this presentation.

### **Exhibits**

- A – PowerPoint Presentation
- B – Frequently Asked Questions for Local Governments