



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: AUGUST 27, 2018

ITEM NO: 12

SUBJECT: SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY BI-ANNUAL EXPENDITURE REPORT FOR FISCAL YEAR 2017-18

ISSUE:

Recommend that the City Council receive and file this Southern California Public Power Authority bi-annual expenditure report for fiscal year 2017-18.

RECOMMENDATION:

That the Board of Public Utilities recommend that the City Council receive and file this Southern California Public Power Authority bi-annual expenditure report for fiscal year 2017-18.

BACKGROUND:

Riverside Public Utilities (RPU) is a member of the Southern California Public Power Authority (SCPPA), a joint powers authority, formed to capture the economies of scale by collectively working with 12 local publicly owned utilities.

RPU's participation in SCPPA activities is voluntary and undertaken only when participating through SCPPA is expected to add value in the form of: 1) cost savings as compared to Riverside acting individually, and/or 2) staff savings achieved by collaborating on common issues and avoiding the duplication of effort at each utility.

The majority of RPU's expenditures associated with SCPPA relate directly to its participation in the generation, transmission, and renewable projects where there is joint interest by other utilities. RPU also participates in other joint member utility services such as energy efficiency programs, training, association dues, and legislative or regulatory advocacy where services are procured using economies-of-scale pricing from the collective buying power of SCPPA members, resulting in significant ratepayer savings.

On February 21, 2017, the City Council received an update on RPU's participation and involvement in SCPPA. City Council directed staff to provide a bi-annual report to the Board of Public Utilities (Board) and the City Council on expenditures. City Council also directed staff to seek Board and City Council approval for services procured through SCPPA over \$50,000. Consistent with the City's procurement process, services between \$25,000 and \$50,000 are approved by the City Manager and services up to \$25,000 are approved by RPU General Manager.

DISCUSSION:

This SCPPA bi-annual expenditure report as of June 30, 2018 covers 12 months of activities for fiscal year (FY) 2017-18. All approved SCPPA expenditure requests are tracked and monitored by RPU staff (attached).

The following expenditures were paid through SCPPA by the Electric Utility for FY 2017-18:

SCPPA Category		Jul-Dec 2017	Jan-Jun 2018	Fiscal Year Total
Joint Power Supply & Transmission	Generation Projects	1,766,277	2,138,174	3,904,451
Joint Power Supply & Transmission	Transmission Projects	7,657,974	7,730,172	15,388,146
Joint Power Supply & Transmission	Renewable Projects	2,343,705	5,173,261	7,516,966
Other Member Services	Energy Efficiency Programs	357,240	2,362,581	2,719,821
Other Member Services	Power Resources Grid Management	84,946	3,578	88,524
Other Member Services	Energy Efficiency Program Support	76,546	3,889	80,435
Other Member Services	Industry Association	70,952	4,300	75,252
Other Member Services	Training	26,469	13,991	40,460
Other Member Services	Legislation & Regulatory	13,880	32,656	46,536
Total		12,397,989	17,462,602	29,860,591

Existing joint generation, transmission, and renewable project agreements approved by the Board and City Council represent approximately 90% of SCPPA expenditures. The remaining 10% are comprised of energy efficiency programs and other member services. All expenditures were included in the Electric Utility’s biennial budget and approved by the Board and City Council as part of the budget process.

FISCAL IMPACT:

There is no fiscal impact related to this Board action.

Prepared by: Laura M. Nomura, Utilities Assistant General Manager/Finance & Administration
 Approved by: Todd L. Jorgenson, Interim Utilities General Manager
 Approved by: Al Zelinka, FAICP, City Manager
 Approved as to form: Gary G. Geuss, City Attorney

Certifies availability of funds: Laura M. Nomura, Utilities Assistant General Manager/Finance & Administration

Attachment: Approved SCPPA Expenditure Requests – 7/1/2017 through 06/30/2018